



**2026-2027 Issue Briefs**  
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LIUNA Minnesota and North Dakota, Minnesota's infrastructure union, represents more than 14,000 skilled construction Laborers who live and work in every corner of the state and want good jobs, fair wages, quality healthcare, strong schools, time for family and the promise of a dignified retirement.

LIUNA members belong to one of five Local Unions: Local 363 (City Employees Union); Local 405 (Rochester and Southeast Minnesota); Local 563 (Minneapolis-Saint Paul Metro, Mankato, Saint Cloud and North Dakota); Local 1091 (Duluth-Superior, Northeast Minnesota and Northwest Wisconsin); and Local 1097 (Iron Range and Northern Minnesota).

We are united to build a better state for everyone.

LIUNA operates Minnesota's largest and most diverse skilled construction apprenticeship program, delivering an average 150,000 privately-funded training hours annually. We partner with approximately 880 union contractors to enhance worker skills and promote workplace safety at our [Laborers' Training Center](#) in Lino Lakes. Our Construction Craft Laborers' Registered Apprenticeship Program leads to job and career opportunities.

LIUNA is one of Minnesota's largest and most politically active unions. Every year, Minnesota Laborers make thousands of phone calls, talk with fellow union members and visit the State Legislature and Congress and advocate for good jobs and funding the things we know ensure the well-being of our communities.

We are proud to support leaders who share our values and priorities. LIUNA members and retirees volunteer and help elect pro-worker candidates from both political parties who will support policies that protect our members' livelihoods, strengthen our communities, and build a better future for all.

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## **Ensuring Workers' Freedom to Join Together in Unions and Negotiate for Better Wages, Benefits and Working Conditions**

LIUNA supports workers' freedom to organize, negotiate fair contracts, and build better lives. We fight for policies that protect all workers and strengthen communities. So-called "Right to Work" laws are unsafe, unfair, unnecessary, and a bad deal for workers. Large corporations, low-road contractors and the wealthiest 1% pushing "Right to Work" are out to cut workers' pay and benefits, and to weaken unions.

[\*The Impact of "Right-to-Work" Laws on Labor Market Outcomes in Three Midwest States: Evidence from Indiana, Michigan and Wisconsin \(2010-2016\)\*](#) describes so-called "Right-to-Work" as "a government regulation which prohibits workers and employers from including union security clauses into privately-negotiated contracts. Union security clauses ensure that all workers who benefit from collective bargaining pay a fair share of dues or fees for the services provided. "Right to Work" makes the payment of dues or fees optional, allowing workers in any bargaining unit to "free ride" on the efforts of contributions of others. Consequently, workers can benefit from higher wages, better health and retirement benefits, legal and grievance representation, and other perks earned by the union without paying anything for the services provided."

"Right to Work" laws turn good blue collar jobs into low-wage, no-benefit jobs, threaten training programs, cut LIUNA members' wages, destroy healthcare benefits, and jeopardize pensions. According to the [\*Promoting Good Jobs and a Stronger Economy: How Free Collective Bargaining States Outperform "Right to Work States"\*](#), on average, workers in "Right to Work" states have less financial security, earning 3% lower hourly wages, 5% less health insurance coverage, and 8% less retirement security. "Right to Work" states have 50% more on-the-job fatalities per 100,000 workers, life expectancy at birth is two years lower, and infant mortality rates are 28% higher. "Right to Work" states have weaker economies: economic productivity per worker is 17% lower, the consumer debt-to-GDP ratio is 26% percent higher and loan delinquency rates are higher, the number of households falling below the poverty line is 15% higher, and the number of households receiving food stamps is 10% higher.

"Right to Work" is bad for union employers - it gives the upper hand to "low road" companies that offer poor pay and benefits and no career ladder. Union contractors negotiate with Building Trades unions for a reason - they get access to a skilled, trained workforce. "Right to Work" laws hurt their ability to compete on the quality, safety and productivity advantages they offer by using union workers.

"Right to Work" can also devastate local economies by putting community-supporting wages at risk. LIUNA members spend their family-supporting wages at local grocery, hardware and retail stores, restaurants and bars, and other small businesses in the area.

Protecting public employees' freedom to join together in unions to negotiate for better wages, benefits and working conditions is core LIUNA priority. For over fifty years, Minnesota's [Public](#)

[Employment Labor Relations Act \(PELRA\)](#) has granted public employees the right to organize and collectively bargain for wages, hours, and conditions of employment with public employers. PELRA was passed by the Legislature in 1971 with bipartisan support and establishes the criteria for defining a bargaining unit, procedures to certify exclusive representation, and provides methods for resolving impasses in bargaining. LIUNA represents hundreds of workers who provide critical public services in the Twin Cities and Greater Minnesota.

### **Defending Prevailing Wage Protections**

LIUNA strongly supports prevailing wages which assure living wages for local construction workers on many transportation, water, energy, housing and other building construction projects funded or financed with public dollars. Prevailing wage laws, also known as Davis Bacon laws, make sure local workers get fair pay instead of the lowest bidder's scraps. The federal [Davis-Bacon Act](#) was co-sponsored by U.S. Senator James Davis (R-PA) and U.S. Senator Robert Bacon (R-NY) in 1931 based on concerns about contractors from low-wage markets undercutting contractors from their respective states.

Prevailing wage laws create a level playing field for contractors and guarantee construction workers earn a living wage, and they lead to safer, higher-quality work and stability for local economies.

Publicly-funded projects generally award bids to contractors who have the lowest-cost bid to do the work by the government's standards. Without prevailing wage requirements, a simple way to cut bid costs is by cutting worker pay and benefits, creating a race-to-the-bottom which can encourage practices like wage theft, payroll and tax fraud. Prevailing wage laws ensure that labor costs are uniform, allowing law-abiding local contractors (whether they are union or not) to compete for public projects based on skill, productivity, and management abilities, and not be undercut by low road contractors that rely on unlawful business practices to lower project costs.

[Minnesota's prevailing wage law](#) requires employees working on state-funded construction projects covered by law be paid wage-rates comparable to wages paid for similar work in the area where the project is located. The statute reads, "It is in the public interest that public buildings and other public works be constructed and maintained by the best means and highest quality of labor reasonably available and that persons working on public works be compensated according to the real value of the services they perform. It is therefore the policy of this state that wages of laborers, workers, and mechanics on projects financed in whole or part by state funds should be comparable to wages paid for similar work in the community as a whole." This is the principle in state law for requiring the payment of prevailing wages on projects paid for by the taxpayers: Minnesota should procure the highest quality of labor and workers on taxpayer-funded projects should not be paid less than those doing similar work in the community as a whole. DLI sets prevailing wage rates to be comparable to wages paid for similar work in the county or region where the construction project is located. The rates are determined annually through surveys of actual wages paid to area construction workers. Wage rates are certified once a year in both highway/heavy and commercial-type construction.

Prevailing wage opponents assert that prevailing wage increases overall construction costs, but that claim is not supported by the available research. According to a [2007 report by the Office of the Legislative Auditor Prevailing Wages](#) “Prevailing wage laws increase compensation in the construction industry, but their impact on overall construction costs is unclear...[M]ost comprehensive studies have generally failed to find an impact that is statistically significant.”

According to a 2024 brief by North Star Policy Action [Prevailing Wage Policies: Preventing Workplace Abuses Before They Happen](#), “Research overwhelmingly shows that prevailing wage requirements do not increase construction costs. The report cited:

- 18-of-24 peer-reviewed studies conducted between 2000-2022 found that prevailing wage laws have no effect on the cost of public construction projects.
- A 2018 Midwest Economic Policy Institute analysis of 640 contractor bids on school construction projects in Minnesota found that winning bids based on the payment of prevailing wages are no more costly than bids that do not require prevailing wages.
- Recent rigorous peer-reviewed research has found, at most, slight project cost impacts from prevailing wage policies on housing projects. A 2021 study in the International Journal of Employment Relations found modest impacts of prevailing wage on overall project cost, and that any cost impacts are likely explained by the widespread prevalence of "illegal and undesirable practices" in the construction industry.
- Economic research finds that prevailing wage laws increase apprenticeship training, boost worker productivity, and reduce injury rates – helping to address the skilled labor shortage in construction. This may help explain why the cost of prevailing wage construction is comparable to non-prevailing wage construction: increased reliance on highly trained workers leads to fewer costly mistakes and greater efficiencies.

