

JANUARY/FEBRUARY 2024

SMAC NEWS

Tackling the **TALENT GAP**



CONTENTS

Vol 58 No. 1

Features

10
Tackling the Talent Gap

16
From Serving America to Building America

20
Creating Innovation Beyond Expectations

23
A Member Management Upgrade

Sectors

02 **Architectural**
Copper Roof Replacement Earns Top Award

04 **HVAC**
HVAC System Replacement & Expansion

06 **Industrial**
Expanding An Automotive Industrial Facility

08 **Residential**
Adding Modern Comfort to an Historic Home

Columns

25 **Capitol Hill Update**
Our 2024 Priorities and Objectives

26 **Belonging**
How to Be a Good Crewmate

27 **Financial Stewardship**
Know Your Obligations under the Corporate Transparency Act

28 **Legal**
DOL Proposes Overhaul to Apprenticeship Programs

CEO UPDATE Aaron Hilger



2024: A Busy Year Ahead

I expect 2024 to be a busy year for SMACNA members.

Regionally, record levels of work driven by mega projects are a tremendous opportunity for our industry. There are many challenges to meeting the opportunities, from the availability of skilled labor to, perhaps more challenging, finding project managers and field supervision. One of the best ways SMACNA can serve our members is to work with SMART to fill labor needs. Our joint megaprojects task force meets regularly on these issues. I also recognize that supervision and project management shortages limit contractors' abilities to bid and manage projects. At the end of 2023, we reorganized our education staff to align with our industry committees. We set up the right structure to increase offerings. This group will assist all departments in developing more programming for our members. It will also bring new project management and supervisory programs forward in 2024.

During the first quarter, there are a lot of opportunities for SMACNA members to engage with labor, prepare for labor negotiations and learn about technology. Once again, Partners in Progress is going to be well attended. This is one of my favorite meetings because we can collaborate to improve market share. We also have two

labor programs — the Collective Bargaining Orientation and a joint Mutual Gains Bargaining. Technology-focused members found robust offerings at the SMACNA/NECA/MCAA MEP Innovation Conference in January. This was another meeting that encouraged contractors to think outside of the box and embrace technology. We also have our Association Leadership Meeting. SMACNA is deeply committed to building a stronger association, and the Association Leadership Meeting focuses on association governance and topics you can bring back to your chapter to help it grow and prosper. Chapter executives also participated in our Chapter Executive Institute in late January. This is the best program for Chapter Executives to attend

with focused education to help them do outstanding jobs.

Living full-time in Virginia makes it challenging to ignore the daily drama in Washington and on the campaign trail. Simply put, neither party can govern in the current climate and with a small majority. We are seeing the chaos play out in real-time amidst all the budget fighting, inability to act on border security and failure to move aid for our allies. None of this is made easier because both sides are jockeying for electoral positions. I am reminded of a comment one of my political science professors made in class around 1994: "We get the leadership





FROM THE PRESIDENT

Carol Duncan



SMACNA is generating tangible progress within the regulatory process. The new independent contractor rules are great for SMACNA members."

we deserve — they are the ones we vote for." Perhaps if more people voted, especially in primaries, democracy would function better. Most voters fall into the middle on most issues. Their collective inaction allows the extremes of either party too much influence.

Meanwhile, SMACNA is generating tangible progress within the regulatory process. The new independent contractor rules are great for SMACNA members. SMACNA members play by the rules and are harmed when competitors unfairly classify workers as independent contractors to avoid paying payroll taxes, workers' compensation and benefits. SMACNA's government relations and regulatory teams, led by Stan Kolbe and Jason Watson, have been constantly engaged in the rule-making process. Their work led to our positions being incorporated into the final text of this and several other rules. I could not be happier with SMACNA's work on this front.

Since all politics is local, a brief look at state issues is warranted. SMACNA will

continue to advance state-level Ventilation Verification legislation. NEMIC has been a great partner in this effort, and we expect several more states to pass legislation in 2024. This creates excellent opportunities for members by getting contractors in the door to do service and projects in public facilities. We will also assist chapters with state and local issues, especially around training chapter executives and members on how to be effective advocates. We can also help if there are issues accessing federal funding and/or tax credits for projects.

I hope 2024 is a productive year for you, your company and your family. Please don't hesitate to ask for help and support on any issue. The sooner we know about it, the sooner we can help. ▼

Aaron Hilger is CEO of SMACNA, bringing more than two decades of executive association leadership to this role. Hilger is focused on building a stronger, more competitive environment for all SMACNA contractors.

Commit to a High-Performing Culture

We all recognize that our success lies in the strength and growth of our workforce. Retention is always a consistent focus, driven by the belief that a cohesive team becomes its recruiting force. The goal is clear: to become the employer of choice in the industry. Leveraging surveys as roadmaps for initiatives has proven invaluable.

While celebrating our ranking in Oregon's Top 100 Businesses survey this year, my attention naturally gravitates toward areas where we can improve. The feedback received from the recent survey is a valuable resource, highlighting critical areas for improvement.

Communication consistently tops the list of improvement areas, and rightly so. How leadership communicates the purpose and why it matters to team members is paramount. Understanding that messages may need to be conveyed multiple times, especially in today's dynamic work environment, emphasizes the need for effective communication strategies. It is intriguing that the frequency with which a message must be heard may vary across generations. Bridging this gap becomes crucial, particularly as baby boomers navigate the best ways to communicate with the current workforce, recognizing that they may interpret messages differently.

Another persistent concern echoing through the feedback from our employees is the perceived reluctance of leadership to address underperformers swiftly. It is a challenge worth acknowledging, as a high-performing team inherently craves high performers. Achieving alignment on this front is essential for our collective success.

Decisive action on this matter can prove essential for maintaining a harmonious and productive workplace despite the potential discomfort. The paradox often arises when these individuals get the best results. The fear of losing a significant contributor may seem counterproductive, yet my repeated experience demonstrates the opposite. When a professional relationship is not yielding the desired results, the decision to part ways is an investment in the long-term health of the team and the organization.

As leaders, we need to recognize that our teams are observant. They notice when actions do not align with organizational values and expectations. The call for decisiveness is not just about efficiency but about demonstrating integrity and commitment to a culture that fosters success.

So, when the signs are clear that a dynamic isn't working, the call to action is simple: make the decision. Your team is watching, and your commitment to a high-performing culture will not go unnoticed. ▼

Carol Duncan, SMACNA President



Copper Roof Replacement Earns Top Award

Harder Mechanical receives the NACIA Award for its work on the Studio Building in downtown Portland, Oregon.



The nine-story Studio Building in Portland, Oregon, was built in 1926. Harder Mechanical replaced the aging roof with 20-ounce copper panels.



NACIA (North American Copper in Architecture) chose Harder Mechanical Contractors as a recipient of 2023's NACIA award. Harder Mechanical was one of only 19 companies recognized for their outstanding work with copper.

The Studio Building in Downtown Portland, Oregon is a nine-story building that was constructed in 1926. It was built by Ellison-White Conservatory of Music and featured 128 rehearsal studios. Later, the building was repurposed into an office building, with the bottom floor being leased by the restaurant Pastini.

After decades of use, the owners of the Studio Building decided, that due to age, the roofing needed replaced. Harder Mechanical Contractors replaced the old roofing with 20-ounce copper panels — aiming to replicate and honor its historical features. As the Studio Building is an historic building, it was important to both the owners and Harder Mechanical to accurately reflect the building's original design.

While updating the Studio Building, Harder Mechanical faced many challenges. The primary challenge was the Studio Building's location. Due to the Studio Building being in Downtown Portland, Oregon, Harder Mechanical had to work around pedestrians and ensure both public safety and employee safety. Another major challenge was that the Studio Building remained occupied for the duration of the project. Harder Mechanical had to work around occupants and aimed to limit disruptions to the occupant's day-to-day schedules. Harder Mechanical also encountered various weather challenges.

"Access was extremely challenging," says Project Manager Jeanette Lampe. Through her leadership, the contractors were able to maintain great communication, which helped them focus on safety, details and maintaining deadlines. "We leveraged a long-standing relationship with a swing stage company, Spider Staging, to erect towers and rolling swing stages so we could trolley out to get past the dormers and reach the outermost edge of the building. We could also trolley



Project challenges included navigating a busy downtown environment while ensuring both public and employee safety.



