**OVERTIME REFORMS AT THE MTA
MONITORING REPORT, SECOND QUARTER 2021**

**Carolyn Pokorny
MTA Inspector General
State of New York**

I.   EXECUTIVE SUMMARY

During the first half of 2021, the Office of the MTA Inspector General (OIG)'s monitoring of MTA's overtime reform continued to focus on the status of 4 OIG and 15 Morrison & Foerster LLP (M&F) overtime reform recommendations (collectively, the 19 recommendations). This report discusses the status of the 19 recommendations, the revised plan for the timekeeping-payroll integration, and MTA employees' compliance with requirements to swipe in and out at time clocks.

As of June 2021, 14 of the 19 recommendations have been implemented. The remaining recommendations, mainly the full integration of timekeeping and payroll into one electronically connected system across the MTA, represent the largest and most complex tasks the MTA Overtime Task Force (Task Force) must work on. The steps are not only technically challenging for MTA, but also time-consuming, and require the cooperation of various labor organizations to achieve. Full integration will take several years. To compensate, the Task Force plans to implement interim timekeeping controls throughout 2021 and into 2022. One particular control, a priority for the OIG, is a report comparing employees' time clock hours per day with pay hours. Such a comparison would allow agencies to identify any discrepancies for further review and correction. This reconciliation is expected to be available by the 4th quarter 2021. Another priority for the OIG, and one the Task Force expects the agencies to roll out in the 1st quarter 2022, is a mobile application of the Kronos clock to capture shift start and end times for employees who do not report to locations equipped with time clocks.

During the past quarter, OIG looked at employees' compliance with clocking in and out each work shift (usually by swiping their employee card[1]). Each MTA operating agency has implemented an electronic dashboard, which provides management with information on whether employees swiped in and out at an available Kronos clock on their workdays. The dashboard is an excellent tool that allows management to closely monitor employees' compliance with the time swipe requirement. We reviewed the information these dashboards provide and found that all agencies have achieved reasonably high compliance rates, when measured by the proportion of employees who swipe at least once each shift. But the compliance rates are lower for the 2-

---

[1] Currently, for safety reasons relating to Covid, employees are required to swipe their ID cards at the clocks only. The clock biometric feature remains disabled until further notice.

swipes requirement, which were caused in part by train crews, who are still contesting the 2-swipes requirement, as well as by those who currently do not have access to a time clock at their work locations. Other employees are still not swiping when required for no obvious reason.

II.   STATUS OF OVERTIME RECOMMENDATIONS

Since January 2021, the Task Force has implemented 4 more recommendations, bringing the total to 14 recommendations implemented. The 5 remaining recommendations are still in progress and have estimated completion dates that range from 3rd quarter 2021 to the end of 2022 and possibly later. For the status of all 19 recommendations, see the table at the end of the report.

A. Recommendations That Will Take Years to Complete

- **M&F Recommendation 2: Kronos Integration**

  Integrate Kronos[2] with MTA-wide payroll systems, all of which should be standardized.

- **OIG Recommendation 4: Kronos Integration & Tools**

  The MTA is under a mandate to install and use Kronos biometric time clocks to capture employees' work hours across the entire agency. MTA should integrate the new clocks into the timekeeping/payroll system so that it not only captures employees' start/end times and overtime authorization, but also electronically generates payroll data and minimizes manual adjustments to the payable time. Special consideration must be made to fully account for field employees working at remote locations. The system should also be capable of electronically providing the necessary tools and information to time approvers (Approvers) and other personnel responsible for monitoring employees' time and attendance.

As of our January 2021 report, the Task Force was rethinking its strategy to replace the timekeeping and payroll systems. It had decided to not just integrate the timekeeping information with payroll, but rather to replace 2 important, and very old, timekeeping systems in New York City Transit (NYC Transit) along with the integration.[3]

---

[2] Kronos Incorporated is a software company providing employers workforce management services and tools such as Workforce Central for time and attendance. Kronos is now also known as Ultimate Software Group, Inc. (UKG).

[3] These 2 legacy systems, Automated Timekeeping System (ATS) and Unified Timekeeping System (UTS), cover approximately 43,000 employees and are used for job picking, crewing (assignment), and scheduling by NYC Transit and MTA Bus.

