

**Testimony of the New York City Department of Education  
before the New York City Council Committee on Education**

**on the Indirect Employment System for School Building Maintenance and its Effect on  
Workers**

February 2, 2015

*Elizabeth A. Rose, Acting Deputy Chancellor, Division of Operations*

Good morning, Chair Dromm and all the members of the Education Committee here today. My name is Elizabeth Rose, and I am the Acting Deputy Chancellor for the Division of Operations at the New York City Department of Education (DOE). I am joined today by John Shea, Chief Executive Officer of the Division of School Facilities (DSF) and Renee Campion, First Deputy Commissioner from the Office of Labor Relations (OLR). Thank you for the opportunity to discuss the indirect employment system for school building maintenance and its effect on workers.

The Division of School Facilities is dedicated to providing a safe, clean and comfortable environment that is conducive to educating and nurturing our children in an economical and efficient manner. The Department of Education operates the largest school facilities system in the country, with 130 million square feet across approximately 1,200 school buildings. This is about 40 percent of New York City's municipal square footage.

Our 1.1 million students spend, on average, over 30 hours a week in our schools, so it is critical that we provide a safe, clean and comfortable environment that supports their learning.

The Division of School Facilities is primarily responsible for the maintenance, repair, and the safe, efficient operation of all facilities under the jurisdiction of the New York City Department of Education. DSF provides expertise in every aspect of building management and maintenance. This is accomplished with a dedicated corps of Custodian Engineers, handypersons, and cleaners assigned to each school, and assisted by a group of mobile Skilled Trades Mechanics who tackle complex work beyond the scope of on-site staff.

DSF employs approximately 800 custodian engineers, over 400 skilled trades mechanics, and over 250 other employees with administrative or technical expertise in the fields of facilities management, engineering, environmental health, administration, accounting, construction, planning, and project management. A portion of our maintenance budget is also allocated to carefully vetted private contractors.



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*Carmen Fariña, Chancellor*

In addition, DSF employs staff dedicated to sustainability, environmental health and safety, emergency management, facility management services, program management, finance and administration, and field operations.

We are particularly proud of the Department of Education's Sustainability Initiative, which is led by the Division of School Facilities. The Sustainability Initiative provides schools with tools and resources to improve energy efficiency, recycling, and green curricula. Schools have Sustainability Coordinators, who organize and create sustainability activities at the school level.

The Division of School Facilities also plays a critical role in the City's emergency planning and response efforts. DSF works closely with other City agencies, such as the Office of Emergency Management and the Department of Homeless Services. This was particularly important during and after Hurricane Sandy. Hundreds of custodial employees and skilled trades workers operated, cleaned and maintained shelter facilities around the clock for the duration of the storm, and staff spent thousands of hours working on clean-up of their buildings and other buildings in need following Sandy. Their non-stop efforts and work enabled us to quickly reopen school buildings in the aftermath of the storm.

This year's DSF budget, of over \$660 million, goes to providing building maintenance, repair and operations. Of the \$660 million, approximately \$434 million is earmarked for custodial operations, which includes on-site cleaning and management of each building's mechanical and fire safety systems; \$162 million is earmarked for work performed by our in-house skilled trades workers and outside contractors; \$4 million is for administration; and \$60 million is for small capital repair projects.

Maintenance to NYCDOE buildings is provided in several ways. Some cleaning services are outsourced to private companies. Other schools are overseen by the approximately 800 custodian engineers employed by the Division of School Facilities. These custodian engineers – who belong to Local 891, International Union of Operating Engineers, AFL-CIO – are civil service employees. These custodian engineers are given a budgetary allocation to manage their building. This allocation is used to hire staff and buy supplies. The contracted employees are entitled to the prevailing wage as a result of statutory requirements, while the employees retained through the indirect system continue to bargain their wages, and have recently concluded agreements providing for substantial increases.

The staff that these custodian engineers hire are known as custodial employees. These custodial employees are not civil service employees. Instead, they work under collective bargaining agreements between their unions and Local 891. These custodial employees have two unions

who represent them. Cleaners and handypersons are represented by 32BJ. School firepersons and stationary engineers are represented by Local 94.

This arrangement is what is known as the indirect system.

In total in this indirect system, there are approximately 5,000 full-time equivalent school cleaners and handypersons, represented by 32BJ, and over 1,100 school firepersons and stationary engineers represented by Local 94. These men and women work incredibly hard, keeping New York City public school buildings safe and clean for our 1.1 million school children. Their day-to-day activities include cleaning, garbage disposal, heating, air conditioning, plumbing, carpentry, painting, minor repairs, environmental health and safety all other aspects of building maintenance, and – very importantly – snow removal.

I am pleased to add that the NYCDOE recently reached an agreement with Local 891 and both 32BJ and Local 94 recently reached contract agreements with Local 891.

Under the agreement with 32BJ, not including benefits, cleaners are paid \$19.72 per hour and handypersons are paid \$22.11 per hour. The benefits amount to another \$8.01 per hour for both groups.

To fill in the picture of the history of the system, custodial services at New York City schools began over 150 years ago, before the Civil War, in what was known as the “ward system.” The janitors then did not take civil service examinations and often lived in school buildings with their families. Friends and family often helped the janitor maintain the building and janitorial wages were determined by the trustees of the building and were not centrally determined.