According to a 2018 report by Midwest Economic Policy Institute [An Examination of Minnesota's Prevailing Wage Law: Effects on Costs, Training, and Economic Development](#), “At a time when unemployment is historically low...one policy has helped recruit and retain skilled workers into Minnesota’s construction industry: the Minnesota Prevailing Wage Act. The policy provides local minimum wages for construction workers employed on public projects and levels the playing field for contractors. The Minnesota Prevailing Wage Act keeps construction costs stable...is an effective job skills advancement policy...[and] provides pathways into the middle class and boosts the economy. By protecting local standards, prevailing wage supports work for local contractors and makes it easier for contractors to recruit, train, and retain skilled workers. The Minnesota Prevailing Wage Act is the best deal for taxpayers.”

For more than 50 years, Minnesota’s prevailing wage law has provided valuable protections for workers and ensured that publicly-funded projects are held to high standards that align with Minnesotans’ values and expectations. We can build our transportation, water, energy, housing and other critical infrastructure the right way and we can build it all with respect for workers. Minnesotans deserve to know that their public dollars are not subsidizing worker exploitation, abuse, tax fraud, and local wage standards.

Many local units of government, including cities, counties and school districts across Minnesota have adopted prevailing wage ordinances or bid specifications to ensure safe, high-quality construction while maintaining family-supporting wages, preserving a level playing field for local workers and contractors, and preventing wage theft, insurance fraud, and worker exploitation on locally-funded construction projects. In 2024, the City of Brooklyn Park and the City of Bloomington both adopted prevailing wage ordinances.

Prevailing wage means that workers earn a fair day's pay for a fair day's work. Prevailing wages means that workers get the paycheck that they deserve. It's a wage floor for publicly funded construction work.

### **Supporting Project Labor Agreements (PLAs)**

Project Labor Agreements (PLAs) are collective bargaining agreements between building trades unions and contractors and guarantee that projects are built with living wages. They govern terms and conditions of employment for all craft workers — union and non-union — on a construction project. A typical PLA will establish uniform standards for working hours, overtime, holidays, grievance procedures, drug testing, jurisdictional dispute resolution, etc. PLAs are particularly useful on large, complex construction projects that require many skilled craft workers, and on projects that are particularly time-sensitive. PLAs protect taxpayers by eliminating costly delays due to labor conflicts or shortages of skilled workers, and can also be used to advance workforce diversity and inclusion.

### **Supporting Registered Apprenticeship Programs and Opposing Child Labor in Construction**

Minnesota's union construction apprenticeship programs aren't just training programs - they are one of the most reliable debt-free pathways to a well-paying career available to workers from every background and community across the state. The union model delivers real financial protections - living wages, affordable healthcare, and retirement security. Registered Apprenticeship Programs are among the most effective and underutilized tools available to policymakers seeking to close racial and gender wealth gaps, build a resilient local workforce, and deliver infrastructure projects that benefit entire communities.

LIUNA is proud to operate Minnesota's largest and most diverse skilled construction apprenticeship program at our previously mentioned 82,000-square-foot [Laborers' Training Center](#) in Lino Lakes. LIUNA's Construction Craft Apprenticeship Program is a state-regulated, mandatory program that benefits both LIUNA members and approximately 880 union contractors by delivering 150,000 annual hours of privately-funded training with the highest standards of workplace safety. Our certified instructors pass on their knowledge and skills to apprentices through continuing education. In addition to improving members' safety and productivity, the courses allow members to grow in knowledge and skills through classroom and on-the-job training. Our apprentices earn while they learn and train while they work.

LIUNA's strength comes from our diverse and multiracial membership that has built our nation. LIUNA was founded more than a century ago by immigrants struggling for citizenship and trying to improve their lives. For more than 100 years, our brothers and sisters have fought for systemic transformation and racial equality, and for decades, we have advocated for diversity, inclusion and access to union construction careers.

Since the inception of LIUNA's program in 1999, 1,305 diverse journeyworkers in total have graduated, including 958 apprentices of color and 347 women. Today, 29% of total enrolled LIUNA apprentices self-identify as people of color. Women and veterans both make up a growing share of the skilled construction workforce in Minnesota, increasing from 357 women in 2016 to 740 today and 372 veterans in 2016 to 482 today. Approximately 100 of LIUNA's 880 signatory contractors, nearly 100 are Minority, Women and Disadvantaged Business Enterprise-certified contractors and veteran-owned businesses.

We urge leaders to support workforce investment programs such as Building Strong Communities and Helmets to Hardhats.

Building Strong Communities is a multi-trade apprenticeship preparatory program designed and run by the Building Trades to create pathways to employment and career advancement. The program fosters partnerships with schools, businesses, trades, nonprofits and community organizations and includes access to Registered Apprenticeships, mentorship opportunities, and support services that help participants discover the trade best matched to their skills, abilities and interests and overcome barriers to success.

Helmets to Hardhats is a national, nonprofit program that connects transitioning active-duty military service members, veterans, National Guard and Reservists with skilled training and quality career opportunities in the construction industry. Helmets to Hardhats Minnesota works with the national program and Minnesota Building and Construction Trades to provide easy access to the program. Together, we work to recruit, retain, assist and support career training and employment in the building and construction industry.

LIUNA is prepared to meet industry workforce needs through our apprenticeship program and safe, age-appropriate and safe career exposure and exploration programs for youth. Anti-worker construction industry groups have recently proposed legislation that would introduce child labor to active construction sites under the guise of exposing youth to the construction industry. LIUNA and the Building Trades strongly oppose child labor in the construction industry for reasons best summed up by a [2020 report by the Department of Labor and Industry \*Ensuring the Safety of Youth in Skilled Trades Training Programs\*](#). This report to the Legislature explains that any benefit gained by bringing youth under the age of 18 onto an active construction site is "overwhelmed by the unacceptable risk to youths' health, safety and wellbeing." The report concludes "it is the strong recommendation of the department that hands-on training for youth under the age of 18 not be provided on active construction sites."

## **Ensuring Strong Safety Standards, Including Oil Refinery and Broadband Workers**

LIUNA supports strong worker safety standards, including Occupational Health and Safety Administration (OSHA) and state safety requirements that go above and beyond federal guidelines (MNOSHA). These rules require employers to provide properly fitting personal protective equipment (PPE), develop comprehensive hazard reduction programs, and manage strict heat stress and carbon monoxide policies. LIUNA supports the Minnesota Statewide Building Code, which enforces minimum construction standards to safeguard life, health, and property, providing a standardized baseline for industry-wide safety.

In addition, LIUNA supports specialized safety standards for oil refinery and broadband workers.

Oil refineries are among the highest-hazard facilities in Minnesota for both workers and host communities. In 2023, the Legislature passed the Safe and Skilled Workforce Act to protect refinery workers, the environment, and communities by requiring contractors at oil refineries to employ a qualified, local workforce trained through registered apprenticeship or equivalent programs. The use of unskilled construction workers could potentially jeopardize the safety of workers and local residents. Firefighters testified that a major refinery fire could quickly overwhelm the capacity of local fire departments and the Environmental Protection Agency found that a toxic hydrogen fluoride plume could travel up to 19 miles, putting 1.7 million Minnesotans at potential risk.

Broadband installation can also pose a threat to public safety when inexperienced and untrained directional drilling crews strike underground gas and electric lines. A 2024 brief by North Star Policy Action [\*Digging into Danger: Broadband Installation Damage in Minnesota\*](#) explored the prevalence of damage to underground utilities caused by telecommunications installation in Minnesota. North Star found that telecommunications installation is a leading cause of damage to underground infrastructure with potentially dangerous consequences – damage that is expected to grow as the pace of installation activity increases. This damage is not inevitable, but is instead a consequence of lack of training, frequent staff turnover, and a Wild West culture that prioritizes speed over safety.

In 2024 and 2025, the Legislature established safety standards for broadband installation in response to increasingly frequent damage to underground gas and electric lines. SF 908/HF 47 required use of safety-certified workers who know how to locate and avoid damage to existing utility infrastructure, and grants the Public Utilities Commission authority to hold companies responsible for damage to public utility infrastructure. Recipients of state broadband funding are also incentivized to employ responsible contractors that invest in workforce retention and skills by providing family-supporting wages, health and retirement benefits, and high-quality training.

Minnesotans should not have to choose between high-speed internet and public safety, or prioritize universal access over the fair treatment of workers. The Broadband Safety Act ensures that Minnesotans can access reliable, high-speed internet services installed by safety-qualified crews.

### **Protecting Local Control and Opposing Preemption of Local Minimum Labor Standards**

The Legislature should support, not restrict, local control of minimum labor standards. The State Legislature sets minimum labor standards that local governments can improve upon. Prevailing wage, living wage, \$15 minimum wage, earned sick and safe time and project labor agreement ordinances are all examples of labor standards that local and metropolitan units of government in Minnesota have adopted since 1997.

