



December 4, 2008

## Chris Fisher: Labor deal is bad for MSU

The Michigan State University Board of Trustees soon may consider contracting provisions that are blatantly discriminatory.

The first of the upcoming decisions may be whether trustees will allow a union-only project labor agreement to cover construction work on Brody Hall.

MSU prides itself on inclusion. In MSU President Lou Anna Simon's own words, "Michigan State University is guided by values that are embedded in our rich heritage as a leading land-grant university and our current position as a world-grant institution among the best universities in the world. Foremost among our values is inclusion."

Why, then, would MSU allow a union-only PLA that excludes 80 percent of our state's construction workers?

According to the U.S. Department of Labor, very few Michigan construction workers choose to belong to a union (less than 22 percent), so MSU will give the work opportunity to only a handful of possible firms.

Women and minority contractors and builders are less likely to be union members, so they are more apt to be excluded from the MSU job.

As the National Black Chamber of Commerce concluded, "PLAs are anti-free market, non-competitive, and, most of all, discriminatory." Everyone, union and non-union alike, deserves to be treated equally and with dignity.

Discrimination is hardly consistent with MSU's stated value of inclusion.

Not only do these unfair and discriminatory union-only agreements hurt taxpayers who pay for the increased cost of construction that results from reduced competition, they also hurt the people for whom MSU was created - the students. Every year, newspapers carry stories about MSU increasing tuition costs to keep up with inflation.

In 2007, MSU hiked tuition by 9.6 percent to meet what university officials said was a shortfall in state support. Last June, the trustees voted for another 6.8 percent increase, and in October the trustees approved a further tuition and fee increase of 1.2 percent.

Students and their parents are likely having a hard time making ends meet in the current economy, but must manage to find the money for the seemingly endless tuition increases.

Many students already find it necessary to take part-time work in addition to their heavy class loads to meet the financial demands.

It would be a shame to see money that could be used to reduce tuition costs go into a building project that carries with it artificially high costs because of a union-only PLA.

Students attend Michigan State University to get a world-class education.

What kind of lesson are we teaching them if we squander money on a discriminatory and costly union-only construction project when another option - one that is more responsible to taxpayers and more inclusive - is available?

## Additional Facts

Chris Fisher

is executive director of Associated Builders and Contractors of Michigan, a Lansing-based advocacy group.

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December 5, 2008

## MSU weighs project labor agreement for \$49.8M Brody work

Some see stipulation as pro-union, costly and discriminatory

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EAST LANSING - Chris Fisher calls it discrimination.

Michigan State University's Board of Trustees will vote today on a proposed \$49.8 million renovation of Brody Hall. That project would have a project labor agreement attached, allowing only unionized firms, or firms willing to accept the terms of a collective bargaining agreement for that specific project, to bid on the work.

"All workers, union and non-union, deserve fair treatment," said Fisher, executive director of Associated Builders and Contractors of Michigan, adding that such an agreement would jack up construction costs.

But Fred Poston, MSU's vice president for finance and operations, said there are situations where such agreements offer benefits to the university. In this case, the benefit is stability.

### Feeding 2,600 students

Brody houses a cafeteria that feeds 2,600 students - a facility that will have to close or operate at limited capacity for the duration of the project. It would start in January and be substantially complete by May 2011.

That's a time when the contracts for local carpenters', laborers' and plumbers' unions will be renegotiated, along with a few others, said Jack Mumma, construction contract administrator at MSU.

"All the reports we get for the experts that watch these labor relationships say there is going to be a period of unrest because the contractors are going to have to have givebacks from the unions to be able to make the budgets balance," Poston said.

### Avoid walkouts, strikes

"It's going to be a mess trying to feed 2,600 people while we shut Brody down," he added. "I can't have it down for very long, and we can't afford strikes and walkouts and what not."

Under a project labor agreement, such actions would constitute a breach of contract.

If approved, it would be MSU's first project labor agreement, Poston said.

University policy put in place in February allows the trustees to approve such agreements on a case-by-case basis.

For Fisher, even one is too much.

"These are construction workers who pay taxes to help fund MSU, and to not be allowed to work on the project is not only discriminatory but insulting," he said.

And at least a few students at MSU apparently agree with him.

## **Oppose agreement**

Six students from a group called Students for Responsible Spending held a demonstration opposing the agreement late Thursday at the university's Hannah Administration Building.

"MSU students work hard to attend this university, and we count on the administration to spend our money wisely," said MSU junior Louie Glinzak, a member of the group, in a statement released Thursday.

"We don't think it's right when the university makes construction deals that force costs to go up, which ultimately results in higher tuition."

Poston said the project would be paid for out of housing fees and would not impact tuition.

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December 6, 2008

## Project labor agreement for work at Brody OK'd by trustees

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EAST LANSING - The Michigan State University Board of Trustees on Friday approved a project labor agreement allowing only unionized workers to complete upcoming Brody Hall renovations.

The agreement means MSU would use only unionized construction firms or workers willing to unionize for the \$49.8 million renovation.

The construction, which would start in January and could be finished in 2011, will take place during a time when local labor unions will renegotiate their contracts, MSU officials have said.

Fred Poston, MSU's vice president for finance and operations, said the university cannot risk shutting down Brody's cafeteria - which feeds 2,600 students - for a long time because of strikes and other interruptions that could arise during negotiations. Under the project labor agreement, actions such as strikes would not be allowed.

"This project is extraordinarily time critical," he said Friday. "It is extremely difficult to do this and spread 2,600 kids elsewhere on campus. If we do not open this on time, the cost on the housing system would be extremely large."

Several local groups opposed the agreement, calling it unfair to nonunion workers.

"You will eliminate fair and open competition," Renee Sandborn, president of local building company Sandborn Construction, told the board. "Please don't make it harder for us to find jobs."

About 90 percent to 95 percent of her company's work is at MSU, she said.

Trustee Colleen McNamara said such agreements are common for large projects.

"Projects use (project labor agreements) all the time. They are a management tool to achieve certain ends," she said.

Of the 17 projects the board has approved since February, when the university enacted a responsible contractor policy, the Brody project is the first to have a project labor agreement, MSU officials said.

Vice Chairwoman Melanie Foster asked university officials to monitor the project to evaluate the agreement's effects, such as whether it stays on budget or excludes certain workers.

A group of students opposed the agreement, citing higher construction costs that could land on students' shoulders.

Deb Bittner, president of MSU's Clerical-Technical Union, said the requirement would not lead to increased tuition. She called the agreement "appropriate, fair, just and nondiscriminatory."

University officials have said the agreement would not impact tuition and funding would come from housing fees.

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