As the City grew and larger and more modern buildings were constructed, a more fixed compensation structure emerged where janitors were given an allowance and hired their own help. Around the turn of the last century, some schools used an indirect system while some maintained a direct system. After the Board of Education was created around the turn of the last century, the direct system existed in some schools on a trial basis. The Board, however, concluded at that time that the direct system had higher costs and unsatisfactory service. In the following decades, the Board continued to evaluate the direct and indirect systems, and retained the indirect system. This indirect system carries through to today; under this system, employee representatives have negotiated and collectively bargained the terms of their employment.

Although there is a lengthy and important history to the indirect system and although our buildings are extremely well maintained under the current indirect system, having an indirect system is not set in stone. And just as the Department of Education continuously evaluates all of



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its operations and procedures, we continue to monitor and discuss the most effective ways to service our school buildings. We are always interested in having the best system possible and will continue moving in that direction.

In that context, we recognize that there is a difference in compensation between custodial personnel employed by private contractors and those working for Local 891. We are therefore open to discussions with the three unions involved regarding efficiency, level of services, quality, employment structures and compensation issues.

As the largest school system in the country, we are proud of the work that our staff performs and the improvement projects they oversee to create enriching instructional spaces.

We will now be happy to answer your questions.

**Testimony of Local 94 Business Agent Raymond Macco before the  
New York City Council Education Committee**

**On**

**Oversight of the Indirect Employment System for School Building  
Maintenance and its Effect on Workers**

**Council Member Daniel Dromm**

**Chairperson**

**Monday, February 2, 2015**

Good afternoon Chairperson Dromm and members of the committee. My name is Ray Macco. I am a Business Agent for the International Union of Operating Engineers Local 94. Before I begin I would like to acknowledge IUOE Local 94 Business Manager Kuba Brown, as well as Jack Redden a Local 94 Business Agent, Bill Caramico a Local 94 Executive Board member who, like me, represents the 1,200 Local 94 members who are currently indirect employees of the Department of Education.

On behalf of all those members of Local 94, I want to thank this committee for conducting today's hearing and for the opportunity to speak. I would also like to express my thanks to Council Member Daneek Miller and each of the 41 Members of the City Council who signed on as sponsors of Intro. 386, legislation designed to correct the long-standing inequities within the currently flawed and unjust system.

Created more than a half century ago, under the indirect system, School Custodians hire Local 94 members to work within the New York City Department of Education. It is somewhat ironic that this system exists in our schools. So, even as our children are being instructed on equality, justice and fair play in the classrooms, the members of Local 94 are being compensated like second-class citizens in the basements and engineering rooms.

It is more than a little troubling that our members -- employed in the same job title and doing the same work as others in municipal job titles, do not enjoy the same wages and benefits. This inequity is not something new. This inequity has existed for more than a decade! Since 2008 this inequity existed not only between different city agencies but within the same agency, the Department of Education, for workers in our same Union's doing the same exact work.

Each passing year the financial void has widened. Let's take a look at some numbers: When comparing municipal workers to these custodial workers at the most basic level under the 2015 agreement Local 94 Firemen, some can hold up to as many as 15 licenses and certificates of fitness, will be paid at a rate of \$22.50 per hour. A full \$8.85 per hour less than the \$31.35 rate paid to Plant Tenders, a title that requires no certificate or license. The discrepancy is even more dramatic when we look at the Stationary Engineer Title. Members of other

Municipal Unions and other city agencies are receiving wages as high as \$56.21 per hour.

The members of Local 94 in the same classification were earning \$25.43 for the same work. Nearly \$30.78 per hour difference, and we haven't looked at pension, welfare and training fund contributions.

Let's look at today's workers in just the Department of Education in the same Union. I would remind you these numbers reflect the new Collective Bargaining Agreement reached and approved a little more than one month ago. As of January 1, 2015, the Prevailing Wage for Firemen is \$29.46 per hour; a Local 94 Firemen in a New York City School under the indirect system is paid \$22.50 per hour, a difference of \$6.96 per hours paid. In the course of a 40-hour work week that translates to more than \$278, or a difference of \$14,456 per year. As of January 1, 2015, the Prevailing Wage for an Engineer is paid \$37.83 per hour; a Local 94 Engineer in a New York City School under the indirect system is paid \$25.43 per hour, a difference of \$12.40. In the course of a 40-hour work week that translates to more than \$496, or a difference of \$25,792 per year.

The inequity doesn't stop there. For some Local 94 NYC Engineers, the city contributes \$3.55 towards the pension; \$7.80 towards health and welfare; \$3.80 toward the annuity; and .21 cents toward training. A total of \$15.36 for each hour paid. For the Local 94 members working under the indirect system the City contributes \$2.1012 toward pension; \$6.087 toward health and welfare; \$1.9779 towards the annuity and .06 cents toward training. Add it up and it amounts to little more than \$10.22; a nearly \$5.15 per hour difference.

As we can clearly see we're not talking about nickels and dimes here. We're talking hundreds of dollars a week in wages alone. Dollars that would go a long way to keeping the more than 73 percent of our Local 94 DOE workers who live in New York City, to remain in our ever more expensive New York City.

I am not here to bombard this committee with numbers. Just as reading a box score will tell you how everyone performed in a ballgame, it won't provide you with the drama and excitement in the creating of those numbers. So to better help you understand, we will be joined by two Local 94 members who will explain what they do; and open a window into their lives, and allow you to hear first-hand how this inequity has affected their lives and their families.

The most glaring issue before us today is the difference in funding provided for our members medical benefits. Currently Local 94 does not receive enough contributions to support retiree benefits. With a financial discrepancy of \$1.72 per hour paid, it is not possible to support retire coverage for these men and women that work tirelessly in your schools each day. All other city workers have retiree benefits.