This fundamental change in the timekeeping-payroll integration strategy had delayed MTA's integration efforts. Further setbacks also resulted from the late completion of the migration of the existing Kronos systems to the cloud – necessary for the full timekeeping-payroll integration to continue – and the departure of the Chief Operating Officer (COO) at the end of February 2020. The good news is that the Deputy COO has taken the lead role to resume the migration efforts, and his team has since developed a new integration plan that includes a preliminary timeline showing a series of efforts during the next 18 months that are designed to provide interim controls over employees' attendance, integrate manual timekeeping systems into Kronos wherever possible, and prepare for the implementation of an end-to-end work force management solution that will fully integrate the timekeeping-payroll function. This last stage of integration will not be achieved by MTA until well beyond 2022[4] (see Exhibit 1). However, the first step has been taken with the award of a contract in June 2021 for the delivery and implementation of a new Crew Dispatching & Management System at MNR and LIRR.

Exhibit 1 – Preliminary Timeline to Fully Integrate Timekeeping and Payroll
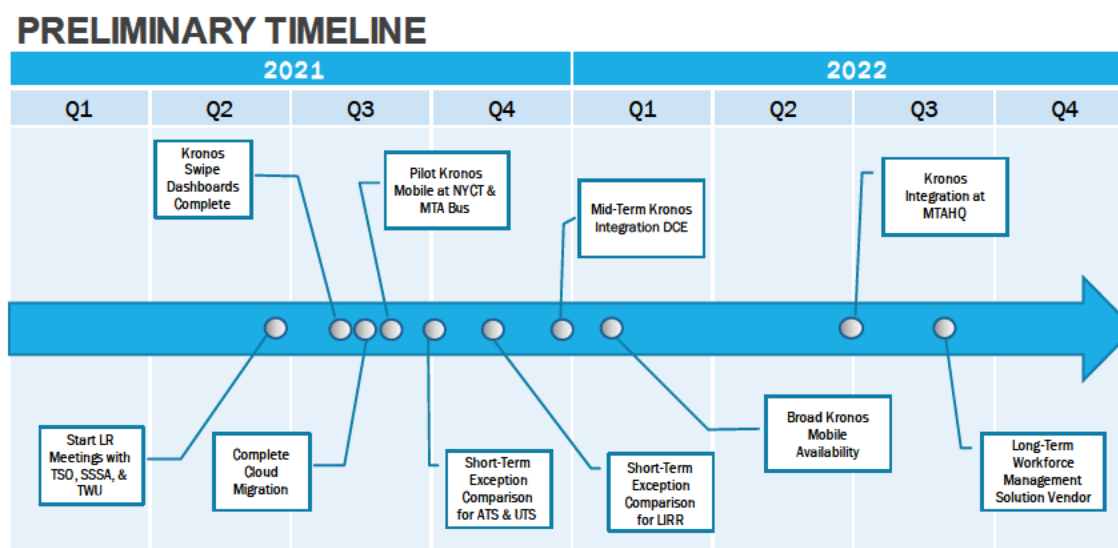
Source: MTA COO Office

---

[4] In completing the timekeeping-payroll integration, the COO Office needs to rely on resources from Information Technology, Labor Relations, Legal, Operations which could impact the completion of the actions shown and require adjustments to the timeline.

Details of some of integration actions expect to be completed by MTA in 2021 are discussed below.

- A Kronos swipe dashboard is now available for each agency except MTA Headquarters (MTA HQ). The dashboards allow management to closely monitor employees' compliance with the time swipe requirement. (We discuss the swipe dashboards and employees' swipe compliance in more detail below).

- Kronos migration to the current cloud-based software version is expected to finish by the end of June with the migration of Bridges and Tunnels' (B&T) Kronos. This migration is necessary for the implementation of Kronos Mobile.[5]

- A pilot program using Kronos Mobile is planned for 2 groups of approximately 150 employees each: NYC Transit Infrastructure Track Pour Support and MTA Bus Road Dispatchers. However, certain labor issues regarding Kronos Mobile and timekeeping need to be resolved before the pilot program can begin, and before the app can be rolled out to all agencies, where needed.

- The timekeeping-payroll integration is expected to take the longest to complete – at least 15 months from now – for large groups of NYC Transit employees, mainly the ATS & UTS users, and Long Island Rail Road (LIRR) employees. To reduce the impact of this delay, the Task Force is in the process of designing a reconciliation report comparing Kronos attendance swipes and payroll data as an interim, short-term monitoring tool. While this reconciliation report neither represents a true integration nor provides real-time information, it will identify discrepancies between the employees' recorded time and their pay, which will then allow management to make any necessary corrections. The Task Force expects the report to be available this year.

