

Mini-Protest Erupts Over Prevailing Wage

A presentation on the state's prevailing wage law given by two groups supportive of its repeal sparked a mini protest by union members who weren't invited to testify Tuesday before the House Oversight, Reform and Ethics Committee.

Approximately 500 people packed the committee room, hallways surrounding the room and overflow spaces provided on two different floors of the House Office Building. The action came on a day when hundreds of union activists demonstrated on the Capitol lawn against cuts to public employees, along with a much smaller counter demonstration by tea party activists who numbered between 20 to 30.

The gaggle of people outside the main committee room began chanting, "let us speak" and banging on the walls, but chair Rep. Tom McMillin (R-Rochester Hills) told the audience that members weren't considering specific legislation, just getting a presentation on the current law.

He said all sides would be able to testify when the committee brings up HB 4224, HB 4225 and HB 4226.

But Chris Fisher with Associated Builders and Contractors and Paul Kersey with the Mackinac Center for Public Policy gave most of their presentation over the shouts of the crowd, despite Mr. McMillin calling for the doors to the room to be shut.

Mr. Fisher said the bottom line is that the law exists in a different world than when lawmakers passed prevailing wage in 1965. A minority of construction workers are now unionized and the wage is artificially driven up by that minority, he said.

There are thousands of classifications of workers across the state and similar positions pay differently across the state - even in neighboring communities.

"It cannot even be considered a wage that is prevailing," Mr. Fisher said.

Mr. Kersey discussed an earlier Center report showing construction projects were 10-15 percent cheaper between 1994-1997 when the state's prevailing wage law was temporarily suspended because of a court ruling. During that time, 11,000 more construction jobs were created, Mr. Fisher said.

The Center estimates the annual cost of the state's prevailing wage law is \$232 million. Eight other states have a similar prevailing wage law to Michigan's.

Mr. McMillin said while taxpayer dollars are tight these days, eliminating prevailing wage could mean more construction

projects and hence, more jobs for construction workers. Mr. Fisher said at the very least, school districts, community colleges and universities should have a choice in determining the wages they'll pay for construction projects if the state has decided to hamstring itself.

But Rep. Lisa Brown (D-West Bloomfield) questioned what a decrease in the wage would mean for the state's economy.

"If you get rid of prevailing wage, you're talking about decreasing what the wage would be," she said.

Mr. Kersey said he hadn't specifically studied that, but the savings from eliminating the law could either go to tax relief for residents or be used on more infrastructure projects, which would mean more jobs.

"Either way it's a better use of the dollars," he said.

In a statement issued to the press, Pat Devlin, secretary treasurer of the Michigan Building Trades said, "A lot of skilled workers are traveling from across our state to talk to their legislators so they can get both sides of the story when it comes to the dangers of repealing Michigan's Prevailing Wage Act. Eliminating the Prevailing Wage Act would mean more unskilled, untrained and undocumented workers building Michigan's schools, bridges and roads. Unfortunately, we will not be able to deliver that message to the committee, because it appears only powerful special interests with money are allowed to have a say in what our government does."

Unions brought several hundred members to Lansing for the day to lobby lawmakers. Capitol Facilities officials estimated that at any one time up to 250 people were on the East Lawn of the Capitol as protesters rotated in and out of warming centers.

With the union activism coming as national attention focuses on the fight between Wisconsin officials and unions, Governor Rick Snyder said Tuesday he is focusing on keeping cooperative negotiations with state workers.

Speaking to reporters, Mr. Snyder also said action on legislation to end Michigan's prevailing wage law and requirements that

Rep. Tom McMillin (R-Rochester Hills) said all sides would get their chance to speak on the state's prevailing wage law.



Governor Rick Snyder said he would not pursue confrontation with organized labor.



labor disputes involving public safety workers automatically go to arbitration were not high on his agenda.

In fact, he raised worries that working on the legislation was drawing away legislative focus on passing the 2011-12 budgets and tax changes he has proposed. He did say, however, that he would look at legislation that would establish an 80 percent/20 percent split on health care insurance premium payments between local governments and workers.

Asked if he would veto legislation that ended negotiating rights for public and private workers, Mr. Snyder said the question was speculation.

But he said, “I believe we need to go through collective bargaining,” and that he was looking for ways to get cooperation with state workers and others as changes are made to the state’s system.

His belief that the state has to find cooperative agreements with state workers is one reason why Mr. Snyder called for a dollar amount in worker concessions, \$180 million, rather than

pick out specific areas in which to cut costs.

He said he wanted “dialogue, not confrontation” in resolving the budget issue.

It was time for legislators to focus on passing the budget and tax measures, and for legislation he had called for, such a measure changing the state’s emergency financial manager law, Mr. Snyder said (see related story).

And asked about nearly three-dozen bills already introduced or about to be introduced that labor supporters have called anti-union, Mr. Snyder said he doubted many would go very far in the legislative process.

Mr. Snyder was criticized by one conservative group, the Education Action Group, which has been vocal in its opposition to the Michigan Education Association and other education labor groups, for not willing to be confrontational with public worker unions.

In an email sent to supporters, the group said Mr. Snyder should show “the same tenacity and courage” as Wisconsin Governor Scott Walker in confronting public unions.