Southwest
Innovative outreach is not limited to the Metro Region. The Mankato Building and Construction Trades Council, in collaboration with the Construction Careers Foundation, is working with local school districts to develop and implement Multi-Craft Core Curriculum (MC3) programs, which give students a hands-on introduction to construction careers. The first meetings took place in April, and 14 school districts have so far expressed interest in developing an MC3 program. There will be a “train-the-trainer” event in New Ulm during the first week of June. For more information, contact Building Trades President Stacey Karelis at skarelis@local563.org.

Southeast
The Southeastern Minnesota Building & Construction Trades Council has begun a new marketing campaign to build awareness around careers in the trades, as well as educata the public about important issues in the construction industry, including prevailing wage. The Council is working with Rochester-based EM EN Design to develop the campaign. For more information, visit their website at www.semnbctrades.org.

Northwest: Digi-Key Electronics – An Anchor Project
The new Digi-Key facility will be 2.2 million square feet, with a price tag between $200-300 million. This private company expects to create 1,000 new jobs during the next decade, and is estimated to increase its economic output by $500 million. The project is estimated to increase state revenue by $184 million annually.

But the investment for the Minnesota taxpayer is substantial. Digi-Key received many state and local incentives and financing: creation of a TIF district, capped building fees, $15 million state-grant for roads and infrastructure, a $4 million forgivable loan from the Minnesota Investment Fund, and tax exemptions up to $40 million during a ten-year period. Therefore, State law rightfully requires that quality construction and trades jobs are part of the package through our prevailing wage laws.

The expected 250-300 construction jobs will provide the construction pay rates that prevail in Pennington County. To ensure Minnesota’s return on investment for the construction industry, FCF has been in contact with general contractor McShane Construction, who has already agreed to mount a large banner at the worksite entrance to inform all builders of their pay scale and to avoid confusion. FCF will also offer any assistance to McShane and the Department of Labor and Industry so that the construction workforce will see years of work in Thief River Falls at compensation levels that benefit the local economy, secure quality workmanship and attract our future workforce with promising middle class careers.

Central
Throughout history, mapmaking has been a powerful tool, and its utility has only increased with the advent of digital technology. The St. Cloud Building and Construction Trades Council is at the forefront of this trend and has been developing a mapping tool to help business agents in the field share information about projects and help one another monitor work progress. With time and resources increasingly scarce, this is a low-cost innovation to more efficiently follow the work start to finish.

Metro Update
The transformation of St. Paul’s Midway continues to progress as Allianz Field, the future home of the Minnesota United Football Club, passed the construction halfway point in April. The general contractor is Mortenson Construction and it is being built under a project labor agreement. It remains on schedule for the 2019 MLS season despite this year’s never-ending winter. Major League Soccer (MLS) Commissioner Don Garber recently toured the facility and highlighted the events the stadium could potentially host outside of regular MLS games, including all-star games, international games, and U.S. men’s and women’s national team games.

Survey Responses Increased 20 Percent Since Auditor’s ’07 Recommendation
In 2007 Minnesota’s Legislative Auditor issued a report on prevailing wage in the state of Minnesota. The report’s first recommendation encouraged measures to “increase contractors’ responses to the prevailing wage survey” to address concern about the modest number of prevailing wage surveys, which are used to determine the rates by the Department of Labor and Industry. The report noted that in 2005 the Department received surveys reporting approximately 64,000 workers. But in 2017, the Department received surveys reporting almost 76,000 workers. This represents an almost 20 percent increase in survey submissions from 2005. FCF expects the survey submission rate to continue to climb as our union contractors and their workforce continue to improve the system as recommended. Both union and non-union contractors perform the work that is eligible to be surveyed. But participation in the survey is what has been recommended and is needed to determine the wages that prevail around the state. When anybody complains about the survey process, the first question should be “Do you participate?” Beware of those who don’t. They’re likely just looking for a system rigged in their favor.

MnDLI Historical Prevailing Wage Rates Are Available Through FCF
Once MnDLI publishes newly certified prevailing wage rates, the old rates drop from its website. As an example, on Dec. 11, 2017, the latest commercial prevailing wage rates were published. They stay in effect until early December 2018. Once those rates were published on Dec. 11, 2017, MnDLI permanently removed the previous rates that were in effect from December 2016 through Dec. 10, 2017. In the past if you needed to check any prior year rate you had to call MnDLI and make a request. FCF now archives historical rates for all MnDLI PW rates. Contact FCF for assistance and access to the Archived MnDLI PW Rates.
Prevailing Wage Works

In January, the Midwest Economic Policy Institute released a two-year study on the impacts of Indiana’s repeal of its Common Construction Wage. This law was Indiana’s version of a prevailing wage law. The results show construction industry wages have fallen 8-15 percent, worker productivity growth has slowed and turnover has increased. Most importantly, the State has not seen any savings on overall construction costs, which was the primary reason for repealing the law. Minnesota is now being targeted for possible action on the state prevailing wage law. But this new research from Indiana clearly demonstrates that such a decision would be highly detrimental to the construction industry.

Prevailing Wage Under Attack

Unlike the private market, governments must hire the lowest bidder on publically funded construction. This avoids nepotism and bribery. But it can encourage cheap labor and even exploitation, often at the expense of quality and local economies. So between 1891 and 1978 the nation saw 41 states, the federal government, and countless local governments enact prevailing wage requirements to ensure that workers on taxpayer-financed construction received wages that reflected construction worker wages actually paid in their communities. This discouraged contractors from undermining local economies by taking advantage of low-bid laws with dramatically cheap labor. It could also encourage cheap labor and even exploitation, often at the expense of quality.

Minneapolis Public Schools Study

Despite the benefits, along with safe and uninterrupted construction, are the reason Prevailing Wage Agreements (PLAs) on their construction projects. On May 7, 2018, the Anoka-Hennepin School District must have seen the same value when its board voted unanimously to enter a PLA for two large elementary school projects. When it comes to PLAs, what’s good for private enterprise is also good for public education.

State’s Largest School District Makes a Sound Business Decision

People will always debate whether the government should be run like a business. But there is little argument about the value of greater productivity, predictable costs and an adequate supply of labor. Those benefits, along with safe and uninterrupted construction, are the reason the school district continued to work with the PLA. The PLA continued to work.

It advocates for practices, policies and laws that ensure fair government contracts, a strong local industry and protection of the public interest.

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.