

I.

MUNICIPAL OPERATIONS

Municipalities have the unique responsibility of being an employer, contractee, and governing body. Local governments employ 5% of all Michigan workers. The employment and labor practice

standards adopted by municipalities can have a resounding impact on Michigan workers and communities. It is crucial that they operate in the interests of their employees, citizens, and the local economy.

“THE PEOPLE ARE WHAT MATTER TO GOVERNMENT, AND A GOVERNMENT SHOULD AIM TO GIVE ALL THE PEOPLE UNDER ITS JURISDICTION THE BEST POSSIBLE LIFE.”

Frances Perkins, Secretary of Labor, 1933 - 1945



OVERVIEW

RESPONSIBLE CONTRACTOR ORDINANCE [P. 20]

Municipalities have a responsibility to ensure taxpayer dollars are spent responsibly on only fair, qualified, and responsible firms - especially for important projects like roads and schools. A responsible contracting ordinance ensures that taxpayer funds are spent on ethical, efficient and reputable contracting. Dozens of government bodies across Michigan have already recognized this and adopted responsible contractor ordinances including Jackson, Saline, and Ann Arbor.

LABOR ACCESS STANDARDS [P. 24]

Establishing labor access standards and encouraging open dialogue between workers and their employers is the most efficient and transparent way to preserve workers' rights. Local government employees deserve those rights and protections as much as any worker. Some of the standards discussed in this section are card-check, unit determination, modernized dues collection, access to information about labor access standards, and eliminating unpaid internships and unpaid student teaching positions.

HEALTH AND SAFETY [P. 30]

The Michigan AFL-CIO Workforce Development Institute offers free workplace safety training. Their online bank of 1,200+ safety and workplace trainings is an invaluable resource that can help municipalities educate their employees on best workplace practices, which are left out of safety guidelines required by law. Topics include office health and safety, tree trimming, sexual harassment, and electrical safety. Our team can help create training packages specially tailored to employees' varying training needs.

PREVAILING WAGE ORDINANCE [P. 32]

Prevailing wage ordinances mandate that contractors pay their workers an hourly rate equal to the average local wage while working on publicly-funded projects. By setting a pay standard, local governments can ensure that work is completed with quality, cost-effective labor instead of cheap labor, unskilled labor. Additionally, prevailing wage ensures that wages are commensurate with the standard of living in the area so that workers can afford to live in the communities they build. Though local prevailing wage was repealed during Governor Snyder's administration, local governments

that already established prevailing wage laws were grandfathered in, and other municipalities can implement trigger laws.

ANTI-PRIVATIZATION ORDINANCE [P. 36]

Privatization of public goods and services often decreases the quality and accessibility of these resources and imposes a social cost for workers and residents. Companies have enticed politicians with deliberately low bids that may cut costs in the short term by driving out unions, driving down wages, and eliminating benefits. In the long run, however, the quality of services suffers, costs increase, and jobs disappear. The anti-privatization ordinance requires wages offered by private contractors to, at the very least, be equal to those provided by similar public sector jobs. Additionally, the anti-privatization ordinance requires cities to provide a detailed analysis of the social and economic costs and benefits of privatization.

RESPONSIBLE CONTRACTOR ORDINANCE

BY: CALVIN FRIFELDT AND JASMINE KALTENBACH

As a standard practice, many local governments across the state regularly award construction bids to contractors that submit the cheapest proposal. But behind the facade of a low bottom line, many contractors are involved in unscrupulous, unethical, and downright illegal business practices. It is the responsibility of every local government to be a good steward of taxpayer dollars and provide quality services to residents.

This is only possible when local governments consider more than just the bottom line and evaluate the practices and qualifications of firms before awarding contracts.

Responsible contracting ordinances increase government efficiency, support the local economy, and provide government services that our communities can truly be proud of.

IRRESPONSIBLE CONTRACTORS

Sometimes irresponsible contractors employ workers who are not properly licensed, paid well, or live out of state. Their quality of work is poor and wastes taxpayer money. Other times, irresponsible contractors illegally pay workers under the table to avoid paying for healthcare, insurance, and taxes. Others classify their workers as 1099 independent contractors to avoid payroll tax, even though legally,

those workers should be sent W-2s. This is payroll and tax fraud, and opens up local governments to legal liabilities.

Firms without the capacity to handle big projects or the workers with the expertise necessary to complete these projects cause construction delays and headaches for elected officials and residents alike. When irresponsible contractors violate contracts, local governments are stuck chasing them into compliance, creating bureaucratic nightmares and nurturing the expectation many people have that the government is inefficient and wasteful.

