



Tuesday, March 21st, 2023

Members of the Senate Finance Committee -

On behalf of the Associate Builders and Contractors MN/ND Chapter, our 330 construction industry members and their 20,000 employees, thank you for allowing me to testify to share our opposition to SF 10. Our local contractor members, and the men and women that they employ, are part of the 76% of the construction industry in Minnesota that choose to be merit shop craft professionals rather than be in a union. Our members are located throughout Minnesota and build our schools, multi-family housing, retail and commercial spaces, medical facilities, energy, and other critical infrastructure, and much more.

ABC is opposed to SF 10, which would mandate registered apprenticeship programs on private construction – something never done before in Minnesota. ABC has several members who help build, maintain, and repair Minnesota’s refineries, and there seems to be a misconception that the absence of a registered apprenticeship program has a negative impact on a contractor’s ability to perform work safely. This couldn’t be further from the truth. ABC members have partnerships with MNOSHA, industry-leading safety programs, and customized, in-house safety programs, crafting training and more – even though they are not registered with the State. They take pride in their work and even more so their safety record for each and every employee.

Merit shop contractors may choose not to participate in registered apprenticeship program for a variety of reasons. For example, merit shops often choose to provide in-house training due to the specialized nature of their trades and market. The breadth of requirements in registered apprenticeship programs are not tailored to these specific crafts. ABC members also employ multi-skilled craft professionals who are capable of performing different types of work, rather than limiting themselves to one trade. Current DLI requirements, however, limit these professionals to a particular skilled trade for the purpose of a registered apprenticeship program, making it difficult to accommodate these multi-skilled craft professionals. It is not uncommon for our members’ carpenters, for example, to help with concrete pours or tie rebar. This sort of efficiency may make some uncomfortable, but it’s what makes our members so successful.

It’s been said that anyone can start a registered apprenticeship program, and, in theory, this is true. However, in practice, merit shop contractors have seen pushback from the building trades unions when they’ve attempted to start a new registered apprenticeship program that competes with a union program. For example, ABC experienced intense opposition when first pursuing our registered apprenticeship program in the early 2000s. Anyone can submit comments on these proposals, and the building trades unions submitted comments to the Department of Labor to pressure them to not approve our program. While ABC’s program was ultimately approved, it was

extremely disheartening that such efforts were taken to prevent the approval of a merit shop program – solely for the reason that some folks are uncomfortable with fair and open competition.

Failure to comply with this heavy-handed mandate will yield a \$10,000 penalty per violation, leaving merit shop contractors with little choice but to adopt a one-size-fits-all training approach that provides absolutely no guarantee of additional safety. While we are strongly opposed to the concept of mandating a one-size-fits-all registered apprenticeship programs on private business, ABC members are resilient and will adapt to this mandate if they are forced to. Our merit shop contractors and their multi-skilled craft professionals will remain competitive and will continue to gain market share in Minnesota’s construction industry – just as they have been doing for years.

In closing, I strongly encourage the committee to vote NO on SF 10, and to allow our contractor members to continue to utilize the training programs that have consistently produced safe workplace conditions for their workforce and have produced high-quality multi-craft professionals who perform outstanding work. Thank you again for the opportunity to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Boesche', with a stylized, flowing script.

Jon Boesche
Director of Government & Public Affairs
Associated Builders and Contractors MN/ND Chapter