

Equity in Bonding

Minnesota thrives when state investments are used to intentionally undo disparities and inequities for people of color, women, and people with disabilities. Equity in Bonding extends the Department's current Workforce Goals and Equal Pay protections to all general obligation (GO) bonding projects. With Equity in Bonding, we can recognize the many benefits bonding projects bring to local communities, including creating more career opportunities for people of color, people with disabilities, and women, and ensure workplaces are equitable and inclusive, free from discrimination.

What are Workforce and Equal Pay Certificates?

They are administered by the Department for state contracts that meet monetary and workforce thresholds. Workforce Certificates have existed since 1985, Equal Pay Certificates were created in 2014.

- **Workforce Certificate (Minn. Stat. 363A.36):** Apply to projects over \$100,000 and with 40+ employees. A workforce certificate says a contractor will make their best faith effort to hiring people of color, people with disabilities, and women. MDHR currently administers roughly 3,900 Workforce Certificates
- **Equal Pay Certificate (Minn. Stat. 363A.44):** Apply to projects over \$500,000 and with 40+ employees. An Equal Pay Certificate ensures women receive equal pay for equal work and comparable compensation. MDHR currently administers roughly 1,350 Equal Pay Certificates

How will Equity in Bonding work?

1. When a contractor bids for a project, they include a Department issued Workforce Certificate in their bid package. If a contractor is awarded the project, then they apply for an Equal Pay Certificate if required.
2. The city, county, state agency, or political subdivision then confirms the Workforce Certificate and/or Equal Pay Certificate are included in the contractor's final bid materials.
3. Once a city, county, state agency, or political subdivision selects a contractor, they will send a copy of the award/start date notice to the Department of Human Rights, so the Department is aware of which contractor will be working on the respective project.
4. Once the project starts, the Department is responsible for compliance monitoring. When needed, the Department will work with the contractor to provide information, resources, and tools to create a more equitable and inclusive workforce free from discrimination.

Frequently Asked Questions

- **Are the workforce goals quotas or goals?**
These are goals and not quotas. The Minnesota Department of Human Rights focuses on the contractor's best faith efforts to meet hiring goals.
- **What happens if equity goals are not met?**
If the contractor fails to make good faith efforts, the Department will work collaboratively with the contractor to identify appropriate solutions, which could include connecting them to a local nonprofit or technical college to help with their hiring practices.

- **Will this change practices for contractors or labor organizations?**
Currently, contractors already apply for and receive Workforce and Equal Pay Certificates for most state-funded projects. Equity in Bonding simply extends these practices to all GO bonding projects, not just those contracted for by state government. For many contractors, this will just extend current practices to new projects. For contracts who haven't worked on large state projects before, they may need to get Workforce and Equal Pay Certificates.
- **Are workforce goals the same for metro and rural areas?**
No, workforce goals are set by region, to account for different demographics throughout the state. Please visit mn.gov/mdhr/certificates/participation-goals/ to see a workforce map.
- **What are examples of past projects that have been successful that had these requirements?**
The Vikings Stadium Project and the State Capitol Restoration Project are two recent examples of large projects where contractors exceeded hiring goals, creating significant new employment opportunities for women and people of color.
- **Why does this proposal focus on GO bonds?**
General Obligation bonds cover a majority of the bonding bill, while also being analogous to projects the Department currently monitors for existing state contracts.
- **What are examples of some of the projects that haven't been covered in the past, but would be covered based on this legislation?**
Two projects that brought this issue to the Department's attention initially were the renovations of the DECC in Duluth and the Rochester Civic Center. In both cases, community members wanted to know why the workforce hiring goals didn't apply to these projects that were being funded with state money. Projects like these aren't currently covered, because local governments, counties, and other entities aren't currently part of these certificate programs.