

# MTA ANNUAL OVERTIME REPORT 2022 RESULTS



August 2022

# TABLE OF CONTENTS

<b>Executive Summary</b>	<b>1</b>
<b>Report Definitions</b>	<b>3</b>
<b>MTA (All Agencies)</b>	<b>4</b>
<b>New York City Transit</b>	<b>7</b>
<b>MTA Bus Company</b>	<b>13</b>
<b>Staten Island Railway</b>	<b>18</b>
<b>Long Island Rail Road</b>	<b>23</b>
<b>Metro North Railroad</b>	<b>28</b>
<b>Bridges and Tunnels</b>	<b>33</b>
<b>MTA Headquarters</b>	<b>38</b>
<b>MTA Availability</b>	<b>42</b>

# Executive Summary

Following the COVID-19 pandemic, MTA's primary focus during 2022 was on welcoming customers back to mass transportation by delivering service that was safe, reliable and convenient for customers. At the same time, the fragile fiscal environment required that the MTA be as vigilant as ever when it comes to controlling costs, eliminating unnecessary spending and operating efficiently. As always, effectively managing overtime usage and spending drew special attention.

***Due to staffing challenges that carried over from 2021, the MTA required significantly more overtime usage and associated spending in 2022 compared to 2021. Overtime spending was \$31 million less than it was in 2018, a reduction of 2% even though there has been a general wage increase of nearly 10% since 2018.*** These results reflect a variety of initiatives put in place since 2019, including the adoption of strengthened policies, practices and procedures and the introduction of new tools designed to help the MTA better manage the strategic use of overtime.

Since 2019, the MTA's Overtime Task Force (OTTF) has provided executive leadership and direction across the entire Agency to reform and strengthen its overtime management practices and procedures. In August 2019 Morrison & Foerster LLP issued its "Overtime Policies and Procedures" Report that recommended 15 concrete steps that the MTA should take to improve its overtime management oversight. The MTA Inspector General's Office (MTAIG) issued another four recommendations. As of the end of 2021, the MTAIG had confirmed that 14 of the 15 Morrison & Foerster recommendations had been implemented. Some of the key recommendations that have been implemented include:

- ***establishment of MTA wide policies on Timekeeping & Attendance and Overtime and implementation of agency specific procedures consistent with those policies;***
- ***requirement that all employees utilize the Kronos timekeeping system to record their attendance;***
- ***development of advanced interactive performance dashboards that provide managers and decision-makers with additional tools to effectively manage their employees;***
- ***establishment of a consistent approach to monitoring employees who work the most overtime;***
- ***development of a consistent methodology to calculate employee availability across agencies;***
- ***introduction of more transparent reporting, both internal and external to the Board and the public; and***
- ***issuance of this annual report, which analyzes budget to actual overtime expenditures and explains the drivers of overtime at formal monthly reporting and review of overtime trends, causes and budget performance.***

The one open recommendation - full integration of scheduling, timekeeping and payroll systems – continues to be an ongoing effort. However, the MTA has made great strides with the systems it currently has in place, and now can verify an employee's attendance and identify red flags regardless of the particular timekeeping system used at each agency.

Operating a mass transportation and bridges/ tunnels system the size of the MTA – 24 hours per day and seven days per week – requires the use of overtime. The most obvious examples involve responding to emergencies and other unplanned events. In other cases, operational needs and service schedules entail extending existing employee work tours on overtime rather than hiring new staff. Another factor is the need to protect

service during traditional peak time periods, which results in work performed when ridership is lower, such as during nights and weekends, which entails the utilization of overtime. Employee availability also plays a role, as backfilling critical positions on overtime is sometimes required to deliver service. All of this takes place in the context of existing collective bargaining agreements. Moreover, the use of overtime can be cost-effective in some circumstances.

In short, the use of overtime is an important tool for the MTA. The key is to make sure that it is used when essential and that it represents an efficient use of resources. The development of strong policies and procedures, robust reporting tools and a management focus on cost effectiveness make this possible. One aspect to keep in mind is that with annual wage increases included in current labor contracts, an hour of regular pay or overtime pay will cost more this year than last year.

This MTA Annual Overtime Report examines trends in overtime spending across the MTA agencies over the past five years (2018-2022), comparing actuals both to prior years and to budget. It details spending by overtime category and identifies the factors that contributed to these trends. Additionally, it explores how overtime is distributed across the workforce, measuring how much overtime employees are earning versus their base salary.

**MTA-wide, overtime spending increased in 2022 versus 2021, by 15% or \$181 million, from \$1.17 billion to \$1.35 billion.** This was after two years of consecutive reductions - 9% in 2019 and 10% in 2020. The results for 2022 versus 2021 reflect the impacts of the pandemic, most notably enhanced vacancy/absentee coverage at New York City Transit and the MTA Bus Company and increased train service levels at the commuter railroads. These increases also include reimbursable project overtime consistent with 2020 activity. The MTA ended the year within 3% of its overtime budget, a mark that was much better than the years immediately preceding the pandemic.

Another area that the MTA has paid special attention to is the so-called “high earners” - employees who earn a high amount of overtime and/or a large amount overtime versus their base pay. **During 2022, approximately 13.5% of overtime eligible employees earned overtime at a level greater than 50% of their base salary. This percent is more than 2021 and 2020 but significantly less than the pre-pandemic years of 2018 and 2019.** At the other end of the spectrum, the percent of employees who earned overtime at a level less than 10% of their base salary has steadily grown over the last two years from 27.2% in 2018 to 41.3% in 2022. Several factors contributed to this trend, including reduced NYCT Subway Action Plan activity and reduced LIRR capital project activity (East Side Access, Main Line Double Track) – each of these efforts previously concentrated a large amount of overtime on a smaller cadre of employees and titles. At B&T, efficiencies achieved through Open Road Cashless Tolling helped reduce overtime earnings rates.

Improving employee availability is a particular focus at the MTA, as low availability results in increased overtime spending. **During 2022, MTA-wide availability (excluding MTA Police Department employees and non-represented New York City Transit and MTA Bus employees) was 77%. This was consistent with 2021 overall results even though the mix of unavailable time classifications shifted.** The MTA has formed a project team to review agency availability performance in detail and work with management to share best practices and identify opportunities to improve availability.

The MTA's work is not over. Overtime expenses continue to make up a significant portion of the MTA's budget, and efforts that reduce overtime will play a major role in addressing the MTA's financial challenges. Areas of

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Note that these figures are unadjusted for the general wage increases awarded during 2021.

focus during 2022 and beyond include adhering to an aggressive hiring plan that will lead to reduced vacancy overtime; developing an Agency-wide strategic approach to improving availability that will lead to reduced absentee overtime; and using digital timeclocks to accurately record time and attendance.

## Report Definitions

When comparing overtime actuals to budget, the Adopted Budget is used as reference (excluding NYCT, which uses an adjusted Adopted Budget that contains updates for Subway Action Plan related items). 2022 actuals reflect preliminary unaudited results. Final audited results will be published in May 2023.

When comparing the overtime earned to an employee's annual base rate, the base salary is defined as the employee's annual rate on the last day of the period under review (it does not include any additional contractual obligations) – rather than the actual regular earnings of the employee during the period under review. Overtime earned is defined as per the 2020 Freedom of Information Law (FOIL) employee earnings report. Overtime eligibility is determined by the employee's union code on the last day of the period under review and whether that union code is eligible for overtime.

Overtime can be classified as reimbursable or non-reimbursable. Reimbursable overtime includes work done to support projects that are reimbursed, primarily from the MTA's Capital Program, as well as through various security grant programs. Another less common source of reimbursement is work performed on behalf of third parties. Non-reimbursable overtime supports operating activities.

MTA overtime is classified under one of the ten categories listed below. Except for "Reimbursable", all categories support operating activities and are considered non-reimbursable overtime.

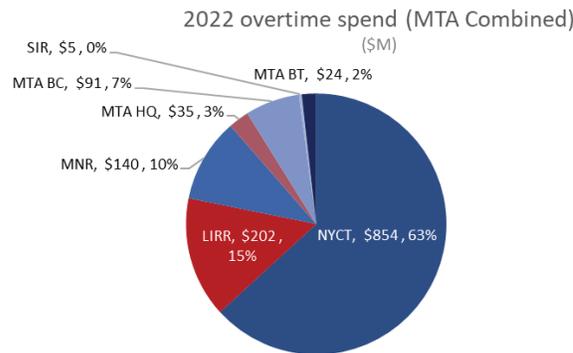
Not all agencies use each of the categories listed below and some agencies combine lesser used categories in their reporting. The relevant charts in each agency section list the categories used (if a category is not specified, it can be assumed to be included in "Other" or is not used by the agency).

- 1. Scheduled service** – Scheduled overtime applies primarily to service delivery employees (e.g., Bus Operators, Train Operators and Conductors) who are scheduled to work crew book/regular run/shift tours over 8 hours. It includes crew book/ regular run/ shift hours that are above their regular straight time tour. Scheduled overtime does not apply to most maintenance and non-service delivery titles (e.g., track workers, bus maintainers, security personnel, administrative/ clerical staff) even if that overtime was planned in advance. Since scheduled overtime only applies to service delivery roles, some agencies do not use it
- 2. Unscheduled service** – Overtime used to support service resulting from non-weather-related extraordinary events such as mechanical breakdowns and traffic delays
- 3. Programmatic/ Routine maintenance** – Overtime used for planned program maintenance work, usually performed during hours that are deemed more practical in order to minimize service disruptions
- 4. Unscheduled maintenance** – Overtime used for unplanned maintenance work resulting from non-weather-related extraordinary events such as emergency repairs and derailments
- 5. Absentee/ Vacancy coverage** – Overtime used to provide coverage for an absent employee (vacation, sickness, etc.) or a vacant position

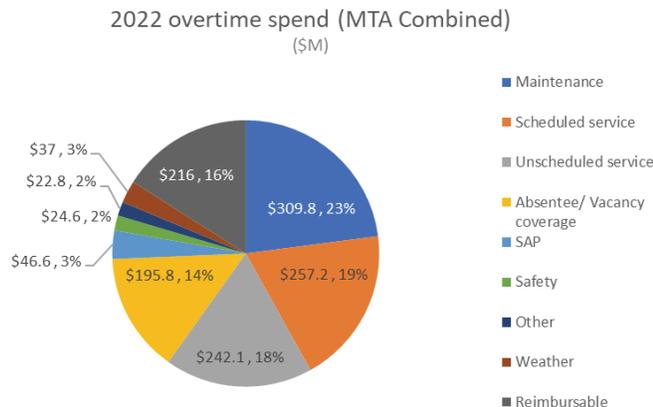
- 6. **Weather** – Overtime necessitated by extreme weather conditions (e.g., snow, flooding, hurricane, tornadoes), as well as preparatory and residual costs
- 7. **Safety** – Overtime used to provide additional customer/ employee protection and to secure MTA facilities and transportation routes
- 8. **Other** – Overtime coverage for clerical and administrative positions that are eligible for overtime and miscellaneous overtime
- 9. **Reimbursable** – As noted above, overtime incurred to support projects that are reimbursed from the MTA Capital Program and other third-party funding sources
- 10. **Subway Action Plan (SAP) – (NYCT only)** Overtime used as part of the SAP program launched in July 2017 to stabilize the Subway system and to quickly implement systemwide improvements

## MTA (All Agencies)

The MTA's total overtime spending in 2022 was \$1.35 billion. The largest portion (63%) occurred at NYCT, which is by far the largest agency. This was followed by LIRR at 15% and MNR at 10%. It is important to note that the MTAHQ actuals of \$35 million are primarily due to overtime costs incurred by the MTA Police Department.



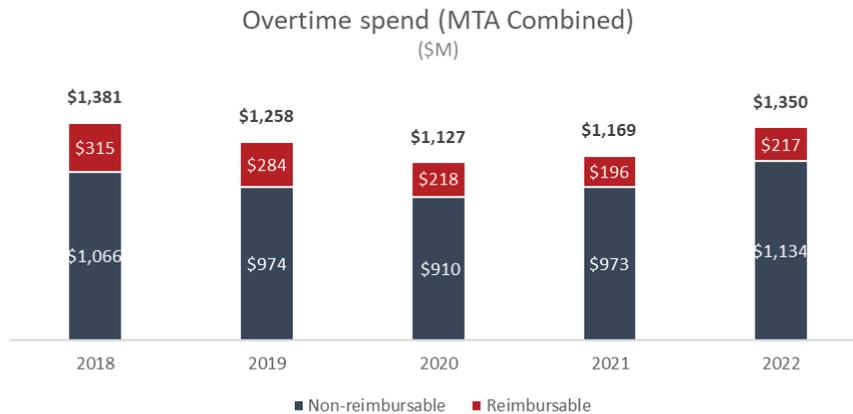
The largest category of overtime across the MTA was in maintenance. This was followed by scheduled service and unscheduled service and reimbursable. The only other category that made up more than 10% of the total was absentee/vacancy coverage. While response to weather events attracts a lot of public attention, it comprises a relatively small portion (1%) of the total overtime budget.



## MTA Overtime Trends

Overtime spending increased by approximately 15% or \$181 million in 2022 compared to 2021. The unpredictability of the past two years of the pandemic are reflected in these results. In 2020, scheduled overtime was less at the railroads as they scaled back train service levels due to the pandemic. On the other hand, enhanced station and fleet sanitization efforts contributed to significant increases in overtime that year. In 2022, scheduled overtime at the railroads increased as service levels were again moved closer to pre-COVID levels, while sanitization overtime dropped as the MTA became more efficient at performing those functions. Vacancy/absentee overtime was a significant component of overtime spending in both years, particularly at NYCT and MTA Bus, as agencies grappled with low employee availability and high vacancy rates.

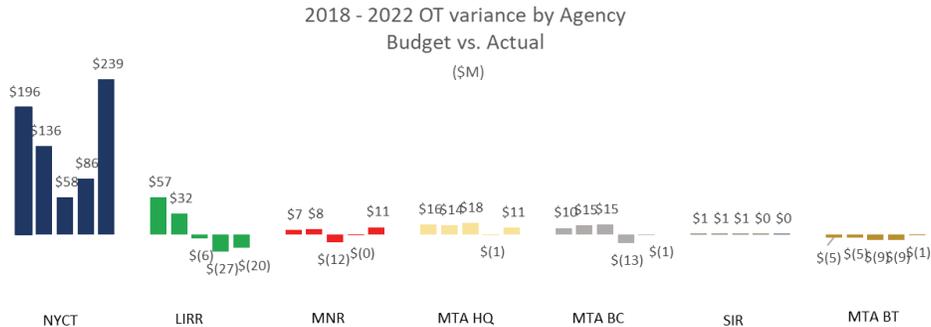
Over the five-year period between 2018 and 2022, non-reimbursable overtime has increased after three years of lower spending. Reimbursable overtime has been relatively stable in 2020 through 2022.



