MONTHLY EDUCATIONAL JOURNAL OF THE FOUNDATION OF THE AMERICAN SUBCONTRACTORS ASSOCIATION

JANUARY 2022

THE CONTRACTOR'S COMPASS

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FASA'S

THE CONTRACTOR'S COMPASS

JANUARY 2022

EDITORIAL PURPOSE

The Contractor's Compass is the monthly educational journal of the Foundation of the American Subcontractors Association, Inc. (FASA) and part of FASA's Contractors' Knowledge Network. FASA was established in 1987 as a 501(c)(3) tax-exempt entity to support research, education and public awareness.

Through its Contractors' Knowledge Network, FASA is committed to forging and exploring the critical issues shaping subcontractors and specialty trade contractors in the construction industry. The journal is designed to equip construction subcontractors with the ideas, tools and tactics they need to thrive.

The views expressed by contributors to *The Contractor's Compass* do not necessarily represent the opinions of FASA or the American Subcontractors Association, Inc. (ASA).

MISSION

To educate and equip subcontractors and suppliers with the education and resources they need to thrive in the construction industry. Additionally, FASA raises awareness about issues critical to and about construction in the United States.

SUBSCRIPTIONS

The Contractor's Compass is a free monthly publication for ASA members and nonmembers. For questions about subscribing, please contact ***communications@asa-hq.com***.

ADVERTISING

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EDITORIAL SUBMISSIONS

Contributing authors are encouraged to submit a brief abstract of their article idea before providing a full-length feature article. Feature articles should be no longer than 1,500 words and comply with The Associated Press style guidelines. Article submissions become the property of ASA and FASA. The editor reserves the right to edit all accepted editorial submissions for length, style, clarity, spelling and punctuation. Send abstracts and submissions for *The Contractor's Compass* to communications@ASA-hq.com.

ABOUT ASA

ASA is a nonprofit trade association of union and non-union subcontractors and suppliers. Through a nationwide network of local and state ASA associations, members receive information and education on relevant business issues and work together to protect their rights as an integral part of the construction team. For more information about becoming an ASA member, contact ASA at 1004 Duke St., Alexandria, VA 22314-3588, (703) 684-3450, membership@ASA-hq.com, or visit the ASA Web site, www.asaonline.com.

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FEATURES

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PRESIDENT'S LETTER

Dear ASA Members:

January is already off to a fast start, and it is hard to believe as I write this letter that January is almost half over. I am excited for the outlook on the year, and I hope each of your companies is likewise looking at growing backlogs and opportunities ahead. Likewise, I am glad to have 2021 in the rearview mirror and have a few of its challenges mostly behind us.

In this issue you will find a recap of the state and national advocacy efforts by your ASA Team, and a look forward to where we are heading in 2022. Just today, we learned that thanks in part to our efforts, the COVID vaccine mandate had been stayed pending a ruling of the US 6th Circuit Court of Appeals. This is just one of the many areas where you ASA Governmental relations team is at work, and a reason I encourage each of you to support SLDF this year, and in years to come.

I am also excited to see the outlook for global construction for 2022, which Procore has shared. As we become ever more connected by technology and communication, each of us becomes more global - even if your construction company works only in one state, as does my company, Lone Star Paving. While we may each build locally, we are truly a global industry. As we are reminded every time we buy something - or try to, events worldwide impact us daily from labor issues to material shortages.

As we get closer to the end of Early Bird registration, I strongly encourage you to book now if you are planning to attend SUBExcel. This will both get you the benefits of early registration, and help our National staff better prepare to deliver the world class programming that you have come to expect each year from SUBExcel. Likewise, because this is a family friendly destination at peak time for travel to Florida, rooms book quickly, so don't miss your chance to join me in Florida.

As always, thank you again for the opportunity to serve as your National ASA President, and I am encouraged that 2022 is off to a strong and fast start. We build America!!!

Sincerely,

Brian K. Carroll
ASA President 2021-2022

CONTRACTOR COMMUNITY

SUBExcel Preliminary Program Available

Check out the agenda, events and other information as you plan your Florida getaway. Speaker bios and topics of discussion, Beach Bash and SLDF Fundraiser are all scheduled for your learning, discussion and relaxation pleasure! And remember. Early Bird savings end February 1. That is also when the hotel discount ends as well. So ***BOOK NOW***!

House Retirements Continue

Per Tuesday, January 11th's Hill Article, Speaker Pelosi is "not offering clues about whether this will be her final year in Congress, as many expect." "Additionally, House Majority Leader Hoyer, who will be 83 in June, and House Majority Whip Clyburn, who will be 82 in July, have been reaching out to colleagues to gauge their support about hanging on, even if Speaker Pelosi retires."

On Monday, January 10th, Rep. Perlmutter, a Blue Dog Democrat representing Colorado in the House since 2006, became the 26th incumbent in his caucus to announce he will not be seeking reelection. To date, thirteen House Republicans have announced they will retire this cycle too. In total, that's 39 House members retiring, of which eleven of those members, six Democrats and five Republicans, are running for Senate or governor.

Supreme Court Blocks Biden's Vaccine-or-Test Mandate for Employers

On January 13, the Supreme Court temporarily blocked the Biden administration's vaccine-or-test mandate for large employers, but allowed a vaccine-only mandate for health providers at federally funded facilities.