- When the short-term interim actions are completed, mid-term interim integration actions are expected to begin in the middle of the 4th quarter 2021. These actions include rolling out Kronos Mobile across all agencies and moving employees' timekeeping fully into Kronos for selected agencies or departments, specifically, moving NYC Transit Division of Car Equipment from punch clocks and MTA HQ from PeopleSoft into Kronos for time entry.

---

[5] Kronos Mobile is an application that allows employees to report their shift start and end times via mobile devices.

We are encouraged that the Task Force intends to move forward with several short- and mid-term actions in the next 12 months to improve the control over employees' time and attendance process across the MTA. However, in our opinion, the Task Force and the Deputy COO should prioritize development of these interim controls for organizational areas of the MTA that have been shown to be at highest risk for time and attendance abuse and for which controls are still weak. For example, in past quarterly reports OIG has explained our concerns about the limited oversight of field employees in the LIRR Engineering Department (Engineering). OIG's investigations and audits[6] have identified Engineering as having weak time and attendance practices that rely on employees' honesty to properly report their work time without adequate controls in place. As a result, employees' abuse of time has frequently occurred without timely detection.

Currently, Engineering employees are required to swipe at Kronos clocks at the start and end of their shifts, but 16% of the employees either swipe only once or not at all. Since many of the employees in this 16% may not have access to a Kronos clock at their work locations, LIRR management has implemented temporary fixes to document their attendance. One such procedure is to have employees with no access to a Kronos clock use the agency's electronic vehicle locator system to record the check-in and check-out times of their shifts. While this does create an archival record, these notations do not provide management with real-time, usable information. LIRR Engineering will continue to be at high risk for time abuse until the agency establishes robust, permanent timekeeping controls, such as Kronos Mobile and Kronos time clocks, instead of paper labor sheets (i.e., timesheets) that employees complete by hand. The OIG strongly urges the Task Force to fast-track the migration of timekeeping for this group of employees into Kronos.

B. Recommendations in Progress

- **OIG Recommendation 1: Recordkeeping** (in progress, missed due date of Q2 2021)

Require all agencies to retain, in an electronic retrievable form, the name of the person authorized to work an overtime shift, the name of the shift supervisor, the work location, and the start/end times for the overtime.

The agencies missed their self-imposed deadline of 2nd quarter 2021 for this recommendation, and while they are working steadily toward its implementation, they have not established a new expected completion date. To date, MTA agencies have developed – or are in the process of testing – various scheduled overtime request/approval forms. However, all agencies are facing a common challenge: how to incorporate employees' names into the overtime approval forms.

---

[6] *See* MTA/OIG #2020-04, MTA/OIG #2019-19, MTA/OIG #2019-11, MTA/OIG #2018-62.

Managers' requests to have scheduled overtime work performed, and subsequent approvals by their superiors, are generally completed days before the overtime work is performed and only identify the needed craft(s) and the number of employees required. Once the overtime work is approved, supervisors and managers then canvass eligible employees to determine who wants to work the shift(s) in question. Canvassing is done using various communication methods, including phone calls, emails, text messages, and overtime sign-up sheets. The resulting roster can change if employees become unavailable after initially agreeing to work the overtime. Consequently, given this fluidity, the agencies have not been able to develop an effective way to electronically match the employees who were selected to the relevant overtime request/approval form. However, this is a critical piece of information that must be resolved so that the time approvers – who do not always work the same shifts as their employees – can verify that the employees who claimed the overtime pay were authorized to work the overtime and should be paid for it.

- **OIG Recommendation 2: Information for Approvers** (in-progress, expected completion in Q3 2021)

  Provide Approvers with the necessary information to verify employees' overtime claims and hold them accountable for confirming the information.

Based on conversations with the agencies, OIG expects that all time approvers will have access to the swipe information – whether directly from Kronos systems, Kronos swipe reports, or Kronos Swipe Dashboards[7] – when reviewing their employees' overtime claims, instead of continuing to rely on an "honor system" for reporting and approving overtime work hours.

- **M & F Recommendation 15: Firm Deadlines Required for Implementation of Recommendations**

  Set firm deadlines for implementing each of the above recommendations.

