

**Testimony of Chris Berner, Mayor's Office of Labor Relations, to the
New York City Council Committee on Education
August 19, 2014**

Good afternoon, Chair Dromm and members of the Education Committee. My name is Chris Berner and I am the Chief of Staff in the Mayor's Office of Labor Relations. Regrettably, Commissioner Robert Linn is travelling today, returning from a vacation outside of the United States, and therefore is not able to testify personally.

Thank you for the opportunity to testify today on this important legislation that will ensure stability in the delivery of public school bus services for the upcoming school year, and will promote fair wages and benefits for experienced, reliable school bus workers.

I understand that you have copies of the bill and a memorandum summarizing key elements of the bill and how it works. In short, this is a one year city grant program capped at \$42 million designed to ensure the uninterrupted delivery of a vital service for city residents – school bus transportation for school kids in the upcoming school year, while encouraging companies to hire experienced workers and keep their salaries and benefits at existing levels.

Before discussing the details of the bill, I'd like to focus on two topics: the key events that gave rise to the bill; and how the bill fits into a long term strategy to provide reliable and cost effective school bus services while ensuring that experienced bus workers who provide such important services can earn a decent wage and benefits.

In 2011, following a decision by the New York State Court of Appeals (L&M Bus Corp., et al. v. the New York City Department of Education, et al.), the DOE started a process of putting out to bid school bus contracts for K-12 students (including special education students) without longstanding employee protection provisions. These provisions had been in place since 1979; similar provisions were in place before that.

- In 2012, the DOE put out to bid 17 percent of routes, commencing in September 2013.
- In 2013, the DOE put out to bid 21 percent of routes, commencing in September 2014. These routes were awarded to 16 companies
- In 2014, the DOE put out to bid 62 percent of routes, commencing in September 2015; these bids are still 'open'.

Following the release of the first round of bids without the employee protection provisions, school bus workers represented by Local 1181 of the ATU went on strike January-February 2013.

Earlier this year, Mayor de Blasio explained the need for high quality, uninterrupted bus service in the following way:

“... I would have preferred if, as a result of the election, the previous administration would have suspended its efforts and given us a chance to reset the situation according to the values that I put forward and that were ratified by the people.”

And just yesterday, in response to a question about this bill, Mayor de Blasio explained:

“Well think about what they do, and I speak as a parent as well as mayor here. These bus drivers and matrons take care of our children – and in many cases our special-ed kids, who have real challenges. You know my children used to ride the school bus, and every parent knows that feeling, you give your child over to a school bus driver and a matron. And you need experienced folks who know what they’re doing and preferably who know the children, the community, know the routes well. And so, that action is taken to make sure we have experienced veteran drivers and matrons who know how to keep our kids safe. That’s what we’re getting back for.”

This bill is the initial part of an overall strategy to “reset” the framework for securing and delivering vital school bus services in a way that is reliable, efficient, and fair to workers.

Specifically, this bill is designed to encourage companies providing services for the upcoming school year to pay better wages and benefits to their employees with prior experience in the industry.

In doing so, this bill ensure smooth services for the year, and give the city time in the next several months to seek state legislation to solicit school bus contracts that included provisions related to the retention or preference in hiring for experienced workers on a seniority basis; and the preservation of wages, health benefits, and retirement benefits. This state legislation will address the legal issues raised in the 2011 Court of Appeals decision, and will authorize reopening and renegotiating existing bus contracts for K-12 students.

With your permission, I’d like to turn now to the details of the bill.

At its core, the bill’s key elements are straightforward.