But before I finish I want to bring your attention to the discrepancy in the contributions to the Training Fund. We are all familiar with New York City's efforts in sustainability and the importance of "Greening" of our city. The recent ban on Styrofoam demonstrates this Council's understanding and willingness to move the City in the right direction. Well, as many of you know, Local 94 stands second to no one in the effort to create a "Green" New York. As the world's premiere city, it is our obligation to show the world that sustainability and maximizing energy efficiencies can be realized through new technologies and proper training. We at Local 94 are proud of our Training Fund and our state-of-art training center.

We invite you to visit and see our Training Center for yourselves.

Yet for all we have seen and heard about the City's commitment under the new contract the City will contribute a mere six cents per hour to Local 94 for training. That's .15 cents less than the contribution made for other employees in the same agency. Proper funding of the Training Fund is an investment in New York City's future. With the proper funding we can mandate the training of our workforce in operation of new equipment, retrofit existing equipment and understand new and different ways to recycle and efficiently reuse our resources including wastewater and fuels.

We at Local 94 can provide and develop the training and skills to bring our City and the Department of Education to the next level in the Green movement. We are doing it every day in commercial buildings all across our city. We should not be leaving our school buildings behind.

Finally let me say, we at Local 94 believe by addressing and resolving prevailing wage issues we will be putting ourselves on the path to a Greener New York. It is our belief that if these goals are realized the City will save more money for years to come on the efficiencies of operation in their schools then it would the cost to correct this pay inequity.

Let's all work together. We at Local 94 have never shied away from sitting across the table to solve a problem. As I mentioned earlier, we did just reach and approve a new CBA with the City. That agreement included an important section:

*The parties agree to form a labor/management committee consisting of representatives of Local 94, Local 891, the Department of Education, the Office of Management and Budget, and the Office of Labor Relations to discuss issues related to the implementation of the terms of this agreement.*

Let me assure you, while Local 94 is looking forward to the first meeting of that committee and will work diligently in seeking a fair, just and equitable resolution of the issues relating to the agreement, we will continue to use every forum to bring attention to and rectify this long standing injustice of the existing indirect system.

Thank you. I will be more than happy to answer any questions.

**Testimony of Local 94 Fireman Joseph Modica before New York City  
Council Education Committee Hearing**

**On**

**Oversight of the Indirect Employment System for School Building  
Maintenance and its Effect on Workers**

**Council Member Daniel Dromm**

**Chairperson**

**Monday, February 2, 2015**

Good afternoon. I want to thank the Council Member Dromm and the members of the Education Committee for conducting today's hearing and providing me this opportunity to speak.

My name is Joseph Modica. I am married, the father of three children -- two boys ages 17 and 10, and an 8 year-old daughter. We live in Sheepshead Bay and I work as a Local 94 fireman at nearby Grady High School.

My work day is typical of what you've already heard from others. Well, I start a little earlier than some of the others. Grady High School was severely damaged by Superstorm Sandy, which destroyed our boiler. Since the storm I've had to report to work at 4 a.m. to start the "temporary" boiler located in a trailer parked outside the school.

Once the boiler is going, I test our new computerized fire alarm system. This requires a call to the FDNY to inform them that I am taking the system off-line; I then conduct a 15-minute test of the system before putting the system back on line. This is all part of a new safety protocol. It requires a newly mandated certification from the FDNY.

While we are responsible for maintaining the building and keeping it clean, safe and in good repair, we are also the first responder to any fire emergency, accident, or other disaster. When I say we are responsible for a safe building, I mean we are responsible for the safety of every child, teacher, supervisor, aide, and anyone and everyone else in the building.

And, like every other member of Local 94 I love my work, and take great pride in my ability to get the job done, no matter what that job may be. Along with holding a half-dozen licenses and certificates I also do everything from fixing toilets, repairing doors, plowing snow, maintaining the grounds to making keys.

If something isn't running right I will get it fixed. That's my job.

For all my hard work and because I am a member of Local 94, and an indirect employee of DOE, I am not receiving the same wages, and benefits as the hundreds of outside DOE contractors who do the same work. And, in many cases they do not hold and maintain the same licenses and certificates as me.

That difference in wage and benefits now equates to nearly \$300 per week. Do you know what that means to me and my family? I'll tell you. I may live one exit away on the Belt Parkway from Grady, but to support my family I have to work seven days a week to make sure I can properly provide for them and our future, and to afford to live in this city.

Working seven days a week has cost me my first marriage. And, today working seven days a week is stealing precious days and hours I could spend with my wife, my sons and my daughter. And, that difference in wages, as well as health and welfare contributions impacts every decision that must be made from choosing and paying for college, to health care and retirement plans.

Every day I am confronted with a choice. How will I provide and meet my daily and future financial obligations? How can I make my family understand I am working to build a future for them? Am I doing the right thing by being away for so many days, and so many hours?

The reality is I fear I am paying a heavy price for my prudent financial decisions.

Worse still, it doesn't have to be that way. I should not have to make those choices. It is frustrating and heartbreaking to be trapped in a system where someone doing the same work in another school, is earning nearly \$500 more each month in wages. It's time to end this injustice.

We are not asking for a penny more than anyone else. We are only asking for equal treatment. We are asking for justice. And, as a man who works seven days a week, I am asking for just one day to spend with my family.

Thank you

**Testimony of Local 94 Fireman Ronald Cerna before New York City  
Council Education Committee Hearing**

**On**

**Oversight of the Indirect Employment System for School Building  
Maintenance and its Effect on Workers**

**Council Member Daniel Dromm**

**Chairperson**

**Monday, February 2, 2015**

Good day. First I would like to thank the chair, and the members of this committee for holding today's hearing; and for this opportunity to speak.