While the Task Force has resumed its efforts to move forward with the full timekeeping-payroll integration, the Deputy COO told the OIG that deadlines for its full completion could not be determined at this time. However, as discussed above, the Deputy COO, working with the Task Force, has established a preliminary timeline for the various intermediate integration actions. The Deputy COO expects that in the 3rd quarter 2022, more technical evaluation and procurement information will become available that will allow a firm deadline to be established for the final stage of integration.

---

[7] These dashboards contain employees' swipe records and are another way for time approvers to verify employees' attendance.

III.   EMPLOYEES' COMPLIANCE WITH TIME SWIPE REQUIREMENTS

Currently, the MTA requires employees to document their attendance by swiping in and out at a Kronos time clock before and after each shift, including any overtime shifts that are not continuous with a regular shift. As the MTA continues to implement timekeeping reforms, it is important to ensure that all employees swipe in and out at the time clocks to document their attendance. The Task Force is actively working on solutions to address specific problems facing a few groups of employees who are not currently expected to swipe by their agencies, including:

- Employees who do not have access to a time clock, have unique roles/assignments, or report to locations where they cannot swipe. There are approximately 1,600 employees in this group, including station ambassadors, conductors on flag assignments, certain Maintenance of Way employees, bus road dispatchers, agencies' employees assigned to MTA HQ but not yet set up to use HQ's clocks, and employees on union release.

- Employees who are not required to record their attendance at either the start or the end of their shifts because of an existing labor agreement. These include approximately 3,240 LIRR and NYC Transit train crews.[8]

- Employees who are telecommuting.

As a way to determine whether employees are following the time swipe requirement, most MTA agencies are using a Kronos Swipe Dashboard. These dashboards show whether employees swiped in and out at a Kronos clock for each shift. We believe that these dashboards present management with a valuable assessment of employees' swipe compliance and pinpoint the areas where corrective actions are needed.

A. Most Employees are Swiping but Not All

Overall, all agencies have achieved reasonably high compliance rates, when measured by the proportion of employees who swipe at least once each shift. LIRR and NYC Transit have a lower compliance rates for the 2-swipes requirement (see chart below). These lower compliance rates were caused in part by some employees, mainly train crews, who are still contesting the 2-

---

[8] In February 2021, the US District Court for the Southern District of New York dismissed the lawsuit brought by the union representing MNR conductors against the agency regarding the Kronos time clock implementation. While the union still can challenge the issue through the labor grievance process, it has not done so. As a result, effective April 12, 2021, MNR requires all train crews to swipe in and out at an approved time clock at the start and end of each shift.

swipes requirement, as well as by those who currently do not have access to a time clock at their work locations. To a smaller extent, the swipe counts are understated due to employees working continuous shifts or on shifts spanning 2 calendar days. However, other employees are not in compliance and there is no obvious reason, especially in NYC Transit Department of Buses and MTA Bus (Buses). All agencies need to continue working to improve employees' swipe compliance both at the start and at the end of their shifts.

Exhibit 2 – MTA Agencies' Kronos Swipe Rates
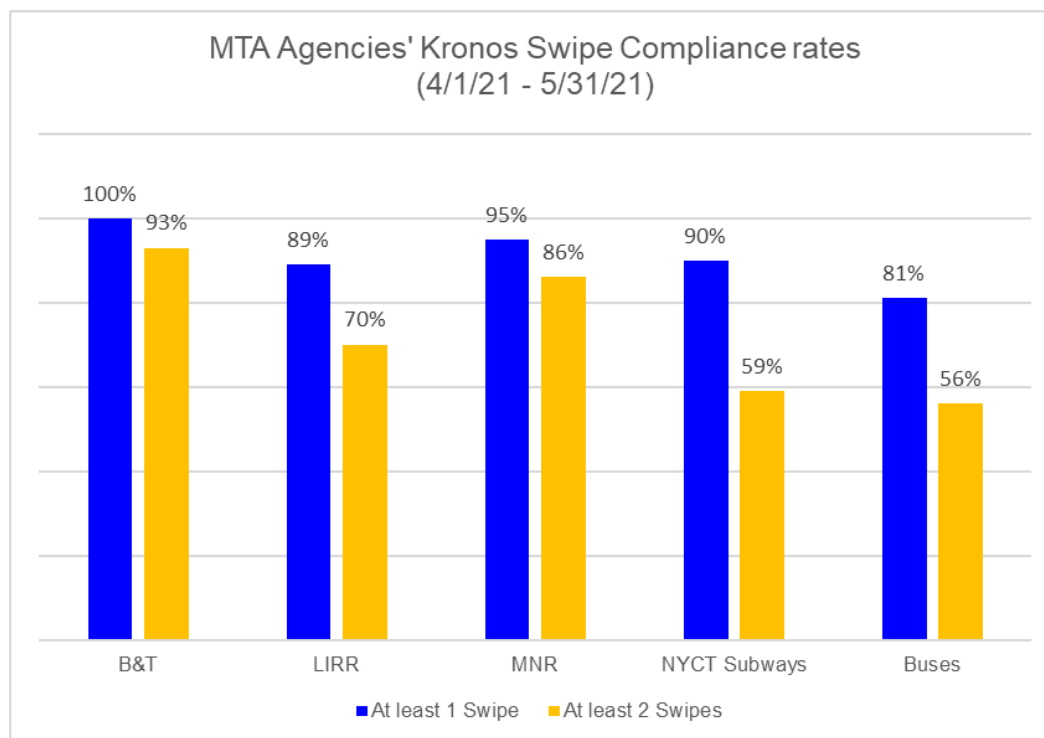
Source: Kronos Swipe Dashboards