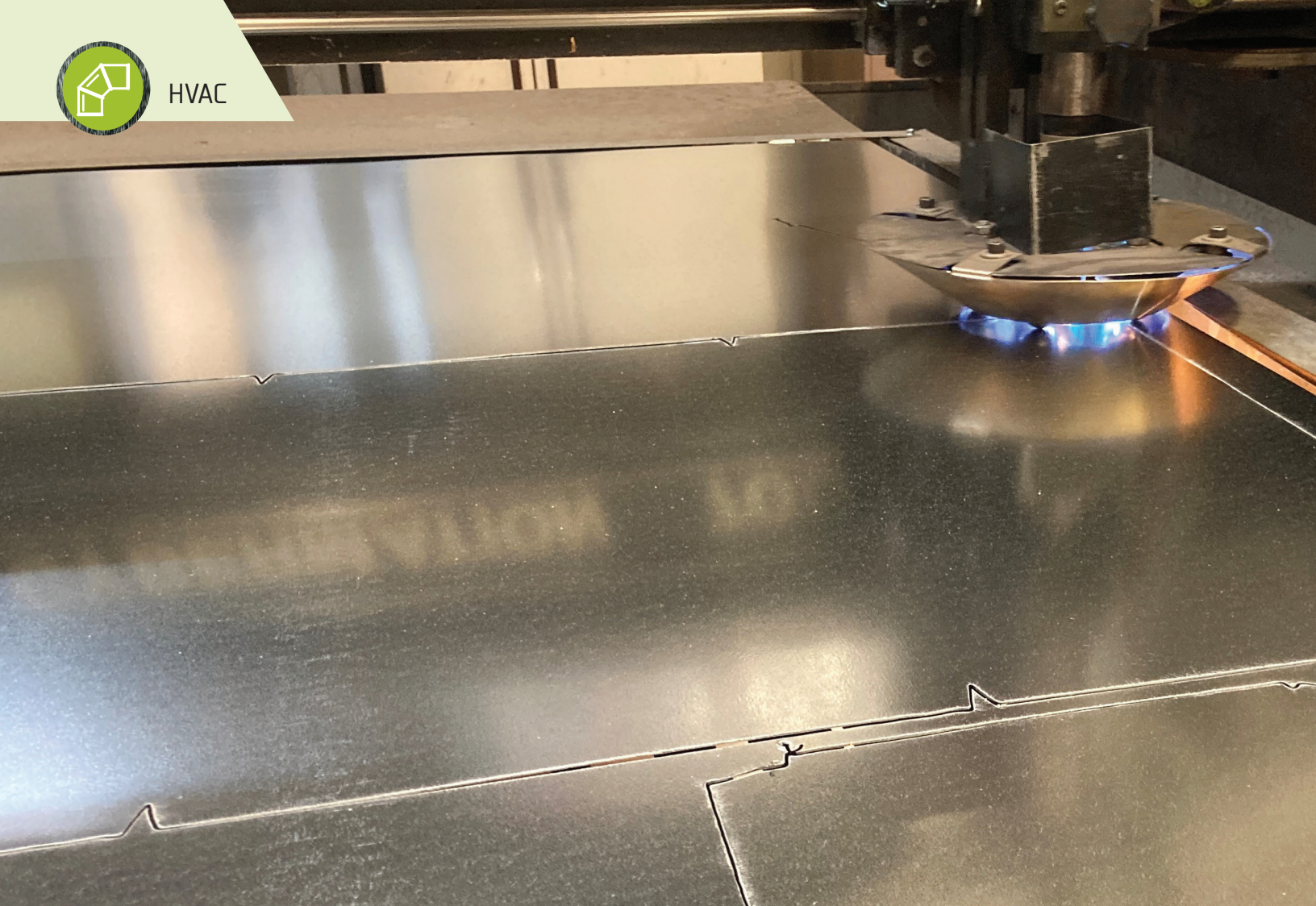
Harder Mechanical was able to update a nearly century old building in Portland, Oregon, while maintaining its historical significance.

them back in to get to the top and get our workers safely back on the roof.

“We also had to work with our engineer to review the original drawings from the early 1900s to make sure we were not going to collapse the building with the weight of the stages and locate acceptable tie off points for access,” Lampe continues. “Many details like this went into this challenging and rewarding project. We were really happy to be a part of it.”

The Studio Building is nearly a century old, and Harder Mechanical was able to provide beautiful updates while simultaneously maintaining its historical significance.

“The Studio Building Copper Roof Replacement was an important project to Harder Mechanical for two reasons,” explains Todd Firestenberg, sheet metal division manager, Harder Mechanical Contractors. “First, the preservation of the historic Ellison-White Conservatory of Music. Second, the project was a great reflection of Harder Mechanical’s architectural sheet metal capabilities — particularly on sunny afternoons.” ▼



HVAC System Replacement & Expansion

C&S Companies of Syracuse, New York, had to install 20,000 pounds of ductwork at a training center while navigating continuing classes.

The International Brotherhood of Electrical Workers, or IBEW, Local 43 Electrician's Training Center in Syracuse, New York, needed to replace their existing HVAC system and expand their facility. The catch is that they would continue teaching classes throughout the expansion and renovation.

"It's like someone coming into your office and shuffling everything around while still expecting you to do your job," says Eric Taylor, PE, senior project manager with C&S Companies of Syracuse. "We are moving existing audio-visual equipment and furnishings to maintain use of the facility. It's challenging to preserve the educational environment under these circumstances."

C&S works closely with the faculty and the other trades to support a good learning environment for the apprentices. "We are trying to be cognizant of the

teachers and students, keeping the facility as close to normal as we can."

The biggest challenge has been maintaining occupancy while performing the renovation. "We haven't been able to go in and wipe everything out," Taylor says. "We have to be strategic in how we demolish systems so apprentices can continue to work." The institute has rearranged class locations to allow C&S to access different areas. "The owner will give us a few rooms or a section that we can work on for a couple of weeks. When we complete that area, they move their students back in, and we go on to the next section. The challenge is being able to coordinate with other trades efficiently to limit multiple mobilizations, rework or having to perform portions of work twice."

The training center has major equipment mounted on the roof or suspended above the drop ceiling. "Typically, the ceilings would be the last thing we



C&S is demolishing and replacing the entire HVAC system for an existing 12,000-square-foot building, as well as providing a new one for an 8,000-square-foot expansion.



The challenge is being able to coordinate with other trades efficiently to limit multiple mobilizations, rework or having to perform portions of work twice."

would do," Taylor says. However, for this project, the students needed to move back into the space before C&S finished the mechanical work. The contractor installed temporary ceilings in those sections to restore a functional classroom environment for the client. "We used temporary plastic ceilings because we didn't want to damage the new tiles. Nobody wants to do things twice or to repair new work that somebody else has damaged."

C&S is demolishing and replacing the entire HVAC system for the existing 12,000-square-foot building and providing a new one for the 8,000-square-foot expansion. The project will take about 12 months from start to finish. "We're three or four months into the project," Taylor says. "We should be complete by June or July." The project will bring in about 1500 work hours. "Between the office, the fabrication shop and installation, we will have two to five people working all the time. Installation is intermittent because we are scheduled around the architectural work. When we're not onsite installing, we're in the shop fabricating."

The existing facility currently utilizes ground-mounted air handling units without energy recovery. The upgrade will increase efficiency and occupancy comfort by replacing the air handlers with three energy recovery ventilators and 23 fan coil units. "The three ERVs and 23

fan coil units support a significant amount of ductwork throughout the facility," Taylor says.

C&S is installing a total of 20,000 pounds of ductwork into the facility. Most of the installation will be traditional 20-, 22- and 24-gauge galvanized duct. C&S is fabricating all rectangular ductwork in their downtown sheet metal shop. The project will also require about 1,200 feet of round duct, sourced locally and prefabricated.

After years of supply chain issues, C&S was surprised to get all equipment for the training center in a pre-COVID timespan. "We reached a point where we didn't trust delivery dates from manufacturers and vendors because we had been disappointed so frequently," Taylor says. "For that reason, we like to manufacture as much as we can in-house to maintain control."

C&S Companies has offices across the United States. Still, their fabrication shop is in downtown Syracuse, New York, with an additional shop/warehouse a few miles north of Syracuse. Most of their mechanical/HVAC projects are within one to two hours of Syracuse. They collaborate with a strong general contractor, which is how they won the project. "Our general contractor won this in a traditional competitive bid," Taylor says. "We have the expertise to do many different things in-house, which gives us an advantage locally." ▼



Expanding An Automotive Industrial Facility

A major automotive supplier in Detroit requires a large expansion. Quadrate Development and Liberty Sheet Metal get the job done.



While the industrial design/build market is not for everyone, Quadrate Development, headquartered in Macomb, Michigan, has been tackling complete projects since 1984 when two brothers had a vision of building the “finest industrial and commercial facilities in the industry.” That has carried into projects like one currently underway for G&G Industries Inc., an automotive supplier based in Michigan. SMACNA member Liberty Sheet Metal, based in Ray Township, Michigan, did a lot of the work with insulated metal FALK Panels.

G&G Industries began in 1992, entering the automotive production supply base as a tier 2 volume supplier. The company’s quality-driven process and customer satisfaction enabled it to become a high-volume global supplier to the automotive industry. Today, G&G continues the tradition of quality services for both original equipment manufacturers and Tier 1 suppliers to some of the industry’s most visible automotive manufacturers, including Subaru, BMW, Mercedes, GM, Lexus, Toyota, FCA, Ford, Nissan and Honda.

As far as services, G&G can deliver honeycomb composite spray molding, mechanical engineering,



trimming, bonding, textile conversion, honeycomb expansion and color matching. In fact, the company was the first manufacturer in North America to introduce honeycomb composite spray molding technology to the automotive industry in 2004. It produces more than 1.3 million composite panels each year in its facility.

The 41,000 square foot industrial addition to their existing building was a significant undertaking, but Quadrate was prepared to handle it.

“When you tackle industrial design/build work, you often have to prepare a bid without plans and specs,” says Michael D’Agostini, commercial/industrial real estate

11

Liberty sheet metal had more than 800 man-hours involved in installing the insulated wall panels at this automotive industry facility.

design/build specialist with Quadrate. “We competed against two other firms and won the bid. We were initially recommended through a business associate.”

D’Agostini says that the project was awarded in February 2023 and the company got right to work so that they could begin construction in early spring.

“Michigan isn’t known for its good weather, so we wanted to get it all designed and approved so that we could start construction in late May,” he says. “We often have to work against delays that are out of our control whether it be the weather or the approval process. But as soon as we received approval, we began construction.”

One of the challenges of this project was that it had a particularly heavy primary electrical service and fire suppression system. But D’Agostini says that with the right contractors in place, it all came together.

“We have been building industrial and commercial buildings since the early 1980s,” D’Agostini says. “Our focus used to be on building and selling those buildings, but we now take on any type of commercial or industrial client. We know that the right team is a key to success.”

Jim Borgiel, president of Liberty Sheet Metal, says the quick turnaround also involved working around G&G’s active operations without getting in their way. Borgiel says they had around 800 man-hours involved in installing the insulated wall panels on this project.