Another tool that a community can utilize to ensure fair and safe workplaces is a labor standards board. The purpose of a labor standards board is to study and report on working conditions in specific industries through a tripartite forum. Labor standards board membership is equally split among three parties: employer representatives, employee representatives, and community stakeholders. Labor standards boards advise on the implementation and enforcement of workplace regulations and standards, make recommendations on workplace regulations and standards, and provide for outreach to and education of affected employers and employees.

In 2017, Governor Dayton vetoed so-called “Uniform State Labor Standards” that would have restricted local control, lowered workers’ wages and prevented communities from protecting workers’ health and safety.

A [2021 report by Economic Policy Institute \*Preempting progress in the heartland\*](#) found “State lawmakers in the Midwest prevent shared prosperity and racial, gender, and immigrant justice by interfering in local policy making”. According to the report, “lawmakers misuse preemption to interfere with local governments’ ability to set strong labor standards that would support people struggling to make ends meet, such as raising the minimum wage and guaranteeing paid sick leave. While preemption of workers’ rights is most common in the South, it is also a significant problem in the Midwest.

### **Defending Voting Rights and Accessibility**

Voting is the cornerstone of our democracy. LIUNA supports measures that protect every citizen’s right to vote and ensure the government’s responsibility to protect this right. We oppose any efforts to weaken voting rights or make voting more difficult.

### **Addressing Affordability, Growing Income Inequality and Racial Disparities**

Income and wealth inequality are as high today as they were during the Gilded Age. Elon Musk just became the world’s first trillionaire. Minnesota ranks among the nation’s worst states for racial income and wealth inequality. Rising income inequality is the main reason that affordability feels out of reach for too many.

LIUNA believes it’s time for the wealthy and greedy corporations to pay their fair share, so that every Minnesotan has the opportunity to build a better future. We support progressive tax restructuring, increasing the minimum wage, creating good jobs and expanding access to affordable housing and child care.

## **Creating Good Jobs and Building Greater Economic Inclusion**

All Minnesotans need good jobs with living wages and benefits to put food on the table, keep a roof over their head, and have access to affordable care, whether it's taking care of a child or going to see the doctor. We want to keep Minnesota on track to create family- and community-supporting jobs and build greater economic inclusion for working women, veterans and people of color in every corner of the state.

## **Protecting Multiemployer Health Plans**

LIUNA and the Building Trades collectively bargained for health benefits following the enactment of the [Employee Retirement Income Security Act \(ERISA\) of 1974](#). ERISA is the core piece of federal legislation that governs healthcare plans, including the Minnesota Laborers' Health and Welfare Fund, and all other multiemployer health plans. Multiemployer health plans are comprehensive, affordable, jointly managed, and custom-designed to fit the needs of its beneficiaries. These plans have largely operated without substantial subsidy by the government.

The trustees of multiemployer plans are required to be fiduciaries, which means they must act in the best interests of the participants. The health plans are self-funded and often self-insured, which means the contributions made to the plan are directly used to pay the benefits incurred by the beneficiaries. The trustees can modify the health plan and the benefits schedule of benefits at any time, which allows them to make adjustments to fit the needs of members.

LIUNA urges leaders to carefully consider the impact of policy changes on non-profit union healthcare plans that provide comprehensive, affordable and custom-designed care for members, their dependents and retirees. For more than 50 years, LIUNA members have sacrificed wage increases and other benefits to create, fund and manage privately-funded, multi-billion dollar health funds in partnership with union employers.

LIUNA cautions against rushing into any major changes that would disrupt successful multiemployer healthcare plans. Under current law, subsidized insurance programs are funded by government dollars, the provider tax and the insurer tax. These taxes need to be sufficient to cover both the subsidies that exist, as well as the administrative costs associated with running the programs. When providers and insurance companies have to pay increased taxes, they raise rates and multiemployer healthcare plans end up paying more for care.

LIUNA believes that publicly-funded programs should be paid for by employers who are not providing their employees with comprehensive, affordable healthcare benefits. We support retaining the critical role of workers' health plans, protecting the hard-fought benefits union members have won for themselves and their families, and providing multiemployer healthcare benefits and to provide supplemental benefits. LIUNA opposes policies that adversely impact the ability of our non-profit union plans to provide excellent healthcare to our members, their dependents, and our retirees, and we oppose taxing our plans to subsidize employers that refuse to take responsibility for the health of their employees.

## **Protecting Paid Family and Medical Leave, Earned Sick and Safe Time and Supporting Mental Health in Construction Programs**

Like the vast majority of Minnesotans, most LIUNA members did not have access to Paid Family and Medical Leave (PFML) or Earned Sick and Safe Time (ESST) benefits prior to passage of the state's PFML and ESST laws. This means that every day, our members could face the impossible choices between losing a paycheck or caring for a new child, an aging loved one, or themselves.

In 2023, LIUNA was proud to support Minnesota's PFML and ESST programs because it is time for workers in all industries, including construction workers, to have access to benefits that allow them to take time off to bond with a new baby, recover from a serious injury, or care for a loved one facing their final days, and their own wellness. No different than their friends and neighbors who are employed by Fortune 500 companies, construction workers should not have to choose between their job and their family's or their own health and well being.

Minnesota's PFML and ESST programs have the potential to address several important issues related to women's health, gender justice and racial justice. The programs could help Minnesota address its workforce shortage and boost economic growth for the entire state. Minnesota's PFML and ESST programs will allow our members and all working Minnesotans to care for their families and themselves.

According to the Centers for Disease Control and Prevention, construction has one of the highest death by suicide rates of all industries. When workers have access to leave, they are more likely to seek medical care and support when they need it, which can help prevent serious health problems from becoming worse.

In 2025, with the support of the Building Trades and signatory contractors, we worked to pass bipartisan legislation that allocates \$1 million to Commissioner of DLI to work with unions, contractors and project owners to promote mental health and suicide prevention in the construction industry.

In construction, we lose more workers every year to suicide than we do to jobsite accidents. Workers in the construction industry are dying by suicide at a rate four times higher than the national average. In fact, death by suicide is five times greater than all other construction fatalities combined. We know there are factors related to our work itself, the way it is structured, industry culture, demographics and the "trades lifestyle" that can either lead to or exacerbate existing anxiety, depression, and substance abuse for workers in our industry. Then there is the macho, "suck it up" culture in the Trades. It's a tough "figure it out" cultural barrier to asking for help when we need it.

We are working to change the culture of our industry and change the way our industry approaches mental health and suicide prevention. Our journey toward reducing the stigma of mental health and promoting suicide prevention in the construction industry will require us all.

### **Creating Dedicated Water Infrastructure Funding and Replacing Lead Pipes by 2033**

Minnesota's clean water infrastructure faces urgent needs: aging municipal infrastructure is at or beyond its useful life; treatment upgrades are needed to restore impaired waters and protect threatened waterbodies; ever-increasing impacts from stormwater runoff and failing septic systems and chemical and other contamination concerns threaten drinking water systems. Nearly 90,000 lead lines in public and private drinking water systems threaten the health of children and families and the vitality of communities throughout the entire state.

As infrastructure ages, communities across the state are increasingly seeking funding for repairs and upgrades. For example, project requests through the Drinking Water State Revolving Fund and related programs now far exceed available funding, jumping from \$500 million in requests in 2016 to over \$3.5 billion in 2026. The Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (MPCA) estimates \$12.3 billion is needed over the next 20 years to keep up with drinking and wastewater infrastructure needs statewide.

In addition, the estimated cost of replacing all lead service lines in Minnesota by 2033 is \$1.5 billion. In 2023, Minnesota established a goal, and provided \$240 million in funding, to identify and replace all lead drinking water pipes statewide by 2033, four years prior to the Environmental Protection Agency's 2037 deadline. Lead lines are a statewide issue. With housing built before 1945 located throughout Minnesota, cities including Brainerd, Duluth, Moorhead and Saint Paul have all identified lines needing to be replaced. In 2026, with nearly all of the state and federal resources allocated for the removal of lead service lines exhausted, the Legislature allocated an additional \$15 million to remove 1,200 pipes. At this rate, it would take 75 years to get the job done.

If the Legislature fails to adequately fund water infrastructure programs, environmental concerns will persist, and sewer and water rates will skyrocket. As cities struggle to pay for these projects, aging and failing infrastructure will continue to deteriorate, resulting in emergencies that require costly immediate repairs. Economic growth will suffer, construction costs will increase as projects are delayed, and potential for drinking water contamination may rise.