## B. NYC Transit is Working to Improve Swipe Compliance

NYC Transit was the first agency to monitor employees' swipe compliance using the new Kronos Swipe Dashboard beginning in late 2020. While the compliance rates still require substantial improvement, a management work group has been working diligently to increase employees' compliance. Specifically, the group:

- Identifies specific employees or groups of employees with low compliance rates for further review and corrective actions by the employees' managers.

- Sends email alerts to managers with the list of their employees who swiped no more than 35% of their days at work during the past 15 to 28 days.

- Resolved various labor grievances involving the time swipe requirement.

- Implemented disciplinary procedures for non-compliance with the requirement.

C. LIRR and MNR Still Need to Close the Gap

In June 2021, B&T, LIRR and MNR completed their Kronos Swipe Dashboards. These dashboards are recent additions and show high compliance rates for employees swiping once per shift. While B&T also has a high compliance rate for the second swipe, the rate is notably lower at LIRR and MNR (see Exhibit 2 above). To close this gap, LIRR and MNR will need to implement the practices already employed at NYC Transit to monitor and increase the 2-swipes compliance rate. Exhibits 3 and 4, below, show LIRR and MNR swipe compliance by department. The most notable difference between the 2 railroads is that MNR has achieved a much higher 2-swipe compliance rate among its Transportation Department Train & Engine Service (T&E) employees, i.e., 62%, compared to LIRR's 1% compliance rate. MNR T&E's higher compliance rate is attributable to a court ruling in favor of the agency (see footnote 7), which enabled it to begin enforcing the 2-swipes requirement effective April 12, 2021. Based on this court ruling and the absence of any grievances, the OIG believes that LIRR management must begin enforcing employees' compliance with the 2-swipes requirement.