HOLISTIC BID EVALUATION

Local policymakers must ensure that responsible contractors win public bids for government projects and set minimum requirements that contractors will meet before a municipality awards them a maintenance contract. Responsible contractor policies help local governments promote ethical labor standards and ensure they purchase high-quality, long-lasting projects that deliver the best value to residents. Under this policy, firms must maintain highly trained

personnel and the resources to successfully perform projects in a safe, cost-effective, and high-quality manner to be deemed responsible contractors. This means that firms are

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not competing for who treats their workers the worst, pays them the least and has the least amount of safety and experience — they compete on innovation, quality, and efficiency.



Firms that demonstrate legal compliance with these standards and state standards can be placed on an expedited responsible contractor list, which actually reduces the administrative burden on local governments to evaluate and approve contractors for these projects.

Dozens of government bodies across Michigan have already recognized this and adopted responsible contractor ordinances.

COST EFFICACY

Researchers found that responsible contractor ordinances do not significantly affect construction bid costs in their analysis of over 300 projects while controlling for various geographic locations.¹¹ Counties, cities, townships, and school boards should commit to awarding construction contracts only to firms deemed qualified to maintain a timely, safe, and high quality of work. The buildings our children go to school in and the roads our elderly parents drive on should be safe and well constructed. Residents on a fixed income paying property taxes don't want their dollars wasted on roads that can only withstand a few Michigan winters.

Local policymakers can ensure that construction will proceed economically, efficiently, and ethically by ensuring that public works are awarded to responsible contractors.

KEY ELEMENTS

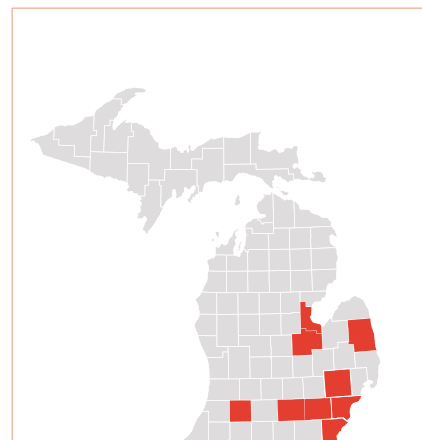
In order to identify responsible contractors, policymakers shall request written responses or documentation of the following standards, in addition to others, as local governments see fit. Responsible contractors should undergo U.S. Department of Labor-approved apprenticeship training programs before submitting a bid. Furthermore, firms should have a record of correct W-2 employee classification. Contractors must have undergone MIOSHA-approved safety training and pass a background check for OSHA violations. Responsible contractors should pass drug and alcohol testing, especially when working on school projects or those requiring the operation of heavy machinery. Finally, while local governments are not legally permitted to require contractors to provide their workers with sufficient pay and benefits, these factors are essential to high-quality public works. Local governments should take worker compensation into account when awarding contracts.

CONCLUSION

Responsible contractor ordinances ensure that taxpayer-funded jobs are given to firms who comply with set standards, such as having undergone official apprenticeships, reporting correct tax classification for workers, being MIOSHA-certified, and passing

drug tests. These standards reduce the legal liability for the local government and ensure that the project is high quality. Without these safeguards, public projects are often awarded to the lowest bidder who underpays their workers and does a shoddy job on crucial public works projects.

More information on responsible contracting can be found by emailing advocates@miaflcio.org.



COMMUNITIES THAT HAVE PASSED EXEMPLARY RCOS:

- Saline
- Jackson
- Saginaw County
- Bay City
- Royal Oak
- Monroe
- Ann Arbor
- Washtenaw County
- Wayne County
- Kalamazoo County

Success Story: Washtenaw County, Michigan

BY: MCKENNA TOWNS AND VIVI IYER

Public bids for public works projects must be given to companies that do the work expertly and while providing safe working conditions, good benefits, and livable wages to their employees. Although sometimes providing benefits and good working conditions can be a bit more expensive, as Washtenaw County Commissioner Katie Scott says, "You have to think about more than just a dollar sign; you have to think about the whole community." Commissioner Scott spearheaded the unanimous passage of a responsible contractor policy by Washtenaw County's Board of Commissioners.

Writing and passing the policy was a long process that took dedication and collaboration. Commissioner Scott recounts her experience with the process: "I started doing work talking to members at the Huron Valley Area Labor Federation, IBEW, and the Laborers (LiUNA)... those groups really helped me formulate what things we needed to see

in that responsible contractor policy." Once the first draft of the policy was written, Commissioner Scott presented it to the county administration for feedback, made revisions, and eventually presented it to the Washtenaw County Ways and Means Committee as well as the Washtenaw County Board of Commissioners. As Commissioner Scott recounts: "it took about a year [to get] the policy honed correctly, was my first year on the board too, so it was taking a really huge policy shift to Washtenaw County...[and] I really wanted to make sure I had the trust from my fellow Commissioners and the administration before bringing something like that forward."