While not everyone can tackle the complexities of handling design/build work, D’Agostini says they have the experience and know-how to be successful.

“There can be a lot of risk associated with design/build as you are taking on a project in its entirety — before there is a fully developed plan,” he says. “While it’s not for everyone, we have an extensive network of relationships with subcontractors that have helped make it work.” ▼



Adding Modern Comfort to an Historic Home

Evergreen State Heat & AC believes that securing a customer for a service contract, in addition to installation, creates a long-term customer relationship.

The owner of a two-story, 110-year-old home in downtown Everett, Washington, relied on an antiquated boiler system in his walk-in basement for heat. He wanted to add modern comfort while preserving the aesthetics of the historic home, so he called Evergreen State Heat & AC, the winner of the 2023 Gold Excellence Safety Award by the Master Builders Association of Snohomish and King Counties in Washington State.

Within three weeks of the call, the owner had the new system he was looking for, plus a service contract that would bring Evergreen technicians back for years. Evergreen completes most residential projects within two or three weeks from the first call to completion. Even when volume is high during the summer, they install within four to six weeks. Quick turnaround for installation helps build relationships with the customer that can last for decades.

Evergreen is a residential and light commercial contractor. "In the present economy, where interest rates remain high and there are political and economic uncertainties, our commercial markets are smaller and more competitive," says

Russ Kimball, Evergreen's owner and CEO. "Now is the time we need to rely more on the residential markets. Service contracts for all customers are critical and the main difference between a transactional and a relational customer. This is a primary driver for our replacement and service base."

Evergreen targets customers who want peace of mind for an extended time, offering a 10- or 12-year extended labor warranty. "Now we are the dedicated service company for the next 10 years," says Evergreen's operations manager Susan Reeder. "Our service technician will come to the home annually, so the warranty remains intact and the HVAC system has the best life expectancy."

Evergreen's relationship with a residential customer starts with the first call to the office. "We want to capture our clientele based on a live call," Reeder says. "We try not to put customers off, and we get an energy consultant out quickly, so customers are made a priority from day one."

Energy consultant John Liska visited the 110-year-old home on September 27, the day after the initial call. "I have a set of questions that will allow a customer to walk me through what they're looking for," Liska says.



Evergreen State Heat & AC's goal was to add modern comfort while preserving the aesthetics of a 110-year-old home.



"We have a large selection of products to meet the customer's needs." Consultants provide the owner with a proposal within 24 to 48 hours.

The customer accepted Evergreen's bid on October 9, and the foreman visited the layout. Then Evergreen sent a journeyman with 27 years of experience to install about 1000 pounds of equipment, including a ducted air handler with 40 feet of flex duct in the attic. "Flex duct allows us to be more maneuverable and agile, especially in the attic situation where you want to be able to move around," Liska says. "You don't want to fall through the ceiling."

The journeyman fabricated the transition from the ductwork to the on-site air handler. "We have a mobile fabrication unit, a box truck that has everything the journeyman needs," Liska says. Evergreen's success depends on the superior skill level of the workforce. "I haven't worked for another company that could make adjustments on-site without delaying this kind of project for months. There were no callbacks and no issues. The customer's satisfaction with our product and our service goes a long way toward building a strong reputation."

Installation was complete by October 18. About seven days later, the service technician dedicated to the home did a courtesy walk-through. "We visit with the customer to make sure they are in love with their system, they're running it properly, and everything's working," Liska says. The service technician discusses the warranty and rebates, answers questions and explains the thermostat.

As part of the closeout program, the technician invites the customer to give Evergreen a review. "In 2023, Evergreen had over 90 reviews from customer service, electrical



and installations," Reeder says. Customer reviews on Google increase Evergreen's visibility on Google search. "We make sure our jobs are successful, our customers are happy, and they're providing feedback, which continues workflow."

The installation brought Evergreen about 30 sheet metal work hours. Still, the long-term relationship is the best part of the story. Some customers have been with Evergreen so long that Evergreen has replaced their HVAC three times. "When you create that trust," Reeder says, "they come back to you for a new system replacement each time." ▼



COVER STORY

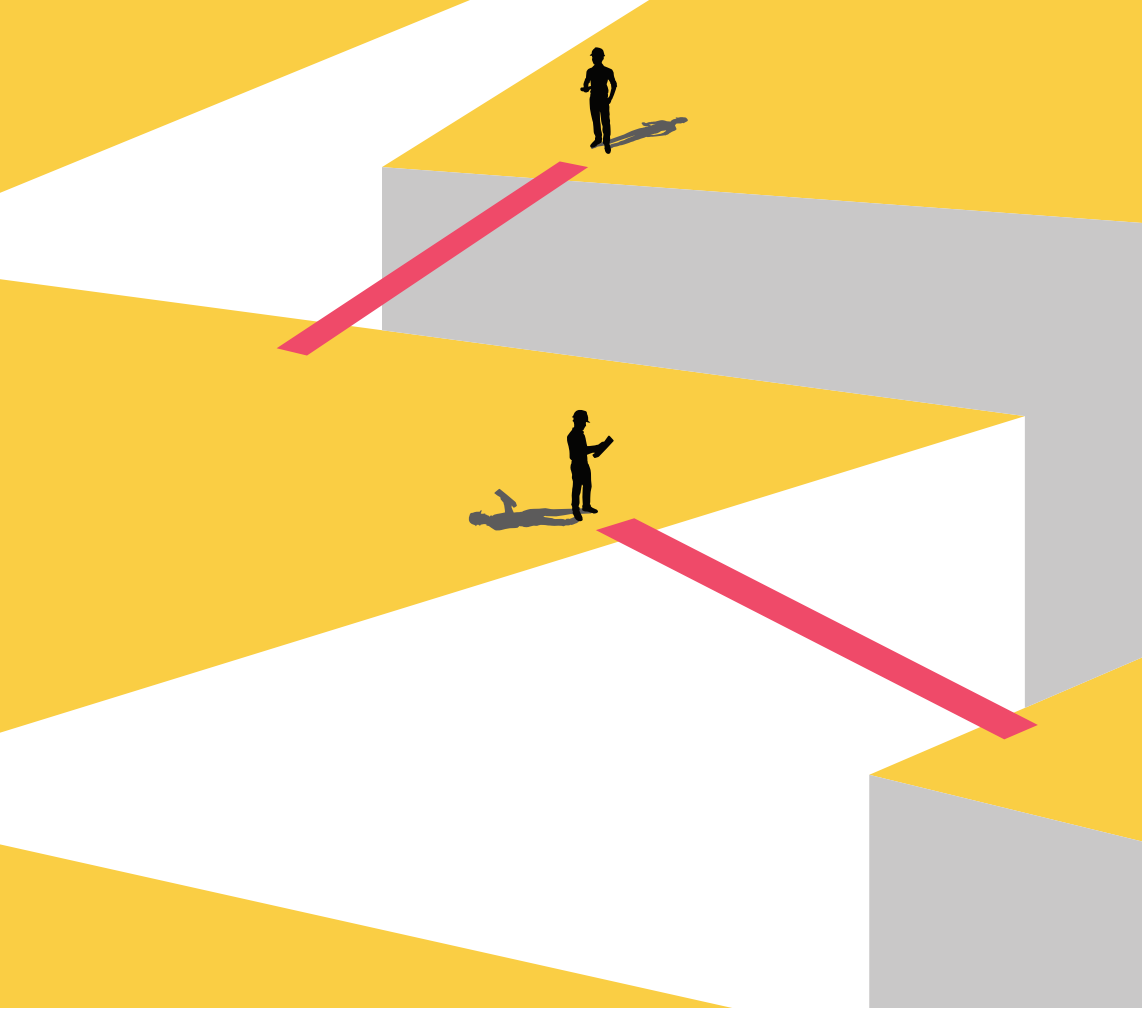
Tackling the **TALENT GAP**

When there's more exit than entry and more work than hands, what's the answer? Tell the sheet metal story — to everyone.

It's scary math. Up to half of the industry's talent will retire in the next five to seven years. For every four to five people who retire, one person is hired, creating a significant talent gap.

This from Angie Simon, advisor to the board of Western Allied Mechanical in Menlo Park, California, and co-founder of the workforce development nonprofit, Heavy Metal Summer Experience. "The average age of workers in our industry is older than it has been in a long time," she adds.

In conversations with some of Western Allied's leadership and longtime team members, Simon hears, "I'm three years from retirement. I'm retiring at the end of the year," and so on. "We are going to lose a lot of really good people."



That's the story across the industry and in construction trades overall.

While serving as SMACNA's first female president from 2019 to 2021, Simon visited contractors across the country. "The No. 1 concern everywhere was and is workforce development and succession planning because people who own the companies are getting ready to retire, too," she adds.

There are multiple factors built into the labor pain equation.

Scarier yet opportunistic numbers: federal megaprojects valued at upwards of \$35 million will require qualified, trained labor.

The trades aren't alone in the juggle to fill empty seats, understaffed projects and vital roles. Employers of all kinds are competing for talent and working harder to retain the workers they have. While 2023 closed with a steady unemployment rate of 3.7%, this low

number also means the industry must ramp up recruitment to introduce sheet metal careers to young people entering the workforce and expand the hiring pool to individuals who are in jobs but looking for a better path and those the sheet metal trade has not traditionally attracted.

It's a daunting reality — but it doesn't need to be that way. In Simon's words, "It's time to stop complaining, do something about workforce and get some skin in the game."

That's exactly what she did when starting Heavy Metal Summer Experience in 2021 in partnership with Rick Hermanson, CEO of The Hermanson Company in Seattle, Washington. The program grew from two camps of 28 students to 21 participating companies and locations across North America with 325 students ages 15 to 19. It's working. "It's inspiring — the participation has floored me," Simon says.

