

Feel the Power!

A Minnesota Laborers - Employers Cooperation & Education Trust Publication

PREVAILING WAGE LAWS BENEFIT WORKERS, CONTRACTORS AND COMMUNITIES

By Tim Watkins, Education & Policy Coordinator, Fair Contracting Foundation of Minnesota

The truth about Prevailing Wage laws in the construction industry is simple: they work! Prevailing Wage laws are defined as laws or ordinances that include wage requirements to be paid on state-funded construction and public works projects. In this article, we will cover its history and explore benefits for workers, contractor employers and communities.

Prevailing Wage Laws Help Maintain Area Wage Standards

Prevailing wage laws are designed to prevent undercutting local paid wage rates for similar work in the area where the project is located. They include requirements for minimum pay, and overtime. Minnesota established its prevailing wage law in 1973 and wage rates are maintained annually by the Minnesota Department of Labor & Industry for both commercial and heavy highway construction.

Setting Higher Standards

The United States spent just over \$517 billion on public construction projects in 2025. This enormous purchasing power means that how the government does business sets the tone for the entire industry. If we expect and require high standards in the public sector, that raises standards in the private sector as well. The same is true if we only expect and require

low standards. By understanding the story of prevailing wage, we can better appreciate these dynamics.

Why Prevailing Wage Laws Came About

Prevailing wage was created more than 130 years ago to prevent contractors from distorting local construction markets by using cheap labor and exploitative business practices to lower the price of their bid on government contracts. Such schemes take advantage of low bidding laws, which compel governments to award contracts to the lowest bidder, but often do not include any qualifications on how contractors seek cost savings.

As a result, by the 1890s it was not uncommon for children (primarily from poor families with working parents), convicted prisoners, and other vulnerable workers to be employed on public works projects. The use of cheap and exploitable labor was driving down wages for all workers, further trapping working families in poverty. Like many industries at that time, back-breaking construction work rarely led to the American dream.

To combat this, Republican lawmakers in Kansas enacted the nation's first prevailing wage law for public projects in 1891. It was passed along with other



pro-worker legislation, including a full day's pay for eight hours of work on public projects, and restrictions on child labor. Describing the intent behind this new law, Dr. Peter Philips and his colleagues at the University of Utah wrote in 1995: "Prevailing wage law legislation, at its birth, was embedded in an overarching intent to shorten the grueling working day for all labor... to compel employers to adopt techniques that profited on the employment of skilled adult workers rather than unskilled child labor... and to abolish the practice of government saving tax dollars by grinding down wages on public works or through convict labor." (Philips et. al., p.2)

Put simply, prevailing wage was intended to prevent contractors from winning low bids on public projects by devaluing job quality.

Continued on next page...

IN THIS ISSUE

4 2026 CONSTRUCTION FORECAST

7 MEET LTC INSTRUCTORS

PREVAILING WAGE *continued*

States Adoption of Prevailing Wage Laws

Between 1891 and 1931, eight states passed prevailing wage laws (AZ, ID, KS, MA, NE, NJ, NY, and OK), demonstrating their role as the “laboratories of democracy”. Congress recognized that federal spending often produced the same distorting effects on local construction markets, and passed the Davis-Bacon Act, which was signed into law by President Herbert Hoover in March 1931. A bipartisan consensus around the utility of prevailing wage laws persisted until the late 1970s, by which time 41 states including Minnesota (1973), had some version of prevailing wage on the books.

Research Favors States with Laws

This long history of experimentation with prevailing wage, including successful repeal efforts starting in 1979, allows researchers to compare industry conditions in states with prevailing wage laws against states without such laws, as well as examine how industry conditions changed within states before and after they repealed prevailing wage.

Broadly speaking, some of the benefits that researchers have found occur in states with prevailing wage laws include:

- Enrollment in apprenticeship programs is up to 8% higher
- Average worker productivity is 12-14% higher
- Average worker earnings are 8% higher
- Workers are 8-10% more likely to have health insurance benefits
- Average income tax and property tax contributions by construction workers are 17% higher
- 30% fewer construction workers subsist below the poverty line, reducing expenditures on social safety net benefits like food stamps and Medicaid
- Local contractors have 10% higher market share
- There is no reduction in the number of bidders on public works projects

Finally, the major research question on prevailing wage is whether it increases construction costs. There have been 24 peer-reviewed studies published since 2000 that examined this question with a majority at 75% of these studies finding no cost impact of implemented prevailing wage laws.

