

Mark the Date and Set the Rate A REMINDER

The deadline for submitting your state prevailing wage surveys is June 2, 2017. The projects reported on your surveys should be active between April 3, 2016 and June 2, 2017. These surveys set the wage rate for each labor code in each county. Your participation is needed.

For more information, go to
www.doli.state.mn.us/LS/PrevWageSurveys.asp.

If you have questions call FCF at 651-797-2726.



A New Toll-Free Number for FCF

As part of our mission to improve outreach FCF has added a new toll-free number: **1-844-777-0606**

FCF on Tour: Prevailing Wage

Can you speak intelligently about prevailing wage? Can your apprentices? FCF has presented on the topic to more than 700 apprentices in eight trades so far this year. Keeping prevailing wage laws strong in Minnesota is going to take all of us, and it starts with knowledge of what prevailing wage is and why it is important. If you have an audience that needs to hear the message, let FCF be the messenger! It's important that we all have a working knowledge of the issue. Give us a call and set up a presentation today.



Fair Contracting Foundation

353 W. 7th Street, Suite 204
St. Paul, MN 55102
www.fcfmn.org

Presorted
First Class
U.S. Postage
PAID
Permit #
St. Paul, MN



Save the Date

Once again FCF is planning a training seminar at the annual Minnesota State Building and Construction Trades Council convention. This year's convention will be held July 27-28 at Treasure Island Resort & Casino in Welch, MN.



Nicollet Mall: A Main Street Makeover

Nicollet Mall was built in 1967, when an 8-block stretch of Nicollet Avenue was closed to cars. Nicollet Mall, which now spans 12 blocks, is being rebuilt as part of a \$2 billion collection of major projects designed to transform Minneapolis. Considered "Minnesota's Main Street," Nicollet Mall houses many restaurants, stores, and office space along its pedestrian friendly avenue. The \$50 million project is on time and on budget, and should be substantially completed by the end of the year.



Fair Contracting
Foundation

Federal Budget Cuts: Department of Labor

President Trump has proposed a \$2.5 billion (21 percent) reduction to the U.S. Department of Labor budget, though exact details are scarce as to what all will be cut. Proposed casualties include eliminating an OSHA grant program that has provided health and safety training to 2.1 million workers, decreasing or eliminating funding for state and local job training programs, and eliminating the Chemical Safety Board, which investigates and makes prevention recommendations about chemical accidents. The budget does propose to “[help] States expand apprenticeship,” but gives no further indication of how this is to be achieved.

Credit: Destination Medical Center



DMC Meets Threshold to Unlock State Money

In April the Destination Medical Center reached the \$200 million private development threshold that unlocks State money for the project. The use of State funds still requires local matching contributions from the City of Rochester and Olmsted County, but it significantly increases the amount of money that can be contributed to public infrastructure development. According to Lt. Gov. Tina Smith, there are \$700 million worth of DMC projects currently in the development pipeline, so construction activity is expected to increase dramatically in 2017. For example, the \$140

million Broadway Hilton broke ground in January and is being built by Kraus-Anderson Construction Co.; and the DMC Corporate Board has approved a \$115 million mixed-use development in the St. Mary's sub-district and a \$38 million mixed-use development in the Discovery Square sub-district. M.A. Mortenson Co. is leading development on the Discovery Square sub-district.

Contractor May Soon Face Consequences for Blatant Non-Compliance

Five years ago FCF began investigating a subcontractor who worked primarily on large government funded housing projects. Our investigation revealed workers who were paid less than 25 percent of the prevailing wage requirements. Some workers were denied pay altogether or told they would be “taken care of” on the next project, which protracted the exploitation. This subcontractor also hired a 15-year old onto his crew, repeatedly submitted false documents and made baseless charges of discrimination in an attempt to have a chilling effect on the government's enforcement efforts. When the government finally upheld its findings against the subcontractor, it was the faultless general contractor who picked up responsibility for more than \$15,000 in back pay.

This subcontractor re-entered Minnesota's public construction work and has since been hired by unwitting general contractors. Not surprisingly, business practices have not improved. The contractor continued to bring prevailing wage compliance problems, in addition to quality and schedule problems, to the job, resulting in their removal from at least one large project. The subcontractor will remain unnamed, for now, to afford it the due process that it has so brazenly denied its cheated workforce. But if the evidence holds up in the pending proceeding, the Responsible Contractor Law will render this contractor non-responsible and ineligible to work on Minnesota's public construction projects. Project owners and general contractors will likely find this contractor's name at www.responsiblemn.org and avoid these problems.



Elevate Minnesota “Raises” Awareness

The Elevate Minnesota campaign is aimed at helping Minnesotans understand the world of union construction. It highlights the benefits of union construction to families through good wages and benefits, to project owners through highly trained workers and increased project quality, and to the state as a whole through promotion of a strong middle class and vibrant community. The unionized construction industry is without a doubt a great asset to the state of Minnesota.

It is important to acknowledge the strength of Minnesota's union construction industry and community standards, and to educate the public about the benefits they bring to the state. This is especially important as unions, prevailing wage laws, and labor standards in general are under assault in states like Indiana, Kentucky, and West Virginia, which have all repealed their prevailing wage laws in the last few years. Prevailing wage laws are also under attack in states like Missouri and Ohio, and of course they have been significantly weakened and are on the verge of extinction in Wisconsin. These states are foolishly seeking higher value through lower standards. Time will tell. For more information, please visit www.elevateminnesota.org.



Bonding

There's a general rule at the Minnesota Legislature that even-numbered years are “bonding years.” Borrowing money by issuing general obligation (G.O.) bonds is one of the primary ways that the state funds its public works projects. Bonding bills require that three-fifths of the representatives and senators vote in favor of the bill, which means that it often requires a bipartisan mix of support in order to pass into law. For the past 30 years, partisan rancor has been cast aside in favor of funding public works projects in every even-numbered year except two: 1974 and 2016.

In the chaotic closing minutes of the 2016 session, the bonding bill failed to get the votes it needed in the House and, as a result, there was no bonding bill even though it was a bonding year. Minnesota's workers have felt this void, as the proposed bill could have created up to 39,000 jobs.

This year, Governor Mark Dayton has proposed an historic \$1.5 billion bonding bill that would create more than 22,950 jobs by funding projects like the Lewis and Clark Regional Water System, which will bring clean water to more than 20,000 residents of Jackson county. But whether there is a bonding bill that passes in 2017 remains to be seen.

Welcome!

This newsletter will reach several hundred contractors who were not previously on our mailing list. The Fair Contracting Foundation (FCF) is a labor-management cooperation committee that is jointly funded and operated under the non-profit laws of Minnesota. Since 2011, our goal has been to level the playing field in public construction bidding. We strive to ensure that compliance and fair enforcement of applicable laws eliminate advantages to those contractors willing to cheat. We investigate and educate primarily on matters of prevailing wage laws and employee misclassification. If you have any questions, don't hesitate to contact us.

Our Mission

The Fair Contracting Foundation promotes prevailing wage law education, compliance and enforcement. It advocates for practices, policies and laws that ensure fair government contracts, a strong local industry and protection of the public interest. We're here to help. Give us a call at 651-797-2726 or toll-free at 1-844-777-0606.