## MTA Overtime Performance versus Budget

Comparing actual overtime costs to budgeted overtime costs allows management to assess both the reasonableness of the adopted budget and its ability to manage to that budget. In 2018, the MTA exceeded its original budget by \$282 million (26%). In 2019, it reduced its original budget overage to \$202 million (19%). In 2020, the MTA reduced it further to only \$69 million (6%), and in 2021, the overage was only \$32 million (3%). However, in 2022, overtime spend exceeded budget by \$181 million (15%) due to the continued staff shortage and availability decrease across the agency. Some of this overtime spend was offset by underruns in base payroll due to higher vacancy rates in critical positions.

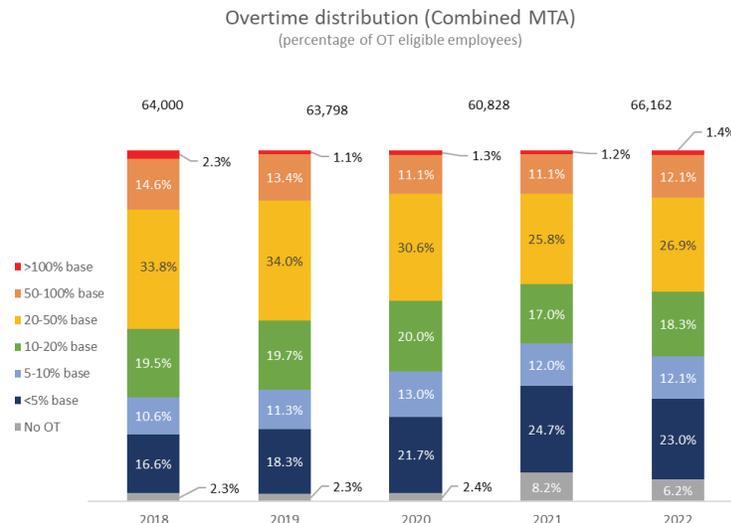
A review of agency budget performance reveals that four of the seven MTA agencies ended the year below budget. NYCT, Metro-North Railroad and MTA Headquarters (MTAPD) were over budget, reflecting vacant positions and availability coverage.



### MTA Distribution of Overtime

The distribution of overtime among the workforce impacts both short-term and long-term costs, and for this reason, it is important for management to monitor how overtime is assigned. In many cases, the terms of existing collective bargaining agreements establish the procedures a department must follow when filling overtime assignments, and in many circumstances, priority is given to employees with the highest seniority. This can contribute to an environment where total overtime spending can drop but the overtime earnings for a smaller number of senior and “high earner” employees can increase. This reality must be factored into the calculation when management decides when and how to perform work.

In 2022, approximately 13.5% of overtime eligible employees earned overtime at a level greater than 50% of their base salary. This percent is more than 2021 and 2020 but significantly less than the pre-pandemic years of 2018 and 2019. At B&T, efficiencies achieved through Open Road Cashless Tolling helped reduce overtime earnings rates. At the other end of the spectrum, the percent of employees who earned overtime at a level less than 10% of their base salary has steadily grown over the last three years from 27.2% in 2018 to 41.3% in 2022.



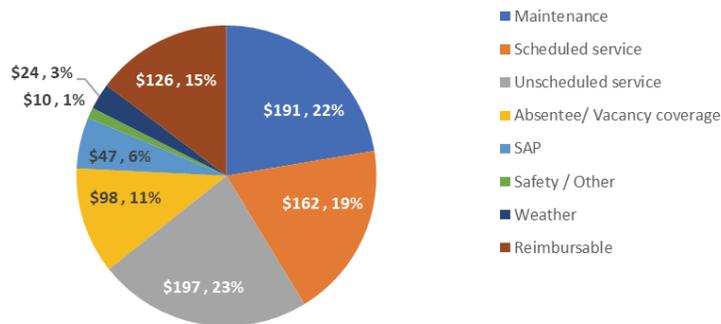
# New York City Transit (NYCT)

## Overview

Overtime at NYCT is driven by three main functions: service, maintenance and capital work. NYCT uses overtime coverage to maintain the fleet and the right-of-way, deliver scheduled and unscheduled bus and train service, provide vacancy/ absentee coverage, response to weather events and support capital reimbursable projects.

NYCT overtime spending totaled \$855 million in 2022. Maintenance, scheduled and unscheduled service each accounted for approximately one fifth of overtime expenses. Absentee/vacancy coverage share was 11%.

2022 overtime spend (NYCT)(\$M)



## NYCT Overtime Trends

NYCT classifies overtime as non-reimbursable or reimbursable, and within those two categories distinguishes between scheduled and unscheduled overtime. Scheduled overtime applies primarily to service delivery titles (e.g., Bus Operators, Train Operators and Conductors) who are scheduled to work a shift that is over 8 hours. Scheduled overtime does not apply to most maintenance and non-service delivery titles (e.g., track workers, bus maintainers) even if that overtime was planned. While this distinction does not map directly onto whether overtime is planned or unplanned, it is industry practice to budget overtime as scheduled or unscheduled in this way.

Overtime spend (NYCT) (\$M)



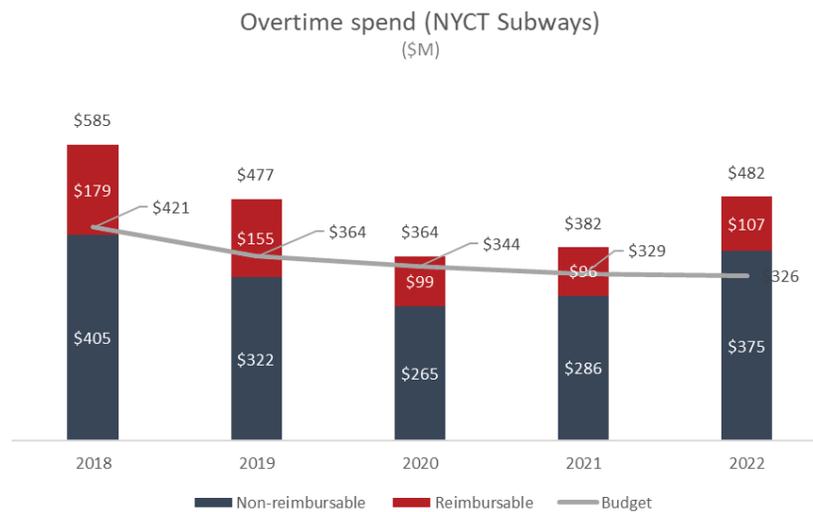
For 2018-2022, non-reimbursable overtime accounted for 80% of total overtime expenses (average \$646 million annually). The vast majority of that was unscheduled overtime (\$566 million in 2022) compared to scheduled overtime (\$162 million in 2022). Reimbursable overtime accounted for 20% of overtime expenses (\$151 million average), virtually all of which was unscheduled overtime.

NYCT overtime spending increased by \$111 million (15%) between 2021 and 2022. This increase was due to worsening availability, existence of an average of 2,345 full-time vacancies, as well as increases in scheduled and unscheduled service.

2022 overtime spending was 5% below 2018 and 8% ahead of 2019. Total overtime expense decreased by \$45 million from 2018 to 2022, with total reimbursable overtime down by \$90 million (42%) and non-reimbursable overtime up by \$44 million (6%). The reduction in reimbursable overtime was mainly due to reduced capital program activity as the agency is recovering from the pandemic.

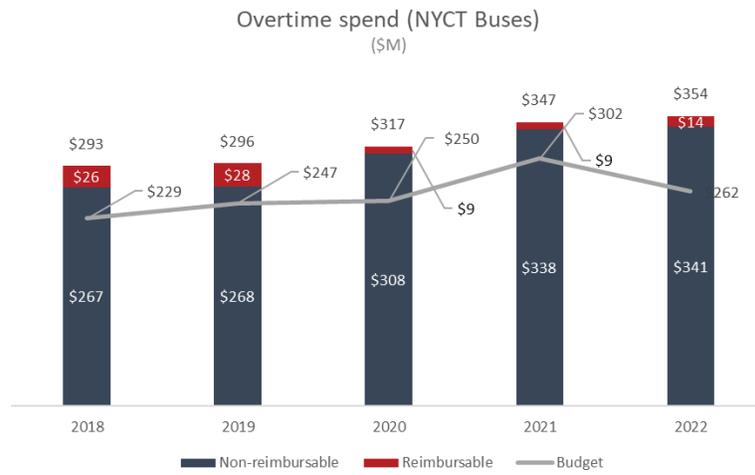
### Department of Subways

Subways overtime in 2022 was at pre-pandemic levels. Overtime expenses decreased by \$103 million from 2018 to 2022. This decrease is mainly due to reduced Subway Action Plan (SAP) initiatives, which totaled \$117 million in 2018 but only \$47 million in 2022 (60% decline).

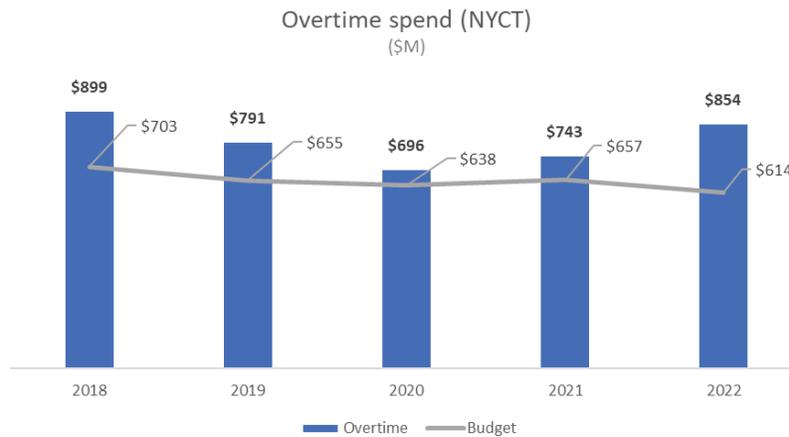


## Department of Buses

Overtime spending increased by \$30 million from 2020 (\$317 million) to 2021 (\$347 million). Buses overtime spending increased by \$54 million (18%) from 2018 to 2021. Non-reimbursable costs increased by \$71 million (27%), with scheduled overtime up \$6 million (6%) and unscheduled overtime up \$64 million (41%). The increase in non-reimbursable unscheduled overtime was largely due to the vacancies (269 full-time, mainly hourlies) and worsening availability, and COVID-19 cleaning/disinfecting requirements. Reimbursable overtime costs decreased by \$17 million (67%), mainly due to a decrease in capital project activity as a result of the pandemic.



## NYCT Overtime Performance versus Budget



### 2022 Total NYCT overtime was \$237 million over budget.

**Scheduled Service** – Variances from budget were minor as the budget is adjusted for changes in running time and other service adjustments, such as guideline changes, on an annual basis. In 2022, NYCT was \$2.2 million over budget.

**Unscheduled service** – This category primarily reflects the impacts of subway and bus service delays resulting from traffic, weather, diversions, passenger loading and other events which affect the run time, as well as additional service requirements for special events. In 2022, the Agency was \$87 million over budget.

**Maintenance (Planned & Emergency)** – This category includes overtime used for rolling stock maintenance, station, car, bus and facility cleaning, and Right of Way (ROW) maintenance. NYCT ended 2022 \$47 million over budget, mainly due to the lingering effects of the pandemic driving poor availability and large number of vacancies in hard to fill titles.

**Subway Action Plan (SAP)** – SAP was launched in July 2017 to stabilize the Subway system and to quickly implement systemwide improvements over an initial 18-month period from mid-2017 through 2018. From 2018 to 2019 all divisions saw major declines except for Stations, as major SAP elements were completed by the end of 2018. 2022 SAP overtime was under budget by \$3 million.

**Absentee/ Vacancy Coverage** – This category accounted for approximately 7% of non-reimbursable overtime expenses between 2018-2022. Vacancies for specific titles in certain periods can be greater than forecast and this requires additional overtime to meet requirements.

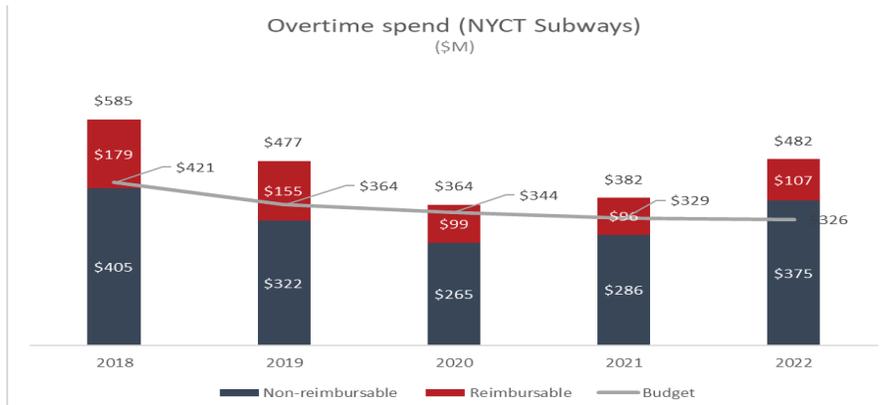
Absentee coverage exceeded budget by \$86 million in 2022. This was due to worsening availability and the existence of an average 2,345 full-time vacant positions during the year.

**Weather** – This category accounted for approximately 4% of non-reimbursable overtime expenses between 2018 and 2022. Maintaining service during significant weather events, such as snowstorms, requires extra shifts from employees to clear snow from stations, move vehicles to protected locations, chaining buses as required, respond to an increased number of incidents and restore service. Weather events can also result in overtime due to slower service (e.g., bus routes take longer to complete than originally scheduled). While some overtime work for weather is budgeted, since weather is unpredictable by nature, the extra work that results is completed on overtime.