That's why LIUNA is calling on leaders to make new, dedicated funding for water infrastructure and lead pipe replacement a priority in the 2027 Legislative Session.

### **Protecting and Increasing Dedicated Road, Bridge and Transit Funding**

Minnesotans want safer roads and bridges, and more transit options. The 2023 Legislature took a major step towards fixing, catching up and keeping up our transportation infrastructure by passing a comprehensive transportation funding package. Funding gaps for all modes of

transportation have been reduced, but the job is not finished. Minnesota continues to need more funding for roads and bridges, not less.

The Minnesota Department of Transportation ([MnDOT](#)) is projecting a funding need of \$57 billion in between 2023 and 2042. With available funding of \$36.7 billion, that leaves a gap of at least \$20.3 billion over the next 20 years. In addition, local governments have identified an additional \$5 billion in funding needs on the trunk highway system and the local road and bridge system has a funding gap of approximately \$1 billion per year.

Transportation receives less than 1% of general funds. Nearly all funding for state highways and bridges comes from constitutionally-dedicated funding sources: the state motor vehicle registration tax (license tab fees), the state motor vehicle fuel tax (29.1 cents per gallon and a 3.5-cent wholesale surcharge), and motor vehicle sales tax. The remaining funding for Minnesota's road and bridge funding comes from statutorily-dedicated sales taxes, including the sales tax on auto parts and repairs. [MnDOT's Transportation Funds Forecast February 2026](#) provides a useful introduction to transportation funding, revenue forecasts and fund statements.

The comprehensive transportation funding package passed by the Legislature in 2023 was a major step towards making our members and all Minnesotans safer, creating thousands of family-supporting construction careers, and boosting our local economies. LIUNA strongly opposes proposals that undo any of the hard-fought-and-won 2023 increases in dedicated funding for roads, bridges and transit including the elimination, reduction and delay of existing constitutionally- and statutorily-dedicated revenue sources.

For example, 2026 proposals to revert license tab and registration fee formulas to pre-2023 (2022) levels would amount to the largest cut to road and bridge funding in state history. The original version of [HF 3562/SF 3669](#) would have resulted in a cut of \$288 million in Highway User Tax Distribution Fund (HUTDF) revenues and reduce local transportation aid from County State Aid Highways (CSAH) and Municipal State Aid Street (MSAS) distributions by \$110 million in FY 2027 alone - adding up to more than \$1.5 billion in cuts and reductions over the next biennium. This legislation is dangerous. It would make Minnesotans less safe and come at the expense of LIUNA and Building Trades' members' job hours. It would also be costly to taxpayers because local governments rely on property taxes for the majority of funding for local transportation projects.

Increased dedicated revenue streams for roads and bridges, including registration fee changes, were necessary to reverse decades of declining revenue due to policymakers kicking the can down the road. Prior to 2023, lawmakers had not voted to increase the gas tax since 2008 in response to the I-35W bridge collapse. By kicking the can down the road, policymakers left our transportation infrastructure in a dire state. Had the 2023 Legislature not indexed the gas tax to inflation, gas tax revenues were expected to decrease by approximately 1-2% per year, beginning in 2025. A 2023 report by North Star Policy Action [Failure Is Not An Option: The Urgent Need to Grow and Diversify Minnesota's Transportation Funding Sources](#) illustrated that

there is no surplus in transportation funding. The report detailed decades of declining revenue from dedicated funding sources of transportation infrastructure, described how that has left our infrastructure in a state of disrepair, and made the case for a diversified and sustainable transportation funding package.

The report stated, “Because the gas tax is projected to decline in revenue, we need to identify new sources of revenue that accurately reflect how our transportation system is being used”. The report explained, “A delivery fee is a new and innovative way to diversify road and bridge funding sources for the future. The fee makes sense considering the wear-and-tear that delivery trucks are causing to our infrastructure and understanding that, as consumers, the alternative to deliveries would mean spending more time and money going to the store. Companies like Amazon and DoorDash rely on roads and bridges, and they should help pay for the maintenance of that infrastructure.” The report continued, “Amazon plans to have 100,000 electric delivery vans on the roads by 2030. Those vans will contribute nothing in the gas tax, even though they will be heavier and cause more damage to roads and bridges than the current delivery fleet... [which] will have consequences for funding sources that we cannot ignore.”

LIUNA supports protecting existing dedicated revenue streams for roads, bridges and transit, including the state motor vehicle registration tax, state fuel tax as indexed to inflation, state motor vehicle sales tax, 100% dedication of the sales tax on auto parts and repairs, electric and hybrid vehicle fees, local and regional sales and wheelage taxes, and the road maintenance fee on retail deliveries. One good thing about all of these dedicated revenue sources is that they are user fees and Minnesotans can count on 100 percent of the funding to go towards transportation.

LIUNA supports increasing road and bridge funding by eliminating exemptions of food and beverage orders and removing the \$100 threshold on the road maintenance fee on retail deliveries of \$100 or less. These changes would increase road and bridge funding by \$100 million per year (more than \$2 billion over the next 20 years) and make all road and bridge users pay their fair share. We also support expanding the per kilowatt hour fee on electricity used to fuel vehicles and exploring other dedicated funding options that would offset reduced revenue from the gas tax in the future.

### **Supporting Large Infrastructure Bonding Bills Every Year**

Large capital investment bills preserve public assets, help create economic and community development, and put LIUNA members and thousands of Minnesotans to work in high quality, family-supporting careers. Capital investment bills are also known as “bonding bills” because the state borrows money for projects by issuing bonds, most often general obligation bonds, which are backed by the “full faith, credit, and taxing powers” of the state and repaid with interest at a later date.

Minnesotans count on bipartisan support for large capital investment bills to modernize state and local transportation, water and public buildings. Passage of a \$2 billion Local Jobs and

Projects Act in 2020, \$2.6 billion infrastructure jobs bill in 2023, \$790 million bill in 2025 and \$1.2 billion bill in 2026 keeps Minnesota on track to create family- and community-supporting jobs in every corner of the state.

With state agencies and local governments requesting a combined \$7.7 billion in capital investments for the 2024-2026 bonding cycles, our water infrastructure, roads and bridges, and public buildings will continue to crumble. Every year is the year to keep up our infrastructure.

Fixing Minnesota's infrastructure should never be held hostage or used as a political football. When lawmakers from either side of the aisle condition support for bonding on other legislative priorities, they jeopardize investments that keep Minnesotans safe and working.

### **Increasing Local Government Aid and County Program Aid**

LIUNA Minnesota is proud to represent the members of LIUNA Local 363 (City Employees Union). Thousands of LIUNA members and their families live and work in communities that rely on Local Government Aid (LGA) and County Program Aid (CPA) to stabilize local property taxes and ensure that quality basic public services - roads, sewers, public health and safety - are available in all Minnesota cities and counties regardless of population size or property tax base. When LGA and CPA funding was cut in the early 2000s, cities and counties were forced to rely more heavily on property taxes and cut services. Property taxes and LGA/CPA are the two major revenue sources for most Minnesota cities. Cities and counties usually need authorization from the state to create other revenue sources, such as a local options sales tax.

### **Increasing Investments and Expanding Labor Standards on Publicly-Funded Housing**

Minnesotans are increasingly finding it difficult to afford to rent or buy a home. LIUNA supports building more housing, faster. Minnesota has a persistent housing shortage of more than 100,000 units according to the [Minnesota Housing Partnership 2026 State Housing Profile](#). There is not a single silver bullet to fix this supply gap. We need to combine efforts to reduce barriers to development, reform processes that drive up production costs and increase targeted public investments through programs like housing infrastructure bonds and the State Housing Tax Credit. At the same time, we must ensure that workers are protected from exploitation and that they are paid family-sustaining wages.

State, county and local governments are stepping up to finance new affordable housing projects through direct grants and tax incentive programs. Unfortunately, too much of this public money has been channeled to problem contractors that build new housing projects on the backs of vulnerable workers. A 2023 report by North Star Policy Action [Subsidizing Abuse: How Public Financing Fuels Exploitation in Affordable Housing Construction](#) details how failing to condition access to key affordable housing financing sources on responsible conduct allows taxpayer money to flow to unscrupulous developers and contractors. This fuels abuse on publicly-financed projects and fosters low-road practices throughout the multifamily housing industry.

Minnesota can meet its ambitious affordable development goals without sacrificing worker dignity and safety. The use of irresponsible contractors should not be tolerated on publicly-financed projects. Protections will substantially improve the health and safety of construction workers with minimal impacts on project cost. Minnesota must address its housing infrastructure shortages through expanded tax incentives and direct public financing, but public dollars should not fund worker exploitation. Enforcing labor standards on Minnesota Housing Finance Agency-funded housing projects will prevent wage theft and abuse.

