

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CIVIL SERVICE AND LABOR

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March 27, 2014  
Start: 1:19 p.m.  
Recess: 4:00 p.m.

HELD AT: 250 Broadway - Committee Rm.,  
16th Fl.

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Chairperson

COUNCIL MEMBERS:

Helen Rosenthal  
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## A P P E A R A N C E S (CONTINUED)

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CHAIRPERSON MILLER: [gavel] Okay, good afternoon. I am Councilman I. Daneek Miller and I am the chair of the Committee on Civil Service and Labor. The subject of today's hearing is oversight in the school bus industry in the aftermath of the removal of the Employee Protection Provision contracts and its impact on workers, and we should add the impact on the EEP's removal has had an impact on our children and our communities to this title because that is what this hearing will boil down to. On that note, I would like to thank the panelists in attendance who have come out today, and some of those whom I have already met and had the opportunity to speak and share some opinions on this matter. As well, I'd like to thank the experts, the organizers and union folks who have come out along with the workers and others who are in attendance today.

As you know, the Department of Education is responsible for safely transporting our most precious cargo, our children. Hundreds of thousands of the city's students travel to DOE schools each day. There are currently 47 bus companies who do this work under the contracts to

the DOE. Thus, school bus drivers and matrons, also called escorts, actually work for the companies rather than the city. In 1979, there was a school bus strike. From this labor action, a new kind of contract was created. In this contract, workers were given seniority, even if they switched companies. For example, because of these Employee Protection Provisions, EPP, if one busing company went out of business, its workers would go on a Master Seniority List and be next to be hired by any company, new or old. As the past president of the Transit Union, I am intimately familiar with these sorts of mechanisms. Frankly, they promote hiring and retention of the hardest working and most skilled employees; workers who have deservedly earned seniority through dedication and labor. By employing workers of highest quality and in this case, skilled school bus operators and matrons, companies can, in turn, provide quality service to families who are reliant on the school bus industry.

When the Bloomberg Administration reversed the city's policy on EPP a year ago and removed them from school bus contracts, it led to a

heartbreaking strike in 2013. This put many good drivers and matrons out of work and drove the established school bus industry and some into bankruptcy. The loss of good jobs, skilled labor force and stable companies had become to erode the quality of school bus service that families throughout the city receive and depend on. In an era where we have become increasingly aware of transportation safety through initiatives like Vision Zero, it is incredible that the previous administration saw fit to cut corners with safety and reliability of our children's transportation. As a father, I know that there is no cost too high for the peace of mind of knowing that your child is safe and that he makes it to school and back home safely and in a timely manner.

So with that, I look forward to today's hearing and the panel discussion, so... [background voice] Okay, so before we would begin, I'd like to welcome the other members of the Council and the Committee here: Council Member Rosenthal and Council Member Eugene, Council Member Cornegy, Council Member Rodriguez and Council Member Constantinides. I got it right, yeah. I keep

doing it; I'm going to get it right. [laughter, background voices] Okay, so this is... yep, so this obviously very important, but before we call a witness, we cannot help but notice, and I will bring to your attention now, that the administration will not be testifying today, but they have presented testimony, which will be read by the Council now before we begin, so.

COMMITTEE CLERK: The testimony of Deputy Chancellor, Kathleen Grimm, the New York City Department of Education before the New York City Council Committee on Civil Service and Labor, March 27th, 2014.

The New York City Department of Education, DOE's, Office of Pupil Transportation, OPT, is the largest school transportation in the country. The DOE has contracts for 7,700 total bus routes that serve 152,000 students. NYC spends approximately \$1.1 billion per year on busing. DOE's highest priority when procuring bus service is to ensure student safety and quality services for families.

DOE's authority to provide bus transportation to NYC public school students is set

forth in various state and federal statutes. There are two general categories of school bus service:

1. Special Busing for children with disabilities who require special transportation and 2. General Busing for students who do not have disabilities and for students with disabilities who do not require special modes of transportation.

The following describes some history of DOE's inclusion of Employee Protection Provisions, EPPs, in bus contracts. EPPs in present form began in the wake of a 1979 strike by Local 1181 of the Amalgamated Transit Union. The strike was precipitated by DOE's removal of two provisions from a bid solicitation that year. The first gave priority in hiring to employees of private bus companies who'd lost their jobs as a result of the loss of the contracts by a previous contractor. The second required bus companies to pay their employees comparably to the rates for NYC Transit Authority workers.

The 1979 strike lasted three months and was concluded by a stipulation of settlement negotiated in part by Milton Mollen, the Presiding Justice of the Second Department. The "Mollen



Agreement," as it came to be known, essentially restored the first two of the provisions that DOE had sought to exclude from their request for bids, RFB.

The EPPs that were included in DOE's bus contract as a result of the Mollen Agreement established two "industry-wide Master Seniority Lists," one list for drivers, mechanics and dispatchers and the second list for chaperones/escorts. If any employee became unemployed because her employer lost its contract with DOE, then the employee's name would be listed on the appropriate Master List ranked by his or her seniority. Bus companies seeking to hire were required to hire their employees from these seniority lists.

For the next 33 years, with few exceptions, DOE negotiated extensions of bus contracts or school bus contracts rather than issuing requests for bid. In 2006, responsibility for school bus contracts for pre-Kindergarten, Pre-K, and Early Development, EI, students were transferred to DOE from the NYC Department of Transportation, DOT. After initially exercising

1 this option... excuse me, after initially  
2 exercising options to renew and extend those  
3 contracts for a limited period, the DOE in 2008  
4 decided to bid out the Pre-K/EI contracts. DOE  
5 bids for Pre-K/EI transportation services included  
6 EPPs, drawing a challenge from a group of school  
7 bus companies. The companies alleged that the EPPs  
8 were anti-competitive and violated state public  
9 contracting laws. The trial court agreed and its  
10 ruling was upheld by the First Department and the  
11 New York Court of Appeals in 2001 in L&M Bus Corp.  
12 versus NYC Department of Education 17 NY.3d 149.

14 Evaluating the EPPs in the 2011 ruling,  
15 the Court of Appeals held that because of the  
16 potential for anti-competitive consequences, the  
17 EPPs warrant a more stringent review than the usual  
18 "rational basis" standard applied to most  
19 government decisions regarding restrictions imposed  
20 on bidders in public procurement.

21 The Court of Appeals looked at DOE's  
22 justifications for the EPPs and found that they did  
23 not satisfy the heightened scrutiny test. The  
24 Court of Appeals was specific about heightened  
25 scrutiny in L&M: "Consistent with the goals of

public bidding laws, we held in Matter of City Council of City of New York versus Bloomberg that procedures having an anti-competitive effect on the bidding process can be justified only by proof that they are designed to save the public money by causing contracts to be performed at smaller cost or without disruption." The State high court ruling also applied only to perspective contract awards. The decision did not invalidate or require the removal of EPPs in current DOE school transportation contracts.

Following the L&M ruling, DOE began a process of bidding out all bus routes in a public competitive bidding process. With the exception of some relatively small procurements in the 1980s and 1990s, this marked the first time in 33 years that the bus routes had bid out. Over the past two years, all bus routes have been put out for a public bidding process. There are currently 50 school age vendors with nine different union affiliations.

The first routes put out for bid were Pre-K routes, the contracts for which had not previously included EPPs. In September 2012, DOE

awarded contracts to 18 companies to provide Pre-K service. In December of 2012, DOE issued a solicitation for more than 1,100 routes, which served 22,500 students in Kindergarten through 12th Grade who have disabilities and require special transportation. The issuance of that solicitation, which similarly did not include EPPs, led to the strike by Local 1181 and other unions. The strike ended on February 15th, 2013 and classes resumed on February 20th, with all buses back in operation. Ultimately, DOE awarded contracts to 16 companies covering more than 1,100 routes. These contracts took effect September 2013.

In April 2013, DOE issued a solicitation covering 1,400 routes for school-aged Special Education bus service. The Request for Bids, RFB, did not include EPPs and contracts were awarded to 16 companies to start September 2014. In November 2013, DOE issued an RFB to provide school bus transportation for school-aged students who received Special Education bus service and students who received General Education service and other riders citywide. The RFB, which did not EPPs, sought bids for 4,000 vehicles provide

service beginning in the 2015-2016 school year,  
setting a May 12th, 2014 due date for responses.  
The RFB will result in multiple five-year  
requirement contracts.

Under these contracts, the number of  
jobs for drivers and attendants remains the same,  
as total routes have not diminished; however, DOE  
is seeking additional data to further evaluate any  
changes impacting workers. The need for regular  
procurements should not hurt bus workers by  
changing impacting workers... the need for regular  
procurement should not hurt bus workers by becoming  
a "race to the bottom," in which price differences  
between companies are driven more by declining  
wages than by management practices, training and  
capital investment. In order to strongly... I'm  
sorry, excuse me. In addition to strongly  
supporting the rights of bus drivers and attendants  
to unionize and bargain in good faith with our bus  
contractors, DOE seeks to safeguard the security of  
bus drivers and attendants.

In light of the arrival of the new  
administration DOE, with support from other  
agencies, is currently reviewing the benefits and

drawbacks of the process begun in 2011 and various options to proceed. We are using these criteria (safety of DOE students and quality of service, worker protections and fairness and fiscal responsibility and sustainability) to review the current conditions and consider directions for the future. DOE looks forward to sharing its findings and plans on improving bus service for all students based on the aforementioned criteria in the coming months.

CHAIRPERSON MILLER: So obviously, the Department of Education is not here for questions, but I thank them for submitting their testimony and that will be available and we'll be able to discuss it with them in the future.

So I'd like to first bring... to call the first panel and that is a short panel. I think I see Mr. James Parrott of the Fiscal Policy Institute. Is he available?

[Pause]

CHAIRPERSON MILLER: Good morning, Dr. Parrott.

DR. PARROTT: Good afternoon to you.

CHAIRPERSON MILLER: Good afternoon.

Thank you so much for coming out and then...

[crosstalk]

DR. PARROTT: Sure.

[crosstalk]

CHAIRPERSON MILLER: Sharing your insight and knowledge on this matter and you can begin by identifying yourself and go ahead.

DR. PARROTT: Good afternoon. James Parrott is my name. I'm the Deputy Director and Chief Economist of the Fiscal Policy Institute. Good afternoon, Mr. Chair, members of the committee, Public Advocate. Thank you for the opportunity to testify this afternoon.

Certainly one of the City's biggest challenges is providing a sufficient number of decent paying jobs to enable its citizens to provide for their families and offer hope of a better life for their children. The City has many ways that it can affect the availability of good paying jobs in New York City. One of the most important is to use its contracting authority to better the wages and working conditions of lower wage workers providing valuable city services. A

significant share of the City's \$74 billion annual operating budget goes to purchase \$11 billion in services from a mix of for-profit and not-for-profit providers. The City spends \$1.2 billion annually on contracts with not-for-profit companies... with for-profit companies to provide school bus transportation services. This is a vital city funded service that involves transporting predominately young New York City school children, including about a third of whom have special needs. You will hear from parents this afternoon just how important and essential it is to safe and reliable school bus transportation.

Unfortunately, the school bus sector is in chaos today. Many bus routes are changing hands and seasoned workers are being shown the door. A major bus company, Atlantic Bus, with a quarter of all bus routes is bankrupt and out of business. Other companies scurried to take over Atlantic's routes in the middle of the school year. For now, since many of the companies that took over Atlantic's routes are still under the job security provision, they hired former Atlantic employees off of the Seniority List. However, this won't be the



case for long unless the job security provision is reinstated in all school bus contracts. As more routes come under new contracts without job security, a downward spiral will be set in motion. The livelihoods of long-time school bus workers will be pulled out from under them. The wages and benefits for the remaining workers will be subjected to unrelenting downward pressure as a disastrous race to the bottom has been set in motion. This is starting to happen and will soon accelerate. Many more bus routes will change hands in September as the city continues their rebidding process. More companies will go out of business and the displacement of the experienced workforce will intensify. Drivers, bus matrons, mechanics with years of experience will be thrown out of work and will have a very difficult time finding another job that pays comparable wages and benefits. The race to the bottom will accelerate as this chaos continues.

Why is this chaos happening? There's a simple answer and yet, it's in incomprehensible answer. The New York City school bus system is in chaos because the Bloomberg Administration set out

to destroy a job security system for modestly paid bus drivers and matrons that had been in place for 35 years. It is incomprehensible though because the resulting chaos and the eventual decimation of wage and benefit standards for this workforce was entirely predictable. Why would a Mayor of New York City and the Chancellor of the City school system want to inflict that result on a stable, moderately paid unionized workforce that is heavily comprised of persons of color and 60 percent female? Why would a Mayor want to knowingly unsettle the delivery of an essential public service transporting 150,000 school children every day? Good question. The prior Mayor's quest to end the job security provision, known as the Employee Protection Provision, precipitated a month long strike by over 8,000 school bus drivers and matrons a little over a year ago. Under the EPP, as you've heard, the Department of Education is required to maintain a Master Seniority List of drivers, escorts and mechanics. School bus companies that provide new routes or take over existing bus routes must hire from this list in order of seniority and maintain workers' wages and

benefits. All of that is on the verge of disappearing. The Mayor said he wanted to remove the job security provision to save money. While the City spends well over \$1 billion on pupil transportation, the increased costs in recent years are mainly the result of the increased bus services required by the Department of Education, not rapidly rising wages or benefits received by union workers. In my written testimony there's a further discussion of what's driving the increased number of bus routes and hence, the overall cost of providing pupil transportation.

In striking, the Amalgamated Transit Union, and you'll hear from the Union President in a minute, was not seeking to thwart competition among bus companies. Rather, the workers struck seeking to avert a race to the bottom in wages and working conditions. There are endless examples where a race to the bottom in labor practices is accompanied by deterioration in the quality of services, and in this case, that means the safety of school children. Everything we know about the economy indicates that low wages are no bargain. Workers are not like the goods on a shelf in a 99

cent store. As the New York State Constitution affirms in Article 1, "The labor of human beings is not a commodity nor an article of commerce and shall never be so considered or construed."

Last spring, the Bloomberg Administration rebid the first batch of school bus contracts without the EPP for services that commenced in September 2013. The second batch of bus route contracts without the EPP was put out for bid and awarded to the end of last year for services to begin this coming September and the third and largest batch of bus route contracts is being rebid right now for bus services to start in September 2015.