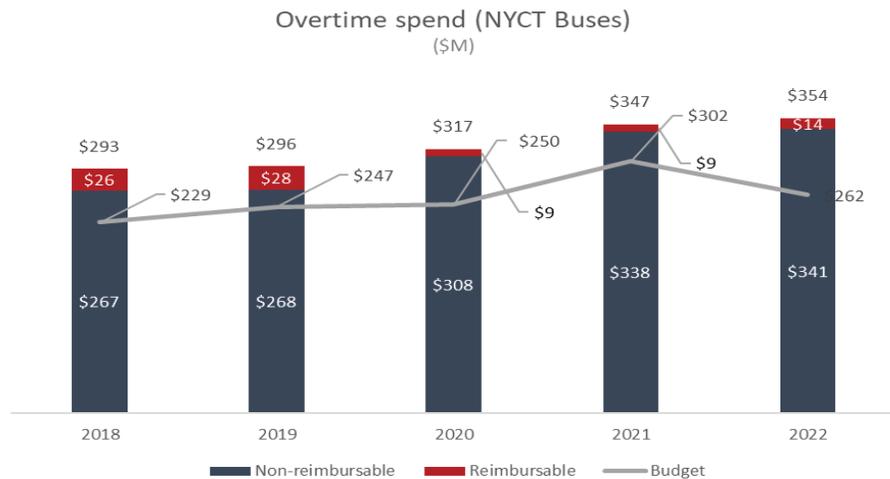
**Other** – Accounted for approximately 1% of non-reimbursable overtime expenses from 2018-2022. This category includes overtime used to provide additional customer/employee protection and to secure facilities and transportation routes, and overtime coverage for professional positions that are eligible for overtime, and miscellaneous overtime. Overtime results in this category are usually favorable compared to budget.

**Reimbursable** – This category accounted for around 20% of total overtime expenses between 2018 and 2022. Reimbursable overtime is used to support projects that are reimbursed from the MTA Capital Program and other funding sources. Subways has a significantly larger proportion of reimbursable overtime than Buses due to the number of subway capital projects and the complexities associated with capital construction in the subway environment. In 2022 Reimbursable overtime ended the year slightly over budget (\$3 million or 2%).

While Subways historically has struggled to achieve its budget target, overruns have declined in recent years compared to pre-pandemic levels. Overtime spending increased by \$100 million from 2021 (\$382 million) to 2022 (\$482 million). In 2022, the total overrun was \$156 million (16%), an improvement compared with the 2018 overrun of \$163 million (39%). Although overtime spending from 2018 to 2022 has declined, actual spending has overrun the budget. Availability issues among craft and service titles and the need to backfill shifts on overtime contributes to the annual overruns against budget



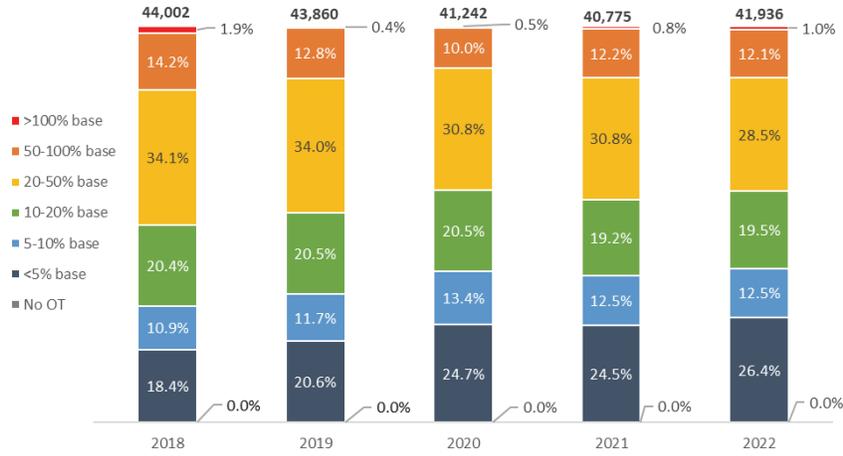
Achieving budget targets also has been difficult for Buses. In 2022, the total overrun was \$93 million (35%). In particular, non-reimbursable overruns increased from \$46 million (21%) in 2018 to \$90 million (36%) in 2022. Availability and vacancies continued to be a challenge. Buses continues to strengthen the budget adherence process and to investigate overtime drivers. Availability issues among Bus Operators and Maintainers and the need to backfill shifts on overtime contributes to the annual overruns against budget.



### NYCT Distribution of Overtime

Average overtime earnings for full-year active operating employees declined from approximately \$19,000 in 2018 to \$17,000 in 2022. Average overtime earnings as a percentage of base pay decreased from 29.0% in 2018 to 24.3% in 2022. In terms of high overtime earners, 13.1% of employees had overtime earnings equivalent to 50% or more of their base pay in 2022, which was much less than the 2018 spike of 16%. In 2018, 854 employees (1.9%) had earnings over 100% of base pay, but in 2022 this figure was just 434 employees (1.0%). The 2018 results included the first full year of overtime expenses for the Subway Action Plan (SAP) and resulted in higher average overtime earnings per employee. Since this initial period, SAP overtime has declined, resulting in improvements in average overtime earnings compared to 2022.

Overtime distribution (NYCT)  
(percentage of OT eligible employees)



### Ongoing NYCT Overtime Management Efforts

NYCT's focus going forward will be in two critical areas. First, to address its high number of vacancies, it has embarked on an aggressive hiring campaign to ensure there is a steady stream of inductees to fill attrition especially in critical service and maintenance areas that would require overtime backfill. Second, continue monitoring overtime through actively managing work requirement and personnel assignment.

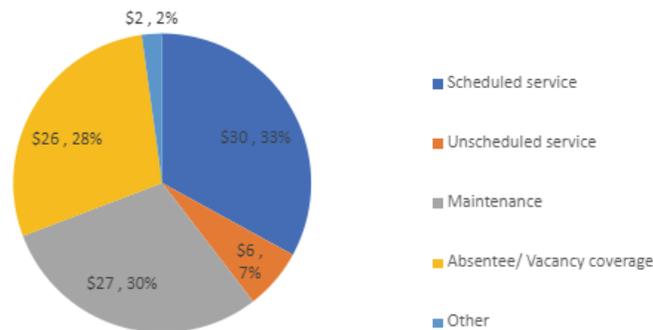
# MTA Bus Company (MTA BC)

## Overview

Overtime at the MTA Bus Company (MTA BC) is driven by two overtime eligible departments: Transportation and Maintenance. MTA BC uses overtime coverage to assist with providing service, vacancy / absentee coverage, bus maintenance (planned and unscheduled) and more recently to perform daily overnight COVID-19 cleaning and disinfection of each bus in service.

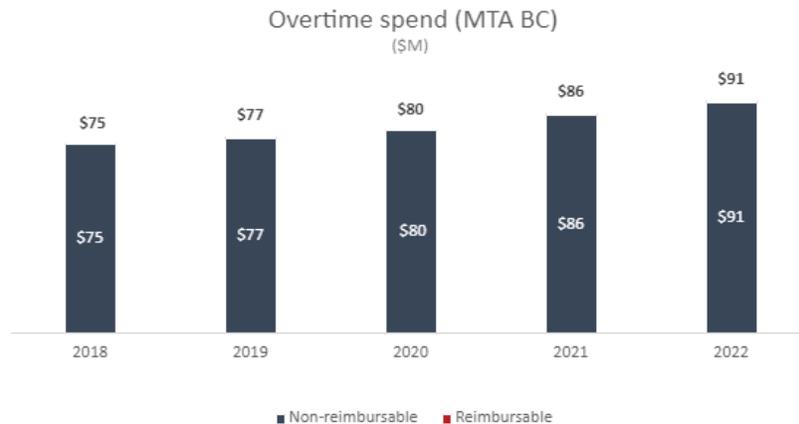
MTA BC overtime spending totaled \$91 million in 2022. The largest categories of overtime spending were Scheduled Service, Vacancy / Absentee coverage and Programmatic Maintenance. Scheduled service represented approximately one-third of overtime expenses and is a normal component of the required daily work hours; it is planned work that ensures that bus operators and dispatchers are most efficiently used to meet scheduled bus service. Absentee / Vacancy coverage and maintenance activities each represented approximately 30% overtime expenses. The balance of the overtime spending was incurred for Unscheduled Service and Other. Other was incurred primarily for weather.

2022 Overtime spend (MTA BC)(\$M)



## MTA BC Overtime Trends

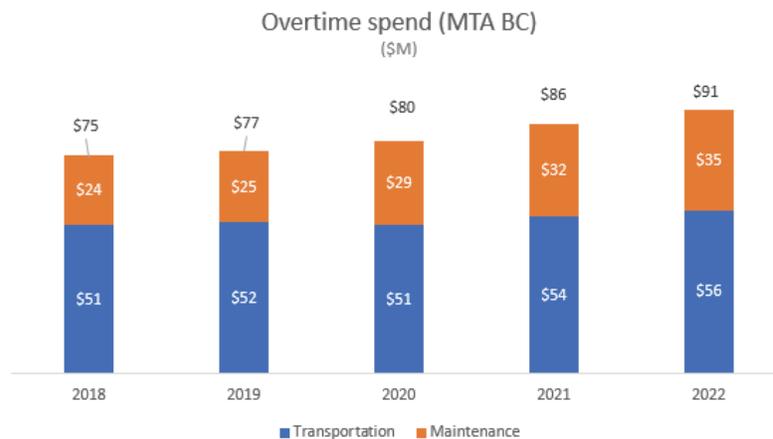
Overtime falls into one of two funding categories – Non-reimbursable and Reimbursable. Non-reimbursable refers to overtime expenses that are paid from MTA BC’s operating budget. Reimbursable refers to overtime expenses that can be charged to a funding source other than the operating budget such as budgeted capital funding. Historically, MTA BC has not budgeted for reimbursable overtime hours or dollars and has experienced minimal usage. No reimbursable overtime was incurred in 2018 and 2020; 2019 reimbursable overtime was less than \$0.1 million. Reimbursable overtime was approximately \$0.2 million in both 2021 and 2022. Due to the minimal reimbursable OT spending, the reimbursable overtime amounts are excluded from the remainder of the MTA BC’s overtime discussion.



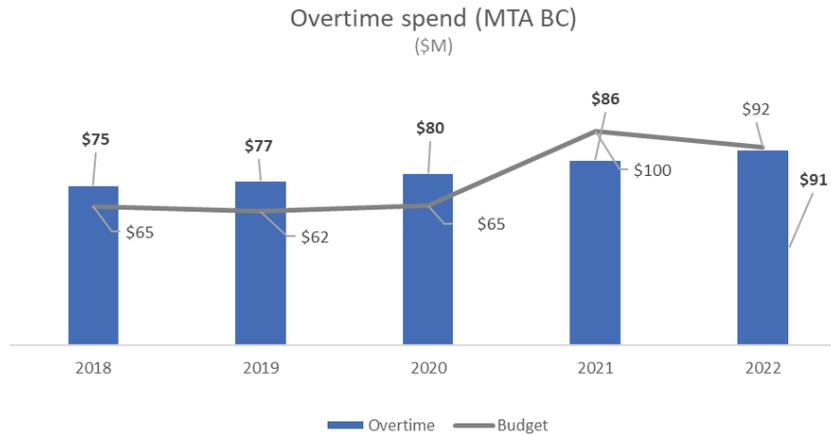
Total MTA BC overtime expense increased by \$16 million (21.3%) between 2018 and 2022. The increase was driven primarily by several factors including: 1) higher vacancy/absentee coverage resulting from increased retirements, vacancies, and lower availability, 2) increased bus maintenance due to the greater maintenance needs for MTA BC’s older fleet, 3) the installation of protective Covid-19 driver bus curtains on express buses, prototype Covid-19 bus barriers are being tested for the express fleet, 4) the installation of safety equipment on the fleet, and 5) the continuation of the daily overnight COVID-19 bus cleaning and disinfecting. Scheduled and Unscheduled Service overtime was favorable due to lower running time, favorable traffic and road conditions partially offset by the overnight for the overnight cleaning and disinfecting of buses.

From 2021 to 2022 overtime increased by \$5 million (5.8%). This increase was primarily the result of increased Scheduled Service Overtime and Unscheduled Service Overtime of \$2 million, respectively, as ridership increased by 15.7% to 82.6 million riders from 2021. Maintenance overtime increased by \$1 million due mainly to the increasing maintenance requirements of the older fleet, the daily overnight COVID-19 bus cleaning and disinfecting, and the Covid-19 safety measures mentioned above. Vacancy / absence coverage remained relatively flat between 2021 and 2022. These results include the impact of a 2.75% wage increase effective May, 2022.

Overtime usage at MTA BC is driven mainly by the Transportation and Maintenance hourly and supervisory employee groups that are represented by various labor unions. The hourly population primarily consists of Bus Operators and Bus Maintainers. The Supervisory group consists of Bus Maintenance, Facilities, Store-room and Fare Revenue Line Supervisors and Transportation Dispatchers. Overtime for bus service is the largest contributor to overtime usage. As noted above, the chart data below excludes reimbursable overtime.



## MTA BC Overtime Performance versus Budget



### 2022 Total MTA BC overtime was \$0.7 million under budget.

**Scheduled Service** – Scheduled overtime is a normal component of Bus Operator and Dispatcher daily work requirements. It is planned and is earned for all hours above 8 hours worked. Scheduled overtime is included in bus operations schedules and is part of a picked assignment. The average tour of duty for a bus operator is 9.9 hours; dispatchers can also pick work that may exceed 8 hours and thus earn scheduled overtime.

Scheduled service overtime continues to be favorable in 2022 primarily due to the impacts of COVID-19 as there was less street congestion and traffic, and bus operator staffing shortages drove limited reductions in service.

**Unscheduled Service** – Unscheduled Overtime is earned in the same manner but is unplanned and the result of unanticipated service / operating / emergency needs. Factors such as traffic, running time and shuttle service may lead to unscheduled overtime for bus operators and dispatchers.

The drivers for Unscheduled Service overtime are similar to the Scheduled Service drivers. Unscheduled Service overtime was favorable by \$4 million in 2022 primarily due to the impact of COVID-19 service reductions, less traffic and reduced congestion. In 2021, the same trends offset the cost of supporting essential overnight service. In 2018 and 2019, increased running time, traffic and additional service were the main drivers of Unscheduled Service overtime.