- The bill establishes a grant program for the benefit certain bus workers.
- For the 2014-2015 school year, starting this September.
- The total amount of grants is capped at \$42 million.
- The Department of Small Business Services will administer the grant program.
- To receive the grant, both the company and the worker must be “eligible.”
- Only 16 companies are eligible – the 16 companies that have already been awarded new school bus contracts for the upcoming, 2014-2015 school year.
- The employees of these 16 companies are eligible -
 - If they worked for a company that had a contract to provide school bus services at the end of the last school year, ending June 30, 2014; or
 - They used to work for a company that provided school bus services and
 - were on something called the Master Seniority List, or

- were eligible to be on the master seniority list.
- To be eligible the employees must also demonstrate that they are earning a lower regular rate of pay in the new school year, than they did when they last worked for a school bus contractor.
- Employees who are truly “new” to the industry are not eligible.
- Employees who, as of the new school year, are earning a higher regular rate of pay are not eligible.
- Assuming that the employer is one of the 16 companies with contracts starting this September, and assuming that the employee meets the eligibility requirements, then SBS can pay the grant to the company, once the company satisfied SBS that it has paid the employees, which in term must pass on the grant to the employee.
- An employee can receive a grant even he or she has already been hired by one of the 16 companies prior to the law’s enactment.
- After the bill is passed into law, to take advantage of the grant program, the companies must hire for the Master Seniority List, in order of seniority. In this way, the bill encourages hiring experienced workers, and doesn’t disrupt any previous job offers.
- The employer must also attest to the fact that it is maintaining an 8 hour paid work days, a 5 day work week, and a 39 week work year.
- In general terms, the size of the grant for each eligible employee is
 - What the employee earned in wages and benefits when he or she last worked for a company with a school bus contract
 - MINUS
 - What the employee earns in wages and benefits working for one of the 16 companies with contracts for school bus services for the 2014-2015 school year.
 - The grant is meant to make up what the employee “lost” in terms of compensation in the new school year.
 - This part of the grant is paid to the company; once it confirms that it has already paid the equivalent salary and cash compensation amounts to the eligible employee.
- In terms of retirement and health benefits, the size of the grant is the difference between
 - What the company is paying on behalf of the eligible employee, and
 - What the company would have paid for the eligible employee but for the grant program
 - This portion of the grant is not “passed on” to the employee directly in terms of salary or cash compensation, but is paid to the company, once the company confirms it has actually paid for the benefits in question.
- The grant also includes costs the company paid in the form of additional payroll taxes associated with grant passed on to the employee.
- Grants to an eligible company are paid on a monthly basis.
- An eligible company is entitled to receive a grant if it hires only one eligible employee, several eligible employees, or hundreds of employees.
- With the help of DOE and OLR, SBS will establish rules and procedures for confirming and calculating grant amounts, and paying grants on a monthly basis to eligible companies, until the \$42 million is exhausted.

With that, I am happy to take any questions.



FOR THE RECORD

Statement on behalf of Council of Supervisors and Administrators in support of local law to establish a program in relation to the employment of school bus drivers, attendants, dispatchers and mechanics by qualified employers.

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Like other hard working New Yorkers, many of the 6,100 members of the Council of Supervisors and Administrators were outraged by the Bloomberg administration's elimination of Employee Protection Provisions for the unionized school bus drivers, matrons and others employed by private bus companies that serve our public school students.

The elimination of those long-standing protections in December 2012 caused a bitter strike, whose consequences are still felt today. Thousands of private bus company employees either lost their jobs or saw their wages and benefits reduced or eliminated. Those workers and their families are unlikely to fully recover what they have lost. And the effects of that ill-conceived decision go well beyond dollars and cents.

As school leaders, our members witnessed the psychological repercussions that ensued. Many longtime drivers and matrons were suddenly replaced. Students and families who were greeted daily by the same driver and matron were now confronted by new and often inexperienced personnel. Years of familiarity and trust were gone. Special needs students and their families felt that loss most acutely. In most cases, it took years to develop a relationship of mutual trust and understanding between school bus staff and special needs students. It was heartbreaking to see many of those relationships shattered.

We know that the full damage cannot be undone. However, we would like to see the rights of all workers protected going forward and to ensure that our children are transported by the most experienced and trustworthy professionals.

The Council of Supervisors and Administrators is proud to speak out in support of the efforts of the Mayor and the City Council to ensure private bus operators are able to restore the wages of their senior employees. In addition, we fully support the resolution mandating the inclusion of employee protection provisions for experienced bus drivers and matrons as part of all future bus contracts.