The chaos in the school bus system and degradation of the workforce described earlier is the result of stripping out worker job security provisions. Local 1181 member school bus workers earn moderate wages with employer provided health insurance and a pension plan. Bus drivers average about \$38,000 annually; matrons average a little over \$20,000 annually. When these workers lose the job security that has long stabilized the school bus system, hourly wages are at least one-third

less than the union average, approximately \$15 an hour for drivers and \$10 for matrons.

Unionized school bus jobs are very important to the city's low-income communities of color. 80 percent of the workers are people of color with Haitians comprising 40 percent, Hispanics about 30 percent and African Americans roughly 10 percent. Because women are about 40 percent of bus drivers and 95 percent of matrons, they hold approximately 60 percent of the unionized school bus jobs. A little over 40 percent of Local 1181 members living in the city reside in Brooklyn, 22 percent in Queens, 20 percent in the Bronx, 10 percent in Staten Island and about six percent in Manhattan. Most school bus workers do not have a college education. Striking school bus workers all have... unionized school bus workers all have employer provided health insurance. If they did not have a union, chances are they would be uninsured or be covered by Medicaid.

The damage wrought by the Bloomberg Administration in eliminating the EPP is reversible and should be reversed as quickly as possible. The City can rewrite the RFP for the third batch of

1  
2 school bus contracts. Also, the City has the right  
3 under the contracts already in effect to terminate  
4 them for cause or with notice. It should reinstate  
5 the EPP into all school bus contracts and urge the  
6 reinstatement of the long-time bus drivers and  
7 matrons who have been displaced.

8 Mayor de Blasio has made it clear that  
9 he is determined to do what he can to lift the  
10 wages of low wage workers. Under his leadership,  
11 the City should set an example for the private  
12 sector in using its extensive contracting power to  
13 lift wages for tens of thousands of low wage  
14 workers providing services under city contract,  
15 including school bus workers.

16 Failure to act quickly to end the chaos  
17 in the school bus system will only result in less  
18 economic security, less consumer spending power,  
19 less stable communities and a weaker tax base. The  
20 City budget will be worse off in both the short run  
21 and the long run. The promise of New York City  
22 will suffer. I hope the Council will work with the  
23 Mayor to restore the job security system that has  
24 well served New York City school bus workers and  
25 our school children. The school system faces many

1 challengers, many pressing challenges. Providing  
2 safe and reliable student transportation doesn't  
3 need to be one of those challenges. We know how to  
4 provide that. We need to return to the system that  
5 existed in place before Mayor Bloomberg set about  
6 to destroy that, producing the chaos we see today.  
7 Thank you for the opportunity to testify.

9 CHAIRPERSON MILLER: Thank you so much,  
10 Dr. Parrott. [applause] So normally what happens  
11 is everybody lines up to ask questions, but when  
12 Dr. Parrott shows up, he's kind of answered all  
13 those, and I'm going to actually just take a point  
14 of privilege... [background voice] Okay, I'm sorry.  
15 And we do... and so before we move any further, I'd  
16 like to... the Public Advocate has joined us,  
17 Letitia James and Council Member Danny Dromm. And  
18 so I think Council Member Rosenthal, Chair of  
19 Contracts. I'm sure she has a few questions.

20 COUNCIL MEMBER ROSENTHAL: I really  
21 appreciate you're having this hearing today. It's  
22 great to see everyone here and I really appreciate  
23 it. I was just tweeting out and really appreciate  
24 the way that you articulate what's happened with  
25 this unfortunate Bloomberg policy. Do you... are

you satisfied and maybe you just had a minute to hear this...

DR. PARROTT: [interposing] Yeah.

COUNCIL MEMBER ROSENTHAL: Mr. Parrott, but are you satisfied with what Deputy Chancellor Grimm has put forth? If you look at the last two paragraphs...

DR. PARROTT: [interposing] Yeah.

COUNCIL MEMBER ROSENTHAL: Of her testimony, I'm wondering if you're satisfied with the way that the DOE is thinking about rewriting their RFP going forward by using the criteria of the safety of DOE students; worker protection; fiscal responsibility. Do you think that'll help us get back to where we need to be?

DR. PARROTT: I think those are very reasonable criteria.

COUNCIL MEMBER ROSENTHAL: Mm-hm.

DR. PARROTT: You know, they're very broad. It covers a lot of ground.

COUNCIL MEMBER ROSENTHAL: In the paragraph before she seems to say that they will keep us from having a race to the bottom, which is



exactly the words you used and, in fact, what we've seen by eliminating...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: The EPP. I agree with you...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: It's been a race to the bottom.

DR. PARROTT: I think we should have a race to undo the damage that's been done...

COUNCIL MEMBER ROSENTHAL:

[interposing] Right.

DR. PARROTT: Because you know, as I said, you could see it coming. We knew what the result would be. There are no surprises there and I would hope that the new administration would take this up quickly and I'm sure that the Council will help them...

COUNCIL MEMBER ROSENTHAL:

[interposing] Mm-hm.

DR. PARROTT: Sort through any thorny issues that arise, but it seems like action is needed right now...

COUNCIL MEMBER ROSENTHAL:  
[interposing] Mm-hm.

DR. PARROTT: To stop the third round of contracts. It's only fair to the school bus companies that are trying to put together their proposals, their bids on that to let them know right away that the terms of the contract are going to change and they're going to revert to you know, something like what existed before.

COUNCIL MEMBER ROSENTHAL: And so could you from a financial standpoint, can you look at the OTP budget and see has the amount of money that the Department of Education devoted to pupil transportation decreased over the last three fiscal years? Can you adjust for the number of pupils?

DR. PARROTT: Yeah.

COUNCIL MEMBER ROSENTHAL: Do you see it specifically with the Special Ed kids?

DR. PARROTT: Well, I thought that you know, one of the council members might ask just

that question, but I didn't look at all of that,  
but I did look just...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Right.

[crosstalk]

DR. PARROTT: Last night at what the  
Fiscal 2014 allocation for the Special Ed student  
transportation and the General student  
transportation and...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Yep.

[crosstalk]

DR. PARROTT: Compared that with the  
proposal for Fiscal '15.

COUNCIL MEMBER ROSENTHAL: Yep.

DR. PARROTT: The numbers went up a  
little bit.

COUNCIL MEMBER ROSENTHAL: Okay.

DR. PARROTT: You know, I didn't have  
the numbers on the capacity or the volume of  
students transported or the number of routes, but  
it did look like it would go up. To the extent  
that the Bloomberg Administration claimed that it  
would save you know, considerable sums of money as

a result of this, you certainly don't see that in the budget at this point and of course, I always thought that those claims as to possible savings were illusory. It was in this very room that we... there was a hearing in the middle of the strike in February of last year and it was painful to listen to the Chancellor at the time hem and haw and give not very credible responses to questions about what the impact on cost would be.

COUNCIL MEMBER ROSENTHAL:

[interposing] Well and to that point...

DR. PARROTT: [interposing] And frankly, and so if I could just...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you.

[crosstalk]

DR. PARROTT: Say one further thing, he said it really wasn't the concern of the City what the effect on the workers was.

COUNCIL MEMBER ROSENTHAL: Yes.

DR. PARROTT: Alright, you recall that.

COUNCIL MEMBER ROSENTHAL: So and for that... I'm glad you brought that up and it's for that reason that I'm really sorry the Deputy

Chancellor is not here today to take the questions that we might have about what had happened in the past and what her ideas are, just given that...

DR. PARROTT: [interposing] Right.

COUNCIL MEMBER ROSENTHAL: She was in the past administration and is here now, I would love to hear her answer to that question. Did savings occur? Did they plan for savings to occur? Did they occur? What have they...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Done for the budget going forward? What are they contemplating? It's very discouraging that she wouldn't be here; I just want to be clear about that to answer those kind of questions.

DR. PARROTT: Mm-hm.

COUNCIL MEMBER ROSENTHAL: Thank you. I'll come back.

CHAIRPERSON MILLER: Thank you, Council Member Rosenthal. Council Member Eugene.

COUNCIL MEMBER EUGENE: Thank you very much, Mr. Chair and let me say that is unfortunate

that the Department of Education is not here because I don't come for you, but I come with the hope that they would be here and I would have to ask them you know, my questions. But it is unfortunate to see that in New York City, the good City of New York, people who have dedicated their life, many years of their life serving our children you know, people who have been working and they know what they have been doing. Many of them what they know is getting the children; driving the children from home to school and back you know, from school to home and but unfortunately, I think this is a social justice issue. People who have been working hard with the hope that they will get to a point they will have the security in their job and now we took it away without any consideration and I have been in the forefront of the fight with you fighting and protesting and people went to my office every single day. They are losing their houses; they cannot pay their bills; they cannot sustain their families. This is not... that shouldn't happen in New York City. That shouldn't happen in New York City, but unfortunately, we get to a point then that you know, it is a reality, a

1 sad reality, shocking reality, but I hope that we  
2 can continue you know, to struggle, to fight to get  
3 this job security of the EEP back because that is  
4 very... they worked for it. They paid their due  
5 and I think that is very... you know, I don't think  
6 that you know, that should be taken away from them.  
7 But let me just ask for one question because I  
8 am... you know, I am very disappointed that the  
9 Department of Education isn't here, but let me ask  
10 a question. In your testimony, I mean as a... you  
11 said that in this paragraph... you said that  
12 unfortunately the school bus sectors is even in  
13 chaos today. This is...

15 DR. PARROTT: [interposing] Right.

16 COUNCIL MEMBER EUGENE: What you... as  
17 more routes come under new contracts without job  
18 security... now let me read to there... you said  
19 that more companies will go out of business and the  
20 displacement of experienced workforce will  
21 intensify. We know that the drivers and the  
22 matrons, they know what they have been doing. They  
23 love doing that, but you know, putting new people  
24 without experience in something like that, could  
25

you tell... you know, give us some detail and talk about the impact that will have...

DR. PARROTT: [interposing] Right.

COUNCIL MEMBER EUGENE: On the children and also on the family members...

DR. PARROTT: Well...

COUNCIL MEMBER EUGENE: When you remove people with...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER EUGENE: Experience, people who love...

DR. PARROTT: Yeah.

COUNCIL MEMBER EUGENE: I know certain bus drivers and they know the children by name. They know their parents.

DR. PARROTT: Right.

COUNCIL MEMBER EUGENE: Every single day for many years that's what they have been doing. Could you please you know, say something about...

[crosstalk]

DR. PARROTT: Yeah.



[crosstalk]

COUNCIL MEMBER EUGENE: The impact of this situation on the families and also on the children?

DR. PARROTT: That's the crux of the issue I think. Thank you for the question. If I may, though, I think I would defer on answering that. You're going to hear from President Cordiello of Local 1180, and I'm sure he'll have some of his bus drivers and matrons also testify. I think you'll also hear from some parents who can speak personally to your questions, so I think I would hold off and let them respond on that.

COUNCIL MEMBER EUGENE: Alright, thank you. I will wait.

DR. PARROTT: Alright.

COUNCIL MEMBER EUGENE: Thank you very much. Thank you, Mr. Chair.

CHAIRPERSON MILLER: We're going to take a question from the Public Advocate.

PUBLIC ADVOCATE JAMES: First let me thank you for your testimony. Just two quick seconds, and I thank the Chair for his indulgence, as well as the members of the City Council. In the

1 testimony that was provided by the Department of  
2 Education, which was the subject of much discussion  
3 at the last hearing that we held with the former  
4 Chancellor, on page two of the testimony, it  
5 clearly states that the decision of the Court of  
6 Appeals did not invalidate... did not invalidate or  
7 require the removal of EPPs in the current DOE  
8 school transportation contracts. Let me say that  
9 again; that the decision did not invalidate or  
10 require the removal of EPPs in current DOE school  
11 transportation contracts. This sort of validates  
12 my position at the last hearing, where I confronted  
13 the former Chancellor, who had a different  
14 interpretation...

15  
16 DR. PARROTT: [interposing] Right.

17 PUBLIC ADVOCATE JAMES: Of the Court of  
18 Appeals decision and I'm really glad that the  
19 Department of Education; that the Deputy  
20 Chancellor, Kathleen Grimm, basically confirmed my  
21 interpretation of that decision; that again, that  
22 it did not invalidate or require the removal of  
23 EPPs and that the removal of EPPs was done by the  
24 previous administration because they basically  
25 wanted to engage in union busting. There's just no

1 way to get around that and so despite what the  
2 Chancellor said on the record; despite the comments  
3 of the Mayor and others, clearly there was no  
4 reason to remove it and so do you agree that it's  
5 my understanding that the last... on February 11th  
6 at the Panel of Policy Education where they voted  
7 on contracts that had EPP on February 11th, the  
8 rest of the contracts that did not have EPP were  
9 tabled; that clearly the Department of Education  
10 could reconvene the Panel of Policy Education and  
11 revote to keep; to maintain EPP in those remaining  
12 contracts? Do you believe in that position?

13 DR. PARROTT: Yes.

14 PUBLIC ADVOCATE JAMES: Okay, great and  
15 you indicated that, and this is something that I've  
16 been focusing on, the feminization of poverty, and  
17 you indicated and I did not have the stats and I  
18 want to thank you for that; that 40 percent of the  
19 drivers are women, 90 percent of the matrons are  
20 women...

21 DR. PARROTT: [interposing] Yes, 95  
22 percent.

23 PUBLIC ADVOCATE JAMES: 95 percent are  
24 women and that most of the women are women of  
25

1 color. So if in... so EPP is a form of job  
2 security; job protection and clearly this would  
3 assist these women in maintaining their status and  
4 lifting them out of poverty. Do you agree with  
5 that?  
6

7 DR. PARROTT: Absolutely.

8 PUBLIC ADVOCATE JAMES: So clearly that  
9 is why I am here, Mr. Chair, and that is why I'm  
10 here to support EPP and support these workers or  
11 support the labor movement because I recognize and  
12 I've recognized for a very long time that job  
13 security and moving into the middle class is  
14 inextricably tied to the labor movement, and so I  
15 fully support this effort and I will urge the Mayor  
16 of the City of New York, as he reviews these  
17 contracts, to ensure that all contracts going  
18 forward have EPP from now until forever. Thank  
19 you.

20 CHAIRPERSON MILLER: Thank you, ma'am,  
21 Public Advocate and... [applause] thank you for  
22 your leadership on this issue. Obviously this is  
23 something that I sort of inherited, but didn't  
24 inherit, but if not for your leadership we wouldn't  
25

be here today, so I thank you for that. We'll now hear from Council Member Dromm.