Because of her dedication and hard work, the policy was unanimously passed by both the Washtenaw County Ways and Means Committee and the County Board of Commissioners. Commissioner Scott reflects, "Labor leaders that I look up to and that I hope to be are people who recognize that all the

work they do, whether at the local level or part of a larger labor movement, is about making our communities stronger. Because when you strengthen families and working people, it strengthens the community."

"YOU HAVE TO THINK ABOUT MORE THAN JUST A DOLLAR SIGN; YOU HAVE TO THINK ABOUT THE WHOLE COMMUNITY."



LABOR ACCESS STANDARDS

BY: CALVIN FRIFELDT

Local government officials are in the unique position of being both employers and public servants. How local governments treat their employees is a reflection of their values — and of their community’s values. Elected officials should uphold a high standard of worker treatment — those they directly supervise and those they represent.

Unions combat workplace racial, gender, and economic inequality for all American workers.¹² A study from the Center for Economic and Policy

Research in 2015 found that union members of all types make more pay than similar non-union workers.¹³ But the benefits of a union job extend beyond the families they support — communities with stronger unions experience increased benefits for all working-class families in the area.¹⁴

In 2018, the U.S. Supreme Court overturned years of precedent in *Janus v. AFSCME* by ruling that non-union employees do not have to pay a fee to cover union costs despite benefiting from its collective bargaining

advocacy. Unions are plagued by the free-rider phenomenon, where workers enjoy the benefits that union advocacy generates but do not pay their fair share of the dues that enable these unions to win these benefits through greater collective bargaining leverage. The policies described in this brief promote fairness and workers’ rights, and defend workers from the negative consequences of *Janus v. AFSCME* and Michigan’s deceptively-named “Right-to-Work” laws.

While labor preemption means that cities, townships, villages, and counties cannot mandate that private businesses within their jurisdictions establish strong labor access standards for all community members, local governments can enshrine these crucial protections for their own employees.

INFORMING WORKERS OF THEIR RIGHTS AND UNION NEUTRALITY

New employee orientations should make workers aware of workplace safety standards, their right to organize into a union, and not be punished for disclosing salary information to other employees. Local governments can also pass resolutions declaring union neutrality, meaning they will not actively dissuade employees from forming a union.

PERMITTING CARD CHECK

“Card check” describes a method of unionization in which workers sign authorization cards saying they are interested in joining a union. Some employers force workers to have another union election, even after most workers have signed union cards. Under card check, if over half of the employees of a particular workplace sign authorization cards, then the employer can voluntarily recognize the union.

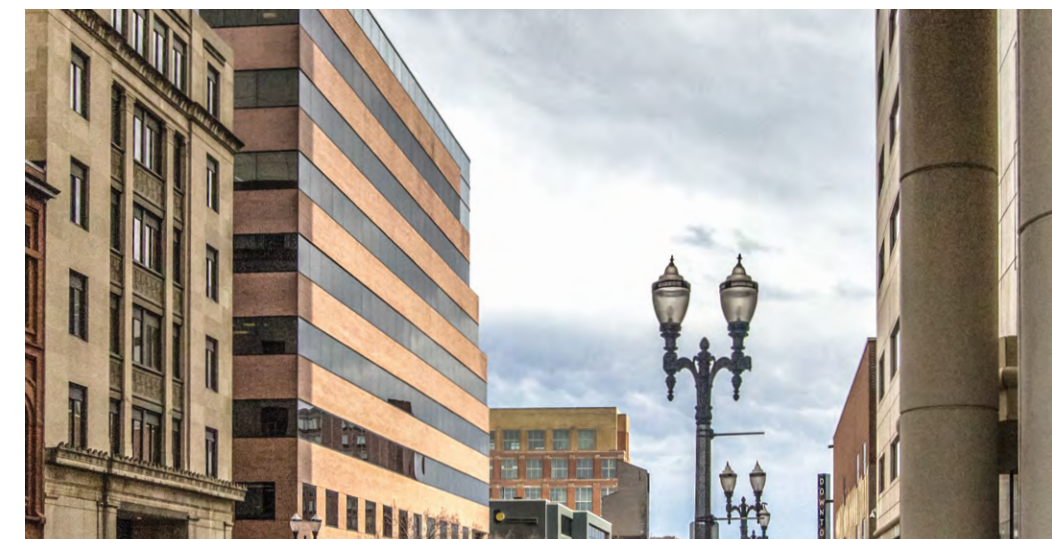
UNIT DETERMINATION

Next, local governments should permit their workers to determine their own bargaining units if they form a union. If the secretaries in a workplace want to form a union but are forced to group with the janitors and transportation staff as well, it will be far more difficult for them to unionize. All workers should be allowed to choose what their own bargaining unit should be, within reason. A policy of unit determination defends workers’ right to unionize as they see fit without unnecessary impediments.