**Programmatic / Routine Maintenance** – This category includes regularly scheduled and unscheduled fleet maintenance, campaigns and training. The majority of programmatic / routine bus maintenance overtime is incurred when Buses are inspected and serviced during regularly scheduled inspections (SO). During SOs, regular scheduled maintenance procedures such as oil and filter changes, brake inspections, etc. are performed. However, additional maintenance and / or potential bus systems / components issues are often discovered during inspections and must be addressed immediately to ensure the safe, reliable operation of the bus and its timely return to service. This work is referred to as “SO pickup” (SOPU) work and often needs to be completed on unscheduled overtime.

The COVID-19 pandemic, led to the mandate that all buses in customer service were to be cleaned and disinfected daily. The daily disinfecting work was completed by employees primarily on overtime either before or after their regular work shift. Additionally, overtime was required to complete the installation of COVID-19 bus curtains on express buses in 2022. Work began late in 2022 on the design and testing of prototype Covid-19 bus barriers for express buses. Programmatic and routine maintenance is mileage-based and declined during the pandemic as bus operator staffing shortages drove some limited reductions in scheduled service.

In 2022, Maintenance (Scheduled, Unscheduled and Programmatic Routine Maintenance) overtime was \$4 million under budget primarily due to favorable daily COVID-19 bus cleaning, disinfection, and other COVID-19 safety procedures resulting from the use of handheld disinfecting sprayers when possible, the timing of the scheduled inspections and the Shop overhaul program due to the COVID-19 service reductions.

The expected life of a bus is 12 years. As of January 2023, the average age of the MTA BC fleet was 10.5 years of age and 52% of the fleet is over the 12-year expected bus life. The improvement in fleet age (11.5 years and 62% of the fleet) from 2021 is due to the delivery of 173 new buses during in 2022. MTA BC has limited capital funding to acquire new buses on a schedule lifecycle basis. MTA BC has developed comprehensive maintenance programs to extend bus life beyond 12 years to ensure the safe and reliable operation of these overage buses.

Additional programmatic maintenance overtime can arise from urgent campaigns that are required to address a broad range of preventative or corrective situations including safety, repairs / replacement of bus components due to defect and or life cycle needs, federal or state mandated changes, technology improvements, retrofits, safety and security, customer information system improvement, warranty, etc.

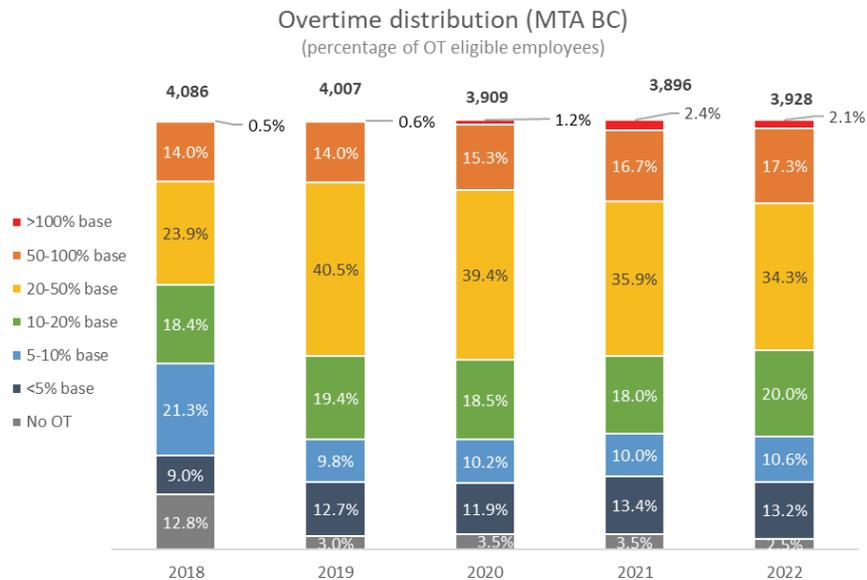
Training is a component of overtime usage due to the diverse composition of the bus fleet. Training classes are provided to all MTA BC employees to ensure that employees are knowledgeable about the bus fleet, the specialized equipment they work with and, critically more important, on how to perform their duties safely. Training may be required to be completed outside of the employee’s regularly scheduled hours and on overtime.

**Vacancy / Absentee Coverage** – This category of overtime was \$9 million over budget as low availability, the existence of vacancies (an average of 173 hourly vacancies during 2022), retirements, and COVID-19 cleaning requirements increased the number of open positions / works which had to be filled in addition to meeting service and maintenance needs. Availability against goal for all titles was unfavorable; all titles, except maintenance hourly, declined further in 2022 from 2021 levels.

Bus Operator worked an average of 198.6 days in 2022 (0.82 days less than goal). Workers’ compensation / injury on duty (IOD) and sick unpaid related absences were the primary drivers for bus operator availability.

**Weather Emergencies, Safety, Security, Law Enforcement & Other** – As noted above, these categories are consolidated and reported as a single category for this discussion. Overtime for Safety, Security, Law Enforcement and Other has been minimal over the 2018 – 2022 period.

### MTA BC Distribution of Overtime



In 2022, there were 78 employees (2.1%) with overtime earnings over 100% of base pay. In 2018, there were 19 operating employees (0.5%) with overtime earnings exceeding 100% of base pay versus 24 employees (0.6%) in 2019; 48 employees (1.2%) in 2020 and 92 employees (2.4%) in 2021. When examining employees who earned 50% of greater of base pay, the percent grew from 14% to 19% over the 2018 thru 2022 period. These trends reflect the impact of the pandemic on overtime distribution.

Average overtime earnings for eligible operating employees earning greater than \$100,000 in 2022 was approximately \$120,000, reflecting a 1.7% increase over the 2021 average of approximately \$118,000. The increase was driven primarily contractual salary and wage increases as well as the continued disinfecting / cleaning of buses, vacancy coverage, retirements and poor availability.

Average overtime earnings for eligible operating employees earning greater than \$100,000 in 2021 was approximately \$118,000 reflecting a 28.3% increase over the 2020 average of approximately \$92,000; the increase driven the same reasons discussed above.

### Ongoing MTA BC Overtime Management Efforts

MTA BC will continue its efforts to aggressively manage overtime through the hiring of hourly and supervisory personnel to fill vacancies and to meet its service and maintenance needs. Although hiring to fill vacancies is underway; overtime will continue to be incurred until budgeted staffing levels are attained and newly hired employees have completed their training, and to meet new needs and service requirements. MTA Bus will continue to identify and implement opportunities to improve productivity. Additionally, FMLA targeted programs, which focus on improving availability, will continue to reach out to employees that have been absent to determine a return-to-work date.

# Staten Island Railway (SIR)

## Overview

Overtime at the Staten Island Railroad (SIR) is driven by two main overtime eligible departments: Maintenance and Service. The SIR uses overtime to address acute labor demand and to expand work shifts to accommodate scheduled runs.

SIR overtime spending totaled \$4.7 million in 2022. Approximately two thirds of overtime expenses were related to maintenance activities, and 24% was attributable to scheduled service. Most of the remaining overtime spending was for reimbursable overtime, supporting the Agency's ongoing capital programs.

2022 overtime spend (SIR)  
(\$M)



## SIR Overtime Trends

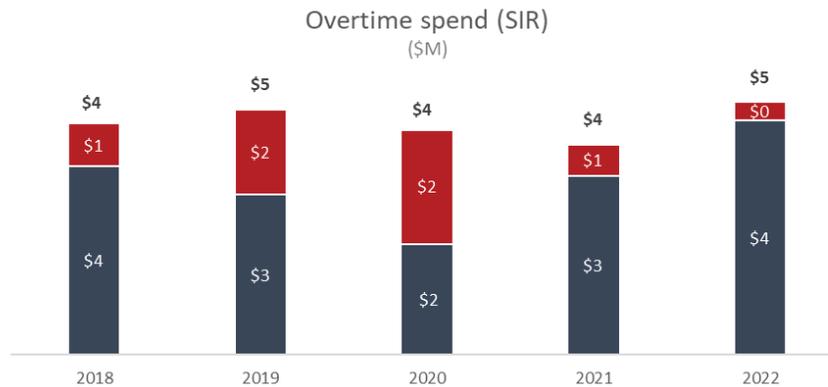
Although SIR is managed by NYCT Department of Subways, which numbers nearly thirty-thousand employees, SIR does not share the same three-shift-daily staffing assignment model. Instead, with ~350 employees, SIR is predominately staffed Monday through Friday. Therefore, the following requisite facets of system operation are handled on an overtime assignment basis:

1. Weekend service
2. Adverse weather preparation/ response
3. Emergency response
4. Reimbursable project support

Overtime at SIR is used to address acute labor demand and to expand work shifts to accommodate scheduled runs. This flexibility allows the agency to more dynamically meet work requirements (planned or otherwise), while striking the right balance between headcount with embedded fringe costs for paid leaves, employee health and retirement benefits, and overtime, which includes a bonus premium.

SIR classifies overtime by funding source as either non-reimbursable from operating sources funding operating activities, or reimbursable in support of projects that will be reimbursed and funded by the MTA's Capital

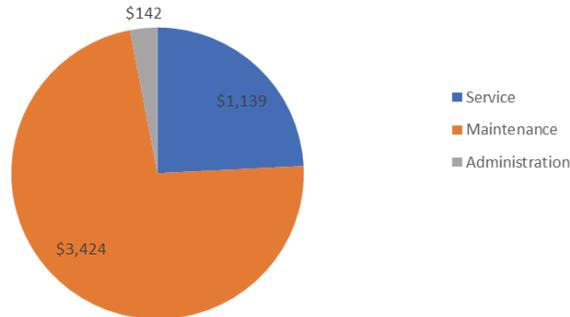
Program or another institutional customer. Furthermore, overtime expense at SIR may be categorized by organizational division, which rolls up along two principal functions of passenger service or system maintenance.



Total overtime expenses at SIR have remained relatively consistent over the past five years, decreasing \$399,000 from 2018 to 2022. However, during 2019-2020, the funding composition shifted significantly away from being mainly operating funded in support of maintenance activities towards capital projects with a reimbursable funding source. Annual reimbursable overtime grew by \$1.3 million from 2018, when it amounted to just 19% of total overtime expense. In 2020, the percentage share increased to 49% due to major capital work on tracks, infrastructure, and facilities. Gross overtime results were over budget by \$0.9 million for 2020, mainly due to work shifting from straight time to overtime due to the pandemic and less backfill of vacancies. Overtime results in 2022 followed the same pattern as 2021 with the funding composition shifting back to mainly operating funded to support backfill of vacancies, conducting COVID-19 cleaning and disinfection and handling COVID-19 related absences, which continued to restrict SIR's ability to perform capital work.

Annual budgets have seen major revisions during this same period reflecting evolving requirements as the agency undertakes the preparation work necessary for acceptance of its next-generation fleet (seventy-five new R211 passenger rail cars). Upgrading SIR rolling stock requires system upgrades to existing infrastructure in multiple asset categories including new power substations and mainline track replacement. In late 2017 and early 2018, as many of the Hurricane Sandy projects were reaching completion, SIR began actively engaging the preparation work for receipt of the R211's scheduled for arrival of pilot cars in April 2023, and production vehicles in 2024. As mainline track assets on Staten Island have aged through their useful life-cycle, SIR has continued a Track Tie Maintenance Program performing spot replacement of deteriorated railroad track ties to sustain reliable service operation. In 2019, SIR began a new phase in support of major mainline track replacement projects, as well as track and switch work undertaken around the Clifton Shop, which was damaged during Hurricane Sandy. These asset replacement projects were among the major contributors to the shift in overtime expense from operating to capital, especially in 2019 and 2020. In 2021 and 2022 the pattern reversed again with operating requirements increasing due to vacancies and COVID-19 cleaning requirements while capital needs declined.

2022 overtime spend (SIR)  
(\$K)



Total overtime expense categorized by function has tracked consistently over the period while also reflecting the impact of the changing requirements of the capital program profile.

**Maintenance** – On average 70% of total overtime incurred

**Service** – On average 28% of total overtime incurred

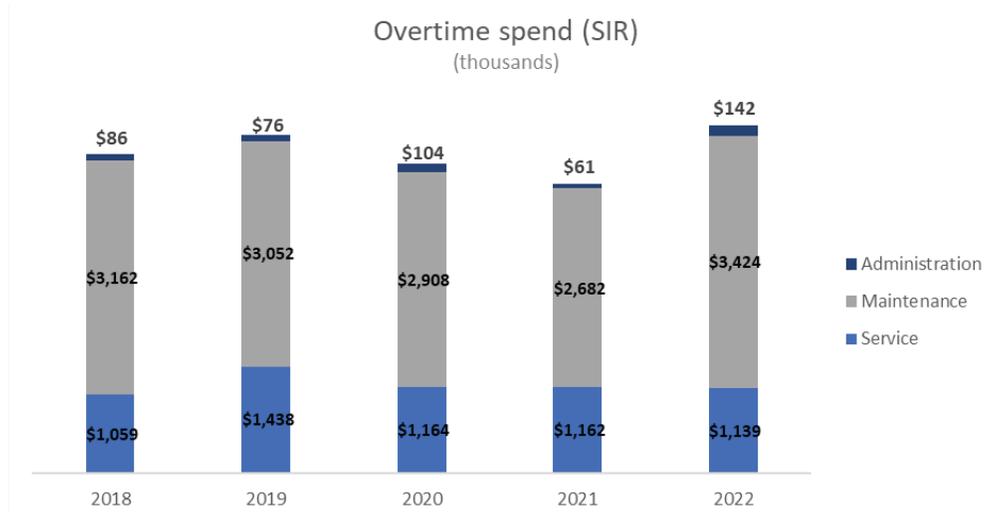
**Administration** – Small residual of total overtime incurred

Functional categorization of overtime expense in conjunction with funding shows:

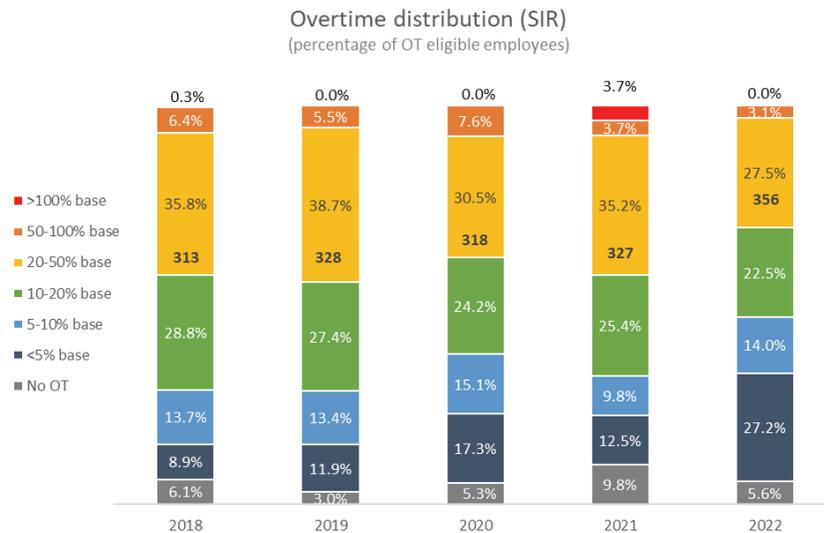
**Reimbursable/Maintenance** – 73% of overtime is booked to reimbursable and maintenance functions in 2022. Maintenance increased by \$260,000 (8%) from \$3.2 million in 2018, to \$3.4 million in 2022. In 2018/2019 the maintenance trades (particularly track workers and electronic equipment maintainers) engaged track replacement and the Clifton Shop track/ switch projects

**Service** – 28% of overtime is for service, which Increased \$103,000 (10%) in 2021 from 2018. Such growth was due to capital requirements that resulted in night and weekend service shutdowns, and mainline track capital work that has required conductors for construction flagging, locomotive engineers operating work trains, and MOW 'Pilots' to support equipment used by project contractors.