COUNCIL MEMBER DROMM: Well, thank you, Chair Miller and Public Advocate for your statements as well. I, too, remember those hearings when we were here. I remember the hearings last January I believe it was when the strike first occurred. I remember being on the picket line with the workers on numerous occasions and the heart wrenching stories that I heard of the suffering that families had to endure because they were out on strike for a just cause. I am very interested in this hearing today and I'm also very disappointed that the Department of Education did not show up. I am going to pursue this further, as the Chair of the Committee on Education, because this is also an education issue and I will tell you that if they did not come today to answer the questions here, they will come to the Education Committee hearing and they will have to answer the questions at that hearing as well. This is an issue of fairness. This is an issue that is important to all New Yorkers. I also consider it to have been an issue of union busting and it was

an attempt to destroy that union and I have to tell you after we were not told whole truths, which occurred at the initial hearings when the strike was going on; I wouldn't say lies, but I'll say not the whole truth in terms of whether or not EPPs were legal or not. Former Chair of the Education Committee, Robert Jackson, took to swearing in all of his witnesses to make sure that from there on all of the people who appeared before the Education Committee were telling the truth. I have continued that tradition because of what happened during that hearing and we will make sure that we get to the bottom of exactly what went on. Thank you very much.

CHAIRPERSON MILLER: Thank you, Chair Dromm. We'll now hear from Council Member Cornegy.

COUNCIL MEMBER CORNEGY: Good afternoon.

DR. PARROTT: Good afternoon.

COUNCIL MEMBER CORNEGY: So this is one of those rare occasions when I get to, although I'm a councilperson, really speak as a parent, as a parent of a child with an IEP who is now 17 and has accessed the bus system and it has been a

1           tremendous asset for myself and my family. That  
2           has been the first line of defense for information  
3           about my child and other children. It also has...  
4           so what we've seen... you spoke about the chaos.  
5           What that looks like to families is tremendous  
6           inconsistency with... and it causes unhealthy  
7           conditions for our children, especially the least  
8           of our children, who have disabilities. So you  
9           know, I stand firmly with you on this, but I just  
10          really feel like as a parent and I know we're going  
11          to hear from other parents and other advocates.  
12          It's just my opportunity to lend my voice as not  
13          only a council member, but as a parent, who for the  
14          last decade and a half has watched this uncertainty  
15          and those types of things happen and what it does  
16          to a family and more importantly, to our children.  
17          So I know that...

18  
19                   DR. PARROTT: [interposing] Right.

20                  COUNCIL MEMBER CORNEGY: A lot of the  
21          conversation today has been about what it does to  
22          families and workers, but really the trickle-down  
23          effect to our children is incredible.

24                   DR. PARROTT: Right.  
25

CHAIRPERSON MILLER: Thank you,  
Councilman Cornegy, for your statement and we're  
going to go back to Council Member Rosenthal before  
we wrap up with Dr. Parrott.

COUNCIL MEMBER ROSENTHAL: Alright, so  
Dr. Parrott? I didn't realize that. Of course you  
are. So along those lines, could we use this  
opportunity to ask you if the Department of  
Education were here and if they were to make this  
information transparent and we could see what they  
are anticipating and what's in their budget for the  
bus contracts, what data would you want them to  
share with the public? Would you... do you know  
are they... in their contracts do they have  
anticipated dollar amounts for payments per student  
per route?

DR. PARROTT: Mm-hm.

COUNCIL MEMBER ROSENTHAL: What would  
you like to... what do you...

[crosstalk]

DR. PARROTT: Well...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Think they  
should be...



[crosstalk]

DR. PARROTT: Really...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Looking at and what questions could we have on our list of questions for the Department of Education, given that they're not here, so they could come back to us and perhaps Council Member Dromm's hearing? What...

[crosstalk]

DR. PARROTT: Mm-hm.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: What should we be asking them to bring to us?

DR. PARROTT: I think the first thing I would ask them is what is the status of reviewing the bids or of the current round of... the current bid that is out. What have they been telling the perspective bidders about what they're going to be responsible for? Are they anticipating that they're going to let contracts without the EPP in them? And then I guess I would want to pursue that and then try and get a decision from City Hall as quickly as possible to put that process on hold and

1 to reverse that process and start to approach the  
2 important school bus contracts with the criteria in  
3 mind that the Department has stated. But to your  
4 question on what data you would want to look at, I  
5 think the sort of things that you suggested make a  
6 lot of sense. What's the total budget for the new  
7 round of contracts that they're going to be  
8 reviewing? How do they... what are the components  
9 of the costs that go into that? You know, I'm not  
10 sure of the details of that myself, so it could be  
11 you know, a question of what they're expecting the  
12 bidders to have in terms of their labor costs and  
13 are they providing benefits to their workers and  
14 are these workers going to be covered by the  
15 pension plan that's in place for most of these  
16 workers and so on.

18 COUNCIL MEMBER ROSENTHAL: Would it be  
19 helpful and do you think they have the data, right,  
20 to... for their expectations of the number of  
21 workers at different levels of seniority, for  
22 example? So if we could look at... if they... in  
23 their dollar amounts and when they come to their  
24 expectation of what the cost will be of their  
25 contract, they must be assuming a certain

percentage of workers who are at different levels of seniority. So if their expectation is...

[crosstalk]

DR. PARROTT: Right.

COUNCIL MEMBER ROSENTHAL: That you know, over half, 75 percent, 80 percent of the workers are at different levels at higher seniority, the budget would be at a different amount, right, than if it were that a lower percentage of the workers were first time workers or at higher percentages...

DR. PARROTT: [interposing] Yeah.

COUNCIL MEMBER ROSENTHAL: Of seniority.

DR. PARROTT: Yeah, fortunately...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: But there should be a...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Trail. I mean when I worked at OMB...

[crosstalk]

DR. PARROTT: Yeah.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: We would have a trail to what that final...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Dollar amount was.

DR. PARROTT: So for the bids that are in process right now, these are for services that start in September of 2015.

COUNCIL MEMBER ROSENTHAL: Right.

DR. PARROTT: There is ample time to adjust the city budget if they're not allowing for sufficient resources to accommodate the workforce that all of us would like to see engaged in providing those services. Workers that have the seniority now that are covered by union contract or covered by employer provided health insurance and the pension plan and so on, so again, I think the critical thing is to get them to put the current process on hold, get a decision to do it the right way and then once they're taking care of that, then

to figure out what they can do about the two prior rounds of contracts.

COUNCIL MEMBER ROSENTHAL: So from a Fiscal Policy Institute standpoint, right, we should be able to... if we want to see a budget and if we want to see... if we want to see a budget that reflects Mayor de Blasio's belief of trying to address income inequality, we should be able to see in his new budget that he's addressing income inequality in this particular area by making sure that workers with seniority who are being paid a wage that one can live on better...

[crosstalk]

DR. PARROTT: Right.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Than a starting salary, that that would be reflected in his budget, right?

DR. PARROTT: Yeah, I'm not sure exactly how they're contemplating showing that, but I guess I was encouraged to see in the Mayor's presentation on the Preliminary Budget that there was a chart in there on income inequality that was not unlike charts that we've had in our

presentations on the city budget in recent years,  
so it's clear that that's part of the broader  
criteria that the Mayor brings to the table in  
terms of making budget decisions, so you're  
absolutely right, so let's translate that into you  
know, the \$11 billion total of...

COUNCIL MEMBER ROSENTHAL:

[interposing] That's right.

DR. PARROTT: Contracted services in  
New York City and let's look at each of those areas  
and see what are the wages and benefits of workers  
who were basically indirect city employees.

COUNCIL MEMBER ROSENTHAL: Thank you.

DR. PARROTT: Yeah.

CHAIRPERSON MILLER: Okay, thank you so  
much, Dr. Parrott, for your testimony.

DR. PARROTT: Thank you.

CHAIRPERSON MILLER: And thank you for  
coming out today. So okay. [background voices]  
Okay. The next panel will be from 1181, President  
Michael Cordiello; Jean Raymond Malile.

[background voice] And okay, whoever you've got  
there can identify themselves when they get up  
here. [background voices]

[Pause]

CHAIRPERSON MILLER: President

Cordiello, you can begin when you are ready. Just identify yourself and I would ask the same from all other speakers, please, before you speak.

PRESIDENT CORDIELLO: Thank you. Good afternoon, Chairman Miller and members of the committee and Public Advocate Letitia James for attending. I'd like to thank you for holding this important hearing and for the opportunity to testify before you. My name is Michael Cordiello. I am the President of Local 1181 of the Amalgamated Transit Union. Local 1181 is the second largest local affiliated with the Amalgamated Transit Union, an international union whose president is New York's City's own Larry Hanley.

Before former Mayor Bloomberg began his radical ideological assault on the hardworking, dedicated, experienced men and women who safely transported our city's school children for decades, as well as on this union, Local 1181 represented 15,000 members in the school bus transportation industry, some 9,000 of whom some 75 to 85 percent of the industry worked in the K through 12 school

bus industry, which also included Special Education transportation. As a result of his actions, we have already lost 2,000 members, almost all of whom worked with our most vulnerable children, those with special needs who have lost their jobs. Those workers made only modest wages and benefits, but that was evidently too much for Michael Bloomberg, and unless his radical actions, many of which were taken at the very end of his term in a flagrant attempt to bind the hands of his successor are reversed, we will lose at least 2,500 more experienced and dedicated drivers and matrons in June and another 3,000 to 4,000 next June. And I want to add just for one moment that warning letters are already being sent to about 22,000 of our members. If that happens, Local 1181 will have lost more than half its total membership and at that point, the stable, safe, efficient and cost-effective system in place for over 30 years will have been demolished, replaced by a new, inexperienced non-union providers hiring new, inexperienced drivers and matrons at poverty level wages and with minimal to no benefits. And at that point, in this industry, the "Tale of Two Cities"



our Mayor so eloquently and passionately denounced in his successful campaign will have been achieved. We must not let that happen, not on this Mayor's watch.

We sit here today, some 15 months after Mayor Bloomberg first announced his decision to eliminate decades old Employee Protection Provisions, known as the EPPs, from school bus contracts. As I think most of you know, the EPPs simply provided that workers in the school bus industry who lose their jobs through no fault of their own; for example, when a company loses work, leaves the industry or the Department of Education moves the work, are placed on a Master Senior List based on their tenure in the industry. When jobs become available, [chime] employees on that list... thank you. When jobs become available, employees on that list, if there are any, are hired for that job in seniority order and bring with them wages and benefits contribution levels of their previous job. The EPP and the Master Seniority List are union neutral; that is, workers go on a Master List in seniority order regardless of whether they are members of Local 1181, another union or no union at

all and take their wages and benefit level with them, whether union or not union. If no one is on the Master List, the employer can hire new employees from anywhere. This system, put in place when Local 1181, the City and the bus companies signed a settlement ending the last strike in 1979, ensured labor peace in the creation of a safe, reliable, experienced workforce until Bloomberg decided to destabilize the industry via a union busting assault on its workers in his last days in office, and he has left a new Mayor to clean up his mess.

In December of 2012, the City decided to bid a portion of its contracts with bus providers without the EPPs in them. I'd like to point out that the contracts the Mayor selected for bidding were 1. All companies with Local 1181 collective bargaining agreements and 2. All Special Ed contracts, covering those children in most need of experienced, caring drivers and matrons. I think it's important to remember that the primary rationale that the Mayor asserted for not including the EPPs was that their inclusion would be illegal, pursuant to a 2011 decision of the New York State

1 Court of Appeals. That claim, which was utterly  
2 false, was one repeated by the former Mayor and  
3 former Chancellor continuously and it was one that  
4 Local 1181 contested through legal opinion letters  
5 submitted to Corporation Counsel by the union's  
6 attorneys, a copy which is attached to my  
7 testimony, through comments made in the press and  
8 through testimony before this body. Unfortunately,  
9 the former Mayor and Chancellor remained resolute  
10 in their insistence on the illegalities of the  
11 EPPs; that is, until they were sued by the current  
12 school bus contractors subject to EPPs in their  
13 existing contracts, who sought the removal of these  
14 alleged illegal provisions. It was only then that  
15 the former Mayor and Chancellor, represented by  
16 Corporation Counsel, changed their tune. In  
17 response to that lawsuit, the City's legal papers  
18 referring to the very same Court of Appeals  
19 decision cited by the former Mayor as a reason for  
20 eliminating the EPPs stated and I quote, that  
21 "nowhere in the L&M decision did the Court of  
22 Appeals address whether, much less hold that, the  
23 inclusion of the EPPs in any school bus contract is  
24 per se unlawful."

Undeterred by the debunking of their own attorneys of the principle defense for taking an action that triggered the strike, the former Mayor and Chancellor then claimed that competitive bidding would result in cost savings, which was a motivation for the decision to remove the EPPs, and just like that the former Mayor pivoted and cynically combined the bidding of contracts with the absence of the EPPs, alleging without a shred of proof, that such bids saved money. And he did so without the slightest inquiry from the press or opinion elite, who supposedly zealously and objectively protected taxpayers' interests.

At a City Council hearing last year, Chancellor Walcott was asked point blank if the City had any proof that the EPPs cost money. He replied that the City had lots of studies on the subject. The union submitted a FOIL request for such studies. The City only response: a 1994 study commissioned by the Giuliani Administration that actually found that the EPP system worked well and recommended keeping it, which the Giuliani regime did.

It's certainly possible that competitive bidding can achieve cost savings, but even those claims must be subject to at least minimal analysis; for example, looking at the cost of hiring such providers and workers after work actually commenced to see whether any alleged savings by bringing in cheaper employers was lost over time by high turnover, bad performance, et cetera. But competitive bidding can still be undertaken while also including the EPPs in the bids. Local 1181 has never opposed bidding, as long as the bids included the EPP, without which there is no guarantee of stability, experience or safety.

We should remember that cost savings is not a goal in and of itself, especially when we are talking about the transportation of school children. While the public bidding laws require that all contracts for public work be awarded to the lowest responsible bidder, the public policy goal of the statute is to obtain the best work at the lowest possible price. Bloomberg only focused on getting the work done on the cheap, not on getting the best work. That approach may work for

Walmart or McDonalds, but not for caring for our school children on the streets of this city. It can hardly be said that the Department of Education is obtaining the best work by awarding contracts to companies that offer their employees subsistence level wages and bare minimum health care coverage only because of the mandates of the Affordable Care Act and no pension benefits, who do not have the prior experience of working in this industry.

As the title of today's oversight hearing implies, we are here to determine what effect the decision to eliminate the EPPs has had on the school bus industry, its workers, the city school children and their parents and the taxpaying public. In a word, it's devastation. As most of you know, Local 1181 represents the largest share of the more than 10,000 drivers and matrons and mechanics in the New York City bus industry, who have been transporting our children's most precious cargo for more than 60 years.

