



A Year Has Passed - An Update On Calvin Mulumba

In the January 2018 FCF newsletter we wrote about the challenges Calvin was having finding a place to live, dealing with homeland security, and earning success at Hunt Electric as a pre-apprentice. His full story can be found in the NEWS section of our website (fcfmn.org). Here is a brief update as he works toward becoming a journey worker electrician. In July 2018 Calvin celebrated his one-year anniversary with Hunt Electric and IBEW Local 292. Since July 2017, he has graduated from pre-apprentice to apprentice, moved into his own apartment, and is eager to start apprenticeship classes in September. His story is another example of the difference a career in the building trades can make in a person's life.



DMC Update

At the June 28 meeting of the Destination Medical Center Board in Rochester, the board approved four new construction projects totaling more than \$340 million. Combined, these projects are expected to create upward of 500 construction jobs, as well as several hundred permanent jobs once the buildings are operational.

Because these projects are receiving public financing, they will be subject to several requirements, including use of American-made steel and payment of prevailing wages. The Board emphasized that public investments in such projects can leverage further private investment as well as promote desirable social outcomes. This ensures that the benefits of public construction spending are spread throughout the community.



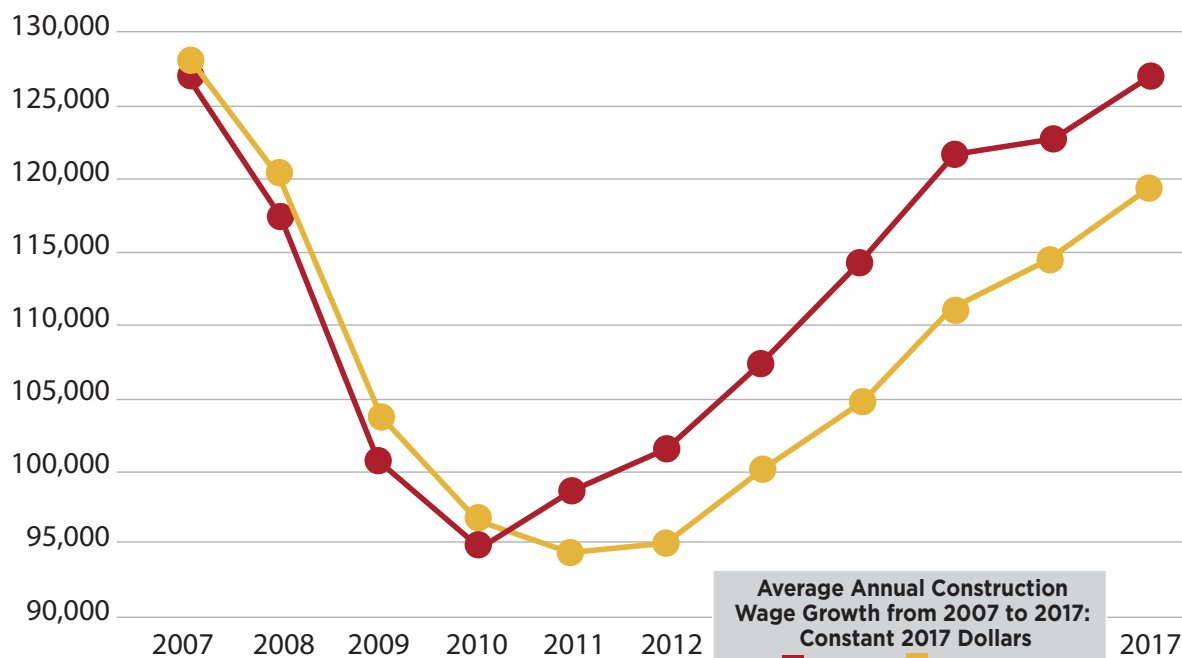
Fair Contracting Foundation

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

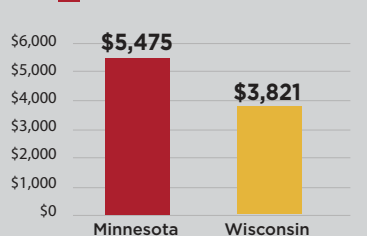
Presorted
First Class
U.S. Postage
PAID
Permit #
St. Paul, MN

Total Construction Employment: 2007 to 2017

■ Minnesota ■ Wisconsin



Average Annual Construction Wage Growth from 2007 to 2017: Constant 2017 Dollars



Graphs courtesy of North Star Policy Institute, "Divergent Recoveries: An Analysis of Construction Industry Employment in Minnesota and Wisconsin" (July 2018)



Minnesota Construction Industry Outpaces Wisconsin

There has been no shortage of research comparing the economies of Minnesota and Wisconsin in recent years. For example, in 2017 Minnesota had more jobs than Wisconsin, despite having a smaller population. As of this summer, Minnesota led Wisconsin by 3,096 total jobs. Additionally, wages are higher in Minnesota than in Wisconsin. In the first quarter of 2018, total wages and salaries in Minnesota were \$22.4 billion more than Wisconsin.