CSA is Local 1 of the American Federation of School Administrators (AFSA), AFL-CIO, located in Washington, DC. CSA is also affiliated with the NYS Federation of School Administrators (NYSFSA), which is, in turn, a member of the NYS School Administrators Consortium (NYSSAC). CSA represents nearly 6,100 Principals, Assistant Principals, Supervisors and Education Administrators who work in the NYC public schools, 400 Early Childhood Education Directors and Assistant Directors who work in city-subsidized Day Care Centers, and



Testimony of

R. Carter Pate, Chief Executive Officer, MV Transportation

New York City Council Committee on Education

August 19, 2014

Good Afternoon Chairman Dromm and members of the Committee on Education. Thank you for holding this important hearing on the preconsidered bill and resolution. My name is R. Carter Pate and I am the Chief Executive Officer of MV Transportation. MV Transportation employs more than 16,000 dedicated transit professionals who provide transportation services in 27 states, the District of Columbia and Canada.

MV first began providing school bus services in New York City in 2011 when we purchased the assets of bankrupt school bus operator USA United Fleet Inc. MV's student transportation subsidiary, Reliant Transportation, Inc., assumed the existing bus fleet and four New York City Department of Education contracts. The assets of the bankrupt company were in disarray and MV sent a team of employees to New York City to work overtime to ensure that the school buses would be running for the 2011-2012 school year. Because of the hard work of this team, Reliant operated more than 500 bus routes with approximately 600 vehicles for that school year.

MV will be providing school buses services in New York City this school year. MV's first priority is to ensure that school children are transported safely and efficiently to and from school every day. We consider our employees and the

Department of Education our partners and have always worked closely with them to achieve this goal.

MV supports the preconsidered bill being heard today, which would provide grants to school bus companies to provide salaries, health and retirement benefits to bus drivers, attendants, dispatchers and mechanics equal to the salaries, health and retirement benefits that such employees would have received under contracts with EPPs. We thank the Mayor's Office, the Department of Education and Local 1181 for working with us on this preconsidered bill. This is a good solution to a difficult problem and will provide some stability for the next school year

MV also supports the resolution calling upon the state legislature to enact and the Governor to sign into law legislation that would mandate EPPs in school bus contracts. As with any employer, we operate better as a company when our employees are happy and paid good wages with good benefits.

Although the removal of EPPs clearly hurt school bus company employees, most people do not realize that it also hurts school bus companies because the removal of EPPs requires them to assume the liability for deficiencies in a labor union's pension fund even after their contracts have expired. This is because without EPPs, there is no certainty a successor contractor will step in and assume these obligations. EPPs provide that when a school bus contract expires, the company that wins the new contract assumes the liability for the pensions. MV is committed to working once again with our partners, the City and our employees, to support a State law reinstating EPPs.

Thank you for giving me the opportunity to testify in support of the preconsidered bill and resolution.

TESTIMONY OF MICHAEL CORDIELLO, PRESIDENT,
AMALGAMATED TRANSIT UNION LOCAL 1181-1061

NEW YORK CITY COUNCIL
COMMITTEE ON EDUCATION

AUGUST 19, 2014

Good Afternoon Speaker Mark-Viverito, Chairman Dromm and Members of the Committee:

I thank you for holding this important hearing and for this opportunity to testify before you. My name is Michael Cordiello, and I am the President of Local 1181 of the Amalgamated Transit Union. I am appearing before you today on behalf of the 12,000 men and women of Local 1181 to urge you to support the two preconsidered items on today's agenda—a local law that would create an employment program to incentivize the rehiring and retention of qualified, experienced, and skilled school bus employees laid off at the end of the last school year and a resolution calling upon the Governor and Legislature to require that all future school bus transportation contracts include Employee Protection Provisions (EPPs).

At the outset of my testimony, I want to express my gratitude to Mayor de Blasio, Speaker Mark-Viverito, and Council Member Miller for their commitment to our City's schoolchildren, whom we in the school bus industry refer to as our most precious cargo, and for their commitment to our City's school bus employees—which commitment was critical to the development of the items on today's agenda.