Exhibit 3 – LIRR Kronos Swipe Rates by Department
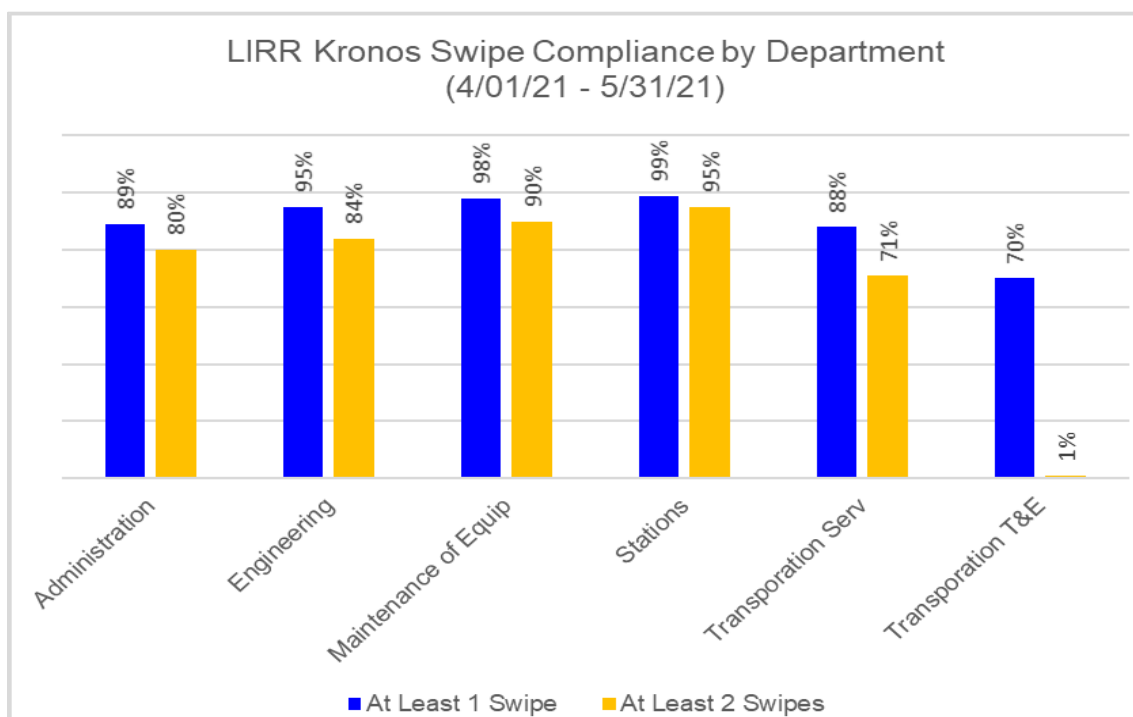
Source: LIRR Kronos Swipe Dashboard

Exhibit 4 – MNR Kronos Swipe Rates by Department
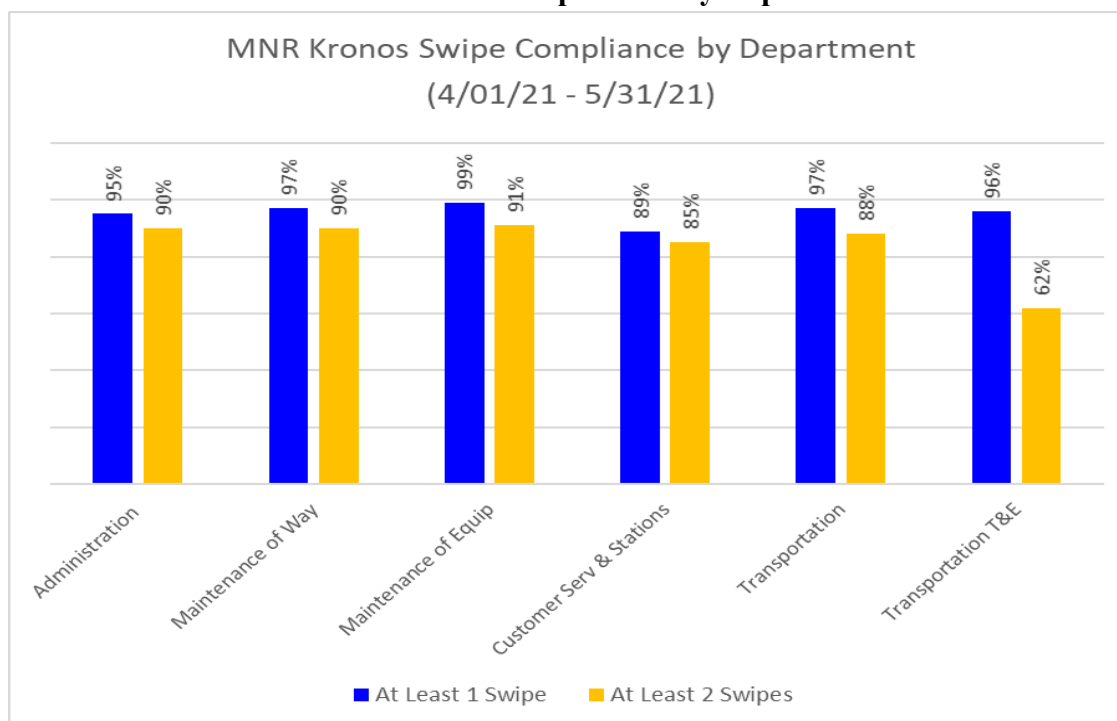
Source: MNR Kronos Swipe Dashboard

<center>*****</center>

In our next progress update for the 3rd quarter 2021, we will report on the accomplishments the Task Force expects to complete for the quarter, including the status of the Kronos Swipe Dashboard for MTA HQ, the migration of Kronos to the cloud environment, and results of the Kronos Mobile pilot project at NYC Transit and MTA Bus. We will also provide an update on the swipe compliance rates at the agencies.