This trend is also reflected specifically in the construction industry, according to a new study by the **North Star Policy Institute**. Since 2010, Minnesota has added 31,486 construction jobs, as compared to Wisconsin's 22,827. In 2017 Minnesota had 7,178 more construction jobs than Wisconsin, whereas 10 years ago Wisconsin led Minnesota in total construction jobs. Of course, Minnesota's superior growth in the industry comes with higher wages. Between 2010 and 2017 construction wages grew 43 percent faster in Minnesota than in Wisconsin, and in 2017 the average construction worker in Minnesota earned 15.4 percent more than in Wisconsin.*

Minnesota has consistently outstripped Wisconsin economically, with the State investing in education and infrastructure. Wisconsin, on the other hand, embraced austerity and deregulation, rejected federal funding for infrastructure, enacted anti-worker legislation, and repealed prevailing wage laws.

*For the full study, please see Northstarpolicy.org/wp-content/uploads/2018/07/Divergent-Recoveries-July-2018-Web.pdf



Photos: Vince Muzik

FCF Presents Innovation and Challenges at Convention

FCF presented to more than 100 attendees in a program titled “The Good, the Map, and the Ugly” at the 72nd Annual Building & Construction Trades Convention in Duluth on July 26. “Good” news is reflected in Minnesota’s construction boom and career opportunities that are in high demand for our growing and diverse union workforce. The “Map” is an interactive tool that helps keep an eye on current construction projects and legal compliance. In contrast, the “Ugly” describes the misguided steps taken across our country to reduce wages and standards necessary for thriving careers and communities. The audience understood all too well that Minnesota has a lot to be proud of and a lot to protect.

Meanwhile...

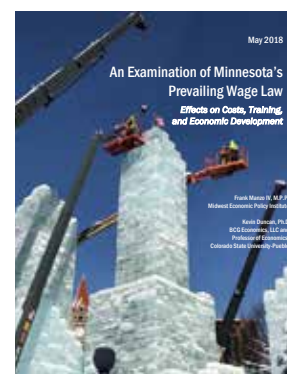
Just outside the front door of the convention and central to the day’s topic of discussion, skilled construction workers were rebuilding the heart of Duluth in a major transformation on Superior Street. The City of Duluth, like the State and dozens of other municipalities, awards such work to the lowest responsible contractor provided they compensate their professional journey workers the wages that prevail in the area. The reasons for this law are obvious:

- This massive project is paid for by Duluth taxpayers who are also teachers, business owners and construction workers. They understand that rewarding contractors who can find the cheapest labor only drags Duluth workers down. Prevailing wages build communities.
- Area contractors pay area wages. Whereas contractors from struggling regions pay depressive wages. Duluth’s infrastructure dollars should not seep out of the area. Prevailing wages keep earnings in the area.
- Apprenticeship training is often a by-product of prevailing wages. A public infrastructure project pays dividends into training future construction professionals who build our tomorrow.
- Doesn’t it cost more? No. Common wisdom says you get what you pay for. Good quality costs less than delays, deficiencies, and injuries which can be exorbitant. Prevailing wages get the highest quality reasonably available.



Photos: Vince Muzik

These determinations are backed by data and a peer reviewed 2018 study: **An Examination of Minnesota’s Prevailing Wage Law**. The full report, summary, and key findings can be found at <http://fcfmn.org/resources/> under **Research and Studies**.



Attacks on Michigan Prevailing Wage Succeeded

In July Michigan’s legislature dealt a blow to the state’s construction industry and workers by repealing its prevailing wage law. The legislature was able to bypass a veto from Governor Rick Snyder because the measure was brought to the legislature via petition. In addition to lowering Michigan wages, the repeal also undermines the desire to invest in Michigan’s workforce and training. Time and again research shows that prevailing wage laws promote high quality training in the construction industry. But opponents of good wage and skilled construction jobs spent \$3 million to repeal the law.

Missouri Guts Prevailing Wage Law

On July 13, Missouri Governor Mike Parson signed HB 1729, which significantly weakened the state’s prevailing wage law. In addition to raising thresholds to \$75,000 for prevailing wage, the new law changes the wage calculation from the mode (most reported wage) to the mean (average of all wages); it requires a minimum of 1,000 hours of reported work in order to set a new prevailing wage rate; and allows for a 1:1 journey worker-to-apprentice ratio.

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.