MODERNIZED DUES COLLECTION

Finally, local governments should allow employees the choice to automatically have their union dues deducted from payroll. No workplace is mandated to automate dues, but preventing automation of union dues is an intentional bureaucratic burden. Automated regular payments allow unions to focus on representing the interests of their members

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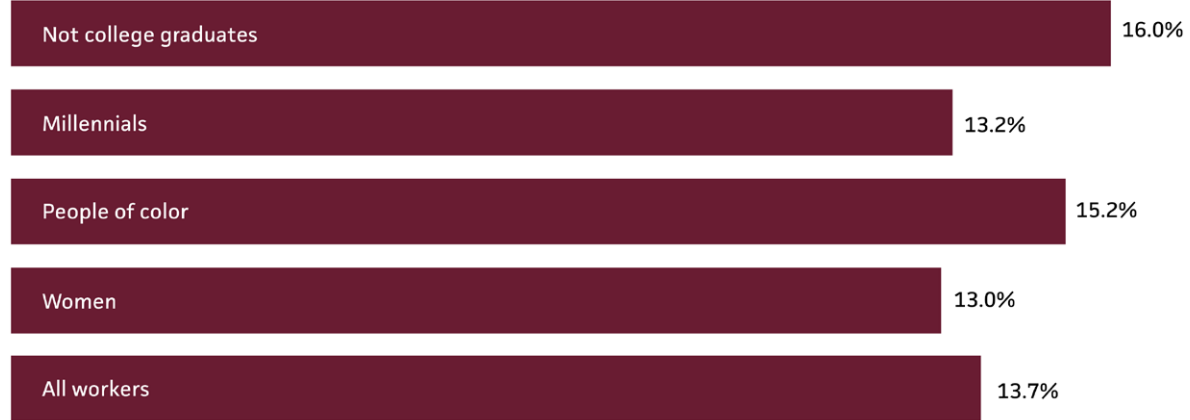
instead of collecting dues, and allows employees to focus on their work. Even states that enacted other worker suppression laws, such as North Carolina and Virginia, permit modernized dues collection.

UNPAID INTERNSHIPS

Internships are vital to a student's learning, career development, and future success. However, unpaid internships often hurt lower-income students who cannot afford to be uncompensated for their work. Not only does this further drive the wealth gap, but it unfairly gives wealthier students high-caliber internships. To combat this, unpaid internships should not be offered, and if they are, they should be extremely limited. The same goes for student teaching. Student teachers must have in-classroom teaching hours to graduate from their programs, and most schools do not pay these teachers for their time. Not only are the student teachers unpaid, but they are forced to pay for the class. Recent legislative changes provide stipends for student teachers, and school boards should supplement these stipends to ensure that student teachers are paid livable hourly wages.

UNIONS RAISE WAGES FOR WORKERS OF ALL TYPES

Union wage premium over similar non-union workers



NOTE: Wage premiums control for several characteristics of workers, including their education, industry, occupation, and region. Calculations include those with imputed earnings, which may underestimate the union wage premium. Source: Authors' analysis of Center for Economic and Policy Research Current Population Survey Outgoing Rotation Group extract from 2015. See ceprDATA, "CPS ORG Data," available at <http://ceprdata.org/cps-uniform-data-extracts/cps-outgoing-rotation-group/cps-org-data/> (last accessed March 2016). Model based on Barry T. Hirsch and Edward J. Schumacher, "Match Bias in Wage Gap Estimates Due to Earnings Imputation," *Journal of Labor Economics* 22 (3) (2004): 689-722.

CONCLUSION

Strong labor access standards are vital for Michigan communities, and it is equally vital that cities uphold these standards for their employees. According to the 2021 ALICE report, 58% of jobs throughout Michigan pay less than \$20 an hour.¹⁶ This statistic is especially perilous for working-class families; on average, a family of four needs to make \$30.64 per hour in Michigan just to survive.¹⁷ Consequently, the prevalence of these low wages indicates that Michigan communities need unions

which, in turn, need strong labor access standards to be effective. Local governments should model these standards for their citizens and inform municipal workers of their rights, declare union neutrality, permit card check, allow unit determination, and implement modernized dues collection. Local governments should also solely provide paid internship opportunities for students so that opportunities are equitable and accessible. History shows that union bargaining arguments between corporations and employees gain great amounts of media attention.

Often, this leads to negative views of the corporation and large-scale union demonstrations. If municipalities want to avoid a similar negative image for being anti-union, they should champion these rights and standards for their employees.