SMACNA Mid-Atlantic organizes summer tours for vocational school students at local sheet metal companies, with hosts like W.E. Bowers in Beltsville, Maryland, and Southland Industries in nearby Laurel. Exposing young people already on a trades track to specialty industries like sheet metal opens their eyes.

Some of those "tourists" have become apprentices.

"Once more people are educated about the industry, they might be very surprised at how good of a career they can have," says Dale Sheppard vice president of sheet metal at W.E. Bowers, speaking from the perspective of a second-generation sheet metal worker who, in his 42-year career, has climbed the ranks. The reason he pursued the trade is because he saw his father rise and provide for their family.

He says, now more than ever, it's time to multiply and amplify this kind of story to recruit and retain talent to the sheet metal industry.

AMPING UP THE SALES PITCH

The reasons for lagging employment in the sheet metal industry are varied and many of them a by-product of a good, old-fashioned hope for the next generation to "do better." Of course, there's fallacy in this belief, and also a slight U-turn in how young people are pursuing post-secondary education following the pandemic.

Sheppard followed his father's footsteps, and now his son is a third-generation sheet metal worker. "It's not as generational now as it used to be," he says, wishing that weren't the case. "There were a number of years when people would not even recommend to their kids to do what they do."

During a safety meeting, Simon once asked Western Allied's

"It's thought of as a dirty, blue-collar job, and we need to change that idea because it's far from that." —ANGIE SIMON

leads, "How many of you want your kids to be in the trades?" Not many raised hands. "How many of you want your kids to go to college?" she followed up. Almost every hand shot up.

But college doesn't have to mean a four-year liberal arts institution. Sheet metal workers who have established successful careers in the industry understand that. But what about others?

Lately, there is more bucking the idea of lecture halls and reconsidering the legacy family university these days, notices Kurt Snyder, executive director of SMACNA Mid-Atlantic. "We're seeing more students who want to work with their hands," he says.

The pandemic kind of helped, shining a light on what it means to be an essential worker getting a regular paycheck.

"Also, with the high inflation and rising prices, you start lopping that on top of higher education costs, which have soared, as well," Snyder relates. "A big change for many people was a move to do more with less, and not graduate with \$180,000 in debt and take 15 years to work it off."

And in some ways the workplace evolution amid COVID hurt the industry.

"With so much remote work, there are a lot of people who are driven to get into that environment, and that's definitely not

construction," Sheppard says. "You can't work from home and install something on a jobsite."

Some find out after going off to campus or taking some community college classes that the academic environment is a swing and a miss. It's just not their thing. Or, they gain employment with an hourly wage, no benefits or no real promise and decide to pursue a stable career in the trades instead.

"These are some reasons why the average apprentice age is about 30, says Sheppard, who served on a joint apprenticeship committee. "When I started, most of us were 18 to 20 years old," he says.

Still, there is a layer of dust on the construction trades' reputation. Despite highly technical processes, tech innovation and the range of industry positions from engineering to management and even marketing, public perception is somewhat antiquated.

"It's not where we'd like it to be," Simon says. "It's thought of as a dirty, blue-collar job, and we need to change that idea because it's far from that. Kids need to understand it's probably not what their parents think of as construction. We need to focus on showing young people that this is a very viable career, not just a job."

Simon also encourages kids in Heavy Metal Summer Experience camps to think beyond field

work. "About 60% of SMACNA contractors have come through the trades and now own their own companies," she points out.

BUSTING BARRIERS TO ENTRY

Aside from general knowledge of industry opportunity, there are other barriers to entry that employers can address to attract talent. But it requires a mindset shift.

Transportation is a big one. Sheppard says, "It's definitely a huge hurdle," in his area where public transportation is available, but not always running to suburban jobsites. "To me, it's personally surprising how many people do not get a driver's license until they are 19 or 20," he says. "And with public transportation, there can be issues with timing."

Snyder adds that mass transit is a solution for young students vs. buying a car and paying insurance and costly parking fees in urban markets like Washington, D.C. "Public transportation is provided there for anyone who needs it, but if you have to get from Washington, D.C. and drive 40 minutes out of the beltway, you need a vehicle," he says.

Some companies arrange carpooling. Others have organized shuttles or busing for large projects.

Snyder reminds: "A student may perform really well and get a job offer, but without

"It's time to stop complaining, do something about workforce and get some skin in the game. Sell our industry to people. Sell it to the next generation."

— ANGIE SIMON

transportation, you can have the castle, but you can't cross the moat."

And today, childcare is a diverse issue shared by single mothers, single fathers and dual-income families, noted SMART General President Mike Coleman in a labor forum. Childcare could cost 20% of a household's income, and he says SMART is working on an initiative to relieve some of those costs and is "almost there."

Early start times can make daycare drop-off a challenge. "We're trying to offer some flexibility in start time but, unfortunately, the trend in this industry has been to go to work earlier and earlier," Sheppard says. "I have people starting anywhere from 4:30 to 6:30 a.m."

Snyder adds that providing benefits such as more "open-ended PTO time to use" would appeal to younger workers and all employees who, he says, "are not looking for outrageous benefits but need a favor from time to time, and that can make all the difference."

Back to the mindset shift, the ability to do meaningful work and make a difference is important to younger workers — and really, all of us, given a universal re-evaluation of what's important in a career amid the pandemic.

"Work-life balance is important, but what they are really

looking for is a sense of involvement and belonging, and while pay comes into that, it's not as important as being fulfilled, appreciated and having opportunities to grow," says Julie Markee, business consultant and owner of Key Process Innovations.

She shares how one of her clients, Enoch Machining, created a FastTrack: Learn More, Earn More program for new machinists combining weekly classroom sessions, hands-on instruction and production responsibilities. Upon completing, participants meet certification requirements designated by the National Institute for Metalworking Skills (NIMS), gain employment and speed toward promotions and pay raises.

Also important, the program builds a culture of continuous learning, which is valued by the young workforce, Markee points out.

Adopting a modern mindset is not only important for recruiting talent, it's key for retaining hard workers.

The sheet metal industry talent gap isn't widening because workers are leaving the industry to do something else. It's not about attrition, it's about retirement, Sheppard says. But young people who come on board are looking for a different type of workplace than the generations before them.

Retention is mission critical to retain great workers who can climb the ranks, mentor new employees and help companies grow.

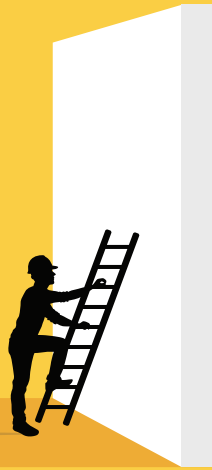
"There are plenty of companies with a business model of bringing people in for a certain project, and when that project is over, 'We no longer need your services,' and those individuals are out looking for other positions," Snyder says, adding that Millennial and Gen-Z workers actually do not want to job hop. "They want to put down roots and establish themselves."

If a company hires 30 team members for a project, "There will be a few who stand out, and we need to make room for them for the long-term," he adds.

OUT-OF-THE-BOX STRATEGIES

Recruiting creativity can give companies a leg up with hiring efforts. Heavy Metal Summer Experience is just one example, and now the nonprofit offers a playbook of resources with 100-plus pages of sample projects, release forms, media and marketing materials. It's a plug-and-play program for any sheet metal company that wants to participate.

"We rely on finding host contractors and host training centers, and we provide every kid in camp a set of Red Wing boots and a bag of tools from our



partners, DeWalt and Milwaukee Tool,” Simon says, adding that the organization provides participating companies with stainless steel metal, T-shirts and support. “We hold their hands the first year they are running it, and we update our playbook every year to add more projects.”

A sign of recruiting success for companies who host a camp: All 21 camps that ran last year are offering the program again this summer, with more coming on board.

Not only does the camp boost recruiting efforts, but also it’s a benefit for employees, who get a morale hit from sharing their knowledge and experience. “The employees love giving back — and they really do want to give back because they see this is a good cause,” Simon says.

Facility tours like the ones SMACNA Mid-Atlantic hosts introduce technical schools with already “all-in” candidates to promising jobs. “By aligning technical high schools with participating companies that want to grow, we have seen great success,” Snyder says.

“The schools are so appreciative,” he adds, noting that many teachers are evaluated on the

number of students who attain jobs after graduation as a mark of the school’s success. “They have a vested interest in getting those kids placed.”

Snyder also suggests capturing student talent in the way college athletics sign incoming freshmen. “If you have a female high-school soccer player who is great at the game and signs a commitment letter to a university, why can’t we do that for technical students, maybe those who have completed a summer internship?” he relates. “If there are stand-out students and they are motivated and their attendance record is spotless, they collaborate, it’s a great future hire. Make an offer to hire them upon graduation.”

Aside from students, the sheet metal industry is a fulfilling career path for others who might not know about it. Coleman speaks about creating opportunities for Joint Apprenticeship and Training Committees (JATC) to attain grants — “free money to improve your workers and employees.”

Another avenue for talent: SMART Heroes, which Coleman calls a “best-kept secret and unbelievable program.” It pro-

vides a seven-week, free sheet metal industry training program to active-duty U.S. military men and women and recent veterans at any JATC. Coleman says, so far, 547 graduated and 374 are in apprenticeships. “These are our heroes, and we are able to give them a path,” he says.

Approaching recruiting with an open mind and open doors is equally important, as promoted by the BE4ALL initiative — Belonging and Excellence for All. “Locals should look like the communities we live in,” Coleman says.

As for promoting the industry, Sheppard points to a need for more social media exposure, “because it’s where the world is now, and we need to be more proactive,” he relates.

