



Lindsey Block
Iron Workers
Local 512

Credit: FCF-Vince Muzik

Women In Construction Week

During the first week in March the National Association of Women in Construction (NAWIC) mobilized its 118 U.S. chapters to recognize and laud the achievements of women in the building and construction trades. The focus of Women in Construction Week is to highlight women as a viable component of the construction industry. Viable they are. The need for skilled construction workers is great and women are just as capable as men to do the job. While women comprise much less than 10% of the industry workers, their numbers are growing. The local NAWIC in the Twin Cities had events all week beginning on Monday with a panel of Girl Scouts interested in construction careers hosted by Dunwoody College. On Friday there were closing ceremonies hosted by Ryan Companies, and on Saturday another event at Dunwoody, YWCA Girlpower 2020, which introduced girls in grades 6-10 to the construction trades by working on home projects.

For more information, check out the chapter's website:
<https://www.nawicmsp.org/#wic-week-2020>



Scan the QR Code to watch the Women in Construction video.

AGC Stages National Safety Stand Down

On April 9 the Associated General Contractors of America (AGC) staged a national safety stand down involving almost 500 contractors and more than 31,000 workers to highlight the need to implement COVID-19-related safety measures on all construction jobsites. Multiple Minnesota members participated. The ability of the construction industry to continue working is dependent on keeping its workforce safe and healthy. To do this, the AGC and its members are emphasizing new standard practices such as social distancing, increased hygiene and sanitizing practices, and screening employees entering the jobsite. Other unique and innovative practices include designating employees to monitor appropriate social distancing and sanitizing, implementing dedicated up and down stairwells, and eliminating communal breaks.

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.

Mark the Date, Set the Rate Our Annual Survey Reminder



The deadline for submitting commercial, highway/heavy, and residential surveys is June 5, 2020. Projects reported must be active between April 6, 2019, and June 5, 2020. These surveys will result in the prevailing wage rates being certified near the end of this year and will be in effect for the following 12 months. Both prevailing wage projects and privately funded projects may be reported.

For more information on Minnesota's State Prevailing Wage survey go to:
<http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>
If you have questions, call FCF at 651-797-2726.



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Pandemic Highlights Vulnerability of Independent Contractors

The steady erosion of employer-employee relationships is not unique to construction, though our industry is among the most impacted by this practice. And while construction activity in Minnesota is deemed “essential,” the COVID-19 pandemic has exposed just how vulnerable workers in these areas truly are, and how precarious is their ability to provide for their basic needs.

The Federal Reserve Bank of Minneapolis estimates 20% of Minnesota jobs are considered “self-employed.” By misclassifying workers as independent contractors, unscrupulous employers can shave 20-30% off their labor costs by avoiding taxes associated with employment, such as FICA, unemployment insurance, and workers’ compensation. It also absolves employers of the need to pay overtime or provide health insurance.

But beyond the employer savings, misclassification shifts most economic risks to workers, exposing them to the fickle business cycle without the traditional safety net provided by unemployment insurance. In light of the public health restrictions on business — which have been necessary to flatten the infection curve — millions of workers, through no fault of their own, have been left twisting in the wind, with access to support severely limited.

While Congress has amended current unemployment insurance rules to make independent contractors eligible for the first time, these programs are administered by the states, often using grossly outdated software that was not designed to accommodate this class of workers. This patchwork of state-level systems and rules has made it difficult to provide rapid relief to all affected workers, and the jury is still out on how deep or how long the economic harm will run. The Minnesota Dept. of Employment and Economic Development expected unemployment insurance relief to reach independent contractors

by the end of April. However, these changes are temporary and limited to the current crisis. What happens when the next one comes?

All in all, the growth of independent contractor misclassification creates structural vulnerabilities throughout the American workforce, which have been laid bare by the COVID-19 crisis. By separating workers from employers, and without replacing the supports that exist in that relationship, workers are increasingly exposed to economic externalities completely beyond their control. And as the saying goes, the camel’s back can only hold so much straw before it breaks.



Credit: FCF-Vince Muzik

Erin Lokke
Roofers & Waterproofers Local 96

Defending Prevailing Wage in West St. Paul: A Win-Win for Workers and Housing Advocates

On March 23, 2020, the City Council for West St. Paul voted unanimously against taking up a resolution that would have repealed the city’s prevailing wage ordinance. Initially the city council had considered taking measures to repeal its current prevailing wage ordinance after a large housing developer expressed its concern with the requirement that prevailing wages be paid on projects that receive municipal Tax Increment Financing (TIF). The developer, who was in the process of getting approval for the development, appears to have suggested that it may walk away from the project if prevailing wages were tied to TIF assistance.