Just some two years ago, the ranks of Local 1181's membership numbered approximately 15,000. As I mentioned in the beginning of my remarks, we lost 2,000 members last June, since

their companies were underbid by new largely non-union employers seeking to enter the industry for work starting last September, and stand to lose more than 25 more this June for work beginning next September and 4,000 more next June unless the bid that Bloomberg put out in his last days of office for work, not even beginning 'til September 2015 and for which responses are due in May, is halted or rebid with the EPPs, all experienced, safe, caring drivers and matrons we have represented for decades unless Bloomberg's actions are reversed. At that point, Local 1181 will have gone from representing 75 to 80 percent to zero, although of course, we expect to organize new workers making poverty level wages and minimal benefits, who will no doubt seek to join a union, thereby decreasing the likelihood of continued labor unrest, and Mayor Bloomberg will have achieved his goal of wiping out all the gains bus drivers and matrons have achieved through decades of hard won agreements at the bargaining table. Those nearly 9,000 people will have lost decent paying jobs. The average Local 1181 represented driver makes approximately 38,000 per year; the average matron a bit more than

\$20,000 annually and while those are hardly princely sums, it has allowed them to live in our great city; to raise their families here; to have sufficient healthcare coverage and to have peace of mind that upon retirement they would have the dignity of a modest pension. With the elimination of the EPPs, instead, if those people are lucky enough to obtain jobs in the school bus industry at all, they will be earning considerably less money; they have lost the benefit of their employer's contribution to a pension plan; they have suffered a reduction to the quality of their healthcare coverage and they no longer have hope of enjoying respectable retirement after a lifetime of service in the industry. And one might well ask why a non-union employer would hire workers who have seen their wages and benefits they achieved by union membership slashed, and who would, no doubt, agitate and be most receptive to having a union in their new workplace.

Throughout the decades, in which the EPPs were included in the school bus contracts, the rationale for their inclusion to guarantee safe, reliable, experienced and a professional workforce



that would transport New York City's school children without interruption. For decades, the EPP accomplished exactly that and also ensured labor peace in the industry. Since the removal of the EPPs in our school bus contracts, the industry has seen an influx of new workers, desperate for work, making barely above poverty level wages, who are entrusted twice daily with the safe transportation of school children.

As a result of the first school bus transportation contract that was bid out for work starting last September, the DOE, according to its projected savings, expected to achieve \$100 million in savings over five years. This number is based on a projected savings of \$20 million the first year, which it expects to recur each of the five years of the contract. Indeed, in its departmental estimate for Fiscal Year 2015 just released last month, the DOE continues fictitious savings in its funding summary. However, what cannot be seen from the DOE's department estimate is the total cost to the city; not just to DOE of the eliminations of the EPPs, nor is there any showing that any money was saved by eliminating EPPs.

1                   Last week at a Preliminary Budget  
2  
3       hearing of City Council Committee on Education, my  
4       colleague and Local 1181 Political Director Jimmy  
5       Hedge delivered testimony, a copy of which is  
6       resubmitted for consideration by this committee,  
7       that outlined some of the overlooked costs.  
8       Additionally, at the end of 2013, our international  
9       union, the Amalgamated Transit Union, commissioned  
10      a study by PBI Associates, a copy of which also is  
11      being submitted to the committee for its  
12      consideration, to assess the full cost of  
13      elimination of the EPPs from the school bus  
14      transportation contracts. I would like to briefly  
15      some of those costs.

16                The decision to eliminate EPPs forced  
17      Local 1181 into a strike, which was anticipated by  
18      the former Mayor, and which was also expected since  
19      this very same turn of events occurred in 1979,  
20      when attempts were made to eliminate the EPPs from  
21      school bus contracts, the total cost of which is  
22      still unknown. According to the City's own  
23      incomplete response to the union's FOIL request,  
24      the strike cost the City over \$21 million, which  
25      does not include the cost of police overtime, the

full cost of reimbursements to parents for alternative transportation or the legal fees related to the ensuing litigation. As a result of the bid, the largest DOE school bus contractor, Atlantic Express, declared bankruptcy and ceased operations at the end of 2013, leaving the DOE without a provider to continue service at the beginning of 2014. Another large experienced contractor, Hoyt Transportation, suffered a similar fate. The substitute contractors, contracted by the DOE to continue the work performed by Atlantic Express, charged a 10 percent premium on the price of the contract that they assumed for a total of approximately an additional \$26 million. In addition, the City has set aside an unspecified sum to reimburse employers taking former Atlantic workers off the Master Seniority List, since these companies are still working under contracts with the EPPs, for their portion of the tens of millions of dollars won by the union in two costly proceedings before the NLRB and in federal court last summer that found the bus companies obviously encouraged by and following in Bloomberg's union busting tactics, he had acted unlawfully in walking

away from the bargaining table with the union and imposing draconian wage and benefit cuts totaling 10 to 15 percent on the workers.

Since the City, as the NRLB has found, acts in many respects as a joint employer along with the respective school bus contractors of Local 1181, it is liable for any pension withdrawal liabilities arising from the withdrawal of the employer from the participation in the Local 1181 pension fund. If the current plan bidding process continues unchanged, all Local 1181 contractors will be out of business and will have withdrawn from the Local 1181 fund by the end of the third bidding cycle. While the EPPs existed, the Federal Pension Benefit Guarantee Corporation, the PBGC, issued an exemption from certain ERISA withdrawal liability rules that would otherwise be applicable to employers required to make contributions to the 1181 pension fund. Pursuant to the EPPs, an employer taking a worker represented by Local 1181 continued to pay into Local 1181's fund, so there would be a continuity of contribution and hence, no withdrawal liability. The benefit fund would remain stable. With no EPPs, there is no

obligation for employees winning bids to pay benefit contributions. As a result, the PBGC exemption is gone. Withdrawal liability is now a real issue, the benefit fund sustainably are in jeopardy and will pursue actions against the employers and the City to collect that liability, which, if Bloomberg's policies are not reverse, could reach at least \$265 million. At the moment, Hoyt's withdrawal liability is some \$22 million and Atlantic's is approximately \$87 million. The Local 1181 fund has commenced action to recover those funds from the employers and the City. These costs dwarf any minute savings Bloomberg ever even claimed, not that he ever proved any of them, from bidding these contracts and removing the EPP.

Turnover costs related to the new entrance into the industry making low wages with no job security and no ability to make a career out of their jobs, are estimated to cost approximately \$35 million, \$49 million and \$106 million in each 2013, 2014 and 2015 respectively. Studies in many industries, most not even involving such difficult work as transporting children with many special needs... with special needs, I'm sorry, through the

New York City streets have documented the cost associated with low wage, high turnover workforce. Workers displaced by the award of new contracts and loss of job protection guaranteed by the EPP will rely on social services, the cost of which is borne by other city and state agencies. Medical care for these displaced workers is estimated to cost approximately \$4.7 million in 2013, \$11.3 million in 2014 and \$25.3 million in 2015. Workers compensation for these displaced workers is estimated to cost approximately \$6.7 million in 2013, \$16 million in 2014 and \$36 million in 2015. Food stamps for these displaced workers is estimated to cost \$3.1 million in 2013, \$7.5 million in 2014 and \$17 million in 2015. Unemployment benefits for these displaced workers is estimated to cost \$42.9 million in 2013, \$63.1 million in 2014 and \$136.7 million in 2015. Ultimately, between the actual sums expended already and continuing to rise as a result of the elimination of the EPPs and the sums that are projected to be expendable during the course of the current bidding plan, the City will have spent far more than the DOE allegedly saved.

As last year's strike moved into its fifth week, then Public Advocate de Blasio, along with other Democratic candidates for Mayor, signed a letter committing to Local 1181; a copy is attached to my testimony; that if elected, they would "take effective attraction... action to ensure that the important job security, wages and benefits of your members are protected within the bidding process, while at the same time, are fiscally responsible for taxpayers."

Given the foregoing, it seems clear that the only fiscally responsible thing to do, not to mention the most managerially sound and morally just, to stop the race to the bottom triggered by Bloomberg's cynical, callous and irresponsible actions is to put a stop to the bids that have gone out, to reintroduce the EPPs to all school bus transportation contracts and to undertake a study of the school bus industry to determine how to achieve the best service for our city's children. Indeed, such action is simply as pragmatic and conservative and corrective approach to rebuild and stabilize a system blown up by the radical ideology, union busting crusade engineered by the

Bloomberg regime. Thank you for bearing with that.

[background voices, laughter]

PRESIDENT CORDIELLO: You know, lawyers don't know how to cut it short, but they helped me work on this. We do...

[crosstalk]

CHAIRPERSON MILLER: Do you... will there be anyone else...

PRESIDENT CORDIELLO: I would like...

[crosstalk]

CHAIRPERSON MILLER: Or is there someone else here...

PRESIDENT CORDIELLO: The members that I have here...

[crosstalk]

CHAIRPERSON MILLER: To be able to answer questions as well?

PRESIDENT CORDIELLO: To you know, tell their little story and I think they'll be brief. I have a retiree, a driver that has been affected on and off the job by the EPP and drivers and matrons that have been out of work now because of the elimination, so we could start at this end.

Would...



CHAIRPERSON MILLER: We... get the clock going again, okay, two minutes and just do me a favor and just introduce yourself and...

EILEEN FINN: I'll do it in a nutshell.

[crosstalk]

CHAIRPERSON MILLER: Moving forward. Don't worry about it. It's fine.

EILEEN FINN: I thank you for hearing us today. My name is Eileen Finn. I'm working in the school bus industry for 16 years, 11 as a matron and five as a driver. I love my job to death. I raised, as a single parent, two children. My youngest son is now 19. He's been in Special Ed since he was in third grade and he can't get a job to support himself; I'm supporting him. Since the EPP is gone, I'm out of work. I lost my apartment and I had to ask friends to take us in and it's just a travesty. It's just unbelievable. Mayor de Blasio has to put this EPP back in. We need our jobs. I want to work. Thank you.

CHAIRPERSON MILLER: Thank you so much.

THERESA CYRIL: Good afternoon, ladies and gentlemen. My name is Theresa Cyril. I'm a single mom and I have a special needs child. I

1           have been in the industry for 20 years... I'm  
2           sorry, 24 years, 20 years as a bus escort and four  
3           years as a driver and I'm here today to claim our  
4           chip because the EPP has been taken away from us.  
5           I have to pay my bills, my mortgage. I don't have  
6           no medical insurance. Also, my mom and my aunt  
7           they are also working with the bus company and they  
8           are suffering so much. They are out of a job and  
9           also I'm suffering from depression ever since I've  
10          been home. And I met my special needs child on the  
11          bus escort. He doesn't have any parents. His  
12          parents are on drugs and I took him in; took him in  
13          my house and I am supporting him through food,  
14          clothing, everything I could do possible to make  
15          him happy. I love him with all my heart. He's not  
16          legally mine, but I'm trying my best and I loved my  
17          job so much being a bus driver and it has been  
18          taken away from me, so please, if you all could  
19          understand where I'm coming from, we need the EPP  
20          back. Also, I want to thank Mr. Michael Cordiello  
21          for supporting us and he has been there for us from  
22          day one to the strike until now. Thank you.

24                   CHAIRPERSON MILLER: Thank you. Okay.

MARIA GENTILE: Good afternoon. My name is Maria Gentile and I'm 36 years in the industry. I'm a school bus driver. Let me just explain what the EPP means to me. It means safety, longevity and stability. It allowed me to stay at a job that I loved for 36 years. My children on my bus were my children. When I looked up in the bus, I saw my children. Now I'm faced with losing... a whole different set of problems. Now I'm faced with losing probably my pension down the line if the EPP is not implemented into the new contract. My pension is a modest pension. My wages were modest. I was a responsible bus driver for 36 years and now without the reinstatement of the EPPs, I'm faced with not having any pension and nothing to live on in the future. It took me 36 years to get to where I was and now I'm faced with losing it. I urge the Mayor to please put in the Employee Protection Provision because without that there is no stability and the main thing here is the safety of the children. Without it, we have a constant influx of drivers coming in and out of this job with no experience, and that's all I have to say. Thank you very much.

NIVIA MEDINA: Good afternoon to all.

My name is Nivia Medina. I've been a driver for 23 years and in these 23 years, thanks to my union and the EPP, I was able to move with my job every time we would change garages where the companies would take over the work, different work. If it wasn't for the fact that we have the EPP, I would lose everything that I owned, which is my house where I live with my parents. So thank you for the EPP. That we have the EPP is that I've been able to transfer from location to location in those 24 years; 23 years, sorry. So I urge the Mayor to please put back that EPP.

PRESIDENT CORDIELLO: But Nivia, what's going to happen to you in June?

NIVIA MEDINA: In June... this coming Friday we're receiving notices that as of June 27th, we are going to be unemployed again. This is the second time I received this notice this year. Six months ago I got it; I just came back from the Master List, thanks to the EPP. We go back to work; not even a month later, this coming Friday I'm getting another pink slip.

PRESIDENT CORDIELLO: There's 2,500...  
9,000 more stories just like this.

CHAIRPERSON MILLER: okay, I'd like to  
hear from Madam Public Speaker now.

PUBLIC ADVOCATE JAMES: Thank you, Mr.  
Chair. First of all, you have a dream team, all  
women. Yah. Also, I guess also we can refer to  
them as "Michael's Angels," and all of the women  
I'm just so impressed because all of you have been  
on the job for a very long time and you all look  
fabulous, so just let me say that, okay? But I  
share your concerns and obviously job security is a  
major issue. A significant number of you gave  
stories about losing your homes and how the  
children on the bus are your children, and so this  
question is really to the President. I'm sort of  
disheartened that the Department of Education did  
not send a representative because I think all of us  
need a timeline as to when they are going to  
complete their review and whether or not in a  
position with respect to rebidding these contracts  
because time, obviously, is of the essence. So is  
there any indication; have they given you any  
indication, Mr. President, with respect to time?

PRESIDENT CORDIELLO: Absolutely not.