## SIR Overtime Performance versus Budget



## SIR Distribution of Overtime



Average overtime earnings for full-year active operating employees declined for the period 2018-2022 from \$13,760 in 2018 to \$12,747 in 2022, representing approximately a 7% decrease. Overtime as a percentage of base pay increased slightly from 17% in 2018 to 19% in 2022. In terms of high overtime earners, 7% of employees had overtime earnings equivalent to 50% or more of their base pay in 2018, although that figure decreased to 5% in 2019 and increased to 13% in 2022. In 2018, one employee (<1%) had overtime earnings greater than 100% of base pay, 12 in 2021 (4%).

SIR has a contractual agreement in place with the analyst bargaining unit (SSSA) to limit OT earnings by individual employees through overtime caps. However, overtime incurred by analyst titles between 2018-2022 was minimal during this period.

**Ongoing SIR Overtime Management Efforts**

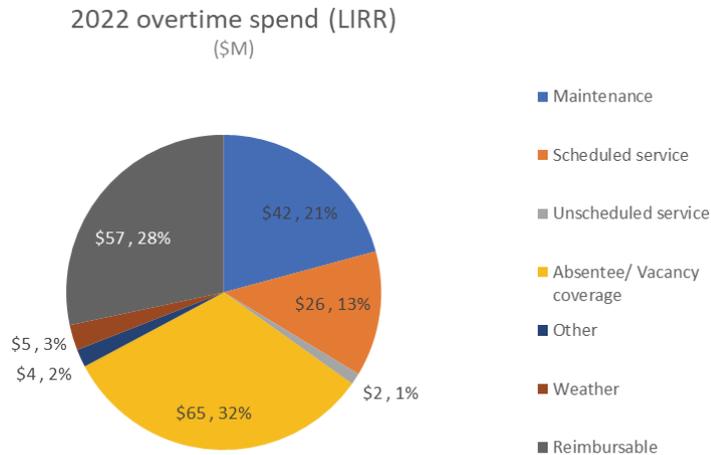
SIR will continue its efforts to aggressively manage overtime through the hiring of hourly and supervisory personnel to fill vacancies and to meet its service and maintenance needs. In addition, it will work with the MTA IT Department to develop the capability to track overtime spending by cause.

# Long Island Rail Road (LIRR)

## Overview

Overtime at the Long Island Rail Road (LIRR) is driven by four main overtime eligible departments: Engineering, Equipment, Transportation, and Stations. The LIRR uses overtime coverage to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/ absentee coverage, weather, and capital reimbursable project activities.

LIRR overtime spending totaled \$202 million in 2022. The largest category of overtime spending was absentee/vacancy coverage overtime which accounted for approximately 32% of overtime expenses. Approximately 28% of overtime expenses were related to reimbursable overtime reflecting the Agency's aggressive capital program, and about 21% was attributable to maintenance activities.



## LIRR Overtime Trends

In 2022, overtime expenditures increased to \$202 million from \$175 million in 2021. Non-reimbursable overtime increased by \$21 million (17%) from 2021, attributable to higher of Right of Way maintenance required to be completed on overtime and higher absentee/vacancy coverage, partially offset by lower COVID-19 sanitizing efforts and weather-related overtime.

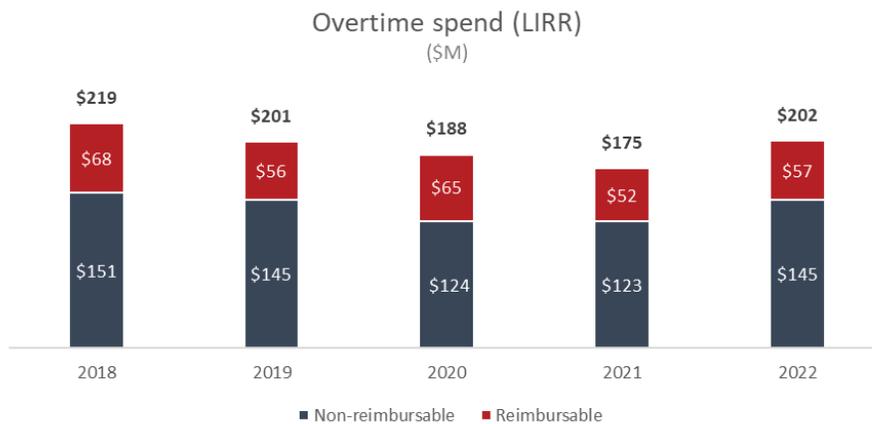
The increase in Right of Way maintenance overtime from 2021 to 2022 is mostly because the 2021 service plan allowed for more weekday daytime track outages. It became more difficult to utilize these track outages in 2022 as service was slowly added back. In addition, LIRR experienced roughly 40 broken rails in 2022 compared to just 22 in 2021. This led to an increase in testing and repairs.

The increase in absentee/vacancy coverage from 2021 to 2022 was mostly attributed to higher levels of

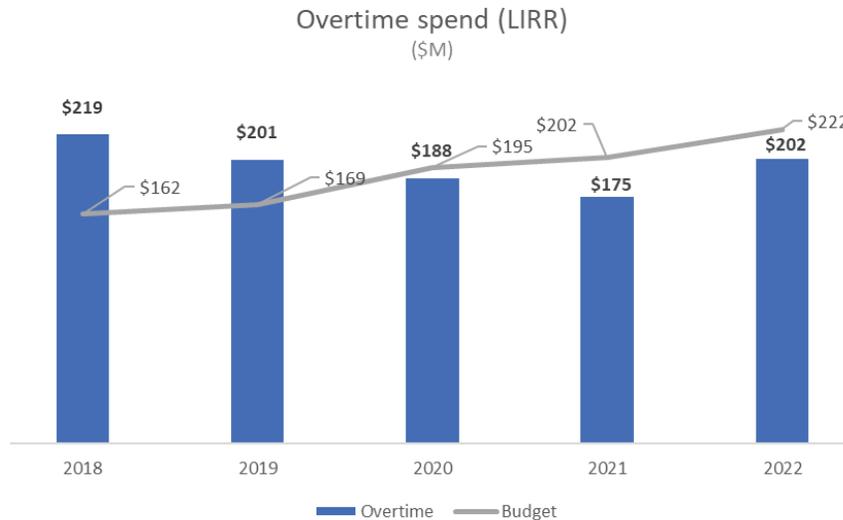
vacancies in the Equipment Department which needed to be backfilled on overtime. This was due to higher levels of attrition than originally planned.

Total reimbursable overtime has fluctuated somewhat dramatically in the last five years due to the timing of work on several large capital projects. In 2018, spending reached \$68 million due to the intensive effort to complete the Main Line Double Track Project as well as other projects including East Side Access. In 2019, spending dropped to \$56 million after the completion of the Main Line Double Track Project. Reimbursable overtime grew to \$65 million in 2020 due to the LIRR's ambitious Annual Track Program, Concrete Tie Project, Main Line Expansion Project alongside continued Grand Central Madison efforts. 2021 reimbursable spend dropped to \$52 million mainly due to a reduction in the amount of Right of Way reimbursable work required to be completed on overtime. This drop was mostly attributed to a major Concrete Tie Project completed in 2020. In 2022, spending increased to \$57 million mainly due to Main Line Expansion and the final stages of Grand Central Madison.

The LIRR continued an aggressive approach to monitoring overtime in 2022. Monthly meetings were conducted with Executive leadership with a strong focus on the importance of effectively controlling overtime usage and spending. Management in the operating departments incorporated this philosophy into their daily activities. Rigorous monthly reviews of overtime approval, time and attendance and payroll records enhanced internal controls.



## LIRR Overtime Performance versus Budget



### 2022 Total LIRR overtime was \$20 million under budget.

**Scheduled service** – After ending the year over budget in both 2018 and 2019, the LIRR was able to bring this category below budget over the last three years. This was largely attributable to the Agency’s success at better aligning the crew book to train service levels. The LIRR’s effective management of staffing resources during the pandemic also played an important role in achieving these efficiencies and savings. In 2022, scheduled service was slightly under budget, primarily due to lower train service levels.

**Unscheduled service** – This category was under budget in four of the last five years and reflects the improving condition of the LIRR’s assets and enhanced service reliability. There was a spike in 2018 largely driven by additional staffing necessary to support the US Open Golf Tournament at Shinnecock Hills. The significant 2020 & 2021 reductions were driven by improved service reliability and reduced train service levels. In 2022, unscheduled service was \$6 million under budget due to continuous efforts to improve train service reliability, reduced train service levels, and the impacts of maintaining assets in a state of good repair.

**Maintenance (Planned & Emergency)** – Overtime used for planned program maintenance work, this includes Right of Way work performed during hours that are deemed more practical to minimize service disruptions, Rolling Stock Maintenance, and overtime used to complete unplanned/emergency maintenance work resulting from a non-weather-related extraordinary events, was brought well below budget over the last three years. The overages in 2018 and 2019 were largely driven by unanticipated Amtrak state of good repair work at Penn Station and LIRR Forward initiatives. The favorable variance in 2020 is due to less Right of Way and Rolling Stock maintenance required to be completed on overtime. In 2022, maintenance overtime was \$13 million under budget due lower Rolling Stock Maintenance required to be completed on overtime.

**Absentee/ Vacancy coverage** – Absentee/ Vacancy coverage in 2022 was over budget by \$2 million, mainly attributed to the Equipment Department, which required staff to be assigned on overtime to complete required work. This mostly resulted from higher attrition than projected. This unfavorable variance was partially offset by delays in training train crews in the physical characteristics of the new Grand Central Madison territory. These delays led to lower overtime since these employees continued normal crew assignments.

**Weather** – For 2022, weather category was slightly over budget by \$200k. The LIRR was over budget in the weather category in 2021 due three major weather events related to tropical storms Ida, Henri, and Elsa. Mild winters contributed to overtime spending in this category falling below budget in 2019 and 2020. The LIRR will continue to explore ways to minimize weather-related overtime expenses, even when storm events arise. When weather events do arise, the LIRR will continue to apply enhanced management oversight to restore service as rapidly as possible.

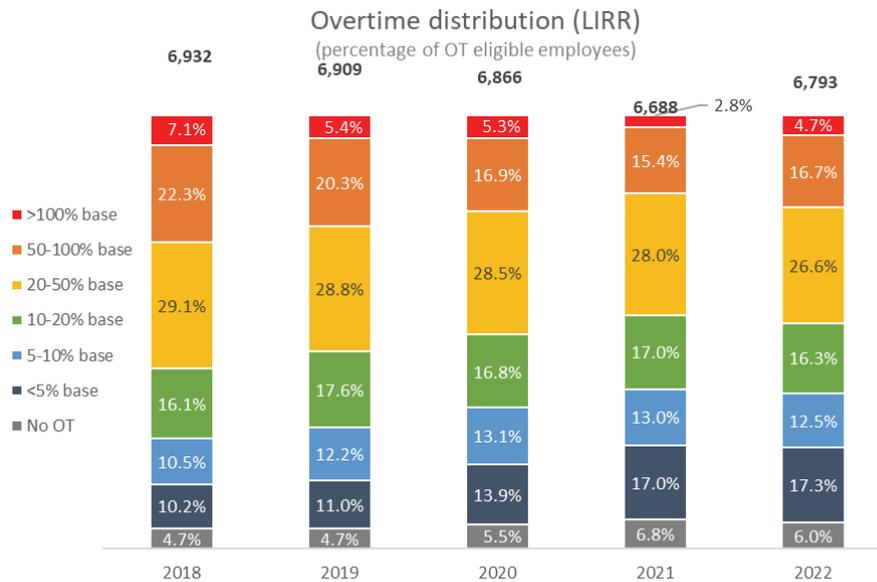
**Other** – The primary causes of overtime in this category relates to employee pay rates resulting from a different mix of crafts earning overtime than originally budgeted, outstanding labor agreements, and different employee step progression contractual rate levels.

**Reimbursable** – The vast majority of the LIRR's reimbursable overtime is related to capital project activity. A smaller amount relates to work performed by LIRR forces to support the work of private entities including businesses real estate developers and outside government agencies.

The LIRR has been working hard to better forecast reimbursable capital activity in its original budget and budget performance has steadily improved over the last few years. Still, it is a challenge as the timing of numerous system expansion projects such as Main Line Double Track, Main Line Expansion and Grand Central Madison.

In 2022, reimbursable overtime was under budget by \$5 million due to less than planned capital project activity related to Grand Central Madison, Annual Track Program, Third Track Expansion and Jamaica Capacity Improvements needed to be complete on overtime.

## LIRR Distribution of Overtime



For many crafts at the LIRR, overtime assignments are determined based on seniority per existing collective bargaining agreements (CBAs). In some cases, the respective collective bargaining unit conducts the call-out itself for staff to work overtime, as opposed to management. While existing work rules exert a significant impact on the LIRR's overtime usage and spending patterns, LIRR management has learned to operate within these parameters and perform work properly, safely and in a timely manner.

