



Thursday, March 14, 2024

Chair McEwen and Members of the Senate Labor Committee –

On behalf of the Associated Builders and Contractors of Minnesota, a statewide trade association made up of 340 merit shop construction industry members and their 20,000+ employees, we appreciate the opportunity to provide comment on SF 4742. Our local contractor members, and the men and women that they employ, are part of the 75% of workers in the Minnesota construction industry that choose to be merit shop craft professionals. 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 promotes free enterprise and fair and open competition in the construction industry, in which anyone can succeed based on merit. We oppose violence, coercion, intimidation, and the denial of the rights of both employees and management. We also believe that work opportunities should be made available for all people, and that laws should be applied fairly, regardless of labor affiliation.

ABC has concerns with various aspects of which, among other things, allocates certain percentages of border-to-border broadband grant funds to applicants who commit to implementing certain workforce practices. Our members are committed to safety, and participate in in partnerships with MNOSHA, industry-leading safety programs, and provide customized, in-house safety programs, craft training, and more. They take pride in their work and, even more so, their safety record for each and every employee.

First, we are concerned with the subjectiveness of the requirement that there be “credible evidence of support from one or more labor, labor-management, or other workforce organizations.” We think the goal is laudable, but we are concerned that this requirement could be used to favor certain segments of the industry over others. For example, ABC is a trade association that provides our members and their employees with numerous benefits and resources. Will credible evidence from a trade association like ABC be considered sufficient when considering whether an applicant meets the requirements? Is there specific criteria that will be used to specify whether the recommending entity has a sufficient “track record?” In short, we are concerned that, in practice, anything short of union support for a project will be considered insufficient for the purposes of this requirement.

Second, it is unclear as to why a contractor can opt to either (1) pay prevailing wage or (2) provide 80 hours of skills training annually, employer-paid family health insurance coverage, and employer-paid retirement benefit payments to satisfy the requirements. If this bill is about safety and the quality of training, it doesn't make sense that a contractor could opt to pay prevailing wage rather than provide the requisite 80 hours of annual skills training. The payment of prevailing wage is not synonymous with quality or safety, nor does it guarantee that an employee receives health insurance or retirement benefits. It appears as though this provision provides a carveout for a certain segment of the construction industry, while imposing additional mandates on the remainder of the industry.

We appreciate the opportunity to submit comments on SF 4742, and we are hopeful that the Committee will take our comments into consideration.

In closing, we strongly urge you to vote **NO** on SF 4742.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Boesche', with a stylized, cursive flourish extending to the right.

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