



# BUILDING AMERICA

## THE MERIT SHOP SCORECARD

*A Review & Ranking of State Construction Environments*

### Tennessee

#### Project Labor Agreements

Adopted ABC model government-neutrality bill.

#### Prevailing Wage

Only for highway contractors and subcontractors; \$50,000.

#### Right to Work

Yes.

#### Public-Private Partnerships

Statute authorizes the Department of Transportation to enter into P3s to develop a tollway or toll facility, as well as mass transit projects and their associated facilities. Bridges, highways and tunnels are excluded.

Unsolicited bids are allowed, but competing bids are accepted during a subsequent 90-day review process.

#### Workforce Development Incentives

Current labor supply satisfies 53% of peak labor demand.

State offered \$1,464,900 in grants and incentives for workforce preparation and development in 2020.

#### Career and Technical Education

98% of CTE high school graduates are placed in colleges or careers.

Tennessee does recognize NCCER as an approved curriculum for CTE programs.

#### Job Growth Rate

3.0%.

#### Industry Overview

**OVERALL RANK** 16

Project Labor Agreements A

Prevailing Wage B

Right to Work A

Public-Private Partnerships B

Workforce Development Incentives F

Career & Technical Education A

Job Growth Rate B

#### Compared to the National Average

TENNESSEE		NATIONAL
A	PLA	B
B	PPP	C
F	WDI	C
A	CTE	B
B	JGR	C

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Prompt Pay	<p><u>Private</u>: Owner must pay prime within 30 days of invoice.</p> <p><u>Public</u>: Owner must pay prime within 45 days unless otherwise agreed.</p> <p><u>Subs</u>: For both public and private, the prime must pay subs and subs pay lower tiers within 30 days.</p>
Immigration/E-Verify Mandate	All employers must use E-Verify for new employees or request newly hired employee provide a valid state issued driver license or photo ID card.
Percentage of State GDP From Nonresidential Construction	3.9%.
Incidence Rate	2.1
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	5.1%
Marijuana Legalization Status	Low THC marijuana legalized for medicinal use.

## Business Facts

Minimum Wage	7.25
Percentage of Pensions Funded	96.5%
Effective Real-Estate Tax Rate	0.73%
Corporate Income Tax Rate(s)	6.50%
State and Local Public Construction Expenditures (in millions)	\$5,272