PUBLIC ADVOCATE JAMES: So I'm going to join with the Chair in urging the de Blasio Administration to make up for, as you say, the shift in policy to correct the Bloomberg policy of union busting and his radical ideological union busting crusade, as you indicate, that was engineered by the previous administration to correct that. You know, we elected Mayor de Blasio, who is a friend, but I'm not afraid to criticize him, to make corrections in city government; to make up for all of the harm that the former administration has engaged in with respect to working people in the city of New York; to address this income inequality and the feminization of poverty, which is before all of you today. All of you basically confirm a position that I have taken since I've been a Public Advocate and all throughout my life; that the feminization of poverty is real in our city; that women represent this poverty epidemic that's before us and that we can ill afford to attack unions in the City of New York; in fact, we should expand their growth and support them in all that we do, but we need

1 immediate and real action and we need it now. This  
2 is no time to engage in analysis to the point of  
3 paralysis. We need the de Blasio Administration to  
4 move post haste and with expediency to remedy the  
5 situation so that you can get your job back and so  
6 that all of you can be secure going forward and so  
7 that you can retire in dignity even though you are  
8 too young to retire [laughter] and you look  
9 fabulous.  
10

11 MARIA GENTILE: Thank you, thank you.

12 PUBLIC ADVOCATE JAMES: So I will do  
13 whatever I can along with the Chair. We will meet  
14 with the administration; write a letter to the  
15 administration. If we meet with the administration  
16 to correct this situation and to ensure that EPP is  
17 in the contracts going forward. Obviously, it's  
18 not about cost savings. There's been a  
19 considerable cost to the City of New York, as  
20 you've outlined, Mr. President and clearly, if in  
21 fact we are to address the Tale of Two Cities and  
22 the growing feminization in the City of New York,  
23 let's begin with this local union. Let's begin  
24 with these women. Let's begin with these  
25 contracts. Let's make a good faith effort going

forward and honor the commitment that we made during the campaign trail. Now is the time to govern and now is the time to make those promises real. Let's make 'em real.

ALL PANELISTS: Thank you.

CHAIRPERSON MILLER: Okay, thank you so much, Madam Public Advocate again, just for your leadership on this issue, but your steadfast commitment to working families. So I've had a number of questions, but in that detailed summation that you brought forth really left not a lot of unfinished questions. I think they were all answered, but the most important thing the Public Advocate just said is it's really time for action now, so some of my questions that I do have is kind of geared toward how we move forward and in moving forward, what are some of the things that the primary issues to be addressed. And so in saying so, I do want to talk about... first off, you obviously disagreed with the analysis of the DOE that the first round in savings had been achieved and/or met... will be met or exceeded that of \$20 million and certainly that did not... and they talked about millions of expenditure up to this



1           date. Certainly it did not take into account some  
2           of the things that you have articulated so well  
3           since, but could you speak to that just a little  
4           bit more and in fact, the decision to remove the  
5           EPP was based on a savings, so we would like to  
6           determine whether or not that savings actually  
7           existed or not.

9                       PRESIDENT CORIELLO: I'd like to go  
10          back even to the Pre-K bid that he said he saved;  
11          him being Mayor Bloomberg; said they saved \$100  
12          million and former Comptroller John Liu testified  
13          in front of this committee; stated in his testimony  
14          that he could not find where the \$100 million was  
15          saved. So I would say to you projected savings and  
16          actual savings are two different things and I don't  
17          think that they've shown actual savings. I haven't  
18          seen it yet.

19                      CHAIRPERSON MILLER: Well, they do say  
20          they have achieved it, but we won't belabor that.  
21          I think that all the unintended consequences and  
22          the subsidies that are involved in the lives of the  
23          folks that have been displaced certainly would  
24          negate any savings that they had achieved up to  
25          that point there. Could you also speak to the

point and kind of give a little bit more of an understanding of the pension situation and the dangers of the pension situation 'cause we know, as you mentioned, that people work and they accrue and earn time and earn pension credits over the years and we want to make sure that they maintain that quality of life...

PRESIDENT CORIELLO: [interposing]

Well...

CHAIRPERSON MILLER: In their most vulnerable stages, although, as Public Advocate mentioned, Miss Gentile certainly does not... you probably should have brought another retiree up here.

MARIA GENTILE: Thank you, sir.

PRESIDENT CORDIELLO: So by virtue of the EPP because going to another company, the new company would then have to pay into the pension fund, there was an exemption of withdrawal liability, which I want to make... I have to make this comment. 250 of our members ended up non-1181 companies and they are not... the board, we have written letters to the board. They are not enforcing the EPP; we have not collected not one

penny for the pension fund for those people.

There's 250 people picked at the Master pick that are not getting their pensions and their medical benefits and they... you know, we've written letters to them; we've followed all the procedures to get that going. We haven't heard anything back from them, so I have to throw to them when we talk about pension liability. Second... but the issue is that if the EPP comes back, that exemption could then be restored, but if it's not restored there is really the pension liability of a total withdrawal. We only gave you partial withdrawal numbers. The total withdrawal could go as high as \$500 million; that's if everyone's out. So that is... and that's something you know, the Board of Education... the Department of Education was paying a pass along cost for the matrons.

CHAIRPERSON MILLER: Mm-hm.

PRESIDENT CORDIELLO: We believe as partners in employment that the Department of Education and the City of New York are responsible to share in that cost.

CHAIRPERSON MILLER: On those companies who have yet to contribute; make their employer

contribution to the pension fund, are they companies that had previously existed within the industry or these are some that just happened to come by by...

[crosstalk]

PRESIDENT CORDIELLO: Yes.

[crosstalk]

CHAIRPERSON MILLER: Virtue of this last...

PRESIDENT CORDIELLO: Yes, they're companies that existed prior.

CHAIRPERSON MILLER: And there was never a problem with them paying into the pension fund prior...

[crosstalk]

PRESIDENT CORDIELLO: Well, they...

[crosstalk]

CHAIRPERSON MILLER: To the...

[crosstalk]

PRESIDENT CORDIELLO: Didn't pay into our pension fund. They either have other unions or no union. What the EPP is quite specific, it says that if you are participating in the 1181 plan and you go to another person; another company, I'm

1           sorry, they have to pay into the 1181 plan. They  
2           have to sign a contract with us and there is  
3           enforcement, which we have made the Department of  
4           Education aware of. The enforcement is if they  
5           don't comply they should either take the work back  
6           from them or they should attach the monies right  
7           out of their checks and their payment and direct it  
8           towards the pension funds.  
9

10                   CHAIRPERSON MILLER: So is this a  
11           problem that you have encountered in the more than  
12           three decades that the EPP has been...

13                   PRESIDENT CORDIELLO: [interposing] The  
14           reason that I don't think that's happened is that  
15           most of the time when work was moved around and the  
16           EPP was in full flux, most 1181 members ended back  
17           up in an 1181 company. It was very rare that they  
18           ended up in a different company that wasn't 1181.  
19           This is a new ballgame.

20                   CHAIRPERSON MILLER: Okay, President  
21           Cordiello, we thank you so much.

22                   PUBLIC ADVOCATE JAMES: Just a follow-  
23           up. So with regards to the 250 employees who have  
24           EPPs and they went to companies that are not paying  
25

into pensions; paying for pension and medical, enforcement lies with DOE.

PRESIDENT CORDIELLO: That's correct.

PUBLIC ADVOCATE JAMES: And has there been any communication with these companies thus far?

PRESIDENT CORDIELLO: We have sent them from the pension fund letters that they should sign contracts with us.

PUBLIC ADVOCATE JAMES: And have there been any nego... any response or... nothing.

PRESIDENT CORDIELLO: No.

PUBLIC ADVOCATE JAMES: Two...

PRESIDENT CORDIELLO: [interposing] And we followed that up with a letter 'cause we're supposed to notify the director of transportation and the Department of Education. We have done that also.

PUBLIC ADVOCATE JAMES: Okay, so if someone can contact my office, obviously we want to help you with that. Two, with respect to the non-EPPs, if, in fact EPP is reinstated, will it be retroactive, the pension contributions or how does that work?

PRESIDENT CORDIELLO: Pension contributions would not be retroactive.

PUBLIC ADVOCATE JAMES: So it would be going...

[crosstalk]

PRESIDENT CORDIELLO: They would lose time into their pension.

[crosstalk]

PUBLIC ADVOCATE JAMES: They would lose time.

PRESIDENT CORDIELLO: Which... yeah, yes, you have to make 1,000 hours in a year to get credit for a year.

PUBLIC ADVOCATE JAMES: And in the testimony, you indicated the City has an unspecified sum to reimburse employees taking former Atlantic Express workers off the MSL. How does that work and do we know what that sum is?

PRESIDENT CORDIELLO: I'm sorry, which part were you reading from?

PUBLIC ADVOCATE JAMES: I'm reading on page... I guess it's page eight.

PRESIDENT CORDIELLO: Yes, you're talking about the 10 percent premium?

PUBLIC ADVOCATE JAMES: Yes.

PRESIDENT CORDIELLO: Yes, the companies who took the work in an emergency contract were paid 10 percent higher than the amount they were paying Atlantic to do the very same work.

PUBLIC ADVOCATE JAMES: And is Atlantic liable for pension contributions? How does that work?

PRESIDENT CORDIELLO: Up until the point they employ their employees I think they pay that. They're not liable for them once they're not their employees, but they are liable for the pension withdrawal liability.

PUBLIC ADVOCATE JAMES: Right and the other companies will...

PRESIDENT CORDIELLO: [interposing] And that sum was about \$87 million I think we said.

PUBLIC ADVOCATE JAMES: And did they both file bankruptcy, both corporations? And do you know if the bankruptcy law exempts them from...

PRESIDENT CORDIELLO: [interposing]  
It's going to...

[crosstalk]



PUBLIC ADVOCATE JAMES: ERISA?

[crosstalk]

PRESIDENT CORDIELLO: Make it very  
difficult to...

[crosstalk]

PUBLIC ADVOCATE JAMES: Yeah.

[crosstalk]

PRESIDENT CORDIELLO: Collect.

PUBLIC ADVOCATE JAMES: That's what I  
thought. Thank you.

CHAIRPERSON MILLER: Thank you so much  
to the panel for their testimony today. Appreciate  
you coming in.

PRESIDENT CORDIELLO: Thank you.

[Pause]

CHAIRPERSON MILLER: Daniel Gatto from  
the Teamsters.

CHAIRPERSON MILLER: Good afternoon.

PRESIDENT GATTO: Good afternoon...

CHAIRPERSON MILLER: [interposing]  
Could you introduce yourself?

PRESIDENT GATTO: Chairman Miller.

CHAIRPERSON MILLER: And...

PRESIDENT GATTO: [interposing] Yes,  
first I'd like to...

[crosstalk]

CHAIRPERSON MILLER: Go ahead.

[crosstalk]

PRESIDENT GATTO: Thank you for the  
opportunity and Public Advocate James, thank you,  
and the rest of the council members and my union  
brothers and sisters who are here. My name is  
Daniel Gatto. I'm the President of Teamsters Local  
553. We represent a portion of the New York City  
school bus workers.

By not having Employee Protection  
Provisions in the city school bus workers contracts  
has had many negative implications, not only on the  
working men and women, but on the industry as a  
whole. Prior to Mayor Bloomberg putting school bus  
contracts out without an EPP, we had a very stable  
work environment, not only for the school bus  
workers, but also for the children who depend on  
responsible, experienced workers to transport them  
on a daily basis. The companies had a dependable  
workforce, who were provided a living wage with  
comprehensive healthcare and retirement benefits;

workers that were able to dedicate their careers to the transportation of the city's special needs children. Our members had to accept concessionary contracts to keep their employers competitive in order to try and retain their jobs. In some cases, this wasn't enough and as a result, we have members out of work and others soon to be out of work, cast aside while new workers come in to take their place for a fraction of the wages and no health or retirement benefits. We see this as an injustice to these workers, all of which who are city taxpayers, many of them homeowners who will soon lose those homes and fall out of the tax base, which is as vital to the city's economy. We believe that there are ways to realize savings and also maintain standards of employment for these workers without having a race to the bottom by having unscrupulous employers bid ridiculously low prices just to get the work with no consideration for workers and how they can possibly survive on substandard wages and no benefits.

There was a time in this city when politicians and the City placed a value on the transportation of our children. I hope with this

new administration that we can return to those values. I'd like to thank you, Chairman and Public Advocate for your support on this matter and on a personal note, you know, we have over 200 members that received warn letters today also regarding their not being employed as of June and I don't know if anyone... you being a labor leader, you may have had this, but there's nothing worse than going to a member's place of employment and to see the look on their face when they know they're not going to have a job and you know, the dismay that they have because they... you know they've done nothing wrong. [chime] The only thing that they may have done wrong is placed their trust in some elected officials that failed to do the... you know, the job that they were mandated to do, which is protect the people of this city. I know you have the privilege of being part of the leadership in this city. I challenge you to you know, to talk to the administration, current administration to try to rectify these wrongs. The only thing that I do disagree with with my brother, Cordiello, is with regard to the payment of benefits in the EPP. We have contractors that are contracted with the

1 teamsters that require contributions to be made to  
2 our funds. This would place them in a situation  
3 where they would have to either pay to both funds  
4 or one or the other, but either way, there would be  
5 some legal action taken against them for not paying  
6 to one or the other. And I know from a legal  
7 standpoint, I know it's illegal to pay or accept  
8 contributions from an employer or to a union fund  
9 without having a contract in place. So other than  
10 that, I mean I understand how the EPP would work  
11 well for non-union employers where they would have  
12 to continue the benefits for those employees, but  
13 where we have benefits in place that are comparable  
14 to the benefits that are in the industry, I would  
15 say you know, if the workers are getting benefits  
16 then that's part of what I think we're all  
17 concerned with. I'd like to thank you for your  
18 time and hopefully we can move forward.

20 PUBLIC ADVOCATE JAMES: So let me  
21 understand, so of the 250 employees that that  
22 Michael Cordiello just spoke about, are you saying  
23 that those... that there's a disagreement as to...

24 PRESIDENT GATTO: Yes, we don't... we  
25 don't have... we didn't get all the 250 employees

and the teamsters. There was a number of maybe about 100 employees that we have and those employers are contracted with teamsters and they have to pay into the teamster funds. They honor those people that come over, they honor their rate of pay and their tenure in the industry, but they do pay for health coverage and pension through our collective bargaining agreement and they have been.

PUBLIC ADVOCATE JAMES: So they're paying to teamsters and not to the other unions?

PRESIDENT GATTO: Yes.

PUBLIC ADVOCATE JAMES: Okay, thank you.

CHAIRPERSON MILLER: Council Member Rodriguez, welcome back.

COUNCIL MEMBER RODRIGUEZ: Thank you. Look, I think more than a question, it's like a comment. We need like... you know, last year, when the Mayor not being responsible did not work with you as all the locals representing the workers and negotiating the in the field with the EPP. You know, we were there with you guys.