Before former Mayor Bloomberg began his assault nearly two years ago on the hard-working, dedicated, and experienced men and women who safely transported our City's schoolchildren for decades, Local 1181 represented some 9,000 members (approximately 75-80% of the industry) who worked in the New York City K-12 school bus industry, including

special education transportation. As a result of his actions, we have since lost approximately 3,000 members (almost all of whom worked with students with special needs), because they have lost their jobs. In addition, of those workers who have been “lucky” enough to keep their jobs, thousands have been forced to accept severe pay cuts. The results of such a drastic loss of members and cuts in pay have been challenging for our union. But the impact has also been felt all around our City, as 90% of our members are New York City residents. The economic ripple effect of people out of work and making less than they need to support their families can be devastating for working families and communities. Just as troubling, the loss of jobs by these thousands of individuals demonstrates the loss of a qualified, experienced, and skilled workforce to whom we entrust the safe transport of our children.

As many of the parents of children who are transported by Local 1181 members have expressed to you in prior Council hearings and as many, I’m sure, will express again today, it is bad policy to allow what traditionally has been a very qualified, experienced, and skilled workforce in the school bus industry to be replaced by a non-skilled, inexperienced, and transient workforce. I commend the Mayor and Council for their recognition of that, which is demonstrated by the proposal to create a school bus employment program. This program will encourage employers to rehire school bus employees who worked during the 2013-2014 school year, but have since lost their jobs, and to prevent a reduction in pay for those employees. While the success of the program ultimately depends on employers’ willingness to hire eligible employees who were laid off after the end of the last school year, we are confident that this program will not only provide much needed financial relief to people who would otherwise be

struggling to make ends meet, we are also confident that this program will signal a reversal of the race to the bottom that was set in motion by former Mayor Bloomberg.

This bill also demonstrates a commitment on the part of the Mayor and the Council to working people—a commitment which the Mayor, the Speaker, and many Council Members have expressed over and over again and a commitment which New Yorkers appreciate and care about. We take great comfort in knowing that those are not empty promises, as evidenced by the legislation under consideration today. While we recognize that the legislative authority of the City to affect change in this area is limited, the proposed employment program is a worthy and laudable exercise of that authority.

We also commend Council Members Miller and Eugene for their companion resolution that calls upon the Governor and Legislature to reintroduce the EPP into all future busing contracts. In conjunction with the employment program, the amendment to New York State law referenced in that resolution would promote the retention of a hard-working, qualified, experienced, and skilled workforce throughout the entire school bus industry. Local 1181 has been calling upon the Governor and Legislature to enact such legislation for several legislative sessions now. Indeed, as the resolution indicates, the legislature did support the legislation in the past, but it was ultimately defeated at the request of Mayor Bloomberg. We thank the Speaker and those Council Members who signed a letter of support earlier this year asking the legislature to pass and the governor to sign A.9499/S.7233 (O'Donnell / Dilan) which would have made the inclusion of the Employee Protection Provision (EPP) mandatory in school bus contracts. We look forward to working together on this issue in the next legislative session.

I will now be happy to answer any questions that you may have.

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in favor in opposition

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Name: Maria Torres-Springer

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I represent: Administration

Address: _____

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Name: CHRIS BERNER

Address: 720 FORT WASHINGTON AVE 1W

I represent: COMMISSIONER ROBERT LINN

Address: _____

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Date: 2/19/14

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Name: Elizabeth Rose

Address: ~~52 Chambers St~~ 333 E. 68th St.

I represent: DOE

Address: 52 Chambers St.

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Name: MICHAEL CORDIELLO

Address: _____

I represent: ATU LOCAL 1181 PRESIDENT

Address: _____

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Name: ERNST PIERRE

Address: 1485 E 16TH STREET, BKLYN, NY 11230

I represent: SCHOOL BUS DRIVER AT RELIANT TRANS.

Address: _____

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Name: Arcadio Fric Junior

Address: 210 East 102 Street APT 14 E

I represent: ATU 1181 - Bus drivers

Address: 20 Valley Stream

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Date: _____

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Name: Kelly DeCoursey

Address: 102-09 163 Road

I represent: Local 1161 - DRIVER

Address: _____

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in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Carter Pate, CEO

Address: _____

I represent: MV Transportation

Address: _____

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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: KENNEDY, Rom Elus

Address: 957 61st 163 St Brooklyn NY 11236

I represent: _____

Address: _____

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