Overtime top earners (those earning greater than 50% of their base salary in overtime) decreased from 29.4% in 2018 to 18.2% in 2021 and increased to 21.4% in 2022. Those earning between 20% - 50% of their base salary in overtime saw a decrease from 28.0% in 2021 to 26.6% in 2022. These top earners were primarily in the Engineering Track Department where overtime was mostly driven by Annual Track program, Third Track, Jamaica Capacity Improvement, Queens Interlocking, programmatic routine maintenance, and emergency repairs.

The other groupings have remained relatively static.

### Ongoing LIRR Overtime Management Efforts

LIRR will continue its overtime initiatives with a rigorous approval process, tightened procedures, and a comprehensive project prioritization in 2023. Engineering has developed electronic forms to approve and track overtime for all disciplines. All four operating departments report on continuous (24+) hours on a monthly basis. The LIRR will also continue to conduct management overtime meetings and high earners reviews.

# Metro-North Railroad (MNR)

## Overview

Overtime at Metro North Railroad (MNR) is driven by four main overtime eligible departments: Maintenance of Way, Maintenance of Equipment, Transportation, and Stations. MNR uses overtime to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/ absentee coverage, weather, and long-term infrastructure investment activities.

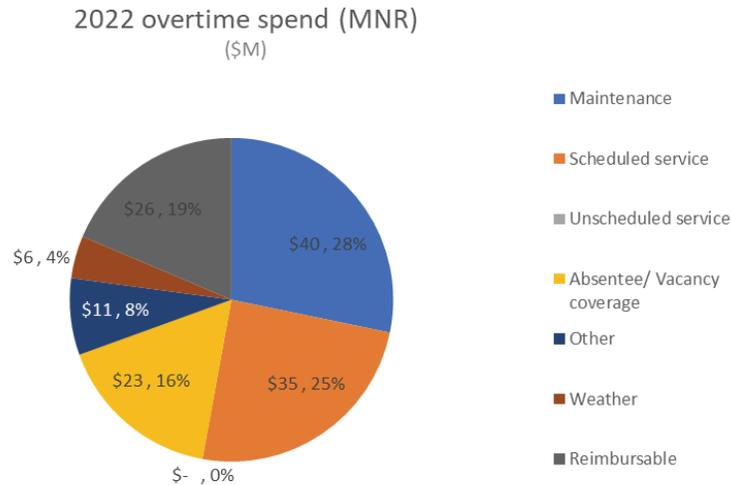
Metro-North Railroad (MNR) uses overtime to ensure the safety of MNR employees, customers and infrastructure, and the reliability of MNR service. Overtime at MNR is distributed by craft per each of their specific collective bargaining agreements. Overtime use consists of two elements: operational and infrastructure investment. Operational needs include train service, maintenance programs, and job coverage, as well as emergency response. Much of this overtime is allocated based on the distribution of staff to cover train schedules and asset maintenance plans. If the use of overtime was not available at current budgeted levels, a much higher full-time represented staff would be needed to provide the quantity of service and address necessary state-of-good repair and system improvement requirements. Weather overtime is incurred to prepare for or recover from significant weather events. The second overtime aspect supports the long-term infrastructure investments throughout the Metro-North territory, both in New York and Connecticut.

MNR's operations overtime budget process looks to maintain a consistent annual amount of total overtime hours. Therefore, changes in hourly wages generally make up most of the year-over-year increases in a financial plan cycle. On the rare occasions when a department requests an increase to overtime budgets, MNR executive leadership evaluates the relevancy of the need during regular scheduled financial plan reviews. In 2022, the MTA Board approved an MNR request to increase train service from 82% of pre-COVID-19 levels to 93%. The service increase went into effect at the end of March. Incremental overtime was added into the 2022 July Financial Plan to account for additional train service. The infrastructure investment overtime is driven by the scheduled projects. The functions include various construction crafts, as well as qualified flagging personnel needed to ensure right-of-way worker safety. Due to the nature of the projects, much of the productive time for these projects occurs when scheduled train service is low or are not running such as overnight and weekends.

MNR overtime spending totaled \$140 million in 2022. The largest category of overtime spending at 28% of total overtime was related to maintenance activities. The next two categories of overtime spending at 25% and 19% were in supporting scheduled train service and reimbursable project overtime, reflecting the Agency's investment in scheduled infrastructure projects. Approximately 16% of overtime expenses were related to absentee/vacancy coverage. Weather spend reflects impacts from various weather events throughout the year.

MNR 2022 Overtime expenses were impacted by the December 8, 2021, ransomware attack on the Ultimate Kronos Group (UKG) cloud application of Kronos Timekeeping used by the MTA. The ransomware attack caused a system outage that was not resolved until March 14, 2022. During the outage period, MNR used manual payroll submissions to ensure that all employees on the MNR payroll system were accurately paid to at least their minimum weekly salary. Managers, supervisors and timekeepers reviewed the manual regular pay and overtime entries every week. After the restoration of the Kronos system, the manual entries were reversed and resubmitted with correct Kronos Timekeeping details. The last entry was processed with the

pay period ending February 14, 2023. In the weeks in which timekeeping corrections were processed, historical adjustments reflecting changes prior to 2022 are also reflected in the financial results and show up in the chart below as “Other”.



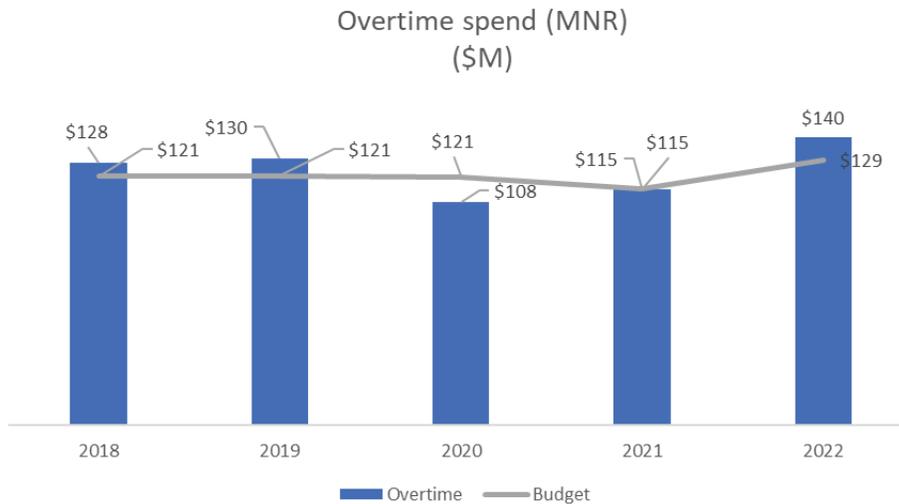
### MNR Overtime Trends

MNR overtime was \$140 million in 2022 compared to \$115 million in 2021, \$108 million in 2020 and \$130 million in 2019. The year-over-year overtime dollars reflect increasing Metro-North service from 82% of pre-Covid levels to 93%; increased rolling stock and right-of-way infrastructure maintenance which required overtime; continuing coverage for significant vacant positions in critical craft titles; and adjustment payments for overtime incurred prior to 2022 due to contractual settlements and the Kronos system outage in December 2021.

2022 Non-Reimbursable overtime accounts for 81% of annual overtime costs. The State of Connecticut paid 26% of the non-reimbursable overtime and 100% of Connecticut specific reimbursable overtime, which equates to approximately 31% of the annual reimbursable total. Connecticut paid 27% of the total overtime in 2022.



## LIRR Overtime Performance versus Budget



### 2022 Total MNR overtime was \$11 million over budget.

**Scheduled Service** – MNR’s 2022 Scheduled Service overtime was \$2 million over budget due to the impacts of increasing service from 82% of pre-Covid-19 levels to 93%. The service change went into effect on March 25, 2022. Additional Connecticut-requested service on the New Haven Line in May and June.

**Maintenance (Planned/Emergency)** – MNR’s 2022 Planned Maintenance Overtime ended the year \$4 million over budget. The main driver of the increase over budget is due to the service increase referenced in the Scheduled Service section. The Maintenance of Equipment overtime budget did not reflect the service increase which added a significant amount of revenue vehicle consists to the daily fleet requirements.

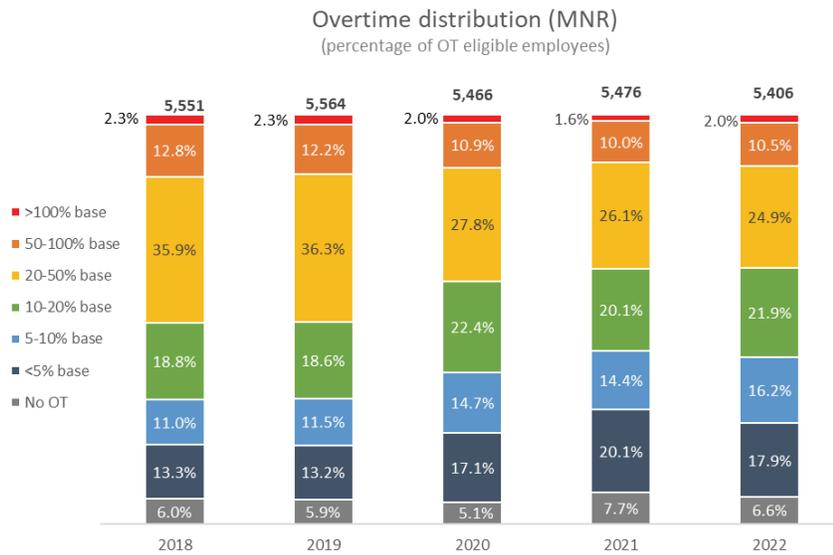
**Absentee/ Vacancy Coverage** – MNR’s 2022 Absentee/ Vacancy overtime was \$5 million over budget as a result significant vacant must-fill titles in the Maintenance of Equipment and Stations departments. Of the \$5 million result higher actual to budget, \$3 million is attributable to persistent vacant but contractually obligated must-fill positions in the Stations and Maintenance of Equipment departments. The remaining \$2 million over budget is due to departments not meeting day-to-day availability staffing needs for must-fill and service safety-critical titles in the Maintenance of Equipment, Stations and Transportation departments.

**Weather** – Metro-North’s 2022 Weather overtime was unfavorable by \$2 million primarily due to the preparation and response to several weather events throughout the summer and fall months.

**Other** – MNR’s Other overtime was unfavorable for each of the years included in this report, including \$10 million in 2022. The primary factor is that MNR records the difference between calendar payroll activity and actual payroll transactions recorded to this causality. In 2022, there are two components contributing to this unfavorable amount. The first is due the settlement and payout of several union labor contracts for the years 2019 through 2021. The second component are manual overtime entries estimating two pay weeks in December 2021 related to the Kronos outage starting December 8, 2021. These issues are financial reporting impacts that are not indicative of actual overtime hours used in 2022.

**Reimbursable** – Metro-North Reimbursable overtime supports the long-term infrastructure investments throughout the Metro-North territory, both in New York and Connecticut. The infrastructure investment overtime is driven by the scheduled projects. The functions include various construction crafts, as well as qualified flagging personnel needed to ensure right-of-way worker safety. Due to the nature of the projects, much of the productive time for these projects occurs when service levels are low or are not running such as overnight and weekends. In 2022, MNR’s reimbursable overtime ended the year \$12 million under budget due to the retiming of capital projects and timing of Kronos correction entries.

### MNR Distribution of Overtime



Employees that earn more than 100% of their base salary in overtime are generally the most senior members in their respective crafts, as well as the most experienced in specialized machine operations. The majority of MNR’s collective bargaining agreements (CBAs) with its crafts dictate that overtime is distributed by seniority. The result of these contractual arrangements means that more senior employees end up working more overtime hours and therefore earning more overtime pay. Also, many infrastructure projects require a Foreman, who is characteristically among the more experienced and tenured employees, also resulting in overtime hours incurred at a higher rate of pay.

For MNR, overtime earnings in 2022 were 30% of regular pay for overtime eligible employees. Of the overtime earned in 2022, 81% was attributable to train operations, fleet and infrastructure maintenance, operational and weather emergencies including enhanced sanitization measures, and coverage for absences or vacant positions. The remaining 19% of earned overtime was attributable to reimbursable projects.

In 2021-2022, the percentage of overtime eligible employees earning overtime at 50% or more of regular pay increased from 12% to 13%. The percentage of overtime eligible employees earning no overtime pay decreased from 7.7% to 6.6% of the population.

Overall, the number of employees that earned overtime at MNR in 2022 compared to 2021 remained constant. This result is due to year-over-year decrease in represented employees offset by an increase in the number of overtime earners.

### **Ongoing MNR Overtime Management Efforts**

While the level and distribution of overtime is dictated by a combination of the overall level of required work and the specific union agreements, MNR continues to put a strong focus on ensuring management controls and reporting are in place to prevent fraud, waste, and abuse.

In 2022, Metro-North faced challenges throughout the year to accurately report month and year-to-date financial results of overtime due to the Kronos outage. As corrected pay weeks were processed through 2022, departmental and company-wide results only became relevant with year-end processing. Overtime reporting also continues via a weekly distribution of Overtime payroll activity by department and type. In addition to payroll activity, the weekly file also includes a view of overtime hours for the related pay period as reported in the MTA Overtime Dashboard (WEBFOCUS application). This report is distributed to nearly 90 senior staff and mid-level managers.

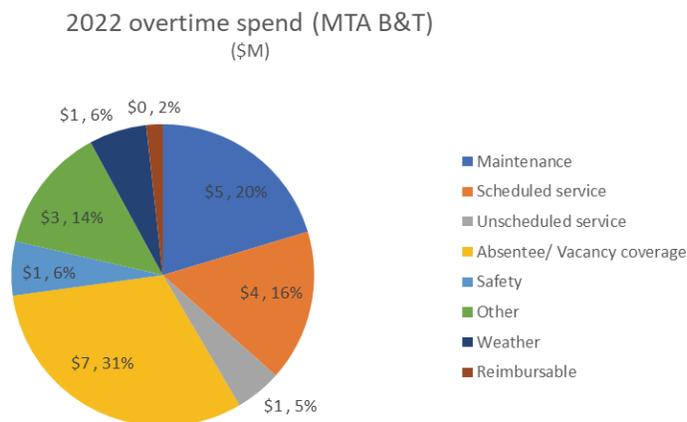
Departments review overtime High Earners monthly, checking to confirm appropriate management approvals have been obtained before authorizing overtime. In 2022, Overtime High Earner reporting was not available until the Kronos outage weeks were corrected. The full year High Earner results are now available to senior management. MNR Policy also requires specific executive level pre-approval of overtime that will result in work shifts exceeding 24 continuous hours. For 2022, 74% of the instances and total hours attributed to shifts that were in excess of 24 hours were attributable to storms and weather events. MNR continues to look for opportunities to minimize non-weather-related instances of shifts in excess of 24 hours whenever possible.

