

Local 1181-1061
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TESTIMONY OF MICHAEL CORDIELLO

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BEFORE THE NEW YORK CITY COUNCIL

COMMITTEE ON FINANCE

MAY 21, 2020

Dear Chairman Dromm and Members of the New York City Council Committee on Finance:

Thank you for the opportunity to submit this testimony for your consideration in connection with your deliberations related to the Fiscal Year 2021 Executive Budget. My name is Michael Cordiello, and I am the President of Amalgamated Transit Union Local 1181-1061 AFL-CIO ("Local 1181"). Local 1181 represents nearly 13,000 hard-working men and women that help move New York City and Long Island, including approximately 7,000 drivers, attendants, and mechanics that work for New York City Department of Education school bus transportation contractors. These NYC school bus workers represented by Local 1181 comprise the majority of school bus workers in the industry.

I have appeared before this Council and submitted testimony to you more times than I care to recall over the past 8 years. Each of those times, however, I urged your support for the restoration of the Employee Protection Provision ("EPP"), which, for more than 30 years, ensured labor peace and stable wages and benefits for school bus workers. Despite valiant efforts of Local 1181 and strong support from many of you in this Council as well as your predecessors, that is a battle that continues to be fought.

While the restoration of the EPP is certainly an issue for which I will continue to seek your support, the members of Local 1181 face a much more immediate concern—total unemployment occasioned by COVID-19. As you know, when Mayor de Blasio ended in-classroom instruction in New York City public schools beginning March 16, 2020, school buses stopped rolling. While the Mayor indicated that the closure was temporary, he had always cautioned that it might very well extend through the end of the school year. Obviously, that admonition has proven to be true.

The Department of Education's ("DOE") school bus contracts are structured such that they anticipate there may be emergency and temporary school closures during the year. Normally, those closures are occasioned by inclement weather. In such cases, most school bus contracts provide that contractors are paid a discounted rate—85%—for their services which are available but not utilized. In turn, my members receive similarly reduced wages for such days. A small minority of contracts provide no such payment provision and are not paid if there is a closure. When schools were initially closed due to COVID-19, the DOE honored the partial payment

provisions, and my members continued to be paid during March and April, albeit at 85% of their regular wages.

While some so-called budget watchdogs deemed this government waste, that couldn't be further from the truth. Ever since schools were closed due to COVID-19, school bus workers and their contractors have been ready and willing to perform transportation services for the DOE and the City writ large. School bus contractors had repeatedly communicated that willingness to the DOE and offered creative suggestions to assist not only with remote learning—by assisting with deliveries of school food and meals to distribution centers or to children directly; by transporting school coursework to and from students and teachers; by distributing learning tools and equipment such as iPads to students; and by turning buses into mobile WiFi hotspots—but also with the City's response generally to the COVID-19 crisis—by transporting frontline and essential workers throughout the City. Those offers fell on deaf ears. Instead, it seems that the DOE and the City separately procured additional transportation services to do many of those things.

Additionally, we recognized that when school does resume, there will need to be significant changes in the way that school bus workers interact with school bus riding children and will have to be trained in proper safety, hygiene, and social distancing protocols. Indeed, the training itself—of nearly 16,000 workers—would need to observe safety, hygiene, and social distancing protocols, requiring significant time, planning, and expense to implement. To that end, Local 1181 developed a return-to-service protocol to begin planning with school bus contractors and the DOE. This, of course, was in addition to the normal training and certification requirements that are imposed on school bus workers, as well as fleet maintenance and management requirements that are imposed on school bus contractors. In short, the industry cannot just shut down for months on end and be expected to resume operations with the start of the school year.

Unfortunately, the DOE heeded the ill-advised calls of a few vocal advocates and has not continued to pay school bus contractors for their services. Indeed, even though school bus contractors, acting in reliance on the DOE's indication that payments would continue, met payroll obligations for the month of April, the DOE has not reimbursed those costs. Of course, without continued payment from the DOE, the contractors furloughed all of their school bus workers effective May 1. The furloughs not only mean that those workers no longer have any income, but it also means that they have no healthcare coverage. Because of the structure of our collective bargaining agreement, had these workers been employed through the end of the school year, they would have maintained healthcare coverage during the summer months, even though they generally do not earn wages during that time. It is a perverse irony that, in the middle of a global pandemic, school bus workers who just weeks ago were on the frontlines transporting children to and from schools (some of which had confirmed cases of COVID-19) are now left to fend for themselves. We have several hundred members who have tested positive for COVID-19, and tragically as of the time of this writing at least twenty (20) have fallen victim to it. In both cases, they all have family members, whom they had exposed to the virus, but who now no longer have healthcare coverage.

Several weeks ago, this Council held a hearing regarding a proposal to provide healthcare benefits to the surviving families of municipal workers who have died from COVID-19. I commend the Council for that proposal, and I fully support it. Even though my school bus members exclusively support the DOE and New York City's school children, they are not municipal workers, and they would not be covered by that proposal. Instead, the thanks that they have gotten from the DOE and City Hall consists of mass and indefinite layoff.

You likely have heard many of the same rumors that I have heard or read the AM New York article about the DOE's potential purchase of school bus companies. You likely are also as frustrated as I am that this plan is being developed in a shroud of secrecy without the involvement of any union that currently represents school bus workers (i.e. ATU 1181, Teamsters 553, TWU Local 100) or this Council. If the DOE is seriously contemplating such a proposal, there are significant issues—both contractual and logistical—that must be discussed with all of these unions now. It is hard to imagine that the DOE, which could not continue to make payments to school bus contractors for the few remaining months of the school year at a reduced rate due to financial stress, somehow is able to finance the purchase of entire school bus companies. It is even harder to imagine that a proposal of this magnitude, which would fundamentally change the nature of school bus transportation in New York City, can be done in a few short months. At the very least, it is an issue that requires consultation with the most significant stakeholders.

While I appreciate the enormous financial stress that has been imposed on the City because of COVID-19, the decision to terminate school bus contracts, causing mass layoffs of all school bus workers is pennywise and pound-foolish—not to mention a callous way to treat these workers. Without immediate intervention, the school bus industry, even if it can survive for five months with no revenue, will not be ready to resume service at the beginning of the next school year. Our schoolchildren, particularly our most vulnerable special education students, will be left stranded.

I urge you to prioritize funding to stabilize, support, and prepare the industry for return to service.