In 2024, the Legislature took a step to ensure responsible contractors, enhance transparency and enforce accountability. Under this new law, only responsible contractors will be permitted to work on publicly-funded housing projects. Contractors who cheat workers or commit serious misconduct will be banned from taxpayer-funded housing projects. The law implements Responsible Contractor Act guidelines to vet contractors for taxpayer-funded projects, preventing exploitation and misconduct. The law mandates project owners to disclose past incidents of wage theft, human trafficking, misclassification fraud, child labor and workplace safety violations on all past projects. Housing project owners are required to maintain and make available a list of all contractors and subcontractors who have been, expect to be or are currently employed. The law imposes penalties on project owners who repeatedly allow wage theft, restricting their access to public funds for up to three years.

### **Strengthening Wage Theft Prevention and Accountability**

Wage theft is a rampant problem in the non-union construction industry where immigrant workers are often exploited, driving down standards for all workers. Wage theft is the unlawful withholding of wages or benefits due to an employee. It can take many different forms - from illegal “deductions” from an employee’s pay to outright not paying an employee at all. Incorrectly classifying an employee as an independent contractor is also a pervasive problem in Minnesota. According to a 2021 report by the Midwest Economic Policy Institute [\*The Costs of Wage Theft and Payroll Fraud in the Construction Industries of Wisconsin, Minnesota, and Illinois Impacts on Workers and Taxpayers\*](#), nearly one-in-four construction workers in Minnesota are victims of wage theft. For more than a decade, with bipartisan support, LIUNA, the Building Trades and coalition partners have worked with the Dayton and Walz Administrations, Attorneys General Swanson and Ellison, the Legislature and local elected officials to tackle wage theft, tax fraud and abuse.

In 2014, the Legislature passed the [\*Minnesota's Responsible Contractor Act\*](#). The law provides enhanced contractor accountability for public construction projects. The law sets minimum standards for responsible contractors and requires that certain public construction be awarded only to responsible contractors. Agencies and local units of government still have discretion to consider additional factors. Responsible contractors must be in compliance with federal Fair Labor Standards Act and Davis Bacon Act requirements and Minnesota requirements including but not limited to: workers’ compensation, unemployment insurance, minimum wage, overtime, prevailing wage, prompt payment of wages, payment to employees who quit or resign, and proper representation of employment relationships. Contractors are ineligible for public

construction projects if their Certificate of Compliance is revoked more than twice throughout three years or if they are suspended or debarred by the federal government or the state of Minnesota or any of its departments, commissions, agencies, or political subdivisions.

In 2018, Hennepin County Attorney Mike Freeman charged a Twin Cities contractor, Ricardo Batres, owner of American Contractors and Associates, LLC, with first-of-its-kind criminal charges for taking advantage of employees' federal immigration status to force them to work for him. In one case, Batres bailed one of his workers out of immigration custody, and then required him to work illegally to pay off his supposed debt. Batres also lied on his workers compensation insurance papers. Batres later pleaded guilty to labor trafficking and insurance fraud and was sentenced to nine months in jail and five years' probation and was barred from working on state or federally funded construction projects. Unfortunately, Batres is the exception, not the rule because few cheating employers ever face criminal charges.

In 2019, the Legislature passed the [Minnesota Wage Theft Prevention Act](#) to create additional protections for workers, adding criminal penalties for employers that commit wage theft, including making wage theft a felony. This law included additional funding to allow DLI to add seven new staff members needed to perform strategic and targeted workplace enforcement and to conduct outreach and education for employers, workers and their communities. In addition, Attorney General Ellison established a wage theft unit to investigate and prosecute cases of wage theft.

In 2020, [DLI secured \\$315,000 in back wages from Iowa-based Millennium Concrete](#) for misclassifying and underpaying 70 workers, up to \$11,000 per person, on a Digi-Key Electronics expansion project in Thief River Falls in between 2018 and 2019.

In 2022, the Legislature gave the Department of Commerce Fraud Bureau new powers to criminally investigate financial crimes and funding to hire five more investigators to investigate all financial crimes with money appropriated from the general fund. In 2025, the Fraud Bureau investigators moved to the Department of Public Safety's Bureau of Criminal Apprehension (BCA) and merged with the BCA's existing financial crimes unit to form the Fraud and Financial Crimes Unit.

In 2023, the Legislature passed the [Construction Worker Wage Protection Act](#). The law makes general contractors responsible for ensuring that the employees of subcontractors receive legally-required wages and benefits.

In April 2026, [DLI secured a record-breaking \\$1.28 million in back wages from East Bethel-based Advantage Construction Inc. and liquidated damages from Brooklyn Park-based Property Maintenance and Construction Inc.](#) for 26 construction workers denied overtime and other wages for work performed on 19 separate projects across the Twin Cities metropolitan area in between March 2019 and June 2022. The projects included the Viking Lakes project and other projects in Annandale, Big Lake, Blaine, Bloomington, Eagan, Eden Prairie, Hugo, Maple

Grove, Medina, Minneapolis, Richfield, Rochester, Roseville, Saint Paul, Sherburn, West Saint Paul and Woodbury.

Together, we are making progress — bad actors are finally being held accountable and dozens of construction workers have been paid more than \$1 million in back wages. Still, there is more we can and must do, including taking steps to better prevent criminal wage theft and other forms of exploitation from occurring in the first place.

### **Expanding Misclassification Fraud Prevention and Accountability**

Employer misclassification and fraud is rampant in the construction industry and hurts workers, law-abiding contractors, taxpayers and communities. Misclassified workers lose access to minimum wage, overtime pay, unemployment insurance, workers' compensation, earned sick and safe time, and paid family and medical leave benefits, the right to join a union, and other worker protections. High-road contractors compete with and lose out to unscrupulous contractors who cheat their workers and taxpayers.

The previously mentioned 2021 report by the Midwest Economic Policy Institute [The Costs of Wage Theft and Payroll Fraud in the Construction Industries of Wisconsin, Minnesota, and Illinois Impacts on Workers and Taxpayers](#) found over 30,100 Minnesota construction workers are either misclassified or paid off the books, accounting for 23% of workers in the industry. The report found that illegally employed construction workers earn 36% less (\$29,700 annually) in combined wages and fringe benefits and that Minnesota annually loses \$136 million in state tax revenues due to construction payroll fraud – including \$65 million in income taxes, \$13 million in unemployment insurance contributions, and \$58 million in workers' compensation premiums.

In 2023, Attorney General Ellison convened the [Advisory Task Force on Worker Misclassification](#) composed of workers, members of the business and freelancer community, experts, lawmakers and state agencies to listen to workers and businesses and learn from Minnesota's enforcement agencies to understand the problem and make investigation and enforcement recommendations.

A [2024 report by the Office of the Legislative Auditor \(OLA\) Worker Misclassification](#) found that "Minnesota has neither an adequate nor coordinated approach for ensuring that Minnesota workers are properly classified." According to the report, state agencies make efforts to address worker misclassification, but the extent of their efforts is limited. The OLA made a number of recommendations to improve the state's approach to addressing misclassification.

The Advisory Task Force and OLA recommendations and the challenges that DLI faced and experienced in enforcing the law led to the passage of legislation similar to [HF 4444/SF 4483](#), which strengthened protections for Minnesota workers, law abiding businesses and taxpayers by improving Minnesota's ability to fight worker misclassification fraud.

The legislation established the Intergovernmental Misclassification Enforcement and Education Partnership between government agencies to strengthen communication and collaboration to reduce misclassification fraud through strategic deterrence, enforcement, and education. The law also provided clarity to promote compliance and allow investigations to be more impactful, streamlined and expanded enforcement authority, and strengthened the consequences for employers who violate the law.

The 2024 law provided specific tools to combat misclassification in the construction industry, including: strengthening the independent contractor test; updating the registration system; strengthening stop work orders and penalties during construction and ensuring workers are entitled to back pay; individual and successor liability for company owners who are actively misclassifying workers; and increasing penalties so misclassification fines are no longer the cost of doing business for low-road contractors.

In 2025, in response to recommendations in the OLA report and from North Star Policy Action that Minnesota needed to calculate the size, scope and impact of the problem, the legislature passed a bipartisan bill requiring the Partnership to regularly issue the [Misclassification Fraud Impact Report](#). The first report is due in January of 2027 and will calculate the rates of misclassification in Minnesota and the cost to misclassified workers, government programs, and tax collections.