PRESIDENT GATTO: Yes, you know...

[crosstalk]

COUNCIL MEMBER RODRIGUEZ: You know?

[crosstalk]

PRESIDENT GATTO: The Council was great  
and...

COUNCIL MEMBER RODRIGUEZ: But and now  
we know that all Mayor accommodations, including  
like you know, Mayor de Blasio is committed... they  
were committed that they will revise the EPP and we  
hope that you know, in this process it will be  
something good coming out for all, for the industry  
and for the drivers. For me, as I... as someone  
that you know, that I always work very close with  
the laborers and the workers, I think that for many  
of us it's more like a... I don't know; something  
like an urgency. It's tough to deal like how many  
workers have been laid off and you know, seeing all  
those drivers knowing that they only... sort of  
they had to bring to bid for their money, but they  
need for the family this job.

PRESIDENT GATTO: Mm-hm.

COUNCIL MEMBER RODRIGUEZ: So I just  
hope that you know, hope that you can figure out  
something in a way where workers can be back at the  
same time that you continue the negotiation with

the Mayor and see how we can come out with something good for everyone; for you to the... for the owners of the good, for the local to the good and for the workers to be able to be back in their jobs.

PRESIDENT GATTO: Thank you.

CHAIRPERSON MILLER: I do have a question as well. And you talked about some of the sacrifices that were made by your membership in order to retain their employment and so are you saying... how recent was that, the...

PRESIDENT GATTO: [interposing] That was September.

CHAIRPERSON MILLER: In September?

PRESIDENT GATTO: Yes.

CHAIRPERSON MILLER: They asked you to take what, wage reductions?

[crosstalk]

PRESIDENT GATTO: Take wage cuts, yeah, wage cuts and some fringe benefit cuts or they... and they were given warn notices that you know, if they didn't... if we didn't you know, help them that we weren't going to be able to perform the work in September.



CHAIRPERSON MILLER: So that... and that was a guarantee... that guaranteed their employment for this school year here?

PRESIDENT GATTO: Yes.

CHAIRPERSON MILLER: So what about moving forward? Are they then secure for moving forward...

[crosstalk]

PRESIDENT GATTO: Oh...

[crosstalk]

CHAIRPERSON MILLER: To September?

[crosstalk]

PRESIDENT GATTO: Their work... well, they would have to be... you know, if they were successful in a bid or if we... if the 2015 contracts get extended or bid with EPP, then I'm sure that the employer would be successful, but no, there's still a chance that they can...

CHAIRPERSON MILLER: And what kind of concessions were made?

PRESIDENT GATTO: There were similar pay cuts that were implemented against 1181. It was seven percent for drivers and three something percent for the matrons.

CHAIRPERSON MILLER: Okay, so as Council Member Rodriguez said that obviously the council has been working on this for some time now. It's something that I'm intimately familiar with and we would be calling upon yourself as well as President Cordiello for your assistance as we move forward. Public Advocate has indicated that she's willing also to participate in any upcoming meetings, so I hope that you would make yourself available...

PRESIDENT GATTO: [interposing]  
Absolutely.

CHAIRPERSON MILLER: As such. Alright, thank you so much for your time, Mr. President.

PRESIDENT GATTO: Thank you.

CHAIRPERSON MILLER: Okay, the next panel will include parents and they are Suzanne Peters; Milagros Cancel and Amy Henner... Herren; Carin van der Donk; Alice Farrell. [background voices]

CHAIRPERSON MILLER: Okay, ladies, you can start with whoever you want to begin and just please do me one favor, just identify yourself before giving your testimony.

CARIN VAN DER DONK: Okay, my name is Carin van der Donk and I'm a parent of a student who uses a school bus every day. Thank you to the Chairperson of the Committee on Civil Service and Labor and the rest of the members for this committee for holding this important hearing. My name is Carin van der Donk and I testify here today as a parent who has spent over 10 years advocating on behalf of my child, who is a District 75 student and attends a state funded private school.

After experiencing the many needless systemic and downright dangerous problems with my son's two and a half to six hours of daily commutes to and from school, I became an advocate for all New York City students and the people who work with them. It has been several years now, and during this time I've gathered an extensive knowledge about the school bus system. I could talk about this issue for hours upon hours and I'm always eager to learn more, but I will try to keep this simple today, so I'm attaching a document called, "Busing by the Numbers" with some important, but hard to find information, much of which I learned

while sitting in hearings just like this one today.  
I hope this might be helpful.

As I mentioned, my son spends a significant amount of time on a school bus on a daily basis, at a minimum around two hours each day if we receive the best possible route, but most years it has been between three to four hours each day. This would be strenuous for any child, let alone a child with disabilities, but this hearing is not about that systemic problem with OPT, but about the people that work with him during those hours and their own working conditions while caring for my precious child.

My child's driver and matron are a very important part of his day. In the morning, they are the first people he sees. They are the first people who influence his state of mind and his ability to learn each and every day. When those men and women are patient, understand the students' disabilities, are able to communicate and in general, are professional and efficient, it makes everything else in the school day possible. When the opposite happens, it sets up a child to be stressed and not ready to learn in school. Many

hours will be spent by school staff to fix a situation that might've occurred on a bus. If a problem is persistent, it can go as far for a student to no longer to be able to be on that bus without causing serious harm. That is exactly what happened to our family, so I had to start driving my child to school, and I did just that for two years. In between those drives, I had the time to start advocating for additional training for school bus personnel, who transport our children with disabilities. I met many kindred spirits along the way and as a result, in 2013, Mr. Kellner introduced State Law A 8060, which calls for more training [chime]... sorry, I'll be quick. Okay, which calls for more training regarding students with special needs for drivers and matrons, but this appears to be not getting anywhere because of Mr. Kellner's in his political career.

In the meantime, instead of more training and the situation improving, our last administration wanted to save money by turning the jobs of drivers and matrons into a low wage, low skill job. So now I find myself advocating for those drivers and matrons who do perform well on

their job. My son has been back on a school bus now for three years. During this time, we have enjoyed the good cheer, professionalism, patience and understanding by experienced drivers and matrons.

Recently, the bankruptcy of Atlantic Express was a great cause of concern to me, but because my son's Atlantic Express route came with an EPP contract, the same team stayed with his bus route after the New Year and it was just a different company that provided the bus. The EPP worked well in this very instance, providing us with a relatively smooth transition. We were lucky; many other families were not.

Disruptions in children's lives and their education are different from anything else. It is not like a business where one can play the other's bluff to negotiate a better deal. If a few weeks or months of learning are lost, our children lose and they can never get that time back, and the possibility of physical harm coming to a child because a bus team doesn't know how to handle dangerous situations that can easily arise when they are transporting children with various

disabilities is great. In February, we had an ice storm, and while many parents kept their children home, I chose to send my son to school and I sent him because our driver had 29 years of experience driving children with special needs.

So again, I cannot stress enough that by no means is driving around children, and especially children with special needs, an easy, low wage job that requires only minimal skill. The only reason I have had the luck to work with drivers and matrons who do know how to handle my child correctly is because of the many years of experience they have. So I urge this council to make sure these men and women continue working with rules like the EPP in place and are not left at the mercy of for-profit private bus companies.

SUZANNE PETERS: Hello. Thank you for giving us the opportunity to speak on behalf of the most vulnerable and fragile in New York City. My name is Suzanne Peters and I am the Special Needs Parent Coordinator at the JCC in Manhattan and I am also a member of the ARISE Coalition.

First, I want to be very clear that there are some remarkable individuals who now lead

the OPT; however, they have inherited a very, very broken bureaucracy. The failures with our school busing program have been systemic for many years. Sadly, the erosion of service has only continued since we lost the EPP Protections. Please allow me to share three quick stories.

When a bus showed up to pick up a five-year girl, who is in a wheelchair, there was no wheelchair lift. When the mother explained that her daughter is in a wheelchair and needs a lift, the apathetic driver snapped back at her, "It is not my problem that your daughter is in a wheelchair." The desperate mother then called the bus company and she was told that they would try to send a bus with a lift tomorrow. The little girl missed school that day.

In early September when it was still quite warm, another mother received a call from her daughter's school. The school said that they could not put her daughter on the bus, as the bus didn't have A/C and it was simply too hot for a long bus ride for a child with a significant seizure disorder. The mother had to leave work and go and pick up her child. Turns out, the bus was equipped



with an A/C; the driver simply didn't know how to turn it on.

Finally, a mother reached out to the JCC because her daughter was coming home with long, red welts across her chest. Because her daughter has very low muscle tone, she often needs to be readjusted in her seat so that her seat belt fits properly across her. The mother spoke repeatedly to the matron about the issue and she was told by the matron, "This is not my job."

These are just a few of an overwhelming number of cases consistently reported to the JCC. We must work together to establish a trust with the OPT. The transportation for our most fragile children to and from school is and will continue to be a top priority. These children bravely face such incredible challenges every day. It is our responsibility legally, ethically and morally to provide them with safe, reliable and comfortable transportation. Thank you.

ALICE FARRELL: Mr. Chairman, my name is Alice Farrell and I'm the mother of a 14-year old, who has been in the Special Ed system since first grade. I have had her on a school bus for

1 all of those years and I... well, thank you very  
2 much for the opportunity to speak about our  
3 experiences in the past few months that are  
4 directly a result of the changes that were made  
5 through the removal of the EPP and the bidding out  
6 of these bus contracts.  
7

8 My daughter's bus has changed for a  
9 total of three times this year, starting with the  
10 beginning of the school year. She was changed  
11 twice within the first two weeks of school and her  
12 bus route from 20 minutes to an hour and a half for  
13 what is a 15 minute from our house to her school.  
14 Over the course of the years, we've found that the  
15 most important of the bus ride for her has been the  
16 interaction with the drivers and the matrons and  
17 the consistency of that experience for her. On any  
18 given day, not having a sound start to the day can  
19 throw the entire day into disarray for her and  
20 allow her to be incapable of having a productive  
21 learning experience on that day. As a result of  
22 the change, which we were not notified of by OPT,  
23 along with a number of other parents at my  
24 daughter's school, we were only aware of the fact  
25 that they were actually going to have a different

bus and driver and bus company by the matron who told us that a pick was going to happen. We did not receive any notification and a number of us didn't even know until the day of the new buses arriving, or lack thereof, that there was any change happening. We all then came together through our Parents Association, shared our stories and actually went to the media because we were not getting any answers from OPT. I had a list of at least six claims that I... complaints that I claimed with OPT, none of which were answered, and when I called back to find out what was going on, I was told there was no follow-up that they could provide me. It was only through constant communication between myself and the new route company that I was even able to ascertain what had happened and was able to then provide that information back to my council member, who has also put letters in, which I hope will at some point be shared with you on our experience. But let me just say that as a parent, knowing that these people that do this work are dedicated [chime] to our children, that you please make sure that they get what they need so that they can continue to provide

continuous and compassionate service to our children through their jobs.

AMY HERREN: Hi, my name is Amy Herren. I'm here... 'kay, forgot. I'm here as a representative of Parents to Improve School Transportation. We want to thank you for recognizing that the voices of the stakeholders in school busing must be heard and we want to comment on how the trend towards drastically lower bids in this industry affect another important and completely innocent group of stakeholders, the riders. And so we're the ones who submitted tons of... so we're kind of a clearinghouse for stories from parents about awful experiences their kids have had on the bus. So we wanted to give you kind of an idea of the... I don't know; the amount of those stories we're getting.

We've been in existence since the fall of 2010 and we've gotten more complaints this school year than any previous year. After the awarding of the non-EPP contracts last May, as company owners, who may or may not put profits before the needs of our children, became more reckless in cutting costs, parents experienced the

1 following results: a lack of reliable air  
2 conditioning during the summer of 2013. Our  
3 written testimony includes a letter to the  
4 Department of Transportation documenting children  
5 coming home red, sweaty and dehydrated. In fact,  
6 we went to a bus yard in Queens and took pictures  
7 of vehicles pulling in with the windows wide open  
8 to get some air. From the owners' point of view,  
9 why invest in repairs or upgrades if your future is  
10 uncertain, but we hope that someone will consider  
11 the health and safety of those who are on those hot  
12 buses for several hours a day.

14 The rush hiring and training in the  
15 last weeks of August at the lowest paying companies  
16 followed by rapid turnover: another parent, who is  
17 here today, was an observer at Happy Child. They  
18 didn't even bother to issue uniforms so the  
19 children would have a visual cue as to who should  
20 pick them up. The companies with the EPPs still  
21 intact apparently sought ways to cut corners so  
22 they could compete, all of which harmed and  
23 continue to harm untold numbers of children.

24 Our written testimony also includes a  
25 sampling of complaints about long routes. This is

1 from mid-October from an agency. My client's son  
2 is not using the yellow bus service at this point  
3 because it takes two hours in the morning and two  
4 hours in the evening for him to reach his  
5 destination. Please note that he has in place a  
6 medical alert. We're talking about a child who  
7 requires medical attention who cannot be on the bus  
8 more than one hour. It's not that the parent  
9 doesn't want her child to be on the bus; he can't  
10 be on the bus. The parent has limited resources  
11 and cannot afford to pay every day for  
12 transportation, not only for her son, but for the  
13 nurse as well and of course, that was the problem  
14 for so many families during the strike. I mean the  
15 DOE said that families would get reimbursed, but a  
16 lot of families don't... they don't have the money  
17 to pay the transportation in the first place, so  
18 reimbursement is no help at all. If we're hearing  
19 [chime] from... if we're hearing from many well-  
20 informed, active parent leaders that their  
21 children's bus route keep including an additional  
22 school so it's adding more and more time to each  
23 trip, what is happening to the most isolated and  
24 disenfranchised parents? We're also seeing owners

who close and open companies in an attempt to decrease the wages and benefits they'll be required to pay out. The sellout of Atlantic Express led to numerous stories such as this: The New Dawn Transit Company called a home last night confirming a route, but never showed up in the morning. They did pick the child up for the P.M. route and gave him to his mother, even though they hadn't ever met her. The matron had DOE ID, but no uniform. DOE may have worked hard on the court deal, but it waited until the evening of December 17, after parents and union activists had held a rally, to begin to tell schools and parents what was coming. After the winter break, as buses in a neglected condition were moved from yard to yard, we heard of many cases like this one on January 8th: This morning my bus driver called me at 7:07 to tell me that the bus company, Logan, had given his bus to someone else, so he didn't have a bus to drive and he was waiting for a replacement. My son is usually picked up at 7:20... it kind of goes on and on. Oh, the parent called OPT; the parent called back and forth with the company. Eventually, her son was picked up around 9:10, an hour and 50

minutes later than usual. His school starts at 8:45.