Success Story: The University of Michigan Regents

BY: CALVIN FRIFELDT

One of the biggest challenges workers face is the ability to freely join unions. Many workers go on strike just for their employer to recognize the union—sacrificing their pay, health insurance, and sometimes their jobs.

At their June 25th, 2020 meeting, the Regents of the University of Michigan demonstrated their dedication to workers' rights and the labor movement by passing a resolution that upheld three important labor standards for employees that make it easier for workers to freely join unions. The university declared employer neutrality, promising that they would not interfere to dissuade (or encourage) employees to form a union. They also vowed to recognize card check processes, bypassing bureaucratic and burdensome NLRB elections. And, their policy now states that workers can define their own bargaining units provided that their proposal is reasonable.

So far, the Regents' new policy has been honored by the University of Michigan administration. Since the policy was announced, UM employees have been organizing new local unions. So far, librarians, archivists and curators have organized to join LEO, the Lecturers Employee Organization (AFT-MI 6244) and Physicians Assistants in Michigan Medicine have formed a new local union, UPAMM (AFT-MI 5297). More new locals, on both the Michigan Medicine and the academic side of UM's operations, are on the way.

An important test of the scope and strength of the new policy will be how it is applied to UM students. Students now seek to form the first union of its kind on campus to represent students working as residential advisors, dining hall staff, and student researchers. And Big Ten football players are considering unionization on a number of campuses. Local labor leaders expect the administration to apply the same

principles with respect to more conventional employees to these student union organizing efforts.

The University of Michigan administration has not always behaved in a pro-union fashion. Recently, Michigan Medicine negotiators have been pushing back hard against UM Nurses' reasonable demands for fixed (and reasonable) patient-nurse ratios, an end to mandatory overtime, and raises that reflect the tremendous burden they have borne over the last four years of COVID and the inflationary surge of the last several years. It's possible that the UM administration will also resist student organizing efforts, claiming that they fall outside the scope of the Regents' new policy. Ultimately, the Regents will decide that question, and labor will need to work closely with them to ensure that they assert an inclusive interpretation of its scope. These questions about future applications of the policy notwithstanding, there is no

question that the Regents of the University of Michigan took a major step forward when they passed this resolution.

"Some may see this as a dramatic move moving forward, but as Regent Bernstein pointed out this is actually, if not typical, it's absolutely common both in our industry and across our economy," said Regent Paul Brown. "I think all it does is clarify and streamline the process, and if it does happen to result in increased union membership on campus, I see that as a great thing for our institution, students, faculty, and staff for our community and for our state."

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University of Michigan Regent Paul Brown

HEALTH AND SAFETY

BY: ELYSE SHERR

WORKERS DESERVE SAFETY

The Michigan AFL-CIO's mission is to improve the lives of working families by bringing economic justice to the workplace and social justice to the nation. Although the Occupational Safety and Health Act of 1970 has dramatically decreased accidents in the workplace, there are still too many people who work in unsafe conditions. Millions of workers suffer injuries or illnesses because of their jobs. This is especially problematic for those who work with children and in schools and must protect the children's safety alongside their own. The fundamental commitment of the labor movement is to fight for workers to be represented and empowered to champion their own rights and benefits on the job. Safety training courses can equip workers with that knowledge to continually demand that their rights be respected and protected, and the Michigan AFL-CIO's Workforce Development Institute at miwdi.org has been supporting worker safety training, apprenticeships, and other economic development projects for over 40 years.

Employers in hazardous fields like construction require workers to obtain a card certifying that they have completed the OSHA's outreach training program 10-hour outreach training program promoting workplace safety and health, and

helps inform workers on workplace dangers. But, there are many ways in which the basic guidelines for OSHA trainings fall short. Many safety trainings are important for employees to receive but are not explicitly mandated by law. That's why the Workforce Development Institute offers these trainings for free to anyone interested.

TRAINING TOPICS

The over 1,200+ trainings are between 10 and 30 minutes, available in an easy, online or in-person format, and cover a broad range of topics, including:

- Outdoor safety skills trainings applicable to municipal employees such as animal safety, chainsaw safety, park and landscape maintenance safety, and hand and power tool safety.
- General industry trainings, such as PPE standards, back injury prevention, driver safety, and emergency response.
- Trainings centered on working with the public, like human trafficking awareness, active listening, and active shooter response.
- Other HR trainings, like sexual harassment, leadership skills for managers, mental health awareness, and conflict resolution strategies.

- Helpful trainings for all workers, such as office ergonomics, identifying bloodborne pathogens, electrical safety, asbestos hazard awareness, basic first aid, and carcinogen awareness.