There is more work to do. LIUNA supports adopting the [policy recommendations](#) of the Advisory Task Force on Worker Misclassification, including expanding the rebuttable presumption of employment to all classification tests to reflect Minnesota's policy of attaching worker protections, benefits, and the funding of our economic safety net programs to employment.

### **Creating a Centralized Certified Payroll Reporting Portal and Database**

Certified payroll reporting is one of the most effective tools we have to protect public dollars by preventing wage theft, worker misclassification, tax fraud, and insurance fraud on publicly funded projects. LIUNA supports the creation of a centralized certified payroll reporting portal and database requirement for all state projects covered by prevailing wage protections to safeguard taxpayer dollars, prevent fraud on publicly-funded construction projects, and provide mandate relief to local governments.

Currently, contractors and subcontractors on projects funded in whole or in part by the state are required to submit certified payroll reports. Those reports are collected throughout the life of a project and retained by project owners for years after completion. Project owners include state agencies, local governments, school districts, and other organizations receiving state funds for bonding projects, economic development grants and other investments such as lead drinking water pipe replacement projects. Project owners are also responsible for responding individually to data requests. A portal will relieve these administrative burdens, create consistency across agencies, and strengthen compliance and oversight.

[HF 4543](#)/SF 4745 directs the Commissioner of Administration to establish a centralized electronic certified payroll reporting portal, a single secure platform where contractors can submit certified payroll reports in one place rather than through fragmented and inconsistent systems and databases across multiple jurisdictions.

The bill provides local governments the option to opt into the portal for non-state funded projects. That means cities and counties with prevailing wage ordinances or other local minimum labor standards could also benefit from these efficiencies if they choose to.

This proposal will not create any new reporting mandate, require contractors to submit new information beyond what is already required today, or change what records are available to the public. Illinois, New Jersey, and New York have implemented similar systems. We can build on lessons learned from those states and create a more modern, efficient and effective process.

### **Supporting a Comprehensive Energy Strategy and Local Clean Energy Jobs**

The second-largest source of work for LIUNA members is the energy sector. Our members work with utility and other industry partners every day to ensure that Minnesotans have access to electricity and fuels that are affordable, reliable and increasingly carbon-free. We install wind, solar and hydro generation, and build and maintain conventional and nuclear power plants, pipelines and gas distribution lines.

LIUNA advocates for rapid deployment of renewable generation and transmission, as well as support for advanced nuclear generation, battery storage, biofuels, carbon capture, geothermal and hydrogen technologies that most climate experts believe could be essential to achieving a net-zero economy. At the same time, we recognize the need to ensure continued safe and reliable operation of our existing carbon-free nuclear fleet and legacy infrastructure that Minnesotans rely upon for their daily lives. As the Legislature looks to enact legislation to address climate change, it is imperative that we come up with resilient solutions using all available technologies to reduce greenhouse gas emissions while maintaining reliability and affordability, and minimize the loss of high-quality jobs.

LIUNA supports protecting local workers and communities in the transition from conventional to clean energy by working to ensure that energy projects create high-quality local jobs and provide opportunities for LIUNA and Building Trades members to put their skills to work building a clean energy economy.

Clean energy projects have the potential to create family-supporting jobs and careers for skilled construction workers, especially in Greater Minnesota, but only when we put local workers first in the clean energy transition. Conventional plant host communities and workforce, including LIUNA members, need support as we face the challenge of developing new employment and economic opportunities to replace job losses from plant retirements. The same is true for workers that build, maintain and operate refineries and other critical conventional energy infrastructure.

Wind, solar, and other sources of carbon-free energy account for a rapidly growing share of energy production in Minnesota and across the nation. LIUNA and the Building Trades have assisted in the growth of the clean energy industry through support for renewable energy projects and policies that promote the further development of the industry. In addition, LIUNA and the Building Trades have invested in the growth of the renewable energy industry through our affiliated labor-management pension funds.

Using skilled union labor to build clean energy projects can help to offset some of the negative workforce impacts of conventional power plant closures and make it easier for workers to transition to other family-supporting employment. These benefits have already been realized on many renewable energy projects where the developers and owners selected responsible contractors that employ local union labor. These potential benefits are lost when developers and owners of renewable energy projects select nonunion contractors that rely largely on out-of-state workers, denying needed employment opportunities to local workers. The same is true for other clean energy sectors that may eventually displace high-quality conventional energy jobs – from biofuels to building electrification to geothermal energy to production of renewable natural gas.

Since 2017, LIUNA and the Building Trades have called on clean energy developers, project owners and investors to commit to hire local skilled workers and employ responsible contractors that provide area standard wages and benefits and maintain safe workplaces. As a direct result of our efforts, utility-scale wind, solar and battery storage projects across Minnesota are now being built with local union labor.

LIUNA and the Building Trades will continue to support renewable energy projects that will create high quality jobs for local skilled construction workers. We will oppose projects that we believe will largely exclude local workers from construction employment opportunities or put workers at risk of unsafe or unfair employment practices. Minnesota's construction workforce is among the most skilled and productive in the nation, and is more than capable of meeting demand for renewable energy construction.

Minnesota has achieved climate progress by enacting a 100% carbon-free standard for power generation, and by streamlining permitting of new wind, solar, battery storage and transmission infrastructure. Unfortunately, Minnesota's ability to deliver 24/7 carbon-free power is being hamstrung by our outdated moratorium on development of new nuclear power. Unless we act soon, Minnesota is at risk of falling behind states like Illinois that have paired adoption of ambitious climate goals with elimination of nuclear moratorium policies that do not align with climate science.

### **Supporting Minnesota's System of Utility Regulation**

LIUNA supports Minnesota's successful regulated utility model and opposes policies, proposals, and agency decisions that undermine the system, including proposals that could require

ratepayers to subsidize unregulated investments in energy infrastructure for private gain. We support utility ownership of energy assets and resources, and call on policymakers and regulators to consider the value of regulated ownership, including impacts on communities and workers, as well as risks associated with unregulated ownership of energy infrastructure. Third-party owners of energy assets and resources need to be held accountable to the same high standards to which regulated utilities are held when it comes to transparency, quality, equity, responsible corporate conduct, and demonstrated commitment to the welfare of Minnesota communities, customers and workers.

Minnesota's investor-owned, cooperative, and municipal utilities and our state's approach to utility regulation have delivered affordable and reliable electric and natural gas service, and provided high-quality union jobs for generations of Minnesotans. Minnesota's utility sector is among the most unionized industries in the state because regulatory oversight encourages industry participants to respect the rights of workers and prioritize the long-term value delivered by skilled union labor over the short-term profits that can be obtained by cutting corners.

Electric and natural gas utility services are essential services that all Minnesotans invariably depend on in their daily personal and professional lives. These utility services are deeply intertwined with the broad public interest, having substantial economic, socioeconomic and environmental impacts on communities throughout the state.

Minnesota's investor-owned utilities are subject to democratic oversight through the Legislature and the Public Utilities Commission, which demand transparent reporting on all aspects of utility operation; place limits on the rates utilities charge customers and the profits they earn; require utilities to operate in a manner that benefits ratepayers and is consistent with values of equity and sustainability; and provide multiple avenues for public input and participation in decision-making.

Minnesota's regulated utility sector is outperforming many states and nations that have deregulated their electric utilities in decarbonizing their systems, maintaining high levels of reliability and ensuring affordable rates. In fact, deregulatory measures would weaken current efforts by Minnesota's utilities and utility regulators to achieve a just clean energy transition by providing employment and economic development opportunities for Minnesota workers and communities that are affected by the shift from conventional to renewable energy generation, including efforts to promote employment of local workers in the construction of renewable generation facilities.

Despite its success, Minnesota's highly-successful regulated utility model is under attack by interest groups that seek to weaken the role of regulated utilities in Minnesota's electric markets; carve out profitable portions of the electric market to facilitate unregulated transactions; and secure subsidies for programs and projects that are not subject to the control of regulated utilities or regulators at the expense of ratepayers. Opponents of the regulated utility model falsely characterize the gradual deregulation of the utility sector as the "democratization" of

energy, when in fact these steps are better characterized as “privatization” because they would shift control of profitable portions of the market to private actors that would no longer be subject to democratic regulation, ratepayer protections, or rules requiring transparency – shifting system costs on to ratepayers.

### **Supporting Permitting Reform**

LIUNA supports improving transparency, certainty and collaboration throughout Minnesota’s environmental review and permitting process to protect our air, water, land and public health while delivering timely, reliable and fair review of job-creating energy, manufacturing, mining, agricultural, civil, commercial and other industrial construction projects. These projects create thousands of jobs for Minnesotans and are often the lifeblood of communities.