The table on the following pages lists the status of all 19 recommendations, as of June 30, 2021.

No.	Recommendation	OIG Opinion January 2021	OIG Opinion July 2021
MF1	Standardize timekeeping procedures across the MTA, including implementing Kronos biometric clocks as the standard timekeeping tool.	In progress	Completed
MF2	Integrate Kronos with MTA-wide payroll systems, all of which should be standardized.	On hold	Progress resumed (new preliminary implementation plan established)
MF3	Establish minimum requirements for MTA-wide overtime policies and procedures.	Completed (outstanding concerns remain)	Completed
MF4	Create a centralized repository for all timekeeping and overtime policies and procedures.	Completed	Completed
MF5	Develop and require mandatory training for (i) all employees with respect to timekeeping procedures, including detailed training on Kronos, and (ii) all managers with respect to overtime approval authority, overtime policies and procedures, budgeting for overtime, and monitoring and tracking overtime.	Completed	Completed
MF6	Implement written periodic reports regarding applicable managers' progress managing overtime within budget, including a written explanation of any failure to do so.	Completed	Completed
MF7	Evaluate managers with overtime approval authority specifically on the implementation of overtime policies and managing overtime within budget.	On track for completion in early 2021	Completed
MF8	Develop metrics to determine when it is more cost-efficient to use overtime, as opposed to new hires or other methods, to satisfy workload demands.	Completed	Completed

No.	Recommendation	OIG Opinion January 2021	OIG Opinion July 2021
MF9	Conduct an internal review of whether and how the current hiring freeze is impacting overtime costs, with conclusions reported to the Board.	Completed	Completed
MF10	Develop a standard protocol for receiving and responding to monthly reports of high earners.	Completed	Completed
MF11	Provide labor relations departments with a guide on how the Collective Bargaining Agreements (CBAs) affect work rules that includes, at a minimum, the following: (i) a list of work rules that are relevant to timekeeping or overtime issues and how they are relevant; and (ii) any current interpretations of each listed work rule.	Completed	Completed
MF12	Expand and standardize productive initiatives aimed at addressing employee availability issues.	Completed	Completed
MF13	Appoint a specific office (or job title) at MTA HQ to implement the recommendations in the Report and report to the Board with the MTA IG monitoring that oversight.	Completed	Completed
MF14	Issue an annual public report on overtime by the Chairperson of the MTA, including reporting on whether the MTA managed overtime to budget, and if it did not, an assessment of why overtime accruals exceeded budget.	On track for completion in early 2021	Completed
MF15	Set firm deadlines for implementing each of the above recommendations.	MF2/OIG4 needs new deadlines	In progress (see MF2)

No.	Recommendation	OIG Opinion January 2021	OIG Opinion July 2021
OIG1	Require all agencies to retain, in an electronic retrievable form, the name of the person authorized to work an overtime shift, the name of the shift supervisor, the work location, and the start/end times for the overtime.	In progress (implementation disrupted)	In progress (past due date of Q2 2021)
OIG2	Provide Approvers with the necessary information to verify employees' overtime claims and hold them accountable for confirming the information.	In progress (implementation disrupted)	In progress
OIG3	Create monthly reports of "high earners" or "high rollers" that show employees with excessive daily work hours over many consecutive days, and distribute the reports not just to budget officers and upper management but also to lower levels of management (e.g., Approvers), so that all can be involved in assessing and curtailing unreasonable hours. All management levels from Approvers up must also be held accountable for keeping overtime expenditures within their budget.	In progress (mostly implemented, additional data to be added)	Completed
OIG4	The MTA is under a mandate to install and use Kronos biometric time clocks to capture employees' work hours across the entire agency. MTA should integrate the new clocks into the timekeeping/payroll system so that it not only captures employees' start/end times and overtime authorization, but also electronically generates payroll data and minimizes manual adjustments to the payable time. Special consideration must be made to fully account for field employees working at remote locations. The system should also be capable of electronically providing the necessary tools and information to time approvers (Approvers) and other personnel responsible for monitoring employees' time and attendance.	On hold	Progress resumed (see MF2)