The next big sellout of some of Reliant's routes was noted for an almost total failure to inform parents, as you can see, and I have here some of our evidence.

CHAIRPERSON MILLER: Okay.

AMY HERREN: It's an envelope...

CHAIRPERSON MILLER: [interposing] Try and wrap it up, okay.

AMY HERREN: Postmarked the day after the change took effect. Parents didn't get it until a couple of days later. New York City needs to put serious thought into standardizing bus quality and conditions by taking over the vehicles and yards, either by purchase or imminent domain. Perhaps this could fit under Capital Improvement spending. We believe the City would eventually recoup the funds by eliminating the profit factor.

Special Education routes get the most attention, but we must be aware that General Education bus riders are also profoundly affected when the industry is downgrading rather than upgrading. Here is a quote from a mom to Deputy



Chancellor Grimm regarding a company that went out in June and then suddenly acquired new routes in January. "Today the bus did not show up. It was nine degrees out, as you probably noticed. Rainbow hung up on a parent who called from our stop. Then the company took its phone off the hook. Many other parents were calling all morning, getting a busy signal, but the fact that the City continues to spend our money on these worthless gangsters who have no regard for their workforce and no interest in providing reliable service to children, even in freezing temperatures, is a scandal."

The City must have drivers and matrons who are experienced, dedicated and empowered to speak out about risky situations. PIST has made this position clear with our School Bus Bill of Rights campaign. We believe that restoring the Employee Protection Provision would be a good first step toward proving that the City is serious about reversing the harm that has been done to busing and winning the trust of our communities. Thank you.

CHAIRPERSON MILLER: Thank you and thank all you ladies. Don't go anywhere. Don't go anywhere because you guys are the stakeholders and

1 as you see, the theme was not just the impact on  
2 the... it was the theme was the impact on the  
3 industry, which included the community, the workers  
4 and most importantly, our most precious cargo,  
5 right, the children, so we want to make sure that  
6 those parents and those child advocates have a  
7 voice here today too. At the end of the day, it's  
8 not about the bottom line; it's about our children  
9 being provided the service that's necessary in  
10 order for them to be provided and afforded the  
11 proper education that's necessary and so one of the  
12 things I wanted to speak to, and obviously, you  
13 have all the data and Ali, she has all the data,  
14 okay? Make sure that you get that, okay and so for  
15 the record, we want to make sure that we have this,  
16 but you talked about not being informed when there  
17 was a change in companies and/or when the bus was  
18 not going... is this the initial time that... is  
19 this kind of... was this the standard or that... do  
20 you know that for the most part when companies  
21 change hands that you were forewarned that this was  
22 going to happen?

23  
24 AMY HERREN: It hasn't been happening  
25 until the EPP and the breaking... you know, the

busting of the unions and that's what caused such chaos in the company.

CHAIRPERSON MILLER: During that...

[crosstalk]

AMY HERREN: So this year...

[crosstalk]

CHAIRPERSON MILLER: During that process for... you know, was it... for the most part, were you forewarned or half the time or...

ALICE FARRELL: It's always been slapdash. There has always been a considerable amount of lag time; quite often, in the summers calling up until just days before school would start to find out what bus company your child will be on, waiting for the word from OPT or repeated calls to OPT trying to find out what bus company. And I've never in 13 years that my daughter has been on a school bus... well, not 13, 10 years my daughter's been on a school bus have had the same bus company carry over from year to the next. Every single year it's changed. Every single year she's had to get used to a new matron, a new driver and sometimes more than once. This is the third time where we've had a mid-term shift where some

contract has changed and so we get a different bus, a different driver, a different matron and have to go through that whole cycle of getting back to a comfort level again.

SUZANNE PETERS: The OPT has been a mess for a very long time. I mean there is no doubt. I didn't say, because my son is out of the system; my son is 17, so I lived through this. It is... this... since the removal of the EPP; certainly, since the strike happened it has been disastrous for our parents, tragic in many, many cases. These are families that don't have the resources, and the one thing we used to be able to rely on was a professional matron and bus driver who knew our children and we knew our children were safe. Now we're expected to... you know, every day it changes. Our families tell us we don't know who it is; they don't have uniforms; they don't have identification. They don't even know where they're dropping. We had one instance they tried to drop a child at the wrong building. The doorman said, "This child does not live here." They were like, "Well, that's the address we have." "This child

does not live here." So it has created... these  
are already very vulnerable and fragile children...

CHAIRPERSON MILLER: [interposing] You  
have...

[crosstalk]

SUZANNE PETERS: That need our  
support.

CHAIRPERSON MILLER: These incidents  
are documented. You guys have this...

ALICE FARRELL: Yes.

CHAIRPERSON MILLER: You have this  
documented, so.

[crosstalk]

SUZANNE PETERS: Yes, we all work  
together clearly.

CHAIRPERSON MILLER: Yeah, we need to  
have this...

SUZANNE PETERS: [interposing] Yes,  
it's on...

[crosstalk]

CHAIRPERSON MILLER: Information as  
well.

SUZANNE PETERS: And I would just  
quickly add if... you know, as you confront the DOE

and OPT, if you would invite some parents and advocates because what I've seen is they sit in front of you and they tell you one thing, and we're here to tell you that's not what's happening on the ground. This is not what's happening with our families and I think it's helpful for you to be able to say, "That's not what our constituents are telling us."

CHAIRPERSON MILLER: Right. So I think now with myself and Council Member Rodriguez, but as Council Member Cornegy indicated as well, we're all parents and some of us have suffered the same indignities and the same experiences, so you're going to be well served as we move forward so...

SUZANNE PETERS: [interposing] Thank you.

CHAIRPERSON MILLER: Thank you, ladies, so much for coming out.

SUZANNE PETERS: Thank you.

ALICE FARRELL: You're welcome.

AMY HERREN: So one of the... one of the packets that I gave you was documentation from Norm Siegel. He's a civil rights lawyer that we've been working with and it should be...

CHAIRPERSON MILLER: [interposing] [off mic] Yeah, yes, I have spoken with him.

AMY HERREN: Oh, fabulous.

CHAIRPERSON MILLER: Yeah.

AMY HERREN: Okay, but yeah.

CHAIRPERSON MILLER: [off mic] Thank you.

AMY HERREN: We can give you more. Thank you. [applause]

CHAIRPERSON MILLER: This is... listen, we all knew that this was going to be a long day. We knew that the impact on a lot... on so many lives by virtue of the removal of the EPP was something that was going to generate great interest, so a lot of folks come out. So I appreciate everyone's patience in coming out, particularly those who are waiting to testify and we are winding down now, so we actually have the last panel and again, I appreciate and I thank everyone for their indulgence. So is Mr. Eddie Kay and Reine Martinez.

[Pause]

EDDIE KAY: Well, I want to first say something about the parents and the children. My

1 name is Eddie Kay and I represent as the organizer  
2 for Member for Change, but if I didn't say  
3 something about the parents and the children, I  
4 think we're missing half of what this hearing is  
5 about. I encountered so many problems through the  
6 drivers and through the escorts talking about  
7 parents sometimes standing like a crazy person on  
8 the corner and nobody picking them up and the  
9 children just standing there like they're  
10 foreigners in this country instead of regular  
11 people and it's so heartbreaking. I was part of  
12 the whole thing of getting John Bisbano's job back,  
13 a driver illegally fired by all three; the City,  
14 the union, the owners, et cetera and came forth so  
15 many parents to testify for him 'cause he worried  
16 about every child on his bus. So I think that's  
17 half the reason we're here and it's a privilege to  
18 follow you.

20 It's also wonderful to talk to the  
21 panel. Some on the panel, like Councilman  
22 Rodriguez and Councilman Eugene, have been not only  
23 helpful for the members of Members for Change and  
24 also Dr. Miller, in your other life also, that  
25 you've been part of our demonstrations. You've



1           been part of our desire and absolute need for  
2           drivers and escorts to be able to stand up and be  
3           proud and I really thank you and from the bottom of  
4           all our members' hearts.

5                       I have this material. Do I give it to  
6           you now? They're three for a quarter I think.  
7           Whoever... do you guys want it now? Alright, I'll  
8           give it. It costs more later, so you might as well  
9           take it now. Here you go. If you need more, we  
10          have even more.

11                     Alright, of the... I appear here and I  
12          would hope some of the people in the other room who  
13          are members of Members for Change would come into  
14          this room. There are chairs now and seats and we'd  
15          love to see you. We have at least 20 people here  
16          and we have at least 3,000 [chime] members to 4,000  
17          members on our list and we communicate with them  
18          through the text, through meetings, through emails,  
19          et cetera, et cetera. And I wanted to make sure  
20          that we understand the depth of the destruction of  
21          this EPP, even though; even though EPP is still in  
22          existence in a lot of ways and not enforced; not  
23          enforced by both the City, the owners and the  
24          unions. Now, maybe I'm a little contradictory, yes  
25

1           for maybe a little taking on the problems with the  
2           truth because the truth has to come out finally.  
3           We cannot play a game anymore about this truth. I  
4           watched; I watched and not from a distance; I  
5           watched as they got our presidential candidate  
6           fired; not too kosher how they did it and not too  
7           nice. Made sure he wouldn't run again. I also  
8           watched, as all of us did watch, the Bloomberg  
9           dance. First, he said, "Oh, the L&M case, that  
10          decided it. That ends the EPP." That was a lie;  
11          boldfaced lie until he was caught up by the press  
12          and the press told him, "You're full of it," and  
13          blah, blah, blah and et cetera, et cetera. I don't  
14          wonder why Grimm is not here. She was not helpful  
15          in the past. Maybe she's avoiding it. Walcott,  
16          I've never seen a guy speak out of 16 parts of his  
17          mouth at the same time. He was intimately involved  
18          in the firing of Bisbano.

19                       But as to attacking de Blasio, I'd be  
20                       attacking myself. I worked 10 months for de  
21                       Blasio. It was a privilege. In fact, my high  
22                       point is that right before the primary, I told him,  
23                       "We're going to get 40.65." I was two-tenths of  
24                       one percent off, so I got a big apple as a prize  
25

1           for predicting the closest amount. But and he has  
2           always said that when push comes to shove he will  
3           be here and so we have to make sure that the people  
4           in OPT who are... half of them are not doing their  
5           job, we have to make sure that he gets on top of  
6           that. That will solve half the problems and then  
7           the City Council, and I praise you so much for this  
8           hearing. I hate to praise you that much, Miller,  
9           but no, I do praise you because damn it, this I  
10          think will help and I think that de Blasio; Mayor  
11          de Blasio himself will help and with Letitia James  
12          and yourselves we're going to conquer this problem.  
13          But I want you to know that this is contradictory.  
14          It's contradictory. Look at the owners that some  
15          of these bus companies are, like just... they just  
16          beat the hell out of... where is it? Just beat the  
17          hell out of one of our drivers. Nobody has done  
18          anything about it, but it's in the *Chief*. Where is  
19          the picture?

21                 REINE MARTINEZ: Right here.

22                 EDDIE KAY: Oh, okay.

23                 REINE MARTINEZ: I got it right here.

24                 EDDIE KAY: And it's amazing. The  
25          owner walked on as the driver was laying on the

ground. Here he is. As the owner walks up to... her name is Fouchette [phonetic], who was indicted, beat the rap with the Battaglia scandal and she says, "I know why you're lying on the floor. You want to get a lawsuit," after he'd beaten the hell out of by one of her supervisors and... you could read it in the *Chief* and what happened? She made sure that the escort who watched the beating was sent on her bus or else she was going to be fired immediately, but I want you to understand these things; that this is contradictory. We must win the EPP, we must be honest and we must make sure that the OPT weeds out bosses that are not kosher; bosses that led the Atlantic Express and nobody said anything about it, including the OPT, including the unions that he went to negotiations with a gun; dropped it out of his briefcase. That's in the press. So I'm not only saying that everybody has to join together, and I couldn't agree with you more, Chairman Miller, that darn it, we got to get that EPP back. And I'm going to talk to it at the end, but I want us to understand that they have to make some real, real deep corrections

and it will help the students even more and they are precious, absolutely.

Now, let me deal with the personal, the human and I'm sure there can be much more said about the students and I want to talk about union members; 40 years on the job. This lady, how many years on the job, Reine?

REINE MARTINEZ: 28.

EDDIE KAY: 28 and she's only 27. I don't know how in the hell she did it, but whatever it is... whatever it is, being thrown into other jobs... drove a bus at 10 below zero with no heat and told by the owner, with the union doing nothing, [chime] told by the owner, "You better drive that bus." Now, that's 10 above for hours.

CHAIRPERSON MILLER: Time to wrap, Mr. Kay.

EDDIE KAY: You want... excuse me?

CHAIRPERSON MILLER: Time to wrap, please.

EDDIE KAY: We'll... yeah, I'll finish within two hours, there's no doubt about it. I will. I'll try to finish up, so. If I can't joke what the hell am I here for? Alright, the question

here is the human effect. The human effect, as people have said, no house. Human effect: that people are crying on the job standing and having to fight for a bus. Human effect: people getting beaten up and nobody doing anything about it.

Human effect: that the new hirees and escorts is being hired at \$10.50 and that contract is being jammed down their throats by both the boss and the union. \$10.50, that's poverty wages, so I am... we are more than willing; more than willing to grapple to keep the EPP and get it back in force, not only willing. We're desperately fighting. That's why we're here. Our main purpose is to win back this EPP. Every single leaflet that we put out states the EPP and remember, when you reinstate the EPP, you are reinstating a respect for union people.

I've been in the union field for 62 years and backling. I ran strikes against Bloomberg. I ran strikes throughout the city, but there was a certain dignity that we kept above and that's what I'm here for. When somebody has to make a decision between heat and food, what kind of decision is that? When a parent has to make a decision about a child standing on a corner for an hour and a half

1 waiting for a darn bus, that's not fair, that's not  
2 fair. So Members for Change, with its thousands of  
3 members, are going to fight. We're going to fight  
4 for the EPP; we're going to fight for correct union  
5 representation; we're going to fight against the  
6 illegal activities of owners and we ask the Council  
7 with all your help... for all your help as much as  
8 we can. We are willing to meet with you. We are  
9 willing to discuss any way and we have here 15 to  
10 20 members who are willing to meet with you on a  
11 regular basis. I must say that Councilman  
12 Rodriguez has done it many, many times. He's my  
13 brother. Mathieu has also... Mathieu Eugene and  
14 that's been a privilege of our members.