Prevailing Wages Do Not Broadly Increase Costs

The majority of the evidence strongly suggests that prevailing wage is a cost-neutral policy, or at worst has a minor cost impact. Furthermore,

the cost impacts observed in peer-reviewed studies are dramatically lower than the amount claimed by opponents of prevailing wage laws, who frequently claim that prevailing wage can increase project costs by up to 30% or more. It's crucial to point out that such “research” does not get peer-reviewed, nor does it use project-level data, which is the basis for all of the studies noted above.

The people who oppose prevailing wage laws for ideological and professional reasons use what is called the wage-differential method for their analysis. This tool, which has been widely discredited by genuine researchers, compares a specific prevailing wage rate with an arbitrary average wage rate (which is always lower than the prevailing wage), and assumes the prevailing wage rate should be equivalent to the average. Thus, this method is structured to inevitably find a cost increase and ignores changes in rates of training, productivity, safety, worker retention, or other metrics which are highly responsive to changes in wages (especially when wages fall).

In summary, Minnesota's Prevailing wage laws are working to benefit entire communities and ensuring that workers are compensated appropriately for the important work they do to build and maintain this region's critical infrastructure.

LECET Mission

The Minnesota Laborers-Employers Cooperation & Education Trust (LECET) fund was created in 1992 as a non-profit joint Labor/Management cooperation effort affiliated with the Minnesota Laborers Union. LECET aims to promote the many benefits of Union construction while addressing a number of initiatives that are of mutual benefit to both signatory Union Contractors and LiUNA members.

MN LECET Board of Trustees

Shawn Bradford, Chair <i>Laborers Local 1097</i>	Andy Ristrom, Co-chair <i>Carl Bolander & Sons Inc.</i>
Dan Olson <i>Laborers Local 1091</i>	Rick Peper <i>Ryan Companies US Inc.</i>
Keith Petersen <i>Laborers Local 563</i>	Paul Krienke <i>PCL Construction Services</i>
Kim Schrupp <i>Laborers Local 563</i>	Laura Ziegler <i>AGC of Minnesota</i>
Lorne Lundeen <i>Laborers Local 405</i>	Koby Fechner <i>Bituminous Roadways Inc.</i>
Josh Lease <i>Minnesota LECET</i>	Dwight Engen <i>Minnesota LECET</i>

Contact Us



MNLECET.org

651.429.1600 | info@mnleiset.org



MinnesotaLECET

LiUNA! MINNESOTA & NORTH DAKOTA
Feel the Power

LiUNAMinnesota.org

651.653.9776 | Council@LiunaMinnesota.org



LiUNAMinnesota

MARK RYAN: A CALLING IN HELPING OTHERS

By Dwight Engen, Minnesota LECET

For everyone in Minnesota's construction industry and beyond, it was very common that Mark Ryan, CEO of Carl Bolander & Sons, Inc. would greet you with the most heartfelt level of respect and interest during every occurrence with him. He was built different; short in stature, yet he was a giant of a human being in every regard because of his charismatic personality and sincerity. The Union Construction industry and LECET|LIUNA organizations and his family and company team members are all mourning the loss of this special individual who left us far too soon, at the age of 67.

Not only did he run a successful Union construction business, Mark gave so much back to the industry that he loved through his involvement in industry groups

and Union committees to better the construction industry. He was the longest serving Trustee on the Minnesota Laborers Employers Cooperation & Education Trust (LECET), serving over 18 years as a Trustee and former Chairman. He led with a cooperative spirit that heightened the work of the organization and grew the respect that labor and management had for each other. Recently the Association of General Contractors of Minnesota announced a special mental health champions award in his name, because of his diligent support to improve mental health outreach within his own company. On January 14, leaders from PCL Construction Services in Minnesota accepted the first ever 2025 Mark Ryan Mental Wellbeing Award.



I am blessed to have met Mark in 2006 and earning his resounding support in LECET to further meet our mission and expand our outreach and service offerings. He was always so inspiring to me and in focusing on the positives in every situation. Mark was one of those people that you only meet once in a lifetime, and his legacy will live through many people like me, who he's greatly helped along the way.