The Legislature establishes the environmental review and permitting procedures by which agencies like the Minnesota Pollution Control Agency (MPCA), Department of Natural Resources (DNR), and Public Utilities Commission (PUC) consider projects and approve those that meet Minnesota’s rigorous environmental requirements and public interest standards.

A [2024 report from North Star Policy Action Powering Progress: Transforming Clean Energy Permitting for a Greener Minnesota](#) found that without significant reforms to Minnesota’s large energy facility permitting process, we could fail to achieve our goal to deliver 100% carbon-free electricity by 2040. According to the report, average wait times from application acceptance to permit issuance are currently 250 days for small transmission lines, 358 days for wind farms, 378 days for solar farms, and 673 days for large transmission lines. The report found that the permitting process was getting slower while the amount of potential clean energy capacity waiting for permits and transmission interconnection was nearly double the amount that Minnesota currently generates.

A [2024 report by the Minnesota Chamber Foundation Streamlining Minnesota’s Environmental Permitting Process: Essential for Economic Growth](#) and subsequent update analyzed Minnesota’s air, water and wetland permit and Environmental Review programs, benchmarked Minnesota against peer states in the region and around the U.S., made recommendations for improvement and provided actionable strategies to improve timeliness and certainty.

The report highlighted that federal priorities to boost domestic supply chains are creating new opportunities in critical minerals and materials, energy and information technologies. Manufacturing construction spending in the U.S. rose by 40% in 2022 and an additional 70% in 2023. However, the recent national surge in manufacturing construction largely concentrated in Minnesota’s peer states in the Midwest and Southeast regions of the country.

Minnesota-based companies are expanding in other states at a higher rate than out-of-state companies are expanding in Minnesota and several high-profile economic development projects, such as Huber Engineered Woods, have pulled out of Minnesota in recent years, publicly citing permitting challenges as a primary reason for leaving. Huber’s proposed \$440

million oriented strand board plant would have brought 150 new, high-paying jobs to Itasca County, and was intended to help maintain jobs and a tax base as Minnesota Power plans to close the Boswell Energy Center coal plants in Cohasset.

The 2024 report found “the average timeframe [for MPCA] to issue priority Tier 2 air permits from 2018 to September 2023 was 586 days (nearly four times the agency goal), with the median being 351 days (over two times the agency goal).” Tier 2 industrial water permits took an average of 476 days and major amendments took an average of 377 days. The report found Minnesota’s air permitting review times are 1.5 to 6 times longer than other peer states. Minnesota could achieve meaningful economic gains by reducing permitting timelines. The report estimated that Minnesota could gain anywhere between \$260 million and \$910 million in annual economic output and 960 to 3,400 annual full time jobs created if the state matched other peers in air permitting review time.

In 2024 and 2025, the Legislature improved transparency, certainty and collaboration in Minnesota’s permitting process of clean energy projects and created a process for permit applicants to request coordination on permitting activities with other agencies responsible for environmental reviews. The new laws set a state policy goal to maximize coordination, effectiveness, transparency, and accountability within the state’s environmental review and permitting processes. The law allows project applicants to request an expeditious process from the DNR and MPCA to begin coordination between the agencies and stakeholders and identify any potentially challenging environmental issues. A coordinated project plan must be developed within 60 days of receiving the request including a list of involved agencies, a schedule of public meetings, and a comprehensive schedule of deadlines for environmental reviews and permits. Updates to the plan would be required quarterly. When an Environmental Assessment Worksheet is prepared – and an Environmental Impact Statement isn’t mandatory – the decision on the need for an EIS is required within 18 months. When an EIS is prepared, agencies must issue a decision on adequacy as expeditiously as possible, but within four years. If the permitting deadlines for a project are deemed unattainable, agencies are required to report to the Environment and Natural Resources committees with reasons for such a determination.

The [2026 Update](#) found that “timelines to issue priority Tier 2 air permits saw notable improvements, declining to a median of 268 days, down from 348 in 2024” (still above the target of 150 days) and the “share of priority Tier 2 air permits meeting the agency’s 150-day goal rose to 13%, up from 3% in 2024, with a majority (24 of 38) issued within one year.” The Update found that “backlogs of air and water permits saw modest but meaningful reductions in 2025, building on similar improvements achieved in 2024.” This progress was due in part to the introduction of a new interagency permitting liaison role, continued improvements to the Business First Stop program and an executive order by Governor Walz in February 2026 directing the MPCA to explore ways to allow limited construction prior to a full operating permit being issued.

The *2026 Update* found that “just 5 of 38 priority Tier 2 air permits were issued within the agency’s 150-day goal...14 took longer than a year to issue, with seven taking longer than two years” and “a substantial backlog of active permits awaiting action or old permit applications that are no longer needed and could be removed from the system.” Of 382 air permits still in process or awaiting assignment to agency staff, “a majority (265 of 382) are still awaiting assignment and have been in the system for a median of 1,419 days.” The update concluded by recommending more proactive education to applicants about their options to receive a coordinated permitting schedule upon request and “taking further steps to streamline Minnesota’s environmental permitting system...as the role of permitting has grown in importance to business location and expansion decisions across the country.”

LIUNA hopes leaders on both sides of the aisle will continue to build on our progress. Thousands of LIUNA members’ annual work hours are jeopardized when projects face costly and unpredictable delays due to regulatory and legal challenges within the permitting process.

### **Supporting Safe and Responsible Mining of Critical Minerals**

One of the most important contributions Minnesota can make to the fight against climate change is leading the world in setting the highest bar for labor and environmental protections in the responsible production of copper, nickel and other critical minerals and supporting a successful transition to clean energy and clean transportation.

Today, most precious metals are mined in countries without strong labor or environmental protections. [Northern Minnesota is home to one of the largest undeveloped mineral deposits in the world](#), containing more than four billion tons of copper, nickel and precious metals. The Duluth Complex holds the world's second largest copper deposit (34% of U.S. resource) and the world's third largest nickel deposit (95% of U.S. resource), in addition to cobalt, platinum, palladium, manganese, silver, titanium, gold and vanadium.

Proposals to circumvent the comprehensive science-based environmental review process already in place are dangerously similar to proposals to preempt local labor standards and puts Minnesota's ability to lead on climate change at risk.

Mining opponents who want to ban all copper, nickel and other critical mineral mining projects in Minnesota are misleading Minnesotans on the facts related to the need to mine critical minerals, the existence of safe and responsible nonferrous mines in similar climate and geological settings, the location of proposed mining projects in Minnesota, and the scope and adequacy of modern environmental regulations and financial assurances in Minnesota and the United States.

We need to mine more critical minerals. Renewable and electric vehicle (EV) technologies consume precious metals at roughly five-times the rate of conventional technologies. Onshore wind and solar require more than double the copper than coal and electric car motors require more than double the copper than internal combustion engines. A single 3 MW wind turbine requires 4.7 tons of copper. From EVs to power grids, battery technology will require significant

amounts of lithium, nickel and cobalt. A typical full size EV battery is 80% nickel and 15% cobalt, while a compact EV battery is 100% manganese, and a home battery pack is made of equal parts nickel, cobalt and manganese, each. Copper is key for the clean energy transition. According to the [World Bank](#), the world will need to mine as much copper in the next 25 years as in the past 5,000 years. The price of copper has risen sharply in recent years as demand outstrips supply, increasing the cost and slowing the pace of the energy transition.

In 2021, Minnesota used 4,590 MW of wind energy to generate 21% of our state's energy needs. This wind energy equals approximately 7 million pounds of copper within the windmills only, not considering the substations and transmission lines needed to transfer that power. The global transformation to clean energy is dramatically increasing demand for minerals and Minnesota requiring 100% carbon-free electricity by 2040 will drive that demand. To meet the demand, more mining and mineral recycling will be needed. LIUNA believes we have a responsibility to act locally, recycle and mine critical minerals - and create jobs - here in Minnesota.

LIUNA agrees that recycling efforts must be a focus and priority to ensure that once metals come up from the ground, that they never return to it, but the fact is, we need to mine critical minerals to transition to clean energy and transportation. Recycling is a part of the solution, but recycling alone will not meet the need.

The [International Energy Agency \(IEA\)](#) estimates that by 2040, recycling and reuse of electric vehicle and storage batteries could reduce the primary supply requirement for minerals by at most 12%. In 2023, the IEA announced that the world would need to double the size of its existing electricity grid by 2040, requiring 49.7 million miles of new and rebuilt transmission lines. As a result of this massive build-out, the IEA estimates that by 2040, secondary production from recycled minerals will account for just 7% of the nickel and 5% of the copper needed.