My name is Ronald Cerna; I live in the Bronx and have been working at PS 11 in Highbridge for 23 years. I am also a proud member of IUOE Local 94. My job title is fireman, but I don't put out fires. I do, however, prevent them through proper operation and maintenance of the engineering equipment. I also do pretty much everything else to ensure my school is clean, operational, in good repair, and most importantly, safe for the children, teachers, administrators and staff.

My work week begins each Monday at 5 a.m., when I open the school and perform a "water flush" to ensure the water system is working properly before firing up the heating system so the building is fully heated by the opening bell.

Tuesdays through Fridays my work begins at 6a.m. As the heat is coming up I make my rounds, walking through the building starting with the fire alarms -- the alarms must always be operational, and then checking to see if there are any other problems or needed repairs.

I hold five licenses or certificates, including the EPA's Technician Certificate, and the New York City and FDNY Air Compressor, Low-Pressure Boiler, the S-12 and S-95 Sprinkler, and EPA Air Pollution or Burn Certificate. Each of those licenses were earned through classes and training provided through the Local 94 Training Fund.

I attended and completed every one of those courses on my own time, and I have recently completed a three-year circuit of courses including completion of the required 200 hours for the Refrigeration License. And while not required by the Department of Education, I completed courses on package units, boilers, pumps and controls. Basically, anything and everything relating to the safe operation of a building. I cannot imagine any program that could have better prepared me for my job.

Yet, as a member of Local 94, I am an “indirect” employee of the Department of Education. And, under that indirect system, I, and more than 1,000 other Local 94 members have been “left back” in terms of wages and benefits since 2008.

For nearly seven years now outside contract employees, who do the same work as we do, have been earning a higher wage and better pension and health benefits. And, they will continue to do so under the new contract.

Despite the new agreement I will earn nearly seven dollars an hour less than a “contract” worker. That translates to more than \$240 every week! And, those numbers don’t include the lower contributions to health, pension, and other funds.

Not only am I being treated as a second-class employee in my paycheck; my family is being short-changed in our health coverage and I will never attain the same level of security in my retirement.

Yet, here in New York, a city that prides itself on fairness and equality thousands of school workers have been left behind in a two-tiered system. I cannot understand how this unjust system can be allowed to continue.

Thank you.



## *NYC School Cleaners and the Importance of Prevailing Wage*

Testimony Presented to the New York City Council  
Committee on Education

By James A. Parrott, Ph.D., Deputy Director and Chief Economist  
February 2, 2015

Good afternoon Chairperson Dromm and members of the Education Committee. Thank you for the opportunity to testify today on this critical New York City challenge.

Despite considerable growth in the New York City economy over the past two decades, very little of that growth has trickled down to the average worker and his or her family. Wage standards like the minimum wage and the living wage are critical in ensuring that there is a floor under the job market and that workers are adequately paid. Prevailing wage standards, however, are a key means to ensure that skilled labor provides a path into the middle class.

Prevailing wage standards apply to occupation-specific subgroups within the skilled blue collar workforce. The prevailing wage level is established in the marketplace and reflects the pay and benefit standards that private employers have determined is appropriate to ensure a sufficient supply of trained workers.

To cite just one datapoint about the importance of raising wages for low-wage workers: in a December 2014 report, the Women's Center for Education and Career Advancement found that 42 percent of city residents do not have enough income to cover the basic necessities of a Self-Sufficiency family budget.<sup>1</sup>

It is critically important that the City of New York definitively commit to apply prevailing wage standards for school maintenance workers across the board for school facilities, the same as they are for all other City agencies and City-contracted services. The building service workforce is made up largely of persons of color and recent immigrants. City government must use its economic power to promote greater economic opportunities in New York City and influence outcomes in the job market.

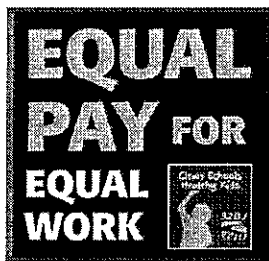
The City should apply the City's living wage ordinance for contract employees to ensure coverage of all school custodial workers so that they receive the prevailing wage for City-funded building service work.

Thank you for the opportunity to testify today.

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<sup>1</sup> Diana Pearce, *Overlooked and Undercounted. The Struggle to Make Ends Meet in New York City*, Prepared for the Women's Center for Education and Career Advancement, December 2014.



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New York City Council

**Committee on Education Oversight Hearing: The Indirect Employment System for School Building Maintenance and its Effect on Workers**

**Testimony of Marie Merisier, Public School Cleaner and member of SEIU Local 32BJ**

Good afternoon. My name is Marie Merisier and for 20 years I have been a cleaner at Public School 801 in Brooklyn.

I am employed by Temco. When I started working at the DOE, contracted workers were not getting the prevailing wages we were entitled to. But that changed and now I earn the same prevailing wage as other cleaners on City contracts.

Seeing that big difference in my paycheck helped a lot.

I raised 4 kids and sent them to college as a single mom. It wasn't easy and some days I had to go without food so my kids could eat. Now I feel a lot more secure.

I want all my brother and sister school cleaners to feel that security too. Cleaners who work for custodian engineers do the same job I do. There is no reason for them to get paid less.

They deserve Equal Pay for Equal Work.

I worry about my school switching its cleaning contract from Temco to a custodian engineer. Under the current system, I'd lose the prevailing wage and I can't afford that.

