



March 22, 2023

Members of the House Commerce 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 concerns with HF 2100. 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.

While ABC is not opposed to the underlying purpose of HF 2100, our members are concerned with the requirement that these projects be performed by workers who have either graduated from, or are currently participating in, a registered apprenticeship program. ABC has dozens of members who employ highly-trained HVAC technicians who live and work throughout Minnesota. They provide their employees with in-house craft, manufacturer, code, and safety training – even though not all of them are registered with the state.

Registered apprenticeship is one way of learning a trade, but it is not the only one. Merit shop contractors may choose not to participate in a 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. ABC members also employ multi-skilled craft professionals who can perform 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'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 because some in the industry are uncomfortable with fair and open competition.

This additional requirement is not needed. There are already city, state, and federal regulations on industry, employment, and safety training. In addition, local and state bonding and licensing

requirements are in place to ensure that HVAC workers and contractors are competent and safe. If included in this bill, these additional requirements will act as a deterrent to contractors from bidding and competing for these school construction projects. This will result in fewer bids, which will ultimately drive up the cost. This is not something that school districts and taxpayers deserve.

This requirement could also result in prohibiting local contractors who live and work in local communities from performing this work. Employees who have built and worked on schools – possibly even their own kids’ schools – would not be permitted to work on these projects if they don’t adhere to the state-sanctioned training model. They pay taxes and they coach their children’s sports teams, but they wouldn’t be allowed to work on their local school all because a small segment of the industry is demanding a monopoly on the work. And in communities with low registered apprenticeship participation, non-local contractors will be brought in taking local jobs away from local workers.

Participation by women and communities of color in many construction union registered apprenticeship programs – especially in the crafts subject to this bill – has historically been low. According to a recent DLI Apprenticeship Snapshot report, only 2% of the 485 apprentices in a metro union sheet metal registered apprenticeship program were women. Another example: a St. Paul pipefitters union’s registered apprenticeship program has 196 total apprentices with only 5% identifying as non-white. A 2021 Legislative Auditor [report](#) examined MnDOT workforce and contracting goals and found:

“[W]orkforce goals are sometimes in tension with union requirements. Given union seniority rules at many unions, an agency staff member indicated it can be difficult to place women or people of color who are new to the construction industry on projects because they are more junior than other union members. The more senior union members may not be reflective of recent industry efforts to diversify the workforce.”

In closing, we strongly encourage the committee to vote NO on HF 2100 as currently written. We respectfully request that the committee consider removing the requirement that these projects be performed by workers who have either graduated from, or are currently participating in, a registered apprenticeship program. Rather than require a model that limits apprenticeship to only a small subset of the industry, please 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-skilled craft professionals who perform outstanding work.

Sincerely,



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