Spread the word about SMART/SMACNA’s social media outreach effort on Facebook, where posts promote aspects of the industry that can attract talent. For example, one says, “I get to build with my hands whether in the shop or the field. I enjoy quality visual work. I’m an artist, so I have a vision for it.”

Above all, tell the story.

Simon’s challenge to contractors: “Sell our industry to people, sell it to the next generation.” ▼

One of the recent graduating classes from SMART Heroes.



FEATURE STORY

From SERVING AMERICA to BUILDING AMERICA



SMART Heroes provides a free, accelerated sheet metal industry training program for active-duty U.S. military members and recent veterans who are transitioning to civilian life.

By the end of 2023, SMART Heroes reached a major milestone, graduating 500 people from its program, which provides sheet metal industry training — free of charge — to active-duty U.S. military men and women and recent veterans.

That means 500 more people who the program helped successfully transition from military work to the civilian workforce were one stop closer to entering a satisfying career in the sheet metal industry.

But there is still work to do, explains Joshua Moore, field representative and SMART Heroes specialist with the International Training Institute in Falls Church, Virginia, as well as a veteran himself from the U.S. Army Corps of Engineers.

Considering there are 200,000 service members who get out of the military every year through retirement, medical discharge or finishing their U.S. government contracts, this makes up a huge potential pool of future sheet metal workers.

As the sheet metal industry faces a continued need for workers as megaprojects increase and business booms, learning about existing programs like SMART Heroes can help Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) contractors have better access to potential workers who graduate from this program and give them opportunities to support programs like this that draw potential workers to the sheet metal industry.

PLANNING THAT NEXT STEP AFTER THE MILITARY

International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) started the SMART Heroes program in 2017 in collaboration with SMACNA, Helmets to Hardhats, the International Training Institute and Western Washington Sheet Metal JATC.

Service members approaching the end of their military careers can enroll in SMART Heroes. Once accepted into the program, they spend seven weeks at one of the program's two military installations — the Local 66 in Washington state or the Local 9 in Colorado Springs, Colorado, which was added in 2019. One of these places becomes the service member's new duty station; they report to the program like they would their military base.

"These individuals already have the intestinal fortitude and good mindset needed. This puts them ahead of the curve."

— JOSHUA MOORE

This seven-week program fast tracks what would be an entire first year of apprenticeship, Moore explains.

After graduation, these service members generally transition out of service, turn in their gear and go to a location of their

choosing to start their second year of apprenticeship, which gives them health insurance and a livable wage. "It's a solid plan for those leaving the military for civilian life when they have to replace that regular paycheck and benefits," Moore says.

Sergeant Tyler Petersen, who graduated from the program, says he thinks the trades are the best-kept secret as far as cost to compensation goes. "The sheet metal trade can be lucrative and rewarding," he says. "The atmosphere at SMART Heroes was a welcomed change for me, and I can't put a price on the ability to network with the individuals here as well — people with similar experiences and trajectories. The knowledge I gained here has set me up to be the perfect apprentice."

SMART Heroes graduate Sergeant Codey Herman agrees. "I decided to join the program because I had friends go through it," he explains. "I like that the program is taught by prior service members. I know if I have a skill that uses my hands and my mind, I will not be out of a job."

Many times, graduates decide to stay at Local 66 or Local 9, but others will go back near their army bases or their hometowns. Some will even go to where the sheet metal work is, such as at Ford's BlueOval City in Tennessee, where the manufacturer is building a \$5.6 billion, 4,100-acre, 6-square-mile industrial park and electric vehicle center.

While there's no requirement to stay in the sheet metal trade or

in Washington or Colorado where the SMART Heroes training takes place, a majority of the service members — roughly 85 percent — do remain in the industry.

According to Sergeant Tyler Petersen, who graduated from Cohort 30 at Local 66, "this program has opened my eyes to a whole new world of opportunities in the outside civilian world. I've been able to map my new career during this transition, leaving less stress."

CHOOSING THEIR PATHS

During the SMART Heroes seven-week program, students are exposed to multiple facets of the sheet metal industry.

During week three, otherwise known as "elective week," attendees get exposure to five specific facets of the sheet metal industry: welding, service, testing and balancing (TAB), architectural, and business information modeling (BIM) and AutoCAD. Then they get to pick which area they'd like to focus on for the last 32 hours of the seven-week program.

"A lot of them pick welding," Moore says. "Service is probably the second most popular one. But this third week showcases the different avenues you can take in sheet metal. BIM, for instance, is technology driven. Just because you're in the sheet metal trade doesn't mean you have to be in the field putting duct together. There are so many areas you can go into. Education is another one."

SMART Heroes graduate and Petty Officer Second Class Brett Calkins liked the scope of the program. "It exposed me to all elements of the trade, giving me a better understanding of the direction I wanted to go in," he says. "I decided sheet metal is the best fit for me because it has a little bit of everything I

Trey Pettijohn, graduate of the Colorado Springs SMART Heroes (Local 009) program, works on the Air Force Academy Cathedral project.



enjoy doing, and I love a hard day's work.

"I worked in the engineering department on board the ship I was stationed on, and much of the equipment used in this [SMART Heroes] program was used on board," Calkins continues. "This program puts you and your experience first. It is a job well worth the time and effort."

SERVICE MEN AND WOMEN MAKE SOLID SHEET METAL EMPLOYEES

Moore says the interest in SMART Heroes graduates from SMACNA contractors has continually grown.

A big reason is because through the military, these men and women have learned discipline. They are used to showing up on time, taking good care of equipment and being dependable, which makes them excellent and reliable employees.

"Skills I built in the military that serve me now are a good eye for detail, the ability to adapt to a new challenge and, of course, a good work ethic," explains SMART Heroes graduate and Specialist Wayne Pave.

"My mechanical skills, such as operating and maintaining heavy machinery that I learned in the military, helped me familiarize myself with machines in the shop," adds SMART Heroes graduate Diego Plascencia. "My soft skills, such as time management, have also been helpful."

This combination of skills plus professionalism makes them highly attractive workers.

"This industry needs people who are going to show up on time or even 10 minutes early for work and who aren't going to be on their cell phones when they are on the clock," Moore explains. "These individuals already have the intestinal fortitude and good mindset needed. This puts them ahead



of the curve when it comes to entering an apprenticeship."

In the military, many of these service members also held leadership positions like SMART Heroes graduate and Master Sergeant Daniel Noone, who held such a position for 10 years and missed working with his hands when he was transitioning out of the military. "[In the SMART Heroes program], I enjoyed the work and camaraderie among the apprentices," he says, "and the brotherhood/sisterhood in the union is very similar to the military."

SMART Heroes continues planning for growth to reach that next milestone of 1,000 graduates. "We're always looking for another base to expand the program on the East Coast," Moore shares. "People continue to recognize

the importance of apprenticeships and how they can finish a program and gain experience and education without gaining over \$150,000 in debt."

Plascencia agrees, recommending this program to other service members who are planning their transitions to civilian life. "Not only do apprenticeships pay you to learn the trade," he says, "but this program guarantees you direct admission into the best unions in the country while others have to wait years to get in." ▼

As service members approach the ends of their military careers, they can enroll in SMART Heroes, where they can spend seven weeks at one of the program's two military installations.

A Smarter Path to a Civilian Career

SMART Heroes is a free program for service members that is funded by industry contractors and manufacturers. If you are interested in learning more about the program or donating, visit www.smart-heroes.org.



FEATURE STORY

Creating Innovation Beyond Expectations

SMACNA's revamped Innovation, Integration and Learning department is planning robust deliverables for members in 2024.

A lot can happen in a year.

Just ask Linda Jennings.

When Jennings started at the Sheet Metal and Air Conditioning Contractors' National Association just over one year ago, she came on board to run the Market Sectors and Construction Technology department as executive director.

As she took time to meet with the different SMACNA market sector councils and the rest of the eight committees in the department, she found that not only were there a lot of needs, but things also felt a bit disconnected.

She started connecting the dots between different departments, including Government and Political Affairs and Labor Relations. Bringing people together and listening to members discuss their needs as other departments shared updates boosted communication and information gathering. As they put the pieces together, it became clear that serving members best meant keeping these department synergies and communication lines open, as well as reframing the department.

As a result, Jennings's department was renamed the Innovation, Integration and Learning department, and it has some big updates and plans moving into 2024.

NEW NAME, NEW GOALS

Calling the department Innovation, Integration and Learning better embodies its goals, bringing it into the present and forged to best meet future opportunities, Jennings shares.

And to determine where to take this diverse department, Jennings had to take time to understand where the various committees were at and what they needed to set goals.

The result was a new mission: To innovate the sheet metal industry, integrate its programs and develop and facilitate learning opportunities.

The department analysis highlighted some major wins as it transitioned in 2023:

- Peer groups have been a big success in 2023, Jennings says. "The demand for peer groups was high and the response has been great," she

adds. SMACNA currently has more than 40 contractors in nine peer groups throughout North America.

- SMACNA held its inaugural Fab Forum in 2023, selling out at 130 attendees who attended standing-room-only sessions and got to tour Poynter Sheet Metal's innovative fabrication shop. The next event is planned for 2025.
- SMACNA, the Mechanical Contractors Association of America and the National Electrical Contractors Association collaborated on the 2024 MEP Innovation Conference that was held Jan. 29-31 in Orlando. In a future issue, *SMACNews* will share more about this event, which includes more than 60 presentations and more than 100 speakers speaking to more than 600 attendees.
- SMACNA hired an education expert and an administrative assistant to help facilitate this group's goals.