My oldest three kids are grown up but I still support my youngest daughter. She is a sophomore in college studying to be a nurse-practitioner.

Now I have more money to help pay for her textbooks and loans plus more for my own necessities like food and rent.

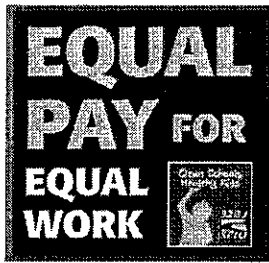
Cleaning a school is not easy but it is important work. A clean school is part of the good environment kids need to learn.

I clean my school like I would clean for my own kids at home. I enjoy this work and feel like the students and my coworkers are part of my extended family.

Getting the prevailing wage has already made a big difference in my life.

It will make a big difference for the cleaners employed by custodian engineers.

They work just as hard as I do. They deserve Equal Pay for Equal Work.



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New York City Council

**Committee on Education Oversight Hearing: The Indirect Employment System for School Building Maintenance and its Effect on Workers**

**Testimony of Ronald St. John, Public School Cleaner and member of SEIU Local 32BJ**

Good afternoon. My name is Ronald St. John and for the past 9 years I have been a school cleaner at Clara Barton High School in Brooklyn.

Until August 1, 2014, I was employed by ABM to clean Clara Barton High School. But in August the contract changed and I am now employed by a custodian engineer.

My work didn't change at all. I am still at the same school. But when my employer changed, my hopes of getting the prevailing wage disappeared. It's not fair. Cleaners working for Custodian Engineers are doing the same work but we're paid a lot less.

I want Equal Pay for Equal Work.

The extra money in my paycheck that I'd get with the prevailing wage would mean a lot to me.

My fiancée and I have two sons who are 4 and 14. We live in Brownsville. It's one of the toughest neighborhoods in New York.

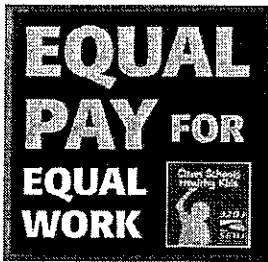
We'd like to be able to buy our first home and move to a better neighborhood. But on my current wage, we can't afford that.

Like most people in New York, I'm struggling. It seems like the cost of everything is going up but my paycheck isn't always enough to cover it. Living paycheck to paycheck I can't always provide what I need to provide for my family.

I like my job and I know I am doing important work. My mother taught me and my siblings that cleanliness is next to godliness. Many of the kids at Clara Barton come from a tough background like I did but I believe they deserve a clean environment so they can learn. That's why I work so hard.

I believe that all New York City school cleaners deserve to be paid the prevailing wage. It would mean a lot to me and all my coworkers.

We deserve Equal Pay for Equal Work.



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Committee on Education Oversight Hearing: The Indirect Employment System for School Building Maintenance and its Effect on Workers

**Testimony of William Jennings, Public School Cleaner and member of SEIU Local 32BJ**

Good afternoon, my name is William Jennings and I have worked at the Bronx School for Law, Government and Justice for almost 10 years.

I am from the Bronx and I take a lot of pride in my borough and my job. Most, if not all of the nearly 5,000 public school cleaners live in the five boroughs of New York City. We are a solid backbone that helps to support our communities.

I am employed by a Custodian Engineer, so I don't make the prevailing wage. I am here today because I want equal pay for equal work. Most cleaners consider their job a vocation. We are all committed to providing a safe, sanitary environment in which our children can learn. The school buildings are not just edifices; they are learning centers for the future of our city. Those of us who care for these buildings have worked very hard and deserve to earn the prevailing wage.

Because of the lack of the prevailing wage, I have had to put off putting money in a 401K and putting savings aside for emergencies. I manage paycheck to paycheck.

Instead, I've needed to take on extra jobs to help make ends meet. I have taken on extra work at other schools when hours become available. In addition, I have worked at St. Margaret of Cortona Parish and School in my neighborhood. I also DJ, which helps in paying the bills.

I would like to be able to work one job and have more time with my family.

Last Monday when the snowstorm hit New York City, my co-workers and I spent the night at our school so that we could get up early Tuesday morning and get right back to snow removal. It was hard work and a long day but we knew that everyone was counting on us to ensure our children had safe access to the school.

Presently, cleaners who work for Temco and ABM in our public schools are paid at the prevailing wage. It is a simple matter of equal pay for equal work.

Supporting us in our hard work helps us support our families, our schools and our city.

Thank you for your time and concern in this matter.



SERVICE EMPLOYEES  
INTERNATIONAL UNION  
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February 2, 2015  
New York City Council

**Committee on Education Oversight Hearing: The Indirect Employment  
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**Testimony of Shirley Aldebol, Vice President, SEIU Local 32BJ**

Good morning, Councilmembers. Thank you for the opportunity to testify today. My name is Shirley Aldebol and I am a Vice President of Service Employees International Union Local 32BJ. Local 32BJ represents more than 70,000 service workers in New York City including 5,000 cleaners and handypersons who maintain the thousands of New York City public schools where our children spend their days learning and growing.

This hearing provides us with the opportunity to describe for you the unequal, and frankly irrational, system in which Local 32BJ schools members work. In New York City, school cleaners and handypersons work for two kinds of employers: 4,200 of our members are employed by Custodian Engineers and another 700 are employed by cleaning companies, such as Temco and ABM, that are contracted by the Board of Education, now known as the Department of Education ("D.O.E.").