FCF, along with the Carpenters and Laborers, submitted letters to the city council explaining the importance of prevailing wages and the need to maintain the city’s requirement. Along with these letters, housing and workers’ rights advocates — including CTUL (Centro de Trabajadores Unidos en Lucha) — called and emailed city council members to express their support for the city’s prevailing wage ordinance. In light of the immense opposition to the repeal of the ordinance, the city council backed away from taking up the resolution. When viewed in combination, the efforts of workers and housing advocates succeeded in showing the effectiveness of this coalition in its support of both workers and affordable housing.

The problem of the scarcity of affordable housing and the scapegoating of prevailing wage requirements, however, persists. Housing developers are able to use their leverage over cash-strapped cities to push through anti-worker agendas and policies in an effort to use cheap labor and lower standards for greater profit margins on so-called “affordable” housing developments. Many developers often succeed in achieving their anti-worker agendas by falsely framing the issue as a zero-sum game where either affordable housing or prevailing wages can exist, but not both. Research has shown that this zero-sum approach is misguided and false. According to a report by the California-based organization Smart Cities Preval, labor costs do not increase housing prices (Lantsberg, 2017). This research not only suggests that the zero-sum model is false, but also that it is possible to create a win-win solution by creating both good paying jobs AND safe and affordable housing.

In order to reach the desired win-win outcome workers and affordable housing advocates need to collaborate and build strong coalitions of mutual support. In the words of the late U.S. Senator Paul Wellstone, “We all do better when we all do better.” — and this couldn’t be more true for workers and affordable housing advocates.

Boilermakers Keep Lakers in Ship Shape

As the weather begins to warm up and the snow begins to melt, another rite of spring begins in Minnesota - the shipping season starts on the Great Lakes. The giant ships locked in Duluth-Superior Harbor during the winter months return to the lake, passing under one of the most iconic landmarks in the state: the Aerial Lift Bridge.



Credit: FCF-Vince Muzik

Most of the ships are not new to those dedicated to tracking the ships that come and go. Known as “lakers,” the average ship is 40-50 years old, with some older than that. And they are massive, ranging from two to three football fields (600-1000 feet) in length. In spite of their age, they are very efficient. A ship can move a ton of freight (whether its mining products like taconite from Northern Minnesota to agricultural products such as corn and soybeans) more than 600 miles on one gallon of fuel.

So how does a ship that’s so old with such heavy cargo keep working? They are well-maintained. The ships that come in Duluth-Superior Harbor are worked on by the Boilermakers of Local 647 throughout the winter. The Boilermakers brave the cold conditions that occur even inside the ship — sometimes the temperature dips to minus -20 — to make needed repairs. They do a wide variety of tasks, from replacing floors to repairing cargo holds and conveyor belts and even replacing engines. The Boilermakers’ involvement doesn’t stop at the water’s edge. They often travel with a ship to its destination port, repairing and keeping its parts functioning.

Rarely does a laker sink on the Great Lakes. (The last one was the SS Edmund Fitzgerald in 1975.) The reason is the professionalism of the crews and the trades people who keep the ship running: the Boilermakers. Thanks to Local 647 for keeping freight flowing and for keeping these vessels in ship shape.



Scan the QR Code to watch the Boilermaker video

Economic Difficulty Calls for Continued Vigilance

During the Great Recession employee advocates and academics found an increased tendency on the part of some employers to skirt employee and labor laws to gain competitive advantage over other businesses. While we do not yet know the long-term impact of the pandemic on our economy, a recession is certainly possible. A recession would impact the construction industry, which saw notable job losses in March, after considerable job growth in the previous years. While construction remains an essential industry in Minnesota, a potential recession could have an outsized impact on labor and employment law violations in the industry, particularly in public sector construction where low-bid requirements might incentivize some contractors to cut costs by cheating their employees.

Anecdotally this is consistent with FCF’s experience with public construction during the great recession. If another recession does indeed take hold, FCF anticipates that prevailing wage and other violations might increase in public construction as some contractors become more aggressive in attempting to gain a bidding advantage at the expense of the integrity of the public contracting process. With additional years of experience FCF and its partners are well poised to tackle these problems, if they arise, through aggressive and smart policing of public construction going forward.