2024 DEPARTMENT GOALS

The 2024 goals for the Innovation, Integration and Learning department are robust. SMACNA members will receive the following deliverables in the next year:

- Starting in December 2023 and continuing into 2024, SMACNA is conducting podcasts on the white papers the Contractor Operations Manual Committee developed. "There are 25 chapters of this manual just sitting there online, so we wanted to turn them into something members can listen to while driving or on their lunch breaks," Jennings says. "To do this, we're contacting contractors who were integral in developing these pieces and having conversations with them about the chapter topics."
- SMACNA will hold a

"Success to me happens when we've moved in a direction where the culture of SMACNA is focused on continued innovation."

— LINDA JENNINGS

Residential Peer Group Forum focusing on just this market sector. "Here, they can gather online and talk about their issues, as well as have educational presentations or bring in experts on various relevant subjects."

- SMACNA will represent testing and balancing contractors with a booth at the American Society for Health Care Engineering's Health Care Facilities Innovation Conference Aug. 6-9 in San Antonio, Texas.
- SMACNA will represent architectural contractors with booths at the American Institute of Architects Conference June 5-8 in Washington, D.C.; the International Roofing Expo Feb. 6-8 in Las Vegas; and FABCON Oct. 16-17 in Orlando, Florida, which is for metal forming, fabricating, welding and finishing contractors.
- SMACNA will create a Job Fair Playbook for the residential market with a focus on how to bring in new workers. "We want to develop a marketing strategy that residential contractors can use to do things like create their own recruiting ads," Jennings explains. "Here, we also want to help them point out the huge opportunities that exist in the residential market, such as how in some cities, large commercial buildings that are no longer



Members of SMACNA's Innovation, Integration and Learning department: Travis Voss, Linda Jennings and Sushma Dhakal.

being used for office spaces since the pandemic are now being converted into residential units, creating a growing market for our residential HVAC contractors.”

- SMACNA will assist the folks at Heavy Metal Summer Camp in adding residential and testing and balancing components to their program. “Residential and TAB contractors want to have a curriculum developed for their own type of summer camp so they can bring these students into homes and light commercial projects,” Jennings says. “Students who get their hands on this kind of education can gain insight that can help them decide what they want to do after high school. This shows them there are other options beyond going to work at bigger commercial or industrial HVAC and architectural jobs. And it also helps residential contractors build relationships with these students as potential future workers.”
- SMACNA will create a bid board for testing and balancing megaprojects. Since most test and balance companies employ roughly five to 30 TAB technicians, they can’t always fill the needs for

these types of employees on megaprojects. A bid board would help them partner with others to fill needs on these very large projects, Jennings shares.

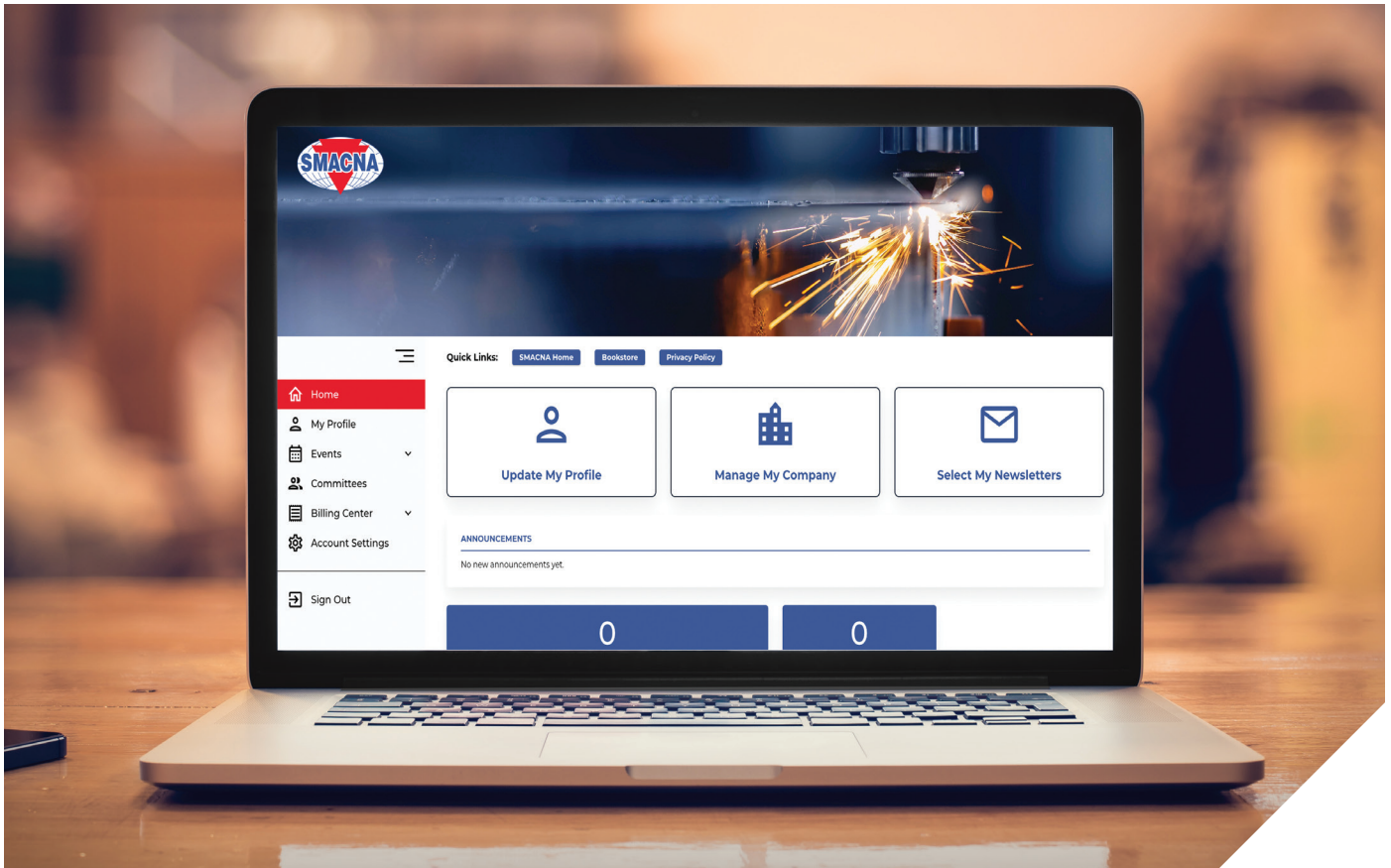
- SMACNA is partnering with the Mechanical Contractors Association of America and the National Electrical Contractors Association to conduct a Construction Technology Survey to find out how contractors are using technology so the associations can better understand where the industry is at, where it’s going, and how SMACNA can better facilitate up-and-coming technology as AI and robotics continue advancing.
- SMACNA will create a Technology Playbook on the SMACNA website where members can get insight into how to choose, purchase and implement new technology. “It will also cover areas like how to manage your data and protect your data,” Jennings says.
- In the education component of Jennings’s department, SMACNA is adding more business management education to create more robust offerings for members. “Places we think we can improve on include manu-

facturing, lean techniques, construction technology, leadership development, and marketing and communication development,” Jennings says. “We want to customize learning opportunities for contractors to enable us to provide education they are looking for so they can build their own learning pathways.”

- In 2024, updates to the Contractor Operation Manual will include an Integrated Product Delivery section expansion; updates to Alternative Delivery Methods and Personnel, Policies and Procedures sections; and the additions of Career Path Mapping, Best Practices in Writing a Proactive RFI and Best Practices in Coordinating BIM Scheduling.

By working together with other departments and listening to member committees, coming up with successful deliverables for SMACNA members continues to become easier, Jennings explains.

“It’s important to realize that we have to evolve,” she says. “I don’t think our work is ever done. Success to me happens when we’ve moved in a direction where the culture of SMACNA is focused on continued innovation.” ▼



FEATURE STORY

SMACNA Gets a Member Management Upgrade

SMACNA's new association management system brings innovation and relevance to boost the member experience.

SMACNA will soon launch a new association management system that brings several benefits for its members. By transitioning to Oracle NetSuite, the organization is upgrading to a robust CRM (customer relationship management) system used by Fortune 500 companies. This upgrade promises to enhance member service and management, ensuring timely and relevant deliverables. With this new system, members can expect improved communication, connected elements and an overall enhanced member experience.

Joye Blanscett, SMACNA's executive director of operations, who heads up the project explains the goals of the upgrade. "A new CRM can gather more detailed member data, such as service offerings and number of employees," she says. "This data helps us better represent members and from a legislative or labor standpoint will allow us to better represent our membership on important issues."

The association is also trying to get a better understanding of the people in member companies who fill functional roles, such as safety or human resources directors, so they can communicate relevant updates to the right teams. "It's also im-

portant to note that we don't sell or make individual company's information public," Blanscett adds. "Information is aggregated and de-identified when shared and always used only for direct member benefits."

The entire goal is to streamline and improve communication and workflow processes to increase SMACNA's ability to meet and exceed member needs.

WHAT MEMBERS CAN EXPECT

Members can expect some changes with the new association management system. The system has a fresh look and feel, but, rest assured, "your business information and previously pur-

chased materials will still be easily accessible," Blanscett says. "You will be prompted to update your password for enhanced security."

Additionally, the new system offers more flexibility in subscribing to updates from SMACNA, allowing members to choose exactly what you want to receive.

Overall, "the new system allows our staff to better serve members with better knowledge," Blanscett explains. "It makes it possible for us to serve them faster." ▼

If you have any questions, dedicated staff members will be ready to help members navigate this transition. Contact 703-803-2991 or support@smacna.org.

New CRM System Benefits

SMACNA's new association membership system will offer a range of benefits for both members and staff. Here are some key advantages of the system:

1. **Improved Access to SMACNA Records.** SMACNA staff can now better assist contractors in accessing their own SMACNA records, making it easier for members to find the information they need.
2. **Enhanced Engagement.** Members can easily review and update their company records, enhancing their engagement with SMACNA's services, publications and volunteer opportunities.
3. **Increased Focus on Member Services.** The new system allows SMACNA staff to allocate more time to providing personalized member services, including assistance with meeting registrations, legislative inquiries and technical support.
4. **Tailored Deliverables.** With the

improved knowledge of members, SMACNA can develop deliverables that better serve their specific needs.