The Custodian Engineers who employ Local 32BJ members are civil service employees of the D.O.E. However, under the Custodian Engineers' contract with the D.O.E., the Custodian Engineers hire their own employees, sometimes called custodial helpers, to maintain the schools. Thus, the Custodian Engineers are the employers of 32BJ members. Local 32BJ's members at the schools are private sector employees, not public. This system of utilizing Custodian Engineers to hire their own private custodial staff is called the Indirect System of employment. Under this system, the Custodian Engineers negotiate with the DOE over budgetary allotments for cleaning and maintaining their schools and then, like any other cleaning contractor, they decide how to use this allotment to maintain the school. They hire the cleaners and handypersons, they pay their wages, and they have the authority to fire them.

Custodian Engineers currently pay cleaners \$19.72 per hour, and not the prevailing wage rate provided to other private sector employees who work in public buildings. In contrast, companies such as Temco and ABM are paying school cleaners the prevailing wage of \$23.85 – this is the rate paid to tens of thousands of other cleaners in the City including cleaners at other government buildings throughout the City. Thus, cleaners working for Custodian Engineers are earning nearly 20% less than their counterparts, throughout the City.

For years, the D.O.E. has ignored prevailing wage laws and undermined private sector standards paid to cleaning and maintenance workers. The D.O.E. did not recognize the right of the schools workers employed by cleaning companies to the prevailing rate until a New York State Supreme Court judge ruled in June 2013 that they must be paid the same prevailing wage as other City-contracted workers. As a result of this Court ruling, the workers employed by Temco and ABM at the D.O.E. will soon receive retroactive pay back to June 2011.

Despite this step forward for the workers employed by cleaning companies, the DOE has refused to recognize that the schools workers employed by the Custodian Engineers are entitled to the prevailing rate under the City's Living Wage Law, Section 6-109 of the Administrative Code. The Living Wage Law applies to all written agreements with the City or D.O.E., to provide building services – and we believe that the Custodian Engineers' contract with the D.O.E. falls squarely within the Law's broad scope. However, the DOE has claimed that there is a some loophole in the Law that allows these Custodian Engineers' employees to be paid significantly less. In March 2012, employees of the Custodian Engineers filed a complaint with the N.Y.C. Comptroller's office under the Living Wage Law asserting that they should be paid the prevailing wage. That complaint is still pending before the Comptroller, and if it is upheld, the workers could be entitled to three or more years of retroactive pay.

This two tier system for schools workers is unfair and irrational. Cleaners and handypersons employed by Custodian Engineers and those employed by cleaning companies perform identical jobs under identical conditions. Yet those working for the Custodian Engineers are paid substantially less than those employed by cleaning companies. Indeed, school workers working just across the street from each other, and doing the same work, are taking home substantially different pay. For example, P.S. 9 and Frank McCourt High School are both located on West 84<sup>th</sup> street in Manhattan.

In addition, because of these two tiers, the compensation that workers are entitled to can, and does, change if the cleaning work at a schools moves from a cleaning company to a

Custodian Engineer, or vice versa. Their jobs don't change – only the name of the employer on their paychecks. This is not only unfair, but it makes no sense.

Prevailing wage laws, including the City's Living Wage Law, were enacted to prevent workers from being paid substandard wages on government jobs. These laws ensure that government upholds the industry standards of wages and benefits that workers have already won, and that our tax dollars are not driving race to the bottom employment practices.

There are a number of steps that should be taken to ensure that all schools workers earn the prevailing wage and that we end the income inequality that currently pervades the system.

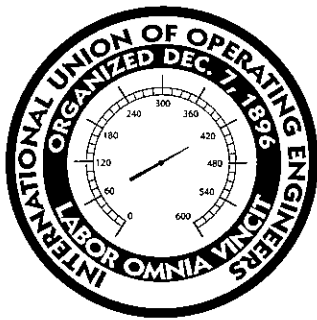
- First, the City should make sure that the prevailing rate for all schools custodial workers as part of the Mayor's larger plan to restructure school custodial work.
- Schools workers should not have to wait for a longer term restructuring effort. The D.O.E. can and should immediately apply the Living Wage Law as it exists now to the Custodian Engineers' employees.
- Further, in light of the D.O.E.'s poor track record here, we believe legislative action by the City Council to clarify the Living Wage Law is necessary. This legislation would close the purported loophole, prevent litigation and ensure that cleaners and handypersons employed by Custodian Engineers receive the same wages as their peers.

School cleaners play a vital role in our city. These are the men and women who keep our children's learning environment clean and safe. Many of our kids spend as much time at school as they do at home, and schools workers are there in emergencies, like during last week's blizzard or when Superstorm Sandy struck.

For Temco and ABM school workers, the prevailing wage has been an important step toward a brighter future for their families. Prevailing wage standards strengthen our communities, help grow the middle class, and build a path toward a more vibrant economy in New York City. Securing the prevailing wage for employees of Custodian Engineers will not only allow these workers to share in the prosperity our City generates, but it will ensure that these are good jobs that workers can afford to stay in and that the custodial workforce in our schools is experienced and stable.

In closing, **Equal Pay for Equal Work** is not just good for workers but it is good for our schools and our communities. We call upon the City Council and the Administration to rectify the disparities created by this two tier system and ensure that all school cleaners and handypersons at our City's schools are paid the prevailing rate.

Thank you.