15 I have with me a driver of 28 years,  
16 who is very anxious to add a few things and my name  
17 is Eddie Kay and I'd be willing to meet with  
18 anybody here or after and tell you even more of the  
19 facts that we are fighting so hard; we, the  
20 members, are fighting so hard and we will join with  
21 anybody, anybody who is willing to fight for the  
22 EPP.

23 CHAIRPERSON MILLER: Thank you, Mr.

24 Kay.  
25

EDDIE KAY: Thank you. Yeah, go ahead.

REINE MARTINEZ: [off mic] First of all, I want to...

CHAIRPERSON MILLER: [off mic] Push the button on the bottom.

REINE MARTINEZ: Okay, I have to thank the parents. I think that here today the ones that told the most truth were the parents. As far as DOT will tell you what they think you want to hear. They don't tell you the truth. Companies are not telling you the truth, okay, and you know, that's sad because you are the parents and you are entitled to know where your child is, what he's doing and with whom. And yes, I have been in situations where I know the bus companies have not informed the parents of where their child is; that I have broken down for four hours on the Grand Central and they renamed it the Central Grand. You know, there have been so many situations that we know. The ones at the end of the road the ones that suffer are the children, okay? But so I had to do that.

But I'm just going to give you a little bit of background on me. Like I said, my name is



Reine Martinez and I have been transporting children for 28 years. I did not start with Atlantic Express. I started with a company name that did not have... belong to Local 1181 and did not have the EPP. At that time, another female and I applied for the job as drivers and at that company we were hired the same day. I was given the keys to a van, a school van to drive. I had absolutely no experience in the industry or knowledge as to what the procedures were to pick up and drop off these children. The fact that we were hired on the spot was, to us, a stroke of good luck. I soon realized that our situation was not unique. This company had a revolving door policy or practice. Drivers especially, had been hired and would soon afterwards quit or get fired. There was no job security, low wages and minimal medical benefits, but the responsibility was enormous. I worked for them for close to two years and I also quit when it became evident that not only was I putting myself in danger by driving some of the vehicles I had to drive, but also most importantly, I was putting children's lives in danger. There was no protection on the job. You had to do as you

were told or you were out of work. Until this day, this company still exists and is still out there doing the same thing.

Shortly after I applied at Atlantic Express and was hired. They did have the EPP and I was able to raise my family on this job, which I was proud of and in which rules and regulations were adhered [chime] to. May I continue? My fellow coworkers and I felt that the job protection and benefits we received suited the responsibility of the job and well worth keeping. I worked for them for 26 years until the past administration decided that my job was not worthy of any consideration. By taking away the EPP, the doors have been thrown wide open for the contractors to make large profits while those of us on the frontlines have to struggle to make ends meet. The revolving door has become the standard of our industry. The contractors are now hiring drivers and escorts at almost the same rate, which for me is incredible, of pay that I started with 26 years ago, okay? So I mean has the cost of living gone down in 26 years and somebody forgot to tell me? Because that's incredible, okay?

Our industry has gone through many changes. At this time, many of our drivers and escorts are minorities; hardworking minorities who pay taxes and have come to this country to better the lives of themselves and their families. Is this the reason [chime] our past... just...

CHAIRPERSON MILLER: Yeah, you can...

REINE MARTINEZ: [interposing] Oh, okay.

CHAIRPERSON MILLER: Continue.

REINE MARTINEZ: Okay.

CHAIRPERSON MILLER: Yes, ma'am.

REINE MARTINEZ: Is this the reason our past administration targeted us? It is incomprehensible to us that we are now on the path to becoming one of the lowest income earners in this state. Does our job have such little value? Is our job responsibility requirements and skills equal to that of a Starbucks worker who earns \$14.00 an hour? Absolutely not. Our job is very, very, very important to all of us.

How about the children? This is New York and the vast majority of children we transport, especially children with special needs

are minorities. Are these children and minorities not entitled to the most experienced, best trained drivers and escorts? And every child is entitled to it. Or is this a case in which this segment of our population does not have the rights or the resources to ensure that these rights are not trampled upon? Most of these children do not have the option of having their chauffeurs or nannies drive them to school like Bloomberg's family probably did. Their only option is to accept whatever the City feels their entitled to. Is that fair? Would most parents put their special needs child in the hands of someone that is not capable of dealing with a child who has special needs? Of course not, nor would they allow a driver to transport their child if that driver was not competent. It would be putting the children at risk. Bloomberg did put all bus driving children at risk to try and save money. While the EPP was in effect, the school bus drivers and escorts of ATU 1181 had been safely transporting children of New York City for decades with a safety record that is second to none in the nation. This is due to the degree of professionalism that could only be

acquired throughout many years of training, testing, knowledge and experience. The members of 1181 were dedicated to children's care and safety because their chosen line of work was a career, a career upon which their family, security and futures were built on. With so much at stake, they were motivated to provide your children with the best, safest, more conscientious and professional transportation possible. Yet, our Mayor and Chancellor were willing to gamble your children's safety with part-time, low paid, hastily trained, inexperienced people who have no vested interest in doing this job anymore than any other job. Walcott and the Mayor said safety was not an issue, but it is most certainly an issue. This is not a job for people who have no reason to care. We believe your children deserve better than that. And you know, I can tell you as a former employee of Atlantic Express that it is true and I do believe the horror stories when you say that you had changed bus companies three and four times, absolutely. I, myself, went to a company... the Board of Ed deemed I had to go to a company called Quality. I followed my... which, made it yes, the

1 transportation was a lot easier. Now, this company  
2 had no medical insurance. We went there. They  
3 honored the EPP as far as our salaries, but not as  
4 far as anything else. We talk about the  
5 contributions for our pension. No, they did not  
6 honor that, but that should not only be the only  
7 concern of everybody. We didn't have any medical.  
8 I had coworkers that during that time had to go to  
9 chemotherapy; had surgeries planned and had  
10 medical... a lot of medical issues that went to  
11 their doctors and all of a sudden, sorry, if you  
12 want your chemo, you're going to have to pay for it  
13 because you are not covered and you have no  
14 medical. Now, why this went on I don't understand,  
15 especially now that I'm so shocked to hear that  
16 these companies were getting 10 percent bonus for  
17 taking the Atlantic Express work. So they got the  
18 10 percent bonus and we got the worst. I don't  
19 understand that and I don't understand how it was  
20 allowed to happen. You cannot say to your workers,  
21 "I have... sorry, the Board of Ed says you have to  
22 go there," and you have to go there and you have to  
23 drive a horse and carriage if they tell you to.  
24 No, it cannot be like that, okay and these

1 companies should be liable. If they took on the  
2 work with the EPP, they should have been paying for  
3 a pension. They should have been paying for the  
4 medical and for everything that we had, okay? And  
5 again, as a school bus driver, I thank the parents  
6 especially for coming. I want to ask for help. We  
7 need the EPP. Without that... like I said, most of  
8 the contracts out there right now that have been  
9 negotiated have a top salary of what I started with  
10 26 years ago. The companies are getting richer.  
11 Everybody seems to be making money except for us,  
12 and that has to stop because we are the ones that  
13 are caring for these children and we are the ones  
14 that worry about them. I know myself because of  
15 this company not being... not having any medical  
16 benefits, I was forced to leave the run that I was  
17 on and go to another company that did have it; that  
18 did have medical benefits. I cried. My children  
19 cried on that bus and I did 18 years with Special  
20 Ed, but these last years I have been doing regular  
21 runs. I loved them. I loved the kids. I was  
22 seeing them growing up, and every one of my  
23 coworkers feels the same way. You get to love your  
24 children. You get to be part of their day and it's  
25

1           been torn apart and we have to put it back together  
2           again and the only way to do it is with EPP to  
3           ensure that we do... you give us a career... our  
4           careers back.  
5

6                   CHAIRPERSON MILLER: Thank you so much  
7           for your testimony, Miss...

8                   [crosstalk]

9                   REINE MARTINEZ: Thank you.

10                  [crosstalk]

11                  CHAIRPERSON MILLER: Martinez. Thank  
12           you. We have some questions here and then we want  
13           start with... I'm sorry, first of all, we've been  
14           joined by Council Member Crowley and Council Member  
15           Crowley would like to... she has a few questions.

16                  COUNCIL MEMBER CROWLEY: First, I want  
17           to thank our Chairman, I. Daneek Miller, for having  
18           this hearing today. Second, I want to apologize  
19           for not being here earlier. I was chairing the  
20           hearing of my own Fire and Criminal Justice across  
21           the street, which started at 10:00, so  
22           unfortunately, I missed most of the testimony  
23           today, but I will catch up and read through it. I  
24           just wanted to... for the record, to say that I  
25           wholeheartedly support the Employee Protection



1           Provision. I have had far too many complaints in  
2 my office from parents who have had horrible  
3 experiences with new bus drivers or situations  
4 changing on their child's route and not to mention  
5 that when it comes to safeguarding our children and  
6 getting them to and from school on time, I think  
7 it's important that we, as a Council, prioritize  
8 experienced bus drivers as opposed to new bus  
9 drivers and therefore, I'm going to do whatever I  
10 can to work with the committee here to make sure  
11 that we reinstate the Employee Protection  
12 Provision. Thank you.

14           REINE MARTINEZ: Thank you.

15           CHAIRPERSON MILLER: Thank you so much,  
16 Council Member Crowley. Councilman Rodriguez.

17           COUNCIL MEMBER RODRIGUEZ: Look, as I  
18 said before and I want to say it again, last year,  
19 we were standing together at a press conference at  
20 the hotels with the laborers, with the unions. We  
21 went to the Bronx, to the yard, and we also stand  
22 together with the leadership with the unions and  
23 all of us we were saying for the leaders to the  
24 drivers saying we want EPP, we want it now and I  
25 think that right now the most important... and I

1           just hope that we can put all those energy in that  
2           direction. I believe that if... and I will deliver  
3           the other details, especially related to the  
4           different point of view to the drivers and the  
5           leadership because I think that they're the most  
6           important thing right now. If we get distracted  
7           from where we should be, and that's what I told the  
8           drivers when they had brought me to the meeting, I  
9           want to put all the energy together in EPP and I  
10          think that right now we have to write letters  
11          signed by everyone. Let's get tangible letters  
12          signed for the drivers from the unions; from the  
13          other... from parents, send it off, send into the  
14          Mayor that you know as a friend of us that you are  
15          and as the one that made a commitment in the last  
16          election we would like for you to continue the  
17          conversations so that the EPP...

19                 EDDIE KAY: [interposing] Members for  
20          Change has already done that...

21                 [crosstalk]

22                 COUNCIL MEMBER RODRIGUEZ: Oh.

23                 [crosstalk]

24                 EDDIE KAY: And we'll do it again.

COUNCIL MEMBER RODRIGUEZ: But again, like I... for me, I'm looking at the whole umbrella. I'm looking about like you know, like I don't want for us to put a sense of divide and conquer. For me, it's all about like this is not... not everyone would like to see the EPP back you know, and I think that this is something that the Mayor needs that type of support and I believe that from any particular group of drivers and the laborers and going from the older labor unions say we need support and you stand with us when we hold a press conference and now we want to think about these conversations about looking at the EPP. That for me is the ennui that I want to put in this conversation. I believe that all the details I hope that you know, that I assume that everyone is doing the right thing and if everyone is guided by what they are supposed to do, I believe that in order for everyone to win, what we need to get is the EPP. And in order to get the EPP, I just hope that all of us will sit on the table; we talk to the Mayor and say we need the EPP now.

EDDIE KAY: And we... Members for Change could not agree more. We feel sure that de

Blasio will come up with it and this committee definitely will help and thank you so much.

CHAIRPERSON MILLER: Thank you. Thank you so much for your testimony and...

EDDIE KAY: Don't move.

CHAIRPERSON MILLER: We have one more person on the panel who we called earlier; Milagros.

MILAGROS CANCEL: Milagros.

CHAIRPERSON MILLER: You're back? Okay, Milagros.

MILAGROS CANCEL: Okay, thank you very much.

[Pause]

MILAGROS CANCEL: Good afternoon, everyone. My name is Milagros Cancel. I have three kids handicapped and autistic. 100 percent PIST organization parent support. It is important for parents and I to have back the EPP for drivers and matrons because our children need secure, professional and experience to get home and to school in a safety manner. Safety is our goal. My son, autistic, in December last year was a problem in the bus and the matron did not know what to do

1 because matron had no training or experience.  
2 Children are getting dropped off in the different  
3 stops, city bus stop because drivers don't know how  
4 to get to school and no matter other bus it's been  
5 happening to our children. I need the EPP for the  
6 parents, for the children on the bus. It's very,  
7 very important. When no EPP, no safety the  
8 children handicapped.

10 CHAIRPERSON MILLER: Thank you so much  
11 and yes, thank you for your testimony. Thank you  
12 for your brave testimony to all the parents for  
13 coming out. I just want to share that it's... in  
14 order for us to get better, we have to hear these  
15 stories and we have to... and no matter what  
16 happens, we are all advocates in our own way for  
17 different things, but no one can tell your story  
18 like you can tell your story, and so it's very  
19 necessary that you're here and we thank you so much  
20 for being here. I think that before we wrap up, I  
21 just want to thank everyone for coming out; all of  
22 the parents, the advocates, the union members and  
23 the union leaders who come out giving testimony on  
24 this important issue in order for us to move  
25 forward. And we, the Council, this committee and

the rest of the Council along with the Public Advocate stand steadfast committed, as we were last year out in the cold on those lines and I spent days on the line myself out there in support of my brother and sister union, 1181 and proud to do so. But we are here now and I think Council Member Rodriguez said it best, that it's going to take this coalition to complete this and see this through. And so, don't leave here and know that you had your 15 minutes of [chime] fame; your 15 minutes of fame... and I'm the Chair so I get to [laughter] continue, Anna, okay? So it's going to require more than that and DOE was not here today. We are all disappointed that they weren't here, but they did not testify, but I am told that they were in the room and they did hear your voices, and so we have already begun to have conversations with the administration about this and so there's a lot of work to do, but I am committed, the rest of the members of the Council and this committee are committed and I know that everyone on that side of the table is committed. So I thank everybody for coming out and just know that we value working people and the goods and services that they

2 deliver, not just to the City, but most  
3 importantly, in this instance, to our children and  
4 there's been a crusade since January 1 to show that  
5 we respect the value of working people; that  
6 they're properly compensated and they're properly  
7 respected and the EPP is a big part of that. So I  
8 thank everybody for coming out. [gavel] And this  
9 hearing is adjourned. [applause]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Date: 04/28/2014