

FOR IMMEDIATE RELEASE: August 26, 2014

CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

No. 414

MAYOR DE BLASIO AND SCHOOL SAFETY AGENTS ANNOUNCE TENTATIVE CONTRACT AGREEMENT, PROPOSED SETTLEMENT OF PAY EQUITY LITIGATION

Agreement with Teamsters Local 237 conforms with established pattern, secures unprecedented health savings and other key improvements

On Women's Equality Day, City and Local 237 also announce proposed settlement to provide full pay equity for school safety agents

NEW YORK—Mayor Bill de Blasio announced today that the City of New York has reached a tentative contract agreement with Teamsters Local 237, which represents school safety agents and special officers.

The agreement—announced on Women's Equality Day—includes a proposed resolution (pending court approval) of litigation that dates back more than four years, ensuring that over 5,000 predominantly-female school safety agents, many of whom have been making \$7,000 less per year than special officers, will achieve full pay equity by the end of the contract term.

Today's announcement means that approximately 62 percent of the city's workforce has now reached contract agreements or tentative contract agreements.

This tentative agreement with Local 237's 8,204 employees is consistent with the City's now-ratified contract with District Council 37 (DC37), providing 10 percent in raises over seven years and a \$1,000 ratification bonus, and requiring no new funding over previous budgetary projections. The agreement also includes the unprecedented and guaranteed health care savings agreed upon with the Municipal Labor Committee (MLC), along with cost offsets from the joint City-MLC Health Insurance Premium Stabilization Fund.

As part of today's tentative contract, Local 237 will extend its contract by six more months, a value of 0.78 percent, to allow for additional benefits. The City and Local 237 have also agreed to continue to identify, review, recommend, and develop gain-sharing initiatives that will generate workplace savings, maximize the potential of the City workforce, and ensure the

provision of essential services, while at the same time providing increased compensation for the workforce. The parties will conclude discussions on this issue no later than 24 months after the date of contract ratification, unless the parties mutually agree to extend the deadline. The City will also make a good faith effort to ensure similar due process protections for Local 237 provisional employees at the Department of Education and the NYC Health and Hospitals Corporation that all other provision employees have had since the 1980s.

The proposed seven-year, six-month contract with Local 237 would begin, retroactively, on September 26, 2010 and expire on March 25, 2018.

"Today's agreement ensures that the over 5,000 mainly female school safety agents—who protect our children and our schools—will receive the pay they deserve," said **Mayor de Blasio**. "This also marks another major step toward resolving contracts that had been left open for years as we restore a productive and respectful labor-management dynamic, with 62 percent of our workforce having now reached agreements. This is a major win for our workforce and our City, providing fair pay to school safety agents and special officers and eliminating the risks of an open contract and open litigation, all while securing unprecedented health savings and protecting our fiscal health."

"I'm heartened by the tentative agreement we have reached with Mayor de Blasio and his team today," said **Gregory Floyd, President of Teamsters Local 237**. "The entire negotiation process was conducted in a spirit of cooperation and mutual respect. It is encouraging to know that our Mayor recognizes the critical importance of our city employees, and the key services they deliver to all New Yorkers. Today is tangible proof of that. This includes this contract agreement and the proposed settlement for the school safety agents' lawsuit for pay equity. It's clear the Mayor stands by his commitments and truly believes in treating all members of our workforce fairly. Today, we celebrate a fair contract for our school safety agents that provides them and their families with the security they need and deserve."

"Few jobs are more important in our City than ensuring the safety of our children and teachers in our schools," said **New York City Comptroller Scott Stringer**. "This settlement is in the best interests of both parties and sends a strong message that every individual who works for the City of New York should get equal pay for equal work. Today, on Women's Equality Day, New York City government has once again shown that it treats all of its employees with the dignity and respect that they deserve."

"In 21st century America, gender pay equity should no longer be an issue. Yet, we recognize that there are significant strides our society must make, in a number of job sectors, to ensure fair treatment and access to opportunity," said **Brooklyn Borough President Eric Adams**. "Today, as our nation celebrates the 44th annual declaration of Women's Equality Day, I applaud Mayor de Blasio for ensuring that this new contract agreement will settle the pay equity struggle for over 5,000 predominantly-female school safety agents. These dedicated workers protect our children, and I am pleased that we are now taking strides to protect them."

Kangela Moore, who has worked as a school safety agent for over 22 years, said, "I'm ecstatic—we've made history! I'm thankful for the Mayor's commitment to ensuring full pay

equity for all employees, and for Local 237 and President Floyd's critical work to ensure we're getting the same pay as other special officers around the city. This means so much to me, my family, and the over 5,000 school safety agents employed by the City."

The MLC and the City have agreed to secure \$3.4 billion in health care savings through Fiscal Year 2018, and \$1.3 billion in recurring savings every year thereafter. The City and the municipal unions will work to secure cost-cutting measures, aimed at bending the curve of rising health care costs for the first time. These savings are guaranteed and enforceable by arbitration.

After the guaranteed health care savings, the net cost of the tentative Local 237 settlement will be \$67.9 million.

The terms of the agreements must be approved by Local 237's membership.

Local 237's employees have worked without a contract since 2010. This agreement follows a number of other major settlements with municipal labor unions, making good on the Mayor's pledge to restore a productive and respectful relationship between the City and its workforce.

Fair Wages

Local 237 employees will receive compounded increases based on the established pattern, with a six-month contract extension:

March 26, 2012: 1.00% March 26, 2013: 1.00% March 26, 2014: 1.00% March 26, 2015: 1.50% March 26, 2016: 2.50% March 26, 2017: 3.00%

September 26, 2017 (Additional Compensation Fund): 0.78%

The agreement also includes a one-time \$1,000 ratification payment.

Affordable Costs

The total cost of the tentative contract agreement is covered by the pattern settlement. The City's out-year budget gaps, which already reflect the full cost of the pattern settlement, remain at manageable levels that are well below historical averages.

The cost of today's tentative contract agreement over the FY2014-2018 Financial Plan is as follows:

Gross Cost: \$145.5 million Health Savings: \$77.5 million

Net Cost: \$67.9 million

Pay Equity for All School Safety Agents

Through the collective bargaining process, the de Blasio administration expects to resolve the outstanding school safety agent litigation left open by the previous administration—ensuring that every active school safety agent will achieve full equalization of salary to the same maximum salary step of special officers by the end of the contract term in March 2018. The proposed settlement is subject to court approval.

The litigation dates back more than four years and involves over 5,000 predominantly-female school safety agents in New York City public schools who were earning \$7,000 less per year than special officers (the majority of whom are male). In addition to equalization of salary, today's agreement creates a new seven-year step pay plan for both new school safety agents and new special officers, to take effect on September 1, 2014, making permanent the equalization of school safety agent and special officer salaries.

Incumbent school safety agents will be put on an accelerated schedule in order to achieve full pay equity by March 2018. The City will provide retroactive pay for wages in the amount of approximately \$7,000 for each active school safety agent employed for at least three years as of September 1, 2014, and for school safety agents who retired between March 5, 2010 and August 31, 2014. The City will also provide retroactive pay for wages of up to \$3,000, pro-rated for time served, for school safety agents who have left service and did not retire and were not discharged for cause.

The total cost to the City for this retroactive pay, subject to court approval, is \$38 million.

###