

Why Not Houston?

Building owners across the country provide janitors with living wages and health insurance. So why can't those same owners do the same here?

The Houston area's five-largest cleaning companies and the Service Employees International Union (SEIU) are entering into the final stages of negotiations over a contract that will cover 5,300 commercial office janitors. Currently, janitors in Houston make \$5.30 per hour, have no health insurance, and on average work four hour shifts, leaving them deep in poverty and forcing them to make nearly impossible choices between food, rent, medicine, and other basic necessities.

While there is room to bargain over some details of the economic package for Houston janitors—such as the timing of certain wage and benefit increases, or the system for transitioning from part-time work without disruption for janitors—there are certain bottom-line issues that must be part of the final contract:

Houston janitors can no longer live on less than \$8.50 per hour. In city after city, these same cleaning companies and building owners manage to pay at least this much for the same work; there's no reason that Houston cannot afford to do the same. \$8.50 represents the minimum that janitors must earn in order to take care of their families' most basic necessities. While this is still a bare-bones wage, it would represent a major first step in lifting janitors out of deep poverty.

There must be a substantial wage increase in the first year of the contract, from the current rate of \$5.30 to approximately \$7.00 per hour. There is growing momentum to raise the minimum wage that

enjoys strong bipartisan support. As Congress considers minimum wage legislation, mainstream public opinion is increasingly questioning workplaces where employees are paid poverty wages, and a strong majority of the public supports substantial increases that make a difference in families' lives.

The contract must include affordable health insurance. SEIU has worked with United Health Care to develop a flexible, innovative program for providing affordable health insurance that allows us to phase-in family health insurance through a series of steps. In year one, the most basic coverage would cost \$25 per month. Single-coverage insurance is available for \$185 per month, and family care is available for \$360 per month.

Increased hours. Currently, janitors work several part-time jobs to make ends meet. Over the course of the contract, it is imperative that janitors transition toward shifts of at least six hours per night. The current high turnover rates in the industry will ensure that there will be a smooth transition without disruptions to either workers or employers.

Three-year agreement. A three-year contract is a reasonable timeframe in which to raise standards while taking into account the realities of the Houston market.

We believe that these improvements will help to create a more stable, productive cleaning workforce while building strong families and an economically vibrant Houston.



The SEIU Health Care Access Trust: *Flexible, Affordable. Creative Solutions to Affordable Care for Houston Janitors*

SEIU recognizes that, with only a small number of exceptions, most current models for delivering health insurance are becoming increasingly expensive and unworkable. It isn't practical to expect that we can seriously discuss expanding access to health care in Houston without addressing the question of how we control cost increases. To get the most for our money, the health care solution we choose should maximize economies of scale, even expanding the participant pool outside Houston to get the most purchasing power possible.



These realities led SEIU to partner nationally with United Healthcare, one of the nation's largest health insurers, on a program that maximizes flexibility and purchasing power. We have attached details on this program, called the SEIU Health Care Access Trust, for your review. We are starting to implement the program in various places around the country, with great initial success. We believe that the SEIU Health Care Access Trust is a different way to provide health insurance with significant potential for Houston, in large part because the program is designed to be flexible and adapt to the economic realities of each market where it is implemented.

Our proposal to provide affordable health care to Houston janitors has three components that can be phased-in over the three-year life of the contract:

- **“Lilac” Plan (\$25/month):** In addition to financial savings for popular health and well-being services, Lilac offers information, support and guidance to assist working families in gaining access to health care services. Lilac focuses on the basics for workers with the least or no employer support; it is not insurance. The plan includes a savings card that provides 15% to 53% savings on certain medical services, basic dental and vision care, a 24-hour nurse line for minor medical questions, and other support services.
- **Single Coverage “Violet” Plan (\$185/month):** As an intermediate step toward family health care, the SEIU Health Care Access Trust offers a single coverage plan. It provides insurance coverage that focuses on preventive care, immunizations, lab work, diagnostics and accident coverage to improve members' health and lower the overall cost of health care. The plan covers doctor's office visits, in-network diagnostic and lab work, a percentage of outpatient surgery, a prescription drug card, and an accident benefit that includes 80 percent coverage of emergency room and related fees for treatment of trauma-related injuries.
- **Family Coverage “Violet” Plan (\$360/month):** Expands the benefits provided under the Violet single plan to the worker's family.