

Contractors question new minority hiring goals (update)

by Brian Johnson

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Minnesota is raising the bar for minority hiring on state-funded construction projects, but some contractors say the new aggressive goals aren't realistic — especially in the current climate of high unemployment in the construction industry.

Citing what it calls a "disproportionately alarming" jobless rate for minorities, the Minnesota Department of Human Rights [said Wednesday](#) that it is tripling its goals for hiring minority workers on state-funded construction projects in the metro area.

New goals for minority hiring in Hennepin and Ramsey counties are 32 percent, up from 11 percent, according to the department. The female hiring goal, however, remains at 6 percent in the seven-county area.

Lower goals apply to the extended metro area and outstate Minnesota.

Jeff Holman, a spokesman for the Department of Human Rights, said the former goals did not distinguish between cities and counties in the seven-county area.

"We have redone those so they are more specific in terms of the cities and counties in the seven-county area," he said, and they "more accurately reflect the changing demographics" of the area.

Some contractors say the goals are easier set than achieved, considering the high unemployment in the construction industry and the limited pool of workers in the targeted population.

LouAnne Berg, chief executive officer of J&L Steel and Electrical Services in Hudson, Wis., said it will be difficult for contractors to meet those goals "in the immediate future."

One of the challenges is enlarging the pool of minority and female workers. For some trades, like ironworkers, it's especially difficult because there aren't a lot of female workers in that union, Berg said.

Contractors are aware of the goals, and "they are seriously trying to figure out how to make it happen," she said.

Judging by recent projects, a case could be made that the new goals are on the aggressive side. For example, the federal goals for the Central Corridor light rail transit project are 18 percent minority and 6 percent female.

Contractors on that project are "within reach" of those goals, Metropolitan Council Chairwoman Susan Haigh noted in a recent commentary in Finance & Commerce. The Met Council oversees construction of the LRT line and transit in the region.

For Target Field, which opened in 2010, the "workforce diversity" goals were 25 percent minority and 5 percent female. Actual participation was slightly higher: 26 percent minority and 7 percent female, according to the Minnesota Ballpark Authority.



The Metropolitan Council's goal for hiring minorities is 18 percent of the workforce for the Central Corridor light rail transit project, where this worker recently guided traffic on Washington Avenue and Oak Street on the University of Minnesota campus. (File photo: Bill Klotz)

Ken Sorensen, vice president with Golden Valley-based Mortenson Construction, which built Target Field in Minneapolis, said he applauds the state's efforts to encourage more minority and female participation in the industry.

"We are committed to doing everything we can to continue to get outstanding results," Sorensen added.

Lennie Chism, founder of the Springboard Development Corp., a Minneapolis nonprofit dedicated to bringing jobs to north Minneapolis, said that he is "encouraged" by the goals but that it remains to be seen if they will be achieved.

"I am encouraged to hear that they want to try to do something," he said.

Dianne Holte, president and chief executive officer of Holte Contracting in Ramsey, said that the new goals appear arbitrary and unrealistic, given the state of the industry, and that the goals are complicated by the hiring agreements contractors have with unions.

It's understandable to have goals that you have to "stretch to achieve," but "you can't mandate something that is impossible to attain," Holte said.

Tim Worke, director of the Associated General Contractors of Minnesota's Highway Division, said he's disappointed that the department revised the goals without reaching out to the industry.

Construction was especially hard-hit during the recession, Worke noted, and many seasoned tradespeople are out of work.

Worke said he recognizes and understands the challenges the industry faces with regard to inclusion. But the new goals appear to be based on "an academic exercise," he added.

"Just because we pop a number out there doesn't make it all better," Worke said.

The new goals, which apply to contracts of at least \$100,000 and employers with more than 40 full-time workers, are based on an analysis of demographic data conducted by state demographer Susan Brower.

The demographic information comes from the American Community Survey for the years 2006 to 2010. The ACS collects data on "employment, race, disability status and gender, among other topics," the Human Rights Department noted in its news release.

The ACS is the "only source of Equal Employment Opportunity data produced by the U.S. Census Bureau," according to the department.

Construction apprentice information provided by the Minnesota Department of Labor and Industry was also considered.

A news release from the Department of Human Rights says the revised goals "more accurately reflect Minnesota's increasing diversity and could result in hiring more female and minority employees."

"While unemployment remains a reality for 168,000 Minnesotans from all races and backgrounds, the jobless rate for minorities is disproportionately alarming," Minnesota Human Rights Commissioner Kevin Lindsey said in a statement.

"These updated hiring goals will ensure that all Minnesotans have a chance to compete for job opportunities as our economy continues to regain strength," Lindsey said.

Goals for Anoka, Carver, Dakota, Scott and Washington counties will be 22 percent, according to the Department of Human Services. Until additional U.S. census data are available, existing goals will remain in effect for cities and counties outside the seven-county metro area.

Minneapolis, St. Paul and the federal government have their own goals, and some projects involve multiple government entities.

The Human Rights Department says it worked with the Minneapolis and St. Paul civil rights departments to make sure that the same goals would be used by each of the agencies when those situations arise.

According to the news release, state law has required the human rights commissioner since 1985 "to issue goals and timetables for minority and female utilization in state-funded construction projects."

UPDATE: The new minority workforce participation goals take effect April 4, according to Jeff Holman, spokesman for the Minnesota Department of Human Rights.

Complete URL: <http://finance-commerce.com/2012/03/contractors-question-new-minority-hiring-goals/>