



BUILDING AMERICA

THE MERIT SHOP SCORECARD

A Review & Ranking of State Construction Environments

Minnesota

Project Labor Agreements

No state policy, though some local government entities have implemented PLA mandates.

Prevailing Wage

Yes; \$2,500 if the project involves only one trade and \$25,000 if involving more than one trade.

Right to Work

No.

Public-Private Partnerships

Statute authorizes the use of P3s on toll facilities and allows the Minnesota Sports Facilities Authority to enter into P3s associated with the football stadium and associated infrastructure.

Workforce Development Incentives

Minnesota Job Skills Partnership Program:

Partnership Program – Minnesota participating businesses must partner with an accredited Minnesota educational institution. Grants of up to \$400,000 are awarded to the educational institution to develop and deliver training specific to the business needs. A cash or in-kind contribution from the participating business must match grant funds on at least a one-to-one basis. Projects average one to three years in duration. Funds may be used for training-related costs such as curriculum development, instruction, training materials and supplies, training equipment, and instructor travel.

Job Training Incentive Program – Provides training grants of up to \$100,000 to new or expanding businesses located in Greater Minnesota. Businesses will be required to match the grant on a

OVERALL RANK 41

Project Labor Agreements D

Prevailing Wage F

Right to Work F

Public-Private Partnerships C

Workforce Development Incentives B

Career & Technical Education D

Job Growth Rate B

Compared to the National Average

MINNESOTA		NATIONAL
D	PLA	B
C	PPP	C
B	WDI	C
D	CTE	B
B	JGR	C

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1:1 basis. Funding is available to businesses located outside the seven county metropolitan area or located in the cities of Hanover, Rockford, Northfield, and New Prague that are adding at least three new jobs. The new jobs must pay wages at least equal to the average weekly wage for the county in which the jobs are located.

Low-Income Worker Training Program – Provides grants of up to \$200,000 to Minnesota public, private, or nonprofit entities that provide employment services to low-income individuals. Grant funds may be used to pay for job-specific skills training. Grant funds may also be used for training-related materials and supplies and for training-related certification or test fees.

Pathways Program – Focuses on providing training, new jobs, and career paths for people who have incomes at or below 200 percent of the federal poverty guidelines or those who are making a transition from public assistance to work. Projects must include at least one participating business and an accredited Minnesota educational institution or training provider. Eligible applicants include accredited Minnesota educational institutions and workforce development intermediaries partnering with businesses within the state. Workforce development intermediaries are defined as public, private, or nonprofit entities that provide employment services to low-income individuals.

Career and Technical Education

85% of CTE high school graduates are placed in colleges or careers.

Minnesota does not recognize NCCER as an approved curriculum for CTE programs.

Job Growth Rate

4.8%.

Industry Overview

Prompt Pay

Private: Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly.

Public: Unless the terms of the contract provide otherwise, a public contracting agency shall make progress payments on a public contract for a public improvement monthly as the work progresses.

Subs:

- Private: Prime must pay subs and subs must pay lower tiers within 10 days of receiving payment.

- Public: Prime must pay subs within 10 days of receiving payment, no law for subs to lower tiers.

Interest rates of 1.5% accrues monthly for any unpaid balance after 10 days. Costs and disbursements, including attorneys' fees must also be paid when the contractor or subcontractor prevails in a civil action.

In May 2016, the legislature passed a law authorizing contractors and subcontractors of any tier to stop work in they are not paid within 10 days after an undisputed payment is due. It also limited retainage for all Minnesota projects to 5%.

Immigration/E-Verify Mandate

State contractors with or seeking contracts over \$50,000 must use E-Verify. There is no law for private businesses or state agencies.

Percentage of State GDP From Nonresidential Construction

4.0%.

Incidence Rate

5.1.

Occupational Safety & Health Oversight (State vs. Federal)

State plan covers private workplaces and state and local government workplaces.

Percentage of Union Membership in Private Construction

31.7%.

Marijuana Legalization Status

Legalized for medicinal use, decriminalized for personal use.

Business Facts

Minimum Wage

\$9.65 for large employers, \$7.87 for small employers (under \$500k in annual sales).

Percentage of Pensions Funded	53%
Effective Real-Estate Tax Rate	1.17%
Corporate Income Tax Rate(s)	9.80%
State and Local Public Construction Expenditures (in millions)	\$6,470

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