So-called "[Prove it First](#)" legislation implies that mining projects are not already required to demonstrate they can safely and responsibly develop Minnesota's critical mineral resources.

We have been mining in Minnesota for more than 130 years. Northern Minnesota is home to six active iron mines and the cleanest water in the state, and our neighbors in Wisconsin, Michigan and Canada have all demonstrated mining companies can safely and responsibly mine copper, nickel and other precious metals in our region.

Our neighbors in Wisconsin successfully produced copper, gold and silver at the Flambeau mine from 1993 to 1997 and in 2022, the Wisconsin DNR issued a certification of completion of reclamation for the entire operation. The Wisconsin DNR found that throughout the life of the project, the company remained in substantial compliance with all permit conditions and applicable standards, there were no exceedances of any effluent (treated wastewater) limits

during the period of discharge, and the Flambeau River did not show any impacts from the effluent discharge.

Our neighbors in Michigan have been mining copper at the Eagle mine since 2014 and it has operated without harm or damage to the environment. Canadians have been mining and producing gold in the Rainy River mine in the Rainy River Watershed since 2017. Yet so-called “Prove it First” legislation would require agencies to ignore these successes when evaluating mine proposals because they are too recent.

Mining opponents are misleading Minnesotans by suggesting that mining companies have proposed operations in the Boundary Waters Canoe Area (BWCA). LIUNA agrees the BWCA deserves the special protection provided under current law, which bans non-ferrous mining in the BWCA and a surrounding buffer zone. The law also requires the MPCA Commissioner to “prohibit a proposed activity that results in a net increase in [pollution] or other causes of degradation”.

Under current state and federal laws, nonferrous mining permits are difficult to obtain. Mining projects need to meet strict regulatory standards for water, air and soil quality and comply with numerous state and federal laws, including but not limited to: Clean Air Act; Clean Water Act; National Environmental Policy Act; Minnesota Environmental Policy Act; Safe Drinking Water Act; Resource Conservation and Recovery Act; Minnesota Permit-to-Mine; Minnesota Wetland Conservation Act; Endangered Species Act; National Historic Preservation Act; Spill Prevention, Control, and Countermeasures Regulation; Hazardous Materials Transportation Law; Migratory Bird Treaty Act; Federal Land Policy and Management Act; Toxic Substances Control Act; and Emergency Planning and Community Right-to-Know Act. Enforcement tools include warnings, field citations, administrative penalty orders, stipulation agreements, consent decrees, and civil and criminal penalties. LIUNA supports the robust enforcement of environmental regulations.

Mining companies are also required to provide enforceable financial assurances sufficient to cover reclamation costs that are payable and available to the DNR when needed, enforceable under law, not dischargeable through bankruptcy, and approved by the DNR Commissioner.

LIUNA believes that if mining companies can demonstrate to state and federal agencies, following the science and the process, that we can produce critical minerals and comply with rigorous environmental standards, protect workers and provide financial assurances, then projects should be allowed to move forward.

Mining projects create family-supporting careers for Steelworkers, Laborers and other Building Trades, in addition to community-supporting jobs at schools, hospitals, public and private sector employers across Northern Minnesota. Mining is the largest and most direct source of employment for LIUNA members who live and work in northern Minnesota. LIUNA members work approximately 850,000 job hours directly or indirectly on mining projects annually. Our members build mining facilities, expansions and rebuilds, mine infrastructure including roads,

water infrastructure, and tailings ponds, and our members perform ongoing maintenance, including cleaning, demolition and general maintenance at the mines.

### **Clarifying Minnesota’s “Reactive Mine Waste Rule”**

While current Minnesota statutes and rules provide a robust regulatory framework for nonferrous mining projects, vagueness in the [“Reactive Mine Waste Rule”](#) leaves more to interpretation than science and should be clarified. Because nearly all matter on earth is reactive to some degree and the current rule has led to subjective interpretation and litigation, LIUNA supports fixing the current rule by anchoring compliance to meeting clear, measurable environmental standards, including water quality, and tightening up subjective terms such as “adverse impacts to the environment”.

### **Supporting Responsible Development of Data Center Infrastructure with Safeguards for Workers, Communities and the Environment**

LIUNA, the Building Trades and AFL-CIO support responsible development of data center infrastructure with safeguards for workers, communities and the environment, to build the digital backbone essential to our nation’s competitiveness and security. We know Minnesota can do data centers right and urge decision-makers to consider the facts.

Data centers have been around for decades. Recent attention is due to near-vertical growth in demand for AI and cloud computing. At the center of our daily lives, digital infrastructure supports everything from remote learning and work, to social media platforms and streaming video services, to schools, hospitals, and financial institutions. Companies are running out of computing capacity faster than they can build infrastructure. The demand is real and backed by investments that will create construction careers and community and ratepayer benefits while safeguarding our environment and natural resources.

Done properly, data centers create good, family- and community-supporting construction and operations jobs, have few if any emissions, use relatively little water, and deliver large tax revenues compared to other land uses. Each data center located in Minnesota represents a significant reduction in greenhouse gas emissions compared to neighboring states under Minnesota’s 100% by 2040 carbon-free standard. Developers must work with local stakeholders to ensure that the benefits of data center construction are fully realized and broadly shared.

With more than \$30 billion in investment in 2025 and more than \$3 trillion of investment expected over the next five years, data infrastructure is a growing driver of construction employment. The average data center creates hundreds of thousands of direct and indirect construction job hours. For example, Meta’s Rosemount data center created more than 1,000 construction jobs. Pine Island and Hermantown will both create 500 more construction jobs, plus thousands more indirect jobs building clean energy infrastructure needed to power each project. In between data center construction and chip replacement cycles (6-7 years if not sooner), data centers will generate ongoing turnaround work, similar to power plant maintenance. High demand for skilled construction workers will bring in more apprentices,

including women, veterans and workers of color through new training and workforce partnerships.

Data centers facilities are similar to a large warehouse full of computer servers, similar to an Amazon distribution center without the truck traffic. They can be one of the lowest-impact forms of industrial development with no hazardous chemicals, smokestacks or other pollutants.

Data center water use is widely misunderstood. Depending on cooling technology used, data center water consumption can range from the equivalent of a car wash to a large golf course, and some of Google's proposed Minnesota data centers use air cooling, which requires no water at all. Minnesota's cold climate reduces energy use, shrinking a data center's climate footprint and making us an attractive location.

A data center built in Minnesota instead of Wisconsin, Iowa or the Dakotas means dramatically lower carbon emissions because our grid is one of the cleanest in the country. Blocking data centers will not stop data center development, it will simply relocate development to states with higher-emission electricity. Minnesota law requires utilities serving data centers to meet the 100% clean energy standard and requires data centers to pay 100% of the costs of infrastructure upgrades. Minnesota's regulatory utility model ensures other ratepayers will see lower bills as data centers contribute to shared infrastructure costs. For example, Google will fund 1,400 MW of wind, 200 MW of solar, and a cutting-edge 300 MW of long-duration battery storage for the company's contract, and Google's contract is expected to generate \$1.1 billion in savings for other ratepayers over the next 15 years.

In addition to paying for infrastructure upgrades, data centers will grow local tax bases for other infrastructure investments, from schools to wastewater treatment plants. For example, Pine Island will generate \$131 million in new property tax revenue, offsetting a \$36 million tax incentive, and Pine Island schools will receive \$23.5 million. Hermantown will receive \$1 million in new commercial property tax revenue each year. State law also requires each new large data center to contribute \$3 to \$5 million annually to low-income weatherization, a first-in-the-nation requirement.

LIUNA shares concerns about transparency and supports bipartisan legislation ([SF 4548/HF 4814](#)) that would ban local elected officials from entering nondisclosure agreements. Developers must work with local stakeholders to ensure that the benefits of data center construction are fully realized and broadly shared. Decision-makers should consider noise mitigation and negotiated landscape design features that minimize impacts. Reclaiming abandoned properties like brownfields and other industrial sites can maximize the benefits for local communities and their residents.

LIUNA, the Building Trades and AFL-CIO oppose moratoriums on new data center development that make no distinction between good and bad projects. If implemented, moratoriums could cost Minnesota thousands of union jobs and billions of dollars in clean energy investment, while

increasing utility bills by more than \$100 million per year. A moratorium could also increase greenhouse gas emissions by pushing data centers to dirtier electric grids — releasing as many tons of CO<sub>2</sub> to the atmosphere each year as a half-million additional cars on the road.

With proper safeguards for workers, communities and the environment, data centers are an opportunity to create local jobs for local workers and economic development, particularly in rural areas, building the digital infrastructure essential to our nation's competitiveness and security.