

FCF Hosts Twin Cities Labor Advisory Council



Photo Credit: FCF-Vince Muzik

In March FCF hosted the Twin Cities Labor Advisory Council at the Saint Paul Labor Center. The council was first convened in 2021 by the Hennepin and Ramsey County attorneys to coordinate efforts in response to the 2019 Minnesota Wage Theft Prevention Act. The 2019 law criminalized wage theft, making it a felony offense when an employer acts with an intent to defraud employees of their earned wages.

Despite the criminalization of wage theft, the prosecution of this crime has thus far been limited due to a variety of initial hurdles in this emerging area of criminal justice. These include: the reluctance of victims to participate due to a fear of retaliation, the length of time required for criminal investigations and prosecutions, and the siloing

of the various civil and criminal enforcement agencies that have the ability to respond to wage theft and related matters. The Labor Advisory Council uses a multi-jurisdictional process, bringing together prosecutors, law enforcement, regulatory agencies, and labor organizations to identify barriers to the prosecution of wage theft.

FCF assisted the Labor Advisory Council with drafting a handoff protocol for when and where to refer potential criminal wage theft. FCF relied on more than a decade of experience working with its Building Trades and contractor affiliates to provide recommendations in identifying and referring prevailing wage violations to enforcement agencies. Through its partnership with the Labor Advisory Council, FCF has been able to bring awareness to the ways in which wage theft and other forms of criminal worker exploitation harm Minnesota's construction industry.

The Labor Advisory Council will be convening again this summer, co-chaired by Ramsey County Attorney John Choi and Hennepin County Attorney Mary Moriarty. FCF looks forward to continuing to work with these jurisdictions, a combined effort that will result in more awareness and convictions of this criminal activity.

Building Toward an Electric Future

The North Dakota Building Trades Council has shared that they have a Memorandum of Agreement (MOA) with Talon Metals on building a nickel processing facility in Mercer County, ND, aimed at creating a domestic supply chain for minerals required for electric vehicles. The facility would process nickel tailings from the proposed underground Tamarack copper-nickel mine in Aitkin County, MN. The project will be built under a Project Labor Agreement (PLA) and when complete, a site Maintenance Agreement. The project cost is \$460 million with an estimated 300-400 workers needed. It is slated to start in the next 12-18 months.

Projects like these are critical to support the burgeoning electric vehicle market, as well as to meet carbon emission standards set by the State of Minnesota and the federal government.



Mark The Date, Set the Rate

It's time for our annual final reminder regarding the state prevailing wage survey deadline. Here are some reminders:



1. May 31, 2024 is the deadline for submitting surveys to MnDLI.
2. Projects submitted can be public or private.
3. All projects reported should be active between April 2, 2023, and May 30, 2024.
4. If you are struggling to find projects to report consider these resources:
 - FCF can assist searching for projects
 - FCF Task Force lists from monthly meetings show projects by counties
 - Building permits from various cities and townships
 - Databases like Dodge list projects
 - Call contractors that typically work in an area
 - Check FCF Maps for projects or other mapping applications
5. About half of the Locals or District Councils submit survey data to MnDLI using WageKey and do not use the MnDLI online survey. **Please submit the data to MnDLI on a flash drive this year and not on CDs or DVDs.**

If you have any questions about completing surveys or would like to setup Prevailing Wage Training for employees, please call FCF at 651-797-2726.

Find Prevailing Wage Information Quickly

FCF is here to help with this search. Log on to FCFMN.ORG and click on the **Resources** tab at the top. Here you will find many of the important websites and documents relevant to prevailing wage accessible in one place. Everything you need to know is two clicks away. Check it out!

Save the Date

The Minnesota State Building and Construction Trades Council will be hosting their 78th annual convention July 17 – 19, 2024, at the Hilton Rochester Mayo Clinic in Rochester. FCF will provide a boxed lunch and give a short presentation during the convention.



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Building Up in St. Paul

Carpenter Mitch DeMerit of Local 322 works on building a wall that will house a tower crane involved in building a new Minnesota government building in St. Paul.

Photo Credit: FCF-Vince Muzik





All Photos Credit: FCF-Vince Muzik

Construct Tomorrow Plans Ahead for 2024-25

Since 2013, Construct Tomorrow has been introducing students to post-secondary opportunities in the construction and building trades industries. While keeping records of how many kids have been turned onto the trades as a career is a bit elusive, Nick Tracey of Proctor, MN, can tell you it does happen – because it happened to him. When he was a senior in 2019, he attended the event in Duluth, received two invites and eventually signed with the Carpenters. Right now, he’s just a few hours away from journeyman status.

Nine different locations hosted Construct Tomorrow events this school year. The program started in Rochester and Mankato in the fall and ended the season in Bemidji in April.

For the first time Saint Paul’s RiverCentre exhibition hall hosted two days in December. Duluth was another two-day event with one additional session thrown in the mix. During the first evening, adults from around the area came in and talked directly with the trades’

representatives on the floor as well as consulting with representatives from various contractors on “contractor’s row” inside the Duluth Entertainment Convention Center. These were contractors whose representatives could hire people on the spot.