## **Local 891**

### **International Union of Operating Engineers**

**ROBERT J. TROELLER**  
Business Manager/President

February 2, 2015

#### **NYC Council Committee on Education Oversight - NYC DOE School Facilities Committee Room 250 Broadway, 16<sup>th</sup> Floor**

##### **The Indirect Employment System for School Building Maintenance and its Effect on Workers**

Good afternoon, I am Robert Troeller the Business Manager / President of IUOE Local 891. I proudly represent New York City's Public School Custodian Engineers. It is the job of my members to ensure the children and adults who use our school buildings have a safe and clean environment in which to learn and work. I thank Chairman Daniel Dromm and the other Councilmembers on the Education Committee for allowing me the opportunity to testify today on the merits and issues of concern with the indirect system of delivering custodial services. I know my time is limited, so I'll attempt to be brief in my remarks and focus on the most serious issues my members face. I will gladly provide the Committee with any additional information or supporting documentation that you may need.

Recently, the single largest concern facing the workforce in the indirect system of the custodial care has been addressed. The members of my Union and the custodial workers represented by SEIU Local 32BJ and IUOE Local 94 have negotiated new contracts which cover their terms and conditions of employment through the end of 2016. I applaud Mayor de Blasio for coming to the table and negotiating agreements that are fair to the City's workers and affordable to the taxpayers. Collective Bargaining should be a fundamental right in this country. With these negotiated wage and benefit increases the workers will be better able to provide for their family's needs.

The indirect system of Custodial Services has been in use in the New York City Public schools almost since the system's inception. Throughout the history of the system the Board of Education has experimented with both outsourcing and insourcing these services. The reason this unique method of indirect operation prevailed is that it delivers cleaner and safer school buildings at a much lower cost than other methods. While the high qualifications required to become a Custodian Engineer ensure that our schools are safe, the "ownership" and pride my members feel towards their building produce superior results. Economically, the "buck stops here" nature of the system ensures cost effectiveness.

Now the biggest concern by far is the dramatic reduction in funding of Custodial Budgets that took place under the previous administration. During his tenure, Mayor Bloomberg made over (58) fifty-eight million dollars in direct reductions to the custodial budgets used to operate the schools. Many of the cuts were made before the financial crisis resulted in a reduction of revenue for the City. These cuts plus the deliberate (25) twenty-five million dollar reduction in spending on after-school activities during the last three years of his administration have resulted in the equivalent loss of over (2000) two thousand full-time custodial workers throughout the system. For reference I have attached a chart detailing the cuts to my written testimony.

As this Committee knows all too well, the reduction of after school activities and use by outside groups was a cost savings measure implemented by former Chancellors Klein and Walcott. Thankfully, the current administration seems committed to reversing that policy. New dangers and laws regularly affect our schools such as: asbestos, lead dust, lead caulking, swine flu (H1N1), recycling, composting and most recently PCBs from certain fluorescent light fixtures each resulting in new protocols being issued by DSF (Division of School Facilities) with additional cleaning tasks, inspections and reporting requirements for my members and their staff. Not one of these mandates came along with any additional funding.

While on the subject of inadequate funding, I would be remiss if I did not discuss the amount we receive for supplies. The custodial budgets my members receive are based entirely on a manpower allocation. Each building's custodial allocation is calculated according to the needs of that building. The calculation is based primarily on the size of the building. Additionally, depending on the use of the building (i.e. Grade School, Junior High School, High School or Office Building), the boiler type, amount of paved property and several other factors help determine the amount received. There is absolutely no funding provided to purchase materials or supplies. Instead, materials and supplies are supposed to be delivered through a separate annual supply allocation in the form of a credit with a vendor. SDI is currently the vendor with that contract. The dollar amount allocated to each school has not increased for over (20) twenty years. This fixed amount has not changed despite inflation, higher costs of environmentally safer cleaning chemicals, significantly more expensive energy saving light bulbs and other increases to the cost of the supplies schools need.

A typical school building's "annual supply allocation" will only cover the cost of six to seven months of supplies. This causes Custodian Engineers to supplement the supply allocation by spending a portion of their labor budget on these necessary items. The Department of Education must live up to its agreement with Local 891 and provide these needed supplies, thereby allowing Custodians to staff their buildings more adequately. The Department further hampers the most efficient use of the City's limited resources by not providing Custodian Engineers with approved vendors who have bid based on specific material costs. They must also allow Custodian Engineers to access other City and State contracts. Instead DSF requires almost all additional purchases be made through the same sole-source vendor, SDI. The price of materials and supplies through SDI are significantly higher than the price of identical items on the open market. This practice deserves serious investigation and oversight.

In 2004 the New York City Council passed Resolution 0037A, with a near unanimous vote. The Resolution condemned the wasteful and dangerous practice of outsourcing custodial services to private profit motivated contractors. The hearings and investigation which lead to that Resolution proved that private, cleaning companies were more costly than Civil Service Custodian Engineers and more prone to dangerous mishaps due to inexperienced and unqualified supervisors. Despite that, to this day the DoE (Department of Education) still uses private facilities management companies in over (100) school buildings. The cost differential has only grown due to the budget cuts my members have experienced. It is way past time that this waste of tax-payer dollars comes to an end.

Additionally, the Department continues to misdirect valuable resources by increasing the size of its middle management staff. While numerous custodial workers have lost their jobs due to budget cuts, DSF has increased the number of mid-level managers. School buildings need their own Custodian Engineer, more cleaners and handy-persons in the classrooms, not additional high paid managers. The recently promulgated civil service list for Custodian Engineers has not been utilized, new Custodians should be hired immediately to make up the for the current lack of a full time Custodian for each and every school building.

Thank you for allowing me to testify before you today. I am certainly glad to answer any questions you may have.

