



The NYC School Bus Workers' Strike

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Committees on Education and Finance

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One of New York City's biggest challenges is providing a sufficient number of decent job opportunities to enable its citizens to provide for their families and offer hope of a better life for their children. Our city's pronounced income polarization is fundamentally rooted in the job market. Economic and labor market changes over the years have severely limited the availability of good jobs that provide reasonable health and retirement benefits. These changes, which threaten the survival of New York as a middle class city, are not dictated by technology, markets, competition or globalization. They are shaped by those forces, but economic change is determined by a host of public and private policy choices.

Poverty is so persistent in New York City largely because of the tremendous increase in the number of people who are working, but whose wages are so low that they cannot climb out of poverty. In 2011, there were 400,000 workers in the city, one out of every 10, who earned wages that kept them in poverty,¹ and that's based on the standard Federal poverty threshold that is less than three-quarters of the \$30,000 poverty threshold estimated by the Mayor's Center for Economic Opportunity.² Government at all levels, and business and civic leadership, have a responsibility to rectify that situation—to make sure that work pays enough for people to escape poverty and work their way into the middle class.

Today's hearing is about making sure that, in the name of the New York City budget, we do not create more poverty wage jobs. Instead, we should be making sure that the city budget is used to support decent jobs, jobs that offer a path into the middle class, not fuel the race to the bottom. If the 8,800 jobs that members of Amalgamated Transit Union are striking to protect are stripped of job security protections and made poverty wage jobs, the city budget will bear greater long term costs as a result. That will only create less economic security and independence, less consumer spending power, less stable communities, and a weaker tax base.

The school bus drivers' and matrons' strike is a dramatic example of the need to make the right choice in favor of good jobs and opportunities for New Yorkers without higher education. Yes, the city spends over a billion dollars on pupil transportation, but the rising costs 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. Special needs students account for about one-third of the 150,000 pupils bused each day, yet nearly three-quarters of the \$1.1 billion spent on school bus contracts is for the special education population. That means that the Department of Education

¹ American Community Survey data, 2011.

² New York City Center for Economic Opportunity (CEO), *The CEO Poverty Measure, 2005-2010*, April 2012, p. vi.

spends about \$13,000 a year to provide bus transportation services for each special needs student, more than four times what it spends on services for the general student ridership. The per student cost for general education busing is less than in Los Angeles or Chicago.³ The Times reports that the number of special needs students being bused has grown rapidly, they require extra attendants, and that increasing numbers are driven to schools and programs outside of New York City.⁴ And, as Juan Gonzalez has noted, nearly half of the general student population that is bused attend private, parochial or charter schools. The number of bus routes has grown along with charter schools since charter school pupils are twice as likely to require busing as regular public school students.⁵

The data are crystal clear: New York City pupil transportation costs are rising because DOE is required to provide, and is choosing to provide, a much greater range of transportation services.

The strike is about maintaining job security and current union wages and benefits when bus routes are put out for new bids. The union is not seeking to thwart competition among bus companies. It is only 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.

Striking school bus workers earn moderate wages that average roughly \$35,000 a year, with employer-provided health insurance, and a pension plan. Bus drivers average about \$42,500 a year, and bus matrons (also known as escorts or attendants) average roughly \$26,000 annually. Non-union hourly wages likely would be at least one-third less than the union average (approximately \$15 an hour for drivers and \$10 an hour for matrons). Non-union workers would very likely not have employer-provided health insurance or an employer-provided pension. On an annual average basis, non-union school bus workers would receive from \$17,000 (matrons) to \$25,000 (drivers).

According to the Self Sufficiency Standard for New York City, a four-person family comprised of two adults, a preschooler and a school-age child requires an income of \$66,000 to \$70,000 to provide for housing and basic necessities in the New York City boroughs outside of Manhattan without reliance on public or private subsidies.⁶ Such an income does not provide for any savings. A family where both adults had unionized school bus jobs would have income that would put them at the self sufficiency level to live in New York City. For their non-union counterparts, it would take at least three full-time workers to reach the self sufficiency income level.

These 8,800 union school bus jobs are critical to the city's low-income communities of color.

³ According to the Mayor's Preliminary FY 2014 Budget, \$805 million will be spent on special education bus contracts in FY 2013, and \$256 million will be spent on general education bus contracts. Articles in The New York Times on January 18 indicated that the special education population accounted for about one-third of the 150,000 students who receive school bus service. Al Baker and Marc Santora, "At Strike's Root, Runaway Costs in Busing Pupils," *The New York Times*, January 16, 2013, and Frances Robles, "With Bus Strike, Fragile Students Face Hard Trips," *The New York Times*, January 18, 2013.

⁴ The NYC Department of Education runs 186 bus routes daily to Westchester County, 25 buses to New Jersey, 16 to Rockland County, and several to Connecticut. Juan Gonzalez, "Mayor Bloomberg should stop blaming bus workers for the strike and look for creative solutions," *Daily News*, January 17, 2013.

⁵ Juan Gonzalez, "Mayor Bloomberg should stop blaming bus workers for the strike and look for creative solutions," *Daily News*, January 17, 2013.

⁶ Diana M. Pearce, *The Self-Sufficiency Standard for New York City 2010*, Prepared for the Women's Center for Education and Career Advancement, June 2010.

Eighty 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 ATU 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.⁷

Most school bus workers do not have a college education. Striking school bus workers all have employer-provided health insurance. If they did not have a union, chances are they would be uninsured (30 percent) or be covered by Medicaid (22 percent). Fewer than half (48 percent) of New York City workers with a high school education or less have employer-provided health insurance.⁸

If the city fails to preserve the job security and union standards for school bus workers, who would benefit? Maybe a handful of bus companies, some of which are not even locally-owned, willing to compete in a race to the bottom by creating more poverty wage jobs. But no one else in the city would come out ahead—not the workers, not school kids, not parents, not communities of color, not local businesses, not even taxpayers. The choice could not be clearer: New York’s future as a middle class city depends on maintaining the job security, wages and benefits of school bus company workers.

Thank you for the opportunity to testify today.

⁷ Data provided by the Amalgamated Transit Union.

⁸ Fiscal Policy Institute analysis of American Community Survey microdata, 2009-11.