COST-SAVINGS FOR WORKPLACE TRAININGS

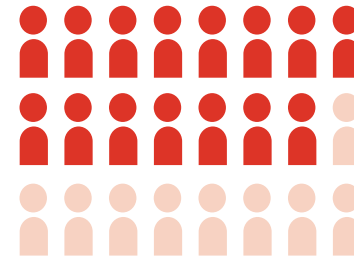
Municipalities who use our bank of workplace trainings may actually save money and not need to hire outside training companies or consultants to administer trainings.

TRAINING IMPLEMENTATION

Employers can choose to implement these trainings in a number of ways, including:

1. Regularly scheduled yearly, bi-yearly, etc. trainings on important safety topics
2. One-time trainings integrated into the onboarding and orientation process
3. À la carte trainings that employees can choose to take at their discretion
4. Trainings implemented as part of the disciplinary process for violations

On average,




15 workers
die on the job per day¹⁸

CONCLUSION

As Michigan workers continue to adjust their occupations after COVID-19, there is no better time to ensure that they receive workplace safety training to prevent the spread of the virus in their workplace that endangers themselves, their families, and other workers. With additional training, we can equip workers with the knowledge to keep themselves safe.





STATES WITH
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PREVAILING WAGE ORDINANCE

BY: MAXIMILIAN GRAHL

Prevailing wage ordinances mandate that contractors building public projects must pay their workers an hourly rate equal to the average local wage. The average local wage varies across jurisdictions and is determined by comparing union wage rates on other projects in the area.¹⁹ Without prevailing wages, contractors lower their costs and win government bids by paying workers poverty wages.^{20,21} Prevailing wage laws promote local hiring of expertly trained workers who are more likely to make family-sustaining wages and quality healthcare. As such, prevailing wage projects are of higher quality and often save taxpayers money. In fact, states with prevailing wage laws have higher construction site productivity and spend less on other costs.²² It is critical that taxpayer-funded contractors adequately compensate their workers, and prevailing wage laws are a way to ensure workers' labor is valued.

PREVAILING WAGE REPEALED

Michigan's Prevailing Wages on State Projects law was passed in 1965 under Governor Romney.²³ These protections ensured that state contracts employ workers at the highest standard "prevailing wage"

based on locality, typically a union wage. Unfortunately, a statewide petition drive allowed Republicans in the legislature to repeal the state's prevailing wage ordinance protections in 2018. Now, Michigan preempts local governments from enacting their own prevailing wage laws. Governor Whitmer issued an executive order reinstating the law for state-funded projects in 2022, and hundreds of local governments across Michigan also have prevailing wage laws grandfathered-in from before the repeal. But this repeal still leaves thousands of other local governments without prevailing wage.

COST OF LIVING

Prevailing wage ensures that employees are paid a wage that is commensurate with the cost of living and supporting a family in that area. Under prevailing wage laws, non-union workers can obtain fairer returns on work akin to that of union workers. This maintains high wages for union and non-union workers alike.

The absence of prevailing wage depresses wages for the industry. An Economic Policy Institute analysis of states without prevailing wage

ordinances found that **median construction wages in states without prevailing wage policies were 7% lower.**²⁴

Prevailing wages come back to communities, and adequately local workers contribute significant economic activity. Each dollar paid in prevailing wages to workers yields \$1.50 in economic activity.²⁵

Despite arguments that removing prevailing wage ordinances saves money, it ends up costing states. Smart Cities Prevail found that **"States without prevailing wage laws spend an average of \$367 million more each year on food stamps and Earned Income Tax Credits for blue collar construction workers."**²⁶

QUALITY CONSTRUCTION

Without a prevailing wage ordinance, the bidding process becomes a race to the bottom because it incentivizes contractors to pay less to obtain more projects. The government enables this process to persist, at the expense of workers' wages, health, and safety.

PREVAILING WAGE IS A COMMON SENSE POLICY

One study found that Indiana’s repeal of prevailing wage led to lower wages and lower worker productivity, offsetting any small taxpayer savings.²⁷ Construction wages in Indiana fell by almost 8.5%, while in neighboring midwestern states like Michigan (before the repeal), they grew by 2.8% on average. Eliminating prevailing wage does not save the taxpayers money

and leads to lower wages for all workers. Eliminating prevailing wage not only decreases workers’ wages but states without prevailing wage laws spend more on fuels and materials, because they are using poorly-trained, low paid workers compared to states with prevailing wage laws, which have up to 15% higher productivity using higher-skilled local workers.²⁸

There is no positive impact to removing prevailing wage laws; according to Indiana’s Assistant House GOP Leader, “it hasn’t saved a penny.”²⁹ While in contrast, the broad consensus of peer-reviewed research is that construction costs are not affected by prevailing wages.³⁰