# Summary of Budget Reductions to Custodian Engineers' Allocations

## Floor Area Reductions

All reductions taken in cents per sq ft

Building			FY 2003	FY 2004	FY 2007	FY 2009	FY 2010	FY 2012		
Size in	Number	Total Sq Ft in	\$8	\$4.4	\$11.2	\$5.5	\$6	\$10	Total Cut per	Total Overall Floor
M Sq Ft	of Sites	Bracket	Million	Million	Million	Million	Million	Million	Sq Ft to Date	Area Cut To Date
0-50	215	6,045,000	\$0.01	\$0.01	\$0.02	\$0.05	\$0.02	\$0.05	\$0.16	\$967,200.00
51-100	491	37,995,000	\$0.07	\$0.05	\$0.09	\$0.05	\$0.04	\$0.08	\$0.38	\$14,438,100.00
101-200	339	45,786,000	\$0.08	\$0.06	\$0.10	\$0.05	\$0.06	\$0.09	\$0.44	\$20,145,840.00
201 & up	80	23,334,000	\$0.10	\$0.06	\$0.12	\$0.05	\$0.07	\$0.10	\$0.50	\$11,667,000.00
TOTALS:	1125	113,160,000								\$47,218,140.00

## Additional Reductions

Elimination of Reimbursement for Bagging Trash FY 2009		\$5,000,000.00
50% Reduction in Funding for Cleaning of Kindergarten Lunchrooms		\$2,500,000.00
Reduction in Maintenance/Painting Funding	Range from \$1200 to \$7200 per Facility Averages \$3500. Number of Facilities	1125 \$3,937,500.00 \$11,437,500.00

## Reduction in Funding Generated From Extended Use (Extra Activity)

(Before 8 AM, After 3PM, Weekends, Holidays and Vacation Periods)

The Department changed its policy pertaining to extended use in FY 2011. CEs have seen their annual funding reduced by an additional 25.08 Million Dollars since this change.	\$25,081,789.00
TOTAL CUMULATIVE REDUCTION:	\$83,737,429.00
TOTAL REDUCTION IN MAN HOURS:	4,618,722
TOTAL EQUIVALENT FULL TIME POSITIONS:	2,221

THE LATEST ROUND OF BUDGET CUTS WILL REQUIRE CUSTODIAN ENGINEERS TO ONCE AGAIN MEET WITH THEIR PRINCIPALS AND AMEND/MODIFY THEIR ANNUAL PLANS.

We are supplying you with this chart so that you have the necessary data to illustrate to your Principals the scope and severity of the current cuts and the cumulative effects of the cuts overall.

IT IS CLEAR THAT IT IS NO LONGER POSSIBLE TO PROVIDE THE LEVEL OF SERVICE THAT WE WOULD LIKE TO AND THAT OUR SCHOOLS AND OUR CHILDREN DESERVE

## How It Affects You !!!

Each CE must multiply their assignment's actual size by the appropriate Total Cut Per Square Foot (see the shaded column) to arrive at the Floor Area Reduction for their assignment. In addition, each CE must allocate what portion of the additional reductions and Extended Use Reductions

TYPICAL	
Building Size	Floor Area Cut to Date
50 M Sq Ft Building	\$8,000.00
100 M Sq Ft Building	\$38,000.00
150 M Sq Ft Building	\$66,000.00
200 M Sq Ft Building	\$88,000.00
250 M Sq Ft Building	\$125,000.00

Now add in whatever Additional Reductions listed at the left apply to you!

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2-2-15

(PLEASE PRINT)

Name: JAMES PARROTT

Address: 11 Park Place #701

I represent: \_\_\_\_\_

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Renee Campion

Address: \_\_\_\_\_

I represent: Office of Labor Relations

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: John Shea

Address: 52 Chambers Street

I represent: Department of Education

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

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THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)  
Name: Elizabeth Rose

Address: 52 Chambers Street

I represent: Department of Education

Address: \_\_\_\_\_

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THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 2/2/15

(PLEASE PRINT)  
Name: FRANCIS BYRNE

Address: 63 FLUSHING AVE B.K.

I represent: LOCAL 891

Address: BROOKLYN MARY YARD

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)  
Name: ROBERTA TLEQUER

Address: 361 PRESIDENT AVE

I represent: LOCAL 891

Address: 63 FLUSHING AVE B.K. NY

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**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2-2-15

(PLEASE PRINT)

Name: Joseph Modica

Address: 2359 E 165T

I represent: Local 94

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Ronald Cerna

Address: 2156 Cuyler A- BX NY 10462

I represent: Local 94

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2/2/2015

(PLEASE PRINT)

Name: Ray Macon

Address: 331 West 44 ST NY NY 10034

I represent: IUE Local 94

Address: 331 West 44 ST NY NY 10034

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2/2/15

(PLEASE PRINT)

Name: James Parrott

Address: \_\_\_\_\_

I represent: Fiscal Policy Institute (32BT)

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2/2/15

(PLEASE PRINT)

Name: Shirley Alcoba

Address: JAMES PARROTT

I represent: SEIU 32BT

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Marie Merisier

Address: \_\_\_\_\_

I represent: SEIU 32BT

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2/2/15

(PLEASE PRINT)

Name: Ronald St John

Address: \_\_\_\_\_

I represent: SEIU 32BJ

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 2/2/15

(PLEASE PRINT)

Name: William Jennings

Address: 100 E 11th St

I represent: SEIU 32BJ

Address: 100 E 11th St

*Please complete this card and return to the Sergeant-at-Arms*