5. **Targeted Programs and Mailings.** The system enables SMACNA to improve engagement and interest tracking, allowing for targeted programs and mailings that cater to contractors' specific areas of interest.
6. **Enhanced Marketability.** SMACNA can collect new contractor information through the system, which helps in better marketing our industry to potential new customer groups.
7. **Streamlined Chapter Operations.** The CRM system improves each SMACNA chapter's ability to report work hours, make industry fund payments, and obtain detailed reports, freeing up more time to address local chapter members' needs.
8. **Comprehensive Member View.** The system breaks down silos and empowers SMACNA with a 360-de-

gree view of its members, volunteers, supporters and purchasers, leading to improved overall engagement and development of new member benefits.

9. **Efficient Revenue Management.** SMACNA staff can better manage the organization's revenue lifecycle, from membership dues to IFUS payments, enabling better reporting for growth and long-term success.
10. **Financial Accountability.** The new system provides full accountability and stewardship of funds, giving SMACNA complete control and visibility over total spend and providing the board with better information for decision-making.
11. **Planning and Forecasting.** The AMS equips SMACNA with planning, budgeting and forecasting tools, ensuring financial stability and providing the growth information needed to achieve the organization's mission.



Our 2024 Priorities and Objectives

Our extremely active and highly engaged contractor and chapter executive lobbying team has hosted and co-hosted more SMAC PAC events and SMACNA efforts targeting our priorities in 2023 than at any time. Further, SMACNA has submitted more regulatory comments than any two-year period in SMACNA history — by far.

This year we plan to keep our impactful comments flowing to a variety of agencies on our high priority reforms — many hard fought over years of effort. Most of these comments have been reflected in the final rules, such as Davis-Bacon and Project Labor Agreements published to date, but some big regulatory reforms will be final any day, including rules reforming Independent Contractor and the registered apprenticeship programs.

All of this activity on the tax, funding and regulatory fronts have occurred in just the last 24 months, and I know it was done largely due to the support and the engagement by those in the SMACNA Board, Chapter Executive, executive level staff and constant PAC member engagement.

SMACNA PRIORITIES: WHERE ARE WE NOW?

SMACNA achieved the following legislative goals, and regulations are final or will soon be final.

- CHIPS 1.0 and Science Act (P.L. 117-167) now law – Advocacy in coalition and alone to pass the CHIPS legislation providing \$55 billion in tax incentives/support for chip plant construction with prevailing wage coverage and \$4 billion for National Labs.
- CHIPS 2.0 being drafted and second round of tax eligible commitments for CHIPS 1.0 announced for release soon.
- Infrastructure Building Provisions now law – Educating membership on the buildings program, funds and benefits coming from the infrastructure law and recent appropriation package.
- Building Efficiency Tax Incentives Regulations – Continue advocacy of the residential, industrial, commercial and public building energy efficiency tax incentives remaining from infrastructure and reconciliation package P.L.117-169.
- Project labor agreements (PLAs) – We're building support for new executive order regulation and issue in general to outflank attacks. Draft Final Rule Issued August 19 / Comments Filed October 2022, rules issued in final form December 18, 2023.
- 179d Reform (P.L. 117-169) – Maintain active coalition and SMACNA lobby efforts to pass alone or in extenders tax package, including prevailing wage-apprenticeship language.
- Davis-Bacon Act expanded to private projects is now law. Legislative Goals on track for final action or progress in 2024:
- Endorse extension of R&D tax credit and Section 179 Bonus Equipment Depreciation provisions (S. 866/H.R. 2673) coalition and independent action.
- Independent Contractor Regulatory Reform – Draft regulatory comment filed and support construction reforms in current draft process at DOL. Release expected soon of reformed IC rules beneficial to union contractors.
- Promote the Change Order Reform/ Small Business Payment for Performance Act – Leading to endorse change order reform (H.R. 2726) bill again to provide payment on approval for half of change order amount, expedited resolution of the remainder once certified by contracting officer. We're doubling our lobby effort in the coming months.
- Support Nuclear Energy Financing, Licensing and Advanced Technology Act – S. 1111, Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act of 2023. It also directs the Nuclear Regulatory Commission to create a pathway for conventional energy source sites to be repurposed in the future. The bill would expedite the development and deployment of advanced nuclear energy for the next generation of nuclear reactors. Passed Senate in 2023 and House Committee with SMACNA boost. Odds growing for final action by Congress in first quarter of 2024.
- Advocate for The SAFE Banking Act – House and Senate bills (H.R. 2891/S. 1323) would provide access to the federal banking system for cannabis related industry payments. Recent Senate Banking Passage with SMACNA noted, Senate vote Oct.
- Defend PLAs/Davis-Bacon Act – Oppose (H.J. Res. 103/H.R. 1290/H.R. 720/S. 537) repeal bills.
- Defend the IRA and CHIPS and Science Act 1.0 (Support 2.0) tax incentives for private construction incentives/public projects.
- Defend Continued Funding of School Construction/IAQ - Programs included in the American Rescue Plan intended for 4 years of retrofits as well as new programs in the infrastructure and reconciliation package. **179d use is optional.
- Boost Registered Apprenticeship - Support (H.R. 2851/S. 249/H.R. 2900) funds for general workforce development programs for construction industry in DOL Appropriations, Infrastructure Act, Rescue Plan and reconciliation package/Apprenticeship Act/Apprenticeship Hubs Act. Bipartisan support for action soon.
- Promote Pension Reforms - monitoring opportunities to advance our policy position as part of generic pension legislation.
- Substance Abuse Program Funding and Research - (S. 1359/S. 644) would increase access to care for people, often in the workforce, experiencing opioid use disorder (OUD) by reforming outdated regulations governing the prescription/dispensing medications.
- Advocate for Pro Codes Act - (S. 832/H.R. 1631) endorsed and supporting pending bill to boost the copyright protects of codes and standards issuing groups/coalition and SMACNA efforts. ▼



BELONGING

Dushaw Hockett

How to Be a Good Crewmate

Many SMACNA contractors have been fortunate to have at least one person in their career who has stood up for them, provided formal or informal mentorship or has been there in times of crisis or need.

BE4ALL is endorsing SMART's "I Got Your Back" campaign (www.smart-union.org/get-involved/i-got-your-back/) as a way to promote this philosophy and to also recognize those who have stepped up and stood up for what's right and to reinforce a culture of paying it forward. In a trade that relies heavily on teamwork, it is important to have each other's backs. Helping out when you notice someone struggling or speaking up when you notice unfair treatment can not only make the difference in someone's career but can also go a long way in boosting jobsite morale.

Especially when someone is new to the trade, hazing or isolation on a jobsite should not be tolerated and can be very distracting and dangerous, leading to workplace injuries and a hostile work environment. And unfortunately, it is also why many individuals have left or may be thinking about leaving this great trade.

Working in a setting where everyone feels valued and respected allows people to feel appreciated, empowered and comfortable asking questions or asking for help when they need it. Positive working relationships on the jobsite have been linked to better productivity and fewer injuries. The goal is to have industry team members spend less time watching their own backs and more time focusing on watching the backs of each other.

Studies have shown that new employees, including apprentices, who receive support and mentorship are twice as likely to complete their training and remain successfully



A positive work environment has been shown to alleviate stress on the jobsite."

employed. A positive work environment has been shown to alleviate stress not only on the jobsite, but in other areas of life as well.

Let's strive so that every worker will have had at least one person in their career who has stood up for them, provided formal or informal mentorship, or has been there in times of crisis or need.

Having someone's back can be a small act that can have a great impact. Some examples include:

- Take the time to ensure new coworkers understand their role and how you can work together to get things done.
- Have fun but not at the expense of others' safety or well-being.
- Include others in on your breaks and lunches. Invite someone who is new or different than your usual crowd.
- Step up if someone is displaying abusive behavior.
- Stand up for positive communication when there is tension between co-workers.
- Check in on your teammates and their well-being.
- Rather than gossip, address concerns in a direct and respectful manner.

At the end of the day, having each other's backs is the core of a strong workplace. ▼

For more BE4ALL Toolbox Talks, visit www.smacna.org.





FINANCIAL STEWARDSHIP

Ronald J. Eagar

Know Your Obligations Under the Corporate Transparency Act

In 2021, Congress passed the Corporate Transparency Act (CTA) creating a new Beneficial Ownership Information (BOI) reporting requirement that went into effect on Jan. 1.

The CTA is a large-scale effort by the U.S. government intended to counter money laundering, tax fraud, terrorism financing and other illegal acts by unveiling the true owners behind companies and preventing the use of shell corporations. The act mandates the reporting of BOI for certain entities and requires the disclosure of individuals who directly or indirectly control the entity.

The U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) will implement the BOI reporting requirement. It estimates more than 30 million businesses will be impacted by this new compliance requirement.

Under the CTA, a beneficial owner is an individual who exercises substantial control over a reporting company or controls at least 25% of ownership interests of the company.

A reporting company, as defined by the CTA, includes a broad spectrum of entities, such as corporations, limited liability companies (LLCs) and other similar structures that are created by filing with a state or Indian Tribe.

Reporting companies fall into two categories:

- **Domestic** – Corporations, limited liability companies and any other entities created by the filing of a document with a secretary of state or any similar office in the U.S.
- **Foreign** – Entities (including corporations and limited liability companies) formed under the law of a foreign country registered to do business in the U.S. by the filing of a document with a secretary of state or similar office.