2026 LECET SCHOLARSHIP PROGRAM ANNOUNCED

The Minnesota Laborers – Employers Cooperation & Education Trust (LECET) Scholarship/Leadership Grant Program is available to eligible candidates looking to advance in the construction industry. Awards are in the amount of \$1,000 for eligible candidates covering two separate programs:

FOR INFORMATION:
www.mnlecet.org
(651) 429-1600
info@mnlecet.org

FOR UNION CONTRACTOR'S STAFF AND LIUNA MEMBERS & FAMILIES

Academic Scholarship Program: For candidates currently enrolled in a higher education program, preferably in their second year or greater with a declared major in a construction industry-related program.

**Applications are due by
June 15, 2026.**

FOR LIUNA MEMBERS ONLY

Leadership Grant Program: Designed only for current LIUNA MN & ND members who are seeking to advance in the construction industry through higher educational construction-related programs or specialized training not currently offered through the Laborers Training Center*.

*The Laborers Training Center offers over 70 class offerings to members including supervisory courses. Members are encouraged to take as much training as they can to advance their skills. Please contact the LTC for more information.

WELCOME NEW CONTRACTORS!

- 2 Swan LLC
- B P Builders LLC
- Christiansen Const Co Inc
- Created Concepts LLC
- Cupertino Electric Inc

- Gervais Ventures
- Global Construction II LLC
- Miller Creek Lawn & Landscape
- Neo Electrical Solutions LLC
- Reyes Remodel LLC

- Seehase Masonry Inc
- Torus Solutions LLC
- Vortex Services Mn, LLC

UNION CONSTRUCTION OUTLOOK IN MINNESOTA: PUBLIC INFRASTRUCTURE AND SKILLED LABOR DRIVE THE 2026 FORECAST

Union construction work in Minnesota is expected to remain strong through 2026, supported by a steady pipeline of public infrastructure projects and continued demand for highly skilled labor in specialized private-sector construction. While overall construction growth may be uneven across sectors, union labor is well positioned to maintain high utilization rates in the years ahead.

Public Investment Anchors Union Demand

Publicly funded construction continues to be the primary engine for union work in Minnesota. Transportation projects, including highways, bridges, and transit improvements, rely heavily on union labor and are programmed several years in advance. With state and federal transportation plans extending through the late 2020s, union contractors can expect a consistent flow of work entering 2026.

Margaret Donahoe, Executive Director of The Transportation Alliance states “We will continue to see the benefits of the federal funding provided through the IIJA and increased revenue provided in the 2023 Minnesota transportation budget law in 2026 – especially the federal funding for the Blatnik Bridge. However, there is a lot of uncertainty about future years. With the state budget facing serious challenges and the coming expiration of the IIJA in September of 2026, transportation advocacy efforts will be more important than ever. The Transportation Alliance will be fighting for transportation funding to be included in a major capital bonding bill in 2026 and will be lobbying at the federal level for a strong transportation reauthorization package

that maintains and increases federal transportation dollars.”

Water, wastewater, and utility infrastructure projects also remain a reliable source of union employment. These projects are driven by regulatory compliance, system age, and public safety requirements, making them less sensitive to economic cycles. As municipalities continue to address deferred maintenance and capacity upgrades, union trades such as laborers, operating engineers, pipefitters, electricians, and ironworkers are expected to see sustained demand.

State and local bonding further reinforces this outlook. Although budget pressures may limit discretionary building projects, core infrastructure spending continues to prioritize skilled labor and prevailing-wage workforces, which typically favors union participation.

Private-Sector Work Rewards Skill and Scale

While private construction is more selective than in past cycles, the types of projects moving forward often align closely with union skill sets. Data centers, energy-related facilities, and heavy industrial projects require large crews, specialized training, and strict safety and quality standards, all of which support union labor models.

In contrast, private sectors that traditionally generate less union work, such as small-scale commercial renovations and certain residential projects, are likely to remain more variable through 2026.



Union Apprenticeship Programs Remain Critical

Union apprenticeship and training programs remain a critical advantage in this environment. Continued investment in training capacity will be essential to meeting demand, particularly during peak construction seasons when multiple large public projects overlap.

