

# INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL NO. 49, 49A, 49B, 49C, 49D, 49E, 49L  
MINNESOTA • NORTH DAKOTA • SOUTH DAKOTA

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## Limitation of Broadband Regulations on Prevailing Wage

Minnesota received \$181 million in American Rescue Plan Act Capital Projects Funds (CPF) funding.

- \$131 million was used for Broadband infrastructure.
- ARPA CPF funding ensures “Projects receiving \$5 million or more in CPF funding require Grantees and Grantees’ contractors, subgrantees and subrecipients to provide a certification that” their workers are paid prevailing wage (PW).
- In 2022, none of the 32 Border-to-Border projects were awarded for \$5 million or greater.
  - o 6 were awarded within a quarter million of the threshold, \$4.75 - \$4.982 million.
- These projects should still be paying state PW rates but without a requirement for certification of these rates it is not easily enforceable.

270 broadband projects were funded by Border-to-Border and Low-Density Pilot Program grants from 2014-2023.

- 206 projects, or 76% of funded projects did not require PW for one of two reasons,
  - o grant included the term “last-mile” or,
  - o grant did not receive funding exceeding \$200,000
  - o To best of our knowledge, no certified payroll submission was required on any of these projects

Common sense solutions to close these loopholes.

- Cover all Broadband projects receiving state grants of \$25,000 going forward.
  - o Include last-mile projects in this requirement.
- Improve enforcement and accountability of PW projects receiving state grant funding.