Funding for the 2024-25 school year is already in place to rent the event centers and arenas that host Construct Tomorrow, so losing steam is not in the cards. “We will be fundraising for the other incidentals that go with these events,” explained Kim Schrupp. “The money we get doesn’t allow us to order lunch for the tradespeople who are exhibitors at the event, for example.”

The students’ experience at the events allows them to see potential career paths after graduation, and how there are opportunities for a career without a college degree. Just ask Nick Tracey. “It’s the best decision I’ve ever made,” he said.

Photo Credit: FCF-Vince Muzik



Uber / Lyft Leave Us a Lesson

Our current Twin Cities economy provides a good lesson in what happens when the public seeks cheap labor at the expense of reliable service. The public in general has become accustomed to the convenience of Uber and Lyft as the gig economy has exploded during the past decade. Regardless of the claim by many of these independent contract drivers that the earnings fall below livable wage standards, we have really forgotten the workforce that preceded them: taxi drivers.

According to the Chicago Tribune Editorial Board, as recently as 2015 Minneapolis had more than 1,500 cabbies. Minneapolis now has less than 50 according to the recent editorial piece. Assuming this research is accurate, approximately 98 out of every 100 taxi cab drivers are gone. An arm chair economist might point out this as pure market place efficiencies. That theory won’t satisfy the thousands of passengers who will be seeking taxis this summer if Uber and Lyft leave town this month.

One of the fundamental principles of prevailing wage laws is to protect the viability of a skilled and available construction workforce against the ravages of cheap labor at all costs. Men and women who commit to careers as highly trained professional trades workers benefit from the State’s commitment to require labor standards on all state-funded infrastructure. We need an available and willing construction work force, and prevailing wage laws create a foundation for that. The bygone days of hailing a reliable and available cab ride serve as a good reminder for why we must maintain standards.

Hydrogen Powering the Heartland

The U.S. Department of Energy (DOE) and the Office of Clean Energy Demonstrations (OCED) recently began hosting listening sessions for their Regional Clean Hydrogen Hubs (H2Hubs). The program organizers want to solicit information from, and develop relationships with, stakeholders including Building Trades unions. In total, the H2Hubs program will provide up to \$7 billion to establish six to 10 regional clean hydrogen hubs across America in an effort to decarbonize multiple sectors of the economy, such as heavy industries and heavy-duty transportation.



The State of Minnesota is included in the “Heartland” region for these projects, along with North and South Dakota, and could expand into neighboring states. This project will leverage our region’s abundant energy resources to help decarbonize the agricultural sector’s production of fertilizer and decrease the regional cost of clean hydrogen. In pursuing these goals, the

Heartland Hydrogen Hub has committed tens of millions of dollars to create an education consortium to oversee career development, workforce training, apprenticeship programs, and K-12 STEM education. The Heartland Hydrogen Hub plans to contract hundreds of millions of dollars with businesses owned by women, minorities, and veterans, as well as create upwards of 3,880 jobs. Currently, these projects are in the negotiation phase. The project will then proceed to the design and environmental review phases, after which construction will begin.

Although these projects are still multiple years away from breaking ground, they will represent a nearly \$1 billion investment in our region that seeks to provide cleaner energy solutions for industries that historically have had difficulty decarbonizing, as well as training a local workforce with future-minded skills and providing good careers. With first-class training facilities already in operation and unmatched industry knowledge, the Building Trades unions are uniquely prepared to assist in the development of these projects and create clean energy solutions for the future.

Legislature Considers Enhanced Standards for Affordable Housing

It is no secret that Minnesota needs more housing, particularly affordable housing. And there are many taxpayer supported programs to develop this much-needed supply. In 2023, the Legislature approved \$1 billion in new funding to support the development of affordable housing and provide other assistance to low-income households. Much of this public investment will carry strong labor standards to ensure that taxpayer dollars do not undermine the health of the construction industry or support worker exploitation.

Two key sources of financing for affordable housing—federal Low-Income Housing Tax Credits (LIHTC) and local Tax Increment Financing (TIF)—have not historically carried the same labor standards as direct infusions of public dollars (such as grants and loans to developers). A November 2023 report by NorthStar Policy Action detailed 39 projects since 2016 where significant worker exploitation was either confirmed or strongly alleged to have occurred. Those projects collectively received \$84 million in either LIHTC or TIF. The report’s title “Subsidizing Abuse: How Public Financing Fuels Exploitation in Affordable Housing Construction” appropriately summarized the issue.

Beyond the workers themselves, the public has a strong interest in ensuring that taxpayer support for critical community needs—like housing—do not simultaneously subject hardworking people to unconscionable abuses, such as misclassifying the workers as independent contractors.

Thankfully, the Minnesota Legislature is looking to prevent these abuses from occurring on future projects. Two bills under consideration—HF4569/SF4593 (LIHTC) and HF4994/SF5157 (TIF)—attach prevailing wage requirements to projects that receive funding through these programs. For more than 130 years, prevailing wages have been the gold standard of labor protection, ensuring that contractors can’t undermine local construction industry standards by using a cut-rate, unskilled, or exploited workforce. By requiring all contractors to submit weekly certified payrolls, compliance watchdogs can easily monitor who is working on the job, and “low-road” contractors are deterred from bidding on such projects due to the enhanced oversight.

If these bills pass, they will help ensure that Minnesota’s much-needed housing development doesn’t fuel further worker exploitation.