What to Watch as 2026 Approaches

Several factors will shape the union construction outlook as 2026 draws closer. Interest rate trends will influence private development timing, while state budget decisions will affect the pace of new public building projects. Federal policy changes could alter project timing but are less likely to eliminate core infrastructure work already in the pipeline.

Overall, union construction in Minnesota enters 2026 from a position of strength. With public infrastructure providing a stable foundation and specialized private projects reinforcing demand, union labor is expected to remain a central pillar of the state's construction industry.

CONTRACTOR SAFETY SEMINARS PLANNED

Minnesota LECET is once again providing Safety Seminars to benefit Union Contractor representatives at 4 locations in Minnesota. These seminars are free with lunch included and a certificate for attending. Since 2014, LECET has sponsored 45 professionally-led seminars for contractors in the areas of health and safety.

Register

(651) 429-1600

kjohnson@liunaminnesota.org

January 22, 2026 • 10 AM-Noon

Delta Hotels by Marriott • Minneapolis, MN

Session 1: Introducing the Laborers Health & Safety Fund of North America

Session 2: What's Your Emergency Response Plan?

February 4, 2026 • 10 AM-Noon

Rochester Eagles Club • Rochester, MN

Session 1: What's Trending in Safety?

Session 2: What's Your Emergency Response Plan?

February 10, 2026 • 10 AM-Noon

Holiday Inn Downtown • Duluth, MN

Session 1: What's Trending in Safety?

Session 2: What's Your Emergency Response Plan?

March 13, 2026 • 9-10:00AM

Laborers Training Center • Lino Lakes, MN

Session 1: In the Zone Safety Simulation Presenters: LIUNA MN & ND and Heavy Equipment Representatives.

Plan on staying for the open house awards banquet.

Presentors



Robert Barteck

EFO, Wendel Companies, Emergency Services Specialist & Retired Firefighter and Fire Chief



Travis Parsons

Associate Director of Occupational Safety & Health for the Laborers' Health & Safety Fund of North America (LHSFNA)



Ben Weideman

Council Representative
(former Safety Mgr.)
LIUNA Minnesota & North Dakota

LIUNA CAREER FAIR SCHEDULE ANNOUNCED

Minnesota LECET is sponsoring six LIUNA construction career fairs this year with Union contractors being a key part of each event. The career fairs are designed to introduce the construction industry to prospective candidates, uncover

contractor's hiring needs, get new people in the industry and provide a place where candidates can learn more about Apprenticeship training and LIUNA Minnesota & North Dakota and the full range of Union benefits for members and their families.

While these career fairs are geared for new candidates, current LIUNA members are encouraged to refer construction career candidates (friends and relatives) to any of these locations:

City	Location	Date	Time
Lino Lakes, MN	Laborers Training Center	March 24	11AM - 3PM
Mankato, MN	Kato Ballroom	March 31	3PM - 6PM
Rochester, MN	Eagles Club	April 2	3PM - 6PM
Duluth, MN	Radisson Hotel	April 7	3PM - 6PM
Bemidji, MN	South Shore Hotel	April 8	3PM - 6PM
St. Cloud, MN	River Edge Convention Center	April 21	3PM - 6PM

All LIUNA Career Fairs are designed to introduce new people into potential careers as a future skilled construction Laborer.

Union Contractor Representatives: Contact Minnesota LECET to reserve your table.

Ph: (651) 429-1600 | info@mnlecet.org



LiUNA! MINNESOTA & NORTH DAKOTA
Feel the Power

2026 HEALTH AND BENEFITS FAIR
GET CONNECTED TO WELLNESS.

SAVE THE DATE!
SATURDAY APRIL 18, 2026
8 AM - 1 PM

JOIN US AT THE LABORERS TRAINING CENTER
2350 MAIN STREET, LINO LAKES, MN 55038

FOOD AND REFRESHMENTS

THINGS TO DO!

- MN LABORERS CLINICS
 - HEALTH SCREENING
- BENECARD
 - ASK A PHARMACIST
- LYRA HEALTH
 - MENTAL HEALTH INFORMATION
- ZENITH AMERICAN SOLUTIONS
 - BENEFIT QUESTIONS
- DELTA DENTAL
- BLUE CROSS BLUE SHIELD
- VISION SCREENING
- HEARING SCREENING
- PODIATRY INFORMATION
- PICK 3 ELIGIBLE
- FEATURED SPEAKERS
- KIDS ZONE
- FACE PAINTERS
- GREAT PRIZES!