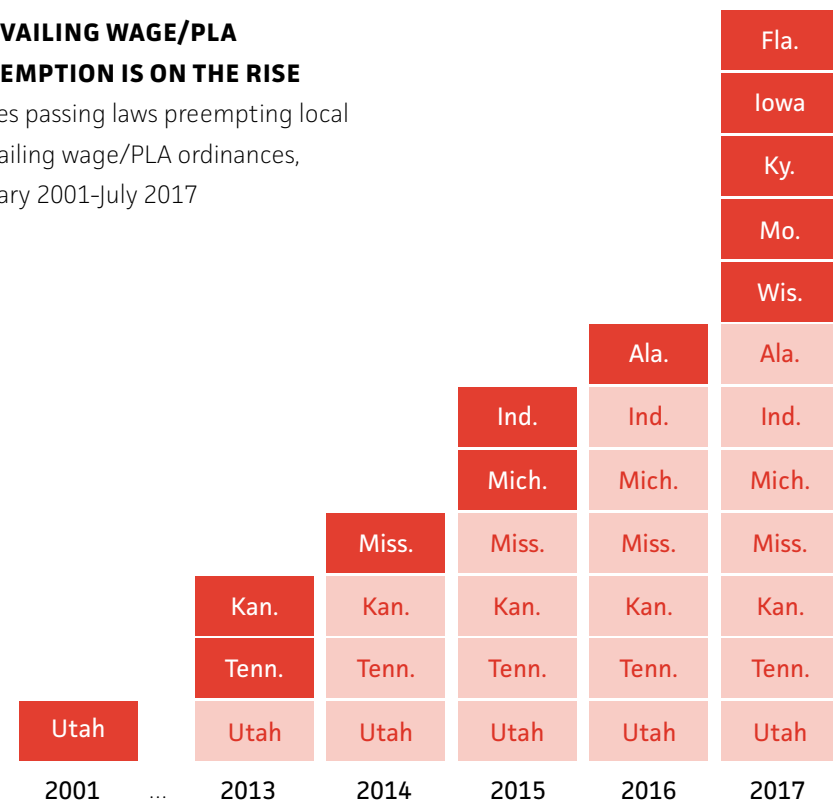
CONCLUSION

Prevailing wage is consistent with one of the labor movement’s core values: people should be paid fairly for their work. Although cities cannot set new prevailing wage standards due to the preemption doctrine, prevailing wage laws already in place are allowed to remain. Research from the Illinois Economic Policy Institute and Smart Cities Preval show that repealing state prevailing wage laws would shrink our national economy by at least \$65 billion, eliminating a minimum 400,000 jobs.³¹ Prevailing wage laws have consistently had a positive impact on local economies and the efficiency of taxpayer projects.



PREVAILING WAGE/PLA PREEMPTION IS ON THE RISE

States passing laws preempting local prevailing wage/PLA ordinances, January 2001-July 2017



NOTE: PLA stand for project labor agreement. In each column, red-orange boxes represent prevailing wage/PLA preemption laws passed in the given year. Light red-orange boxes represent prevailing wage/PLA preemption laws in effect (passed in previous years). Source: EPI analysis of preemption laws in all 50 states



ANTI-PRIVATIZATION ORDINANCE

BY: BENJAMIN ELBAUM

Private companies are motivated by profits rather than the general wellbeing of citizens. As a result, privatization of public goods and services often leads to a decrease in the quality and accessibility of these resources and thus imposes a marginal social cost for workers and local residents. Due to municipal privatization, Michigan has the second-lowest percentage of workers on government payrolls nationwide, according to 2016 Census Bureau estimates.³²

Private companies have enticed municipalities by deliberately bidding

low on municipal projects that may cut costs in the short term by driving out unions, driving down wages, and eliminating benefits. In the long run, however, the quality of the services are lesser, costs increase, and jobs disappear. Local governments should implement anti-privatization ordinances in order to slow and stop the further marginalization of workers in the public sector.

PUBLIC GOODS TURN PRIVATE

In order to deliver on government contracts while simultaneously turning a profit, private companies

frequently resort to hiring fewer employees and paying them lower wages. These lower costs correlate with inferior product. Additionally, privatization leads to weakened accountability for companies that are tasked with delivering services to the public. Local residents also no longer have a say in the labor standards that private companies use, and their taxpayer dollars may inadvertently support companies that do not provide living wages, healthcare, or job security for their workers. Oftentimes, privatization laws create public-private partnerships.

Through these partnerships, private companies are required to meet the minimum standards of the contract and no more which hampers local governments' abilities to respond to emergency or short-notice work like snow removal. Additionally, these partnerships often minimize competition for public contracts.