Exceptions exist for entities already subject to rigorous reporting and disclosure requirements, such as publicly traded companies and certain regulated entities, as well as large operating companies (more than 20 full-time employees and \$5 million in gross sales). This means most contractors will be subject to the new CTA requirements.

Entities are required to disclose the names, dates of birth, addresses and unique identification numbers of the beneficial owners. With this information, FinCEN will establish a secure, confidential and centralized database to store reported BOI. This will enhance law enforcement and

regulatory agencies' ability to access and analyze data to investigate and prevent financial crimes.

The CTA mandates reporting companies to comply with the new BOI requirements, beginning in January 2024. During the following specified time periods, entities falling under the scope of the CTA must submit accurate and up-to-date beneficial ownership information to FinCEN:

- **Existing Companies** – Those that are registered to do business in the U.S. before Jan. 1, 2024, will have until Jan. 1, 2025 to comply and file their BOI report.
- **New Companies** – Those that are registered to do business in the U.S. on or after Jan. 1, 2024, and before January 1, 2025, will have to comply within 90 calendar days (extended from 30 days as per FinCEN's announcement on November 29, 2023) of receiving actual or public notice that the creation or registration of the reporting company is effective. Entities registered on or after Jan. 1, 2025, will continue to have 30 calendar days to file their BOI reports with FinCEN. This extension will allow companies created or registered in 2024 additional time to get a better understanding of the reporting and compliance requirements.
- **Change Reports** – Updated reports will be required to be filed if there are any changes in the previously reported information about the reporting company or its beneficial owners such as changes in name, address or any other identifying data including new driver's license or passport numbers. Such updated reports must be filed within 30 days after the change.

Non-compliance with CTA requirements is subject to civil penalties up to \$500 per day, criminal penalties up to \$10,000 and imprisonment of up to 2 years for willful failure. There are no penalties if inaccuracies in previously filed BOI reports are corrected within 30 days of discovery.

The CTA is likely to pose a significant administrative challenge for many small businesses. It is essential for companies to implement best practices in compliance procedures. ▼

For more information, please contact Ronald J. Eagar, CPA, CCIFP Partner at Grassi, at reagar@grassiadvisors.com or 516.336.2460.



LEGAL

Grant Collins

DOL Proposes Major Overhaul to Registered Apprenticeship Programs

On January 17, the Department of Labor (DOL) published a rule proposing a major overhaul to the regulations governing Registered Apprenticeship Programs (also called “Registered Programs” or “RAPs”). RAPs are apprenticeship programs that have been approved by the DOL or a State Apprenticeship Agency. Overall, the changes are a win for RAPs, including those sponsored by SMACNA contractors and their SMART labor partners.

Nevertheless, some of the proposed changes present challenges unique to our industry. Thus, SMACNA’s government relations and labor relations teams are drafting comments in response in hopes of minimizing any adverse impacts to our long-standing and highly successful RAPs.

THE PROPOSED RULE

The Proposed Rule represents a substantial overhaul of the National Apprenticeship System. The proposed changes are broad, but several key changes are outlined below, including a minimum hourly requirement for classroom and on-the-job training, new mandates for apprenticeship agreements and a new category of apprenticeship called Career & Technical Education (CTE) Apprenticeship.

Minimum Hourly Requirement for Classroom and On-the-Job Training

The Proposed Rule would require registered apprenticeship programs to adopt a time-based model for completion of the classroom portion and on-the-job training portion of the program. The Proposed Rule would require programs to mandate that each apprentice receive at least 144 hours of classroom instruction for every 2,000 hours of on-the-job training. Thus, for example, a program requiring 4,000 hours of on-the-job training would need to provide a minimum of 288 hours of classroom instruction.

Under the current rule, programs can determine an apprentice’s completion of the program based on one of the following methods: (1) their competency or mastery of the skills without an explicit time requirement; (2) the hours they spent training; or (3) a combination of both hours and skills achievement.

The DOL invited comments regarding whether the proposed 144-hour minimum durational requirement for

related instruction is sufficient or whether it should be raised to a higher amount. The DOL noted that other countries require apprentices to spend at least 30% of their paid time in classroom instruction.

New Mandates for Apprenticeship Agreements

The Proposed Rule would mandate that each apprentice review and sign an apprenticeship agreement containing required terms and conditions of the apprenticeship program prior to the start of the apprenticeship term. The agreement would need to be signed by the apprentice (and, if under age 18, the apprentice’s guardian), the program sponsor and any participating employers.

The Proposed Rule mandates the apprenticeship agreement address its terms and conditions, including:

- A description of the respective roles, duties and responsibilities of the apprentice: the program sponsor and the participating employer.
- The term of the registered apprenticeship program, including the beginning date and expected duration of the registered apprenticeship program, the beginning date of the on-the-job training and the duration of the probationary period for the apprenticeship program.
- A detailed statement of the entry wage, subsequent graduated scale of increasing wages to be paid to the apprentice over the term of the apprenticeship, the journeyworker wage and any fringe benefits.
- A disclosure of the expected minimum number of hours that are allocated by the program to the on-the-job training component.
- A description of the methods used during the apprenticeship to measure progress on competency attainment and the program’s end-point assessment.
- A description of any supportive services that may be available to the apprentice including childcare, transportation, equipment, tools or any other support.
- Any unreimbursed costs, expenses or fees that the apprentice may incur during their RAP participation.
- A description of any recognized postsecondary credits, credentials and occupational qualifications that the apprentice will receive or be eligible to receive upon successful program completion.

SMACNA Associate Members

PREMIER PARTNERS

The Proposed Rule also prohibits a “non-compete provision restricting the apprentice’s ability to compete directly with the program sponsor or participating employer or to seek or accept employment with another employer prior to the completion of the RAP.”

The Proposed Rule also prohibits including a “non-disclosure provision that prevents the worker from working in the same field after the conclusion of the worker’s employment with the employer.”

Under the Proposed Rule, after the probationary period of the apprenticeship concludes, the agreement may be cancelled by the apprentice “at any time” or by the “program sponsor only for good cause.”

CTE Apprentices

The Proposed Rule would create a new model of registered apprenticeship called CTE Apprenticeship, which is designed to align with secondary and postsecondary State-approved CTE programs.

Unlike a RAP, a Registered CTE Apprenticeship would require a minimum of 540 hours of CTE apprenticeship-related instruction, including not less than 12 postsecondary credit hours, and a minimum of 900 hours of on-the-job training. This would compare to 144 hours of classroom instruction per 2,000 hours of on-the-job training for a registered apprentice under the Proposed Rule.

Like registered apprentices, CTE apprentices need to be paid on a progressive wage scale that is consistent with the industry skills and competencies required.

An apprentice who completes a CTE apprenticeship would receive a certificate of completion from either the DOL’s Office of Apprenticeship or a State Apprenticeship Agency. However, CTE apprenticeships would not receive journeyworker cards or a designation similar to one received by an apprentice in a RAP.

BOTTOM LINE

Recent legislation, including the Inflation Reduction Act of 2022, the Bipartisan Infrastructure Law, and the CHIPS and Science Acts, has tied tax credits and prioritized applications of employers using apprentices in RAPs. Thus, it is critical that any changes to the National Apprenticeship System continue to advance the interests of the RAPs sponsored by SMACNA contractors and their SMART union labor partners.

While the Proposed Rule changes are, in large part, beneficial, SMACNA’s government relations and labor relations teams will be submitting comments to minimize any potential negative impact on our long-standing and successful apprenticeship programs. ▼

Grant Collins is an MSBA-certified specialist in both traditional labor law and employment law at Felhaber Larson. Reach him at gcollins@felhaber.com or through www.felhaber.com.



PLATINUM



GOLD



SILVER



BRONZE



SMACNA’s Associate Member program provides an opportunity for industry service providers and suppliers to build lasting partnerships with our industry-leading contractors.

To learn more about becoming an Associate Member, visit smacna.org/associatemembership.



PRESORTED
STANDARD
U.S. POSTAGE
PAID
PERMIT NO. 356
YORK, PA

SMACNA National Headquarters

P.O. Box 221230, Chantilly, VA 20153-1230
703.803.2980 | Fax 703.803.3732

Capitol Hill Office

305 4th Street, NE, Washington, DC 20002
202.547.8202 | Fax 202.547.8810



SMACNA CALENDAR

FEBRUARY

February 26-28

2024 Partners in Progress
Conference
Orlando, Florida

MARCH

March 10-14

Business Management University
Tempe, Arizona

March 22-23

College of Fellows Meeting
Point Clear, Alabama

March 26-27

Association Leadership Meeting
Irving, Texas

APRIL

April 8-10

Supervisor Training
Academy
Portland, Oregon

April 14-17

Project Managers
Institute
Raleigh, North Carolina

MAY

May 5-8

Senior Project Leadership Institute

May 6-8

CEA National Issues Conference
Washington, D.C.

May 20-22

Financial Boot Camp
Tempe, Arizona

JUNE

June 2-4

Council of Chapter Representatives
Meeting
Beaver Creek, Colorado

June 9-12

Project Managers Institute
Ontario, Canada

Welcome New SMACNA Members

| | |
|----------------------------|-------------------------|
| ARCOR Mechanical Systems | Westover, West Virginia |
| BIM Designs Inc. | Phoenix, Arizona |
| Frampton Mechanical | S. Jordan, Utah |
| LMC Industrial Contractors | Avon, New York |

SMAC^{NEWS} is published bimonthly by the Sheet Metal and Air Conditioning Contractors' National Association for its national, international and associate members.

Executive Editor: Seth Lennon

Managing Editor: Nicole Wisniewski

Creative Specialist: Denise J. Ladd

www.smacna.org

Premier Partners

It's Our Business to Protect Yours