YOUR HEALTH MATTERS!

LECET MN • ND **MINNESOTA LABORERS BENEFIT FUNDS** **LiUNA! MINNESOTA & NORTH DAKOTA** *Feel the Power*

Available to all eligible MN Laborers Health and Welfare Fund Participants

lyra

Your New EAP!

Effective January 1, 2025

Get 8 no-cost coaching or therapy sessions each year.

Scan here to get started

Visit laborersfunds.lyrahealth.org

24/7 care, anywhere
Call us at **(833) 597-2306** for crisis support, day or night.

Get fast in-person or virtual care

High-quality care

Diverse providers
Lyra's network of certified coaches and licensed therapists represent varying races, genders, identities, faiths, and cultural backgrounds who understand your unique lived experience.

100% confidential
Minnesota Laborers Health and Welfare Fund is never made aware that you're using Lyra. Care is always confidential so you can trust that you're getting the support you deserve.

• Adoption/Elder Care
• Anxiety
• Bankruptcy
• Divorce/Custody
• Estate Planning
• Family Conflict
• Substance Abuse
• Wellness

988 SUICIDE & CRISIS LIFELINE

Call or **TEXT 988** if you are experiencing a mental health emergency.

SAFETY DRIVEN | THE POWER OF PARTNERSHIP

3rd Quarter 2025 Safety Driven Quarterly Award Winners

LABORER	CONTRACTOR	LABORER	CONTRACTOR
Todd Olsen	Bituminous Roadways Inc	Lee Sobolik	Lakehead Constructors Inc
Tim Vanryn	Corval Constructors	Colin Zillmer	Michels
Alex Hiltner	Fehn Companies	Dominick Simons	Minnesota Utilities & Excavating
Robin Lenoir	Gordon Construction of Mahnomen	Richard Hawkinson	North Valley Inc.
Jacob Huotari	Hammerlund Inc.	Daniel Hudrik	Q3 Contracting Inc
Hollister Struck	Jewell Scanning & Coring LLC	Craig Kaiser	Restoration Systems Inc
Michael Seger	Johnson-Nelson Masonry	Brian Fussy	RJM Construction
Jeff David	Kiffmeyer Inc	Marcus DeLeon	Ryan Companies US Inc
Payden Vander Leest	Kraus Anderson Construction Company	Austin Klein	S R Weidema Inc
John Moneta	Kuechle Underground Inc	Alec Speikers	Stack Bros Mechanical Contractors Inc.

All winners receive their choice of a Quarterly Award prize and have been nominated by Union Contractors in accordance with the LECET Safety Driven Program rules.

LiUNA!

Minnesota Laborers-Employers
Cooperation & Education Trust-LECET
81 East Little Canada Road
Little Canada, MN 55117



NON-PROFIT ORG.
US POSTAGE
PAID
PERMIT 27072
TWIN CITIES, MN

LIUNA VOLUNTEERS ASSIST 350 BIKES BUILD FOR MILITARY FAMILIES

LIUNA Local 563 recently gave an assist to the Scott Richards NorthStar Foundation Annual Bikes for Kids event, to help build and transport over 350 bikes for the event, designated to military families. The event is honored in the name of this former financial services professional and University of Minnesota football player and lifelong community philanthropist.

The Local Union offered critical elements to this community initiative, by providing logistics space at the 563 hall in Minneapolis on December 15-16, 2025, plus 19 volunteers, made up of active and retired members to help with the assembly process, testing and inspection and other logistics including transporting the bikes. A full semi-truck and other transportation was provided by the Local with additional help from the Teamsters Union. Built

bicycles were transported to the St. Paul River Centre, on December 19, where they were revealed to children later that evening. This year, children from military families benefited in what proved to be an emotional and memorable moment for the families in attendance.

In addition to LIUNA Local 563's involvement, the organization behind the event received support from over 50 other community volunteers, providing a real team effort and helping ensure the project's success.

The event underscored the importance of community collaboration and LIUNA's involvement in ways that support communities and impact people's lives.