# MTA Bridges and Tunnels (B&T)

## Overview

Overtime at MTA Bridges and Tunnels (B&T) is driven by the Operations and Maintenance departments which contain most overtime eligible employees. Additionally, modest overtime budgets are included annually for administrative personnel in other departments. B&T uses overtime coverage to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/absentee coverage, inclement weather events, law enforcement activity, and capital reimbursable projects.

B&T overtime spending totaled \$24 million in 2022 and is back close to pre-pandemic levels. The increase in spending from 2021 was primarily due to increased vacancy & absentee coverage resulting from additional vacancies created by attrition; employee use of personal leave balances, absentee coverage due to the Omicron variant at the start of 2022, weather-related overtime, security enhancements, and maintenance requirements. The largest category of overtime spending was Absentee/Vacancy Coverage, equating to 31% of the total. The remaining overtime expenses of note include Maintenance (20%) and Scheduled Service (16%).



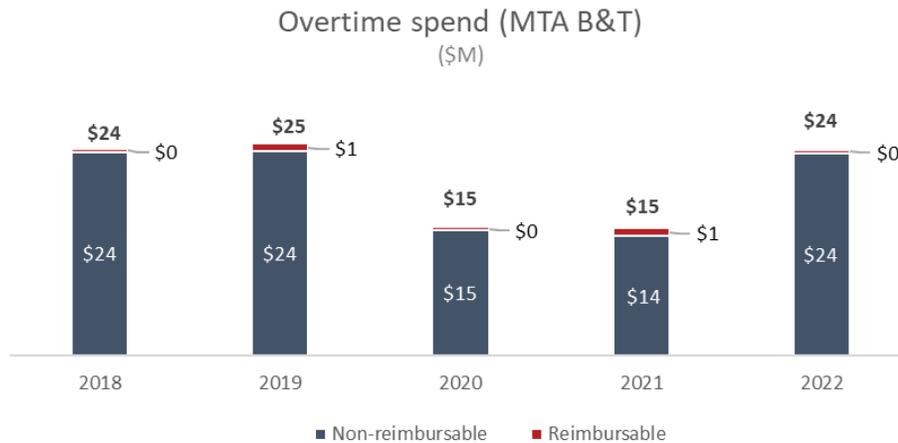
## B&T Overtime Trends

B&T's overtime management strategy ensures safety and security, cost containment, and operational effectiveness are achieved across its seven bridges and two tunnels. Operations overtime drivers include weather events, law enforcement activity, special events such as the NYC Marathon, labor relations work rules, and availability due to temporary vacancies in schedules. Maintenance Department drivers include weather storm preparedness and maintenance, capital construction projects, major maintenance, labor relations work rules, special events such as the NYC Marathon, and availability due to temporary vacancies in schedules.

Overtime is one tactic utilized to address operational challenges such as:

- Reduction in the number of employees available in the workforce due to scheduled and unplanned absences, temporary vacancies, training, and attrition of the workforce (retirements and/or other separations from service)
- Safety and operationally sensitive work requiring immediate attention that cannot be deferred until the next tour when straight time staff are available (e.g., law enforcement interdiction, removal of debris, response to vehicle collisions and other safety related incidents)
- Environmental conditions adversely impacting operations (e.g., inclement weather, heavy traffic, security, construction, maintenance, technical services)
- Work undertaken during non-peak hours to minimize impacts to our customers

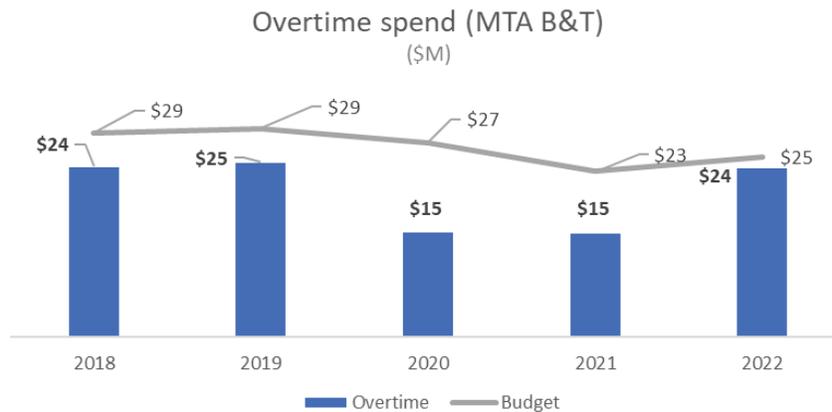
B&T internally categorizes overtime into five main categories, titled SWEAP; Security, Weather, Emergency, Availability, Pre-Planned/Scheduled. This is done to standardize and categorize overtime codes, as well as allow facilities to prioritize and control overtime costs.



Reimbursable overtime indicates work done to support projects that are reimbursed, and attributable to the MTA’s Capital Program. Non-reimbursable overtime supports operating activities.

The “Other” category includes coverage for clerical and administrative positions that are eligible for overtime and miscellaneous overtime.

**B&T Overtime Performance versus Budget**



**2022 Total B&T overtime was \$1.4 million under budget.**

**Scheduled Service** – Historically, scheduled service has been trending under budget. In 2022, B&T ended the year slightly under budget. These overtime savings were largely attributed to reorganization and scheduling efficiencies.

**Unscheduled Service** – This category was under budget by \$0.3 million in 2022 and reflects the implementation of scheduling efficiencies and the effective management of resources.

**Maintenance (Planned & Emergency)** – Overtime used for planned program maintenance work, usually performed during hours that are deemed more practical in order to minimize roadway disruptions and overtime used to complete unplanned/emergency maintenance work resulting from a non-weather-related extraordinary events was below budget in 2022. Progress in this area was attributable to tighter management controls and the Agency’s effective management of resources.

**Absentee/ Vacancy Coverage** – Even though faced with a significant number of vacancies, which required staff to be assigned on overtime to complete required work, B&T was slightly under budget in this category during 2022. The strategic scheduling and rescheduling of employees as well as dynamic deployment of personnel contributed to this improvement in overtime spending.

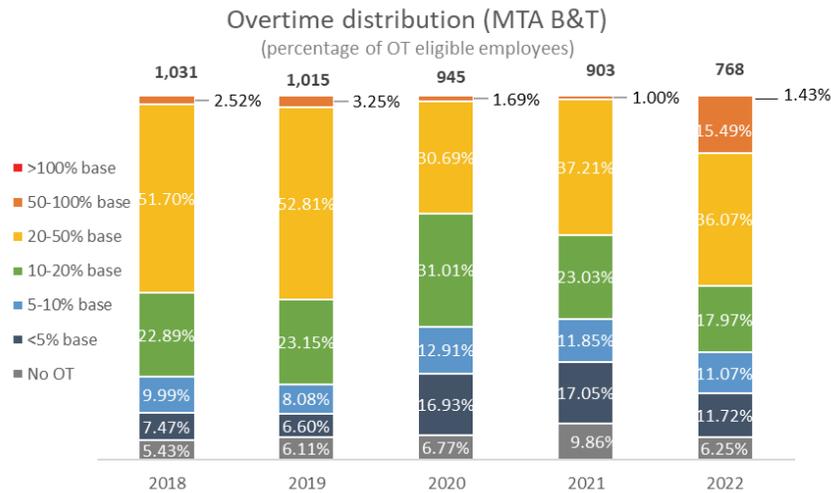
**Weather** – Favorable weather patterns in the late months of 2022 resulted in a mild decrease in weather related overtime spending and a slight underrun in 2022. B&T continues to explore ways at minimizing weather-related overtime expenses, even before storm events occur.

**Other and All Other Departments and Accruals** – The Agency ended 2022 unfavorable to budget in this category primarily due to adjustments for the 28-day payroll lag, and the impacts of the Kronos outage.

**Reimbursable** – The primary causes of such overtime in the past four years include, but are not limited to tunnel rehabilitation, tunnel fan motors, new roadway monitoring system, tunnel flood mitigation, and updating transmit readers. The Agency was under budget due in 2022 primarily due to billing delays on the current projects including construction on the approaches to the Verrazzano-Narrows Bridge, deck replacement at the Throgs Neck Bridge, and weather monitoring system upgrades at Authority facilities.

Note that 2022 overtime actuals are preliminary estimates and may require subsequent revision due to the impacts of the Kronos timekeeping system outage.

## B&T Distribution of Overtime



B&T continues to focus on the overtime distribution among its eligible employees. Most represented B&T employees go through an overtime equalization process, designed to ensure overtime pay is spread equitably throughout the organization. A list is generated based on the number of hours worked by represented employees, sorted from the least number of hours worked to the most amount of hours worked for the current year. Based on this list, employees are offered the option to work overtime. If an employee declines, management will continue down the list until an employee accepts. This is done to ensure fair and equitable opportunities to work overtime across represented employees. However, a large part of the year-over-year changes in B&T employee overtime earnings as percentage of base pay resulted from B&T receiving an unfavorable arbitration decision in August 2022 which restricted B&T's flexibility in how it can cover assignments in Operations. The Kronos system outage from December 2021 through the the first quarter of 2022 impacted the reported overtime results. From 2021 to 2022, the number of eligible employees earning 20% of their base salary or less decreased from 473 to 313. The number employees earning 20-50% of their base salary increased from 272 to 277 and the number of employees earning 50-100% of their base salary increased from 37 to 119. Overtime distribution should be considered preliminary and may require subsequent revisions after additional review.

With the implementation of Open Road Cashless Tolling, B&T has transformed into a more efficient organization. B&T's operational needs have changed with the elimination of gated tolling plazas, which has removed staffing and labor needs in this area. Additionally, over the last five years B&T has seen numerous senior members of represented operations and maintenance forces retire, which coupled with the elimination of tolling plazas and the staffing needs associated with them, has increased operating efficiencies through rescheduling and redeployment of resources. Along with the tracking and monitoring of overtime assignments mentioned previously, B&T utilizes the built-in audit trail and other tools in the Kronos timekeeping system to verify payroll for represented employees, keeping overtime spending efficient.

B&T reviewed 2017-2020 top earners missed punches, edited punches, time and attendance standardized overtime codes, and overtime budget for discrepancies. Overtime is processed after preauthorization by a supervisor/ manager, and it is reconciled, approved, and signed-off by supervisor/ manager before payment is made. Employee data is reconciled, validated, and confirmed through Central Control (Timekeeping) Unit. All B&T overtime payments were validated and paid.

### **Ongoing B&T Overtime Management Efforts**

B&T continues its initiatives on controllable overtime in 2023, including scheduling efficiencies and managerial oversight, and its focus on safety and security. B&T is in the process of filling maintainer vacancies that began in 2022 and continue into 2023. As the Agency moves through the post-pandemic period, it continues to schedule necessary routine maintenance prioritizing projects to ensure a high level of service while limiting the use of overtime. Throughout the pandemic, B&T shifted away from performing routine maintenance tasks and focused on the completion of mission critical activities. These mission critical activities will still be addressed within the schedule of necessary routine maintenance as they have always been addressed prior to the COVID-19 pandemic. B&T continues to review the changing environment and prioritize the needs for overtime.

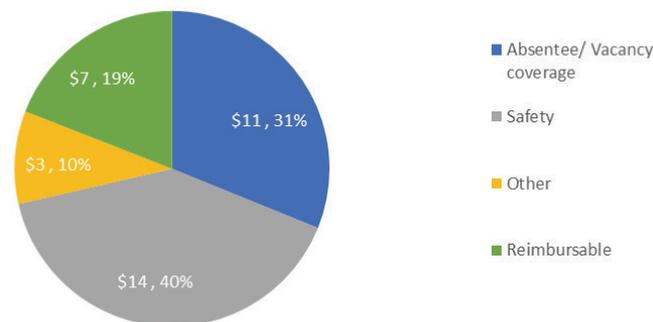
# MTA Headquarters (MTA HQ)

## Overview

Overtime at MTA Headquarters (MTA HQ) is primarily driven by the MTA Police Department (MTA PD) and MTA Information Technology (MTA IT). MTA HQ uses overtime to assist with MTA-wide security and safety services as well as ensuring that critical information technology infrastructure is available on a 24/7 basis.

MTA HQ's overtime spending for 2022 totaled \$35 million, mainly due to overtime deployment for MTA PD (\$31 million) with a lesser amount attributable to MTA IT and other smaller administrative departments (\$3 million). The largest category for overtime usage was Safety related, equating to 40% and includes but is not limited to coverage for Enhanced Security, COVID-19 Mask Initiative (first half 2022), and End-of-Line deployments. Remaining overtime expenses include Absentee/Vacancy Coverage at 31%, reimbursable overtime at 19% and other non-MTA PD overtime at 9%.

2022 overtime spend (MTA HQ)  
(\$M)



## MTA HQ Overtime Trends

MTA HQ's overtime allocations are primarily related to MTA PD's operations with a lesser amount attributable to the operations of MTA IT, and other administrative departments. In late 2020, savings actions eliminated the modest administrative overtime budgets, however, offsetting this was an increase in overtime usage in administrative departments due to transformation restructuring and Occupational Health Services as MTA responded to the COVID-19 pandemic.

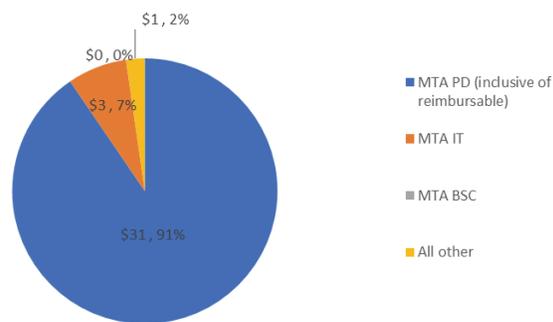
The MTA PD utilizes overtime coverage to assist with providing MTA-wide oversight of security and safety services inclusive of patrolling the MTA's railroads, Staten Island Railway and supplemental patrol of the Subway. MTA PD trends in overtime are based on the necessity of coverage for specific posts due to absentee/vacancy coverage, deployment initiatives and responses arising from safety and security needs.