RETURNING THE PUBLIC'S VOICE: THE IMPORTANCE OF ANTI-PRIVATIZATION

Anti-privatization ordinances can address a lack of communication between private contractors, local governments, and public citizens. Local governments must be transparent with their taxpayers and should include a comprehensive analysis of why they are considering accepting bids from private contractors and the impact of privatization. It is crucial that privatization is aptly weighed by the public, and anti-privatization ordinances ensure community representation through this process. These analyses should detail both the social and economic costs and benefits to the community of the privatization of services, including any potential changes in quality as well as whether private contractors will actually reduce costs.³³ Furthermore, anti-privatization legislation puts financial protections in place for employees in the case of privatization. To ensure that privatization does not become

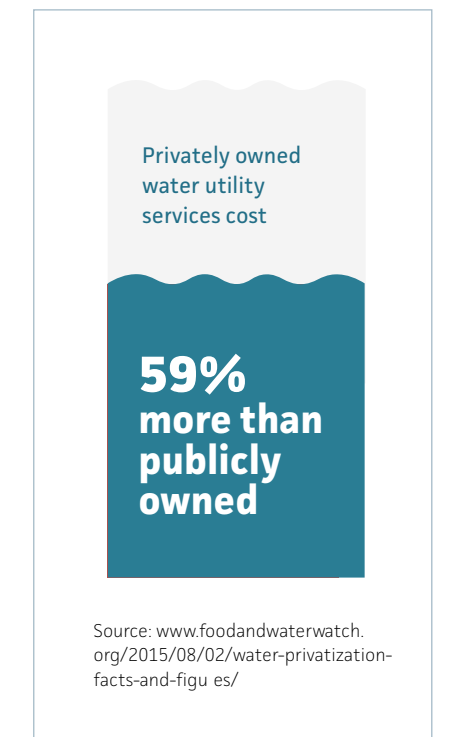
an unnecessary financial burden on taxpayers, the contractor should pay any oversight costs that the municipality incurs upon privatization, as well as costs that exceed the estimate of the analysis. Municipalities should also hold public hearings to discuss proposals for privatization. These outlets allow taxpayers to voice their opposition to any such changes.

PRIVATIZATION IN MICHIGAN AND BEYOND

Today, many municipal governments have taken steps to mitigate these harmful practices.³⁴ In 2017, the City of Detroit implemented an anti-privatization ordinance to preserve municipal employees' jobs and limit the conditions under which privatization may be permitted.³⁵ The cities of Warren and Ann Arbor provide some minimal protection through a living wage ordinance, which protects the wages of workers employed by private contractors who contract with the cities.³⁶ Similar reforms enforcing transparency and oversight in privatization were passed in Chicago in 2015.

CONCLUSION

Effective anti-privatization reforms limit the ability of private contractors to commandeer government contracts, provide security for public employees' wages, and ensure that specific criteria are followed when public services are privatized. In Michigan, these protections can simultaneously protect workers and guarantee that public services meet certain standards of quality.



MUNICIPAL OPERATIONS SCORING CRITERIA

Responsible Contractor

	Points	Points Available
Ordinance made in collaboration with, and approved by, the local Building Trades Council and AFL-CIO CLC or ALF.	0	6
SCORE	0 out of 6	6

Strong Labor Access Standards

	Points	Points Available
Informs workers of the right to join a union and declares union neutrality.	0	1
Permits card check.	0	1
Permits reasonable unit determination.	0	2
Implements modernized dues collection.	0	1
Has no unpaid internships or student teachers below minimum wage.	0	1
SCORE	0 out of 6	6

Health and Safety

	Points	Points Available
Provides training courses at least once per evaluation cycle.	0	1
Integrates employee safety and training courses into onboarding process.	0	1
Regularly scheduled (yearly, every other year, every 5 years, etc.) safety courses required for relevant staff	0	1
SCORE	0 out of 3	3

BONUS: Existing Prevailing Wage Ordinance

	Points	Points Available
Has existing prevailing wage ordinance in municipal code.	0	3
SCORE	0 out of 3	3

BONUS: Anti-Privatization Ordinance

	Points	Points Available
Requires a detailed analysis of the social and economic costs and benefits of privatization and require wages offered by private contractors to at least be equal to those offered by similar public sector jobs.	0	1
Municipal employees can submit their own bids to projects under consideration for privatization.	0	1
SCORE	0 out of 2	2

FINAL SCORE

0 out of 15 15

FINAL SCORE WITH BONUS

0 out of 20 20

Required documentation includes copies of relevant city code and/or copies of press statements, resolutions, or social media posts. For more information about city selection, criteria, or the MSI scoring system, visit advocates.miaflcio.org. All cities rated were provided their scorecard in advance of publication and given the opportunity to submit revisions. For feedback regarding a particular city's scorecard, please email advocates@miaflcio.org.



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