

## Legislation Text

---

**File #:** 190794, **Version:** 0

---

Authorizing the Committee on Labor and Civil Service to hold hearings regarding service providers and employers honoring existing and prior worker contract agreements.

WHEREAS, There are existing laws on the books to protect workers, particularly unionized workers, in situations when a service provider loses a contract or when a new firm takes over ownership of an entity. For example, there are local laws that require successor employers to hire incumbent workers, and in some cases, this means that their wages and benefits are protected; and

WHEREAS, Despite these existing laws, in this era of frequent outsourcing, acquisitions, and mergers, it is increasingly common for service providers and employers to refuse to honor existing and prior worker contract agreements. We need to explore if, how, and under what terms these laws can be better enforced and/or strengthened to protect workers; and

WHEREAS, In Philadelphia, there have been a few recent high-profile cases where service providers and employers have refused to honor existing and prior worker contract agreements; and

WHEREAS, In one example, Vita Healthcare Group assumed ownership of the Somerton Center and Garden Spring Center nursing home facilities. As the new owners, they slashed wages by more than 30% for some workers and made healthcare practically unaffordable by instituting a \$10,000 deductible; and

WHEREAS, These workers at Somerton Center and Garden Spring Center were deeply concerned about Vita Healthcare Group taking away many of the protections that they had put into place over more than two decades of productive labor-management relations. These changes only served to disrupt their ability to do their jobs properly, which was a disservice to the residents who place not only their trust, but literally their lives, in the hands of these nursing home facilities when they are at their most vulnerable; and

WHEREAS, After many months and much activism by the nursing home workers and public officials, Vita Healthcare Group and the workers were able to reach a fair union contract that made access to healthcare attainable and set fair wages. These necessary agreements ensured these facilities can continue to recruit and retain the best caregivers for residents; and

WHEREAS, In another example, Sodexo, a major facilities management corporation with contracts throughout Philadelphia, had a contract to provide environmental services at Hahnemann University Hospital. According to the contract, the workers, who are members of District 1199C, had the right to earn both sick and personal time; and

WHEREAS, However, when Sodexo lost the contract in 2018, they refused to pay out that earned and sick time to the members of District 1199C. According to calculations, the workers are owed over \$218,000 in compensation from Sodexo in connection to both earned and sick time; and

WHEREAS, In another example, members of the Pennsylvania Association of Staff Nurses and Allied Professionals (PASNAP) are currently facing uncertainty at St. Christopher's Hospital for Children. The

hospital's new owners, Tower Health and Drexel University, have indicated that they do not intend to recognize the collective bargaining agreement. In particular, they have conveyed that they plan to alter the staffing levels that the members fought hard to achieve, and which are critical to providing the kind of care the children at that hospital need; and

WHEREAS, In all given examples, the employees were treated unfairly, and were effectively trapped “in limbo,” not sure if they would continue to receive the pay and benefits they had received prior or not sure that they would receive the pay and benefits they were due. This type of professional and financial stress has much larger reverberations, causing undue stress on not just the employees, but on their families and the larger community; and

WHEREAS, If employers wish to operate and grow in the Philadelphia community, they have a responsibility to provide family-sustaining jobs with competitive wages and benefits and an obligation to support dedicated workers in their vital roles. They also have a responsibility to honor existing and prior worker contract agreements; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes the Committee on Labor and Civil Service to hold hearings regarding service providers and employers honoring existing and prior worker contract agreements.