Since 2018, the MTA PD has been tasked with high priority initiatives which provide safer and more secure environment for the MTA's customers and employees. Initiatives such as End-of-Line coverage (previously called Quality of Life), which is part of MTA's program of outreach to homeless individuals in the system and enhanced security, both of which required the assignment of overtime to implement quickly and effectively. Additional management controls implemented in the past two years have allowed the extra list to be used more effectively and have resulted in reductions in overtime to support homeless outreach.

2020 results reflect the impact of MTA's response to the COVID-19 pandemic. While the MTA PD continued to deploy personnel throughout the MTA Region deployment levels included coverage for the Overnight Subway shutdown, Enhanced Security and Quality of Life deployments resulting in an 18% increase over 2019. In 2022 MTA PD continued its deployment efforts, though on a lesser scale, for the support of the COVID-19 mask initiative and continued coverage for Enhanced Security, End-of-Line, COVID-19 Mask Initiative (first half 2022) and other security needs. Overtime deployment in 2022 for enhanced security will be fully offset once the MTA HQ receives the Manhattan DA Asset Forfeiture Fund Reimbursement which is expected by the second quarter of 2023.

MTA IT operates on a 24/7 basis. Many of its services are integrated into the daily operations of the MTA's constituent agencies and their systems are crucial to the service delivery and operations of trains, buses, and bridges/tunnels. In addition, communications between the MTA and its employees, customers, and the public-at-large are supported and delivered by MTA IT. Year-end 2022 showed an increase for other administrative departments due but not limited to transformation restructuring of departments. This increase was offset with lower overtime shown at MTA BSC due to the transferring of employees to new transformed towers. Overtime coverage continued to be utilized for Occupational Health Services.

2022 overtime spend (MTA HQ)  
(\$M)



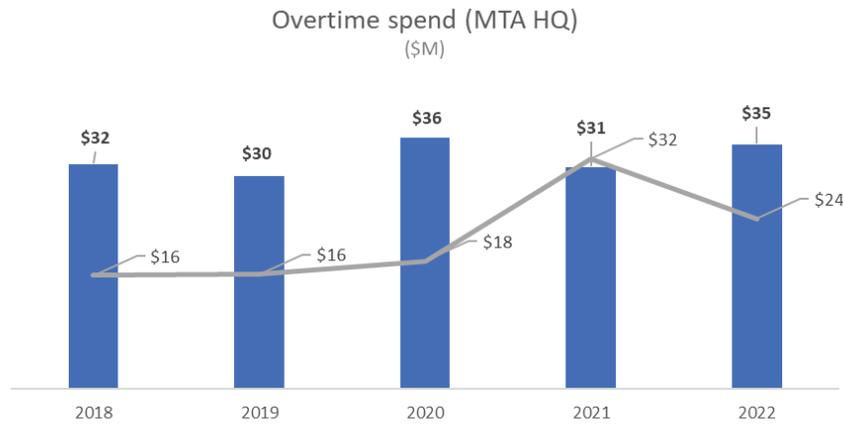
As previously noted, MTA HQ overtime is primary attributable to MTA PD (regularly accounting for over 85% of overtime spend), with significantly lesser amounts attributable to MTA IT, the BSC, and other Headquarters functions.

Reimbursable overtime indicates work done to support projects that are reimbursed, primarily related to MTA PD deployments from the Transit Security Grant Program (TSGP) and the MTA's Capital Program for MTA Rail Agencies. Non-reimbursable overtime supports operating activities.

Overtime spend (MTA HQ)  
(\$M)



## MTAHQ Overtime Performance versus Budget



### 2022 Total MTA HQ overtime was \$11 million over budget.

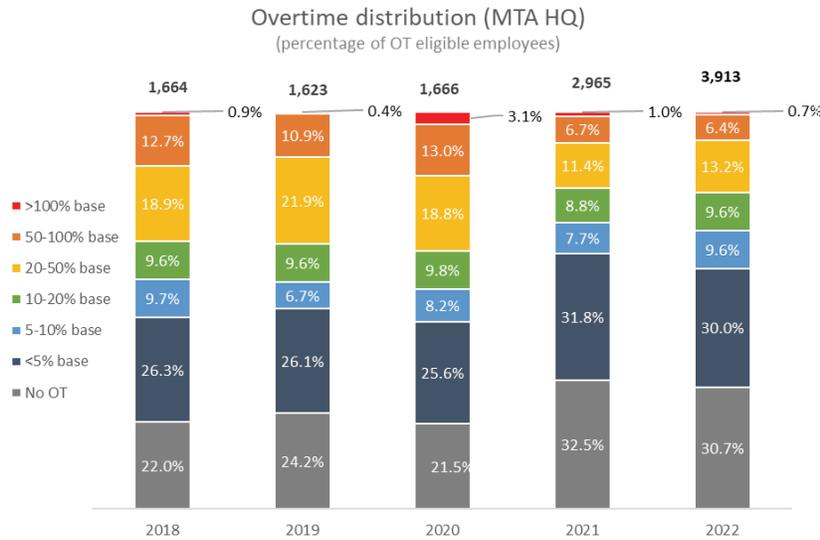
**Absentee/ Vacancy coverage** – This category of overtime includes, but is not limited to, vacations, bereavement, reassignments, sickness and/or training for members of the MTA Police Benevolent Association. In 2022, absentee/vacancy coverage overtime was over budget by \$7 million. This unfavorable variance was due in part to a collective bargaining change approved in late 2020 for PBA members, which increased allotments for time off. Additionally, increased coverage was required due to retirements, coverage for COVID-19 related illness and two-car patrol mandate mainly within high activity districts. In January 2023, the MTA implemented a new “bid” process for patrol assignments which will correct some of the officer shortages.

**Safety** – Used to provide overtime coverage for, but not limited to, corporate security, handling incidents, public hearings, arrest processing and special events. While the department continued their due diligence in deploying personnel throughout the MTA Region, 2020 coverage differed than previous years due to Covid-19 pandemic closures. This slowly changed during 2021, with the department continuing their deployment for initiatives, while increasing security deployment as the region re-opened. In 2022, MTA PD Safety/Security overtime was under budget by \$0.4 million due to lower deployment levels required on overtime than originally forecasted. Coverage in 2022 included deployment for the Enhanced Security, End-of-Line and COVID-19 Mask Initiative (*first half 2022*).

**Other** – This category relates to administrative costs primarily for MTA IT and administrative departments, to provide, coverage for essential MTA IT systems coverage, employee call center and necessary additional administrative services. In 2022, overtime coverage for this category was over budget by \$0.03 million due in part to increased costs in consolidated functions and Occupational Health Services.

**Reimbursable** – This category includes overtime primarily performed at the MTA PD utilizing the Transportation Security Grant Program (TSGP grant) and to a lesser degree reimbursement from other sources. It is anticipated that all overtime classified as reimbursable overtime will have an offsetting reimbursement. The MTA ended the year \$4 million over budget in this area due to increased usage of the TSGP.

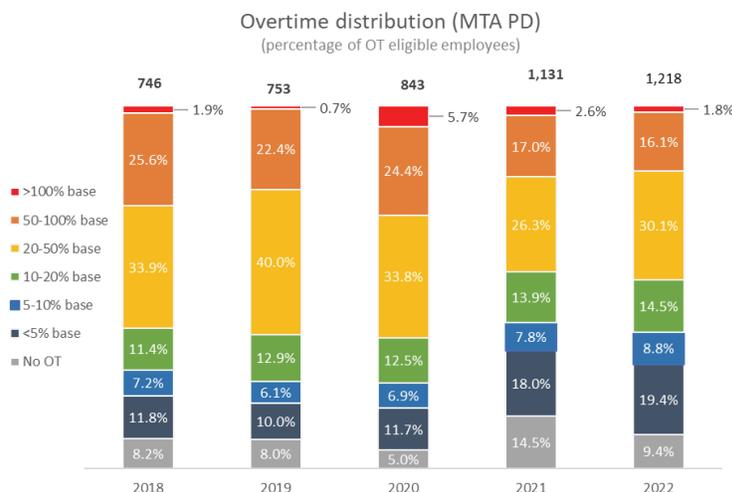
## MTAHQ Distribution of Overtime



MTA HQ's overtime usage is based upon the necessity of the coverage and requires approval by senior management within MTA PD, MTA IT, and other MTA HQ departments. The distribution of this overtime amongst employees follows collective bargaining agreements. In addition, there is a small percentage of non-represented employees who can earn overtime based upon their non-exempt classification and supervisors' approval. This distribution includes employees of MTA Construction and Development (C&D) and beginning in 2021 includes other Agency employees who were part of the MTA's restructuring of administrative functions.

While approximately 85% of overtime spending is attributable to MTA PD, the department accounts for less than 50% of overtime eligible employees at MTA HQ. As such, it heavily influences the distribution of overtime across employees.

Most of the overtime worked for civilian employees is within MTA IT providing 24/7 support. Employees providing coverage on overtime are often part of a specific project or specialty so cannot be easily replaced by other team members.



The distribution of MTA PD overtime earnings remained relatively static from 2018 to 2022, with small fluctuations in each grouping – with the notable increase in high earners (>100%) in 2020 in line with the spike in overtime costs that year. For the second consecutive year, personnel earning <5% of its base in overtime showed an increase due to the hiring of new recruits, with a slight decrease in those earning no overtime and a continued decrease in the number of employees receiving more >100% of its base.

### Ongoing MTA HQ Overtime Management Efforts

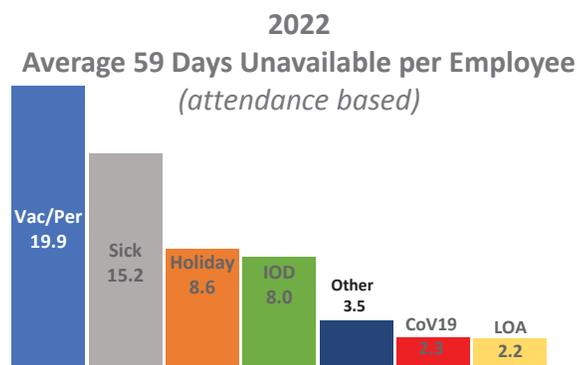
The MTA Police Department has incorporated more stringent overtime approval and management mechanisms. MTA PD Regional Chiefs now review and the necessity for all overtime requests, rather than District Commanders. In addition, the department now tracks and analyzes current overtime spending using a new tool developed by MTA IT’s Police Support Unit.

## MTA Availability

One of the initial objectives of the MTA Overtime Task Force was to develop a consistent methodology to calculate employee availability across all agencies and to report this information to leadership and management on a regular basis. Led by representatives of the MTA Office of Management and Budget, a multi-disciplinary team was formed in 2018 which established a consistent definition of availability (both attendance-based and productivity-based) and standardized categories of leave. Since late 2019, the team has been issuing a quarterly report detailing availability trends and causes.

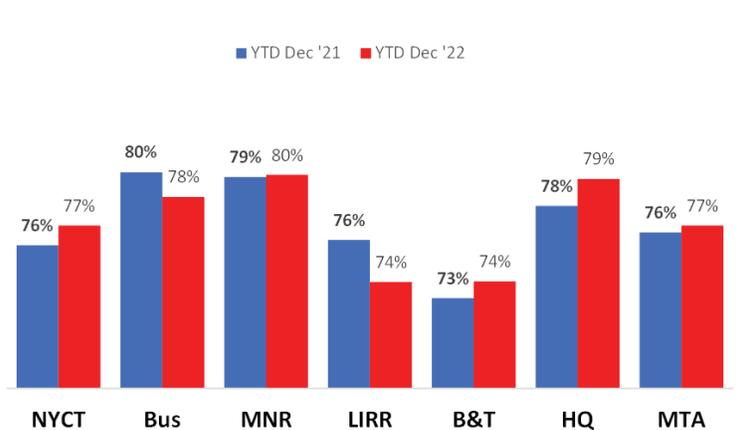
A joint team, consisting of representatives of the Office of Strategic Initiatives, the Office of Management and Budget, the Office of the Chief People Officer, the Office of Labor Relations, and the Office of the General Counsel was also formed and has been following up and exploring the issues.

For full-year 2022, MTA employees were unavailable for an average of 59 days. Three quarters of these days were in four categories of leave: vacation, injured on duty, and sick & Covid. Recognizing that vacation and holiday leave are largely outside of management control, the MTA has targeted sick leave and injured on duty as opportunities for improvement.



2022 availability (MTA-wide, excluding MTA PD employees and non-represented NYCT and MTA Bus employees) was 77%. This was 1 percentage point (or slightly over one-half day) higher than the same period 2021. Availability through December 2019 - the last pre-pandemic year averaged 80.

## MTA Employee Availability by Agency (Preliminary Results)



The year-to-year change was principally attributable to increased COVID-19 related leave in January of 2022 in NYCT and B&T, and an upward trend in on-duty injuries in NYCT, MTA Bus and B&T. These increases were partly offset by lower holiday time taken across most of the agencies as employees resumed more normal banking of time in the post pandemic environment.

### YTD December 2022 Higher/-Lower vs. YTD 2021 (attendance-based)

	MTA	NYCT	Bus	MNR	LIRR	B&T	HQ
Sick	-0.9	-1.9	-0.4	0.6	1.6	-1.2	2.2
CoV19	0.5	0.8	2.3	-1.1	-0.8	1.5	0.6
Vac/Pers	-0.8	-1.2	-0.5	-0.3	1.2	-1.7	-2.3
Holiday	-0.4	-0.4	-0.8	-0.5	0.9	-2.7	-3.7
IOD	0.0	-0.1	0.3	NA	0.6	0.5	0.0
LOA	0.1	0.0	0.1	0.5	0.3	2.3	-0.5
All Other	0.1	-0.1	0.0	0.3	0.7	1.9	-0.3
<b>Agency Totals</b>	<b>-1.4</b>	<b>-2.9</b>	<b>0.9</b>	<b>-0.5</b>	<b>4.5</b>	<b>0.5</b>	<b>-3.9</b>

Note: The MNR and HQ data, which have undergone structural changes related to transformation is being further validated.