The high court ruled 6-3 against the Occupational Safety and Health Administration's (OSHA) employer mandate, blocking it from taking effect while other legal challenges play out.

The court ruled 5-4 to keep the health care worker mandate, with Chief Justice Roberts and Justice Brett Kavanaugh joining the more liberal Justices Stephen Breyer, Sonia Sotomayor and Elena Kagan.

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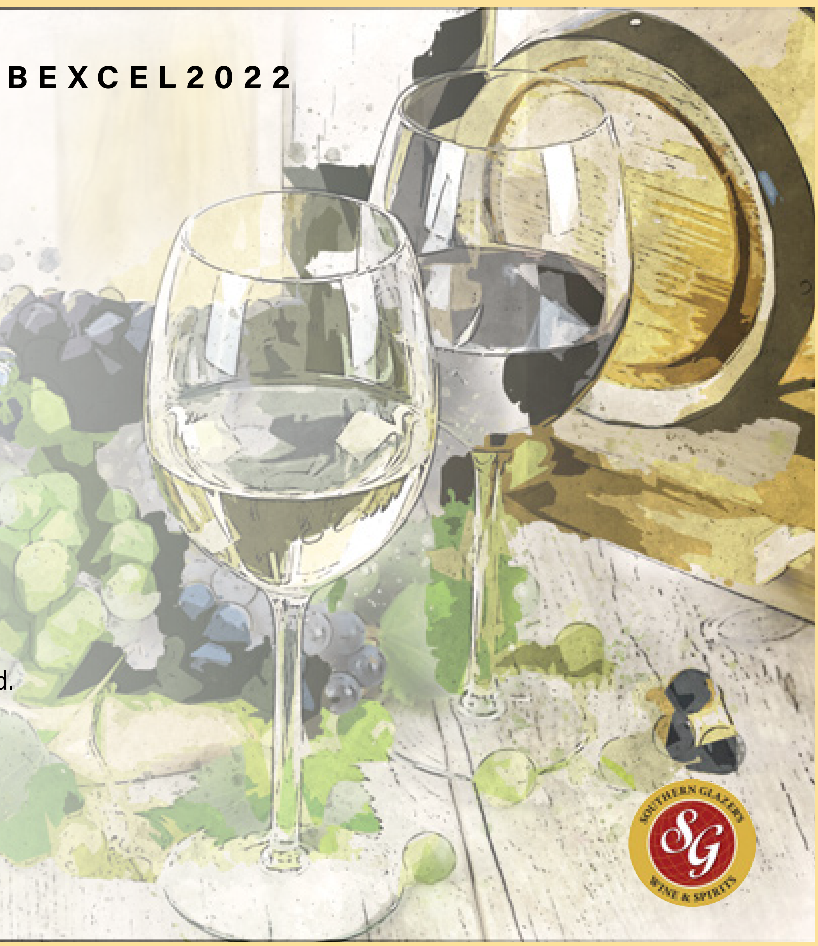
Wine Tasting Event

Saturday, March 12 | 12:30–2:30 p.m.

Join us for a fun afternoon exploring wine country! Folks attending this event will be treated to live music and a flavorful journey as they sample different wines from the portfolio of Southern Glazer Wine & Spirits.

Led by a sommelier, attendees will learn more about various wines, different varietals, and food pairing suggestions. This event will take place outdoors, weather permitting. Cost for the event will be $175 per person and $300 per couple—all supporting the Subcontractors Legal Defense Fund.

Please RSVP: ***soscar@asa-hq.com***.



Government Relations 2021 Recap

Despite the continued impact of COVID-19 on the construction industry, along with the ever-changing political, regulatory, and legislative landscape, the ASA Government Relations Team wanted to briefly update you on our 2021 legislative successes as we enter a new calendar year. Though last year proved to be challenging, we offer thanks to our Government Relations Committee (GRC) for their tireless efforts in advocating for our members and industry as we worked to address COVID-19 related issues along with our 2021 Legislative Priorities.

The ASA's 2021 Legislative Priorities included:

- H.R. 26 – Technical Corrections Bill to Prohibition on Reverse Auctions becomes law on July 26, 2021
- H.R. 2949 – Exemption of Increases to the Miller Act Bond Threshold
- H.R. 1641, S. 638 – P3 Bonding Transportation Requirements
- Freedom from Government Competition Act
- FY22 NDAA Request to Rep. Crow (D-CO) re: Small Business Protection Act of 2020 (HR 9012)
- Creation of the Congressional Construction Procurement Caucus

In 2021, ASA was successful in securing in the INVEST Act (the infrastructure bill signed into law on November 19, 2021), H.R. 1641, "The Promoting Infrastructure by Protecting Our Subcontractors and Taxpayers Act." For nearly a hundred years, the federal government has recognized the importance of surety bonding requirements for its direct public works projects. Surety bonds play a vital role in ensuring contractors in financial distress avoid bankruptcy, allow subcontractors and workers of public works projects to receive compensation, and allow the project to be delivered within budget and on time. Over 95% or more of all public projects require bonding under the Miller acts. However, Miller acts' bonding requirements are not clear on public private partnerships (P3s), and therefore often do not maintain the same level of protections that have been required on public infrastructure projects over the past century. This legislation addresses the shortcoming mentioned above by directing U.S. DOT to ensure P3 projects using Transportation Infrastructure Finance Innovation Act (TIFIA) financing have appropriate payment and performance security and are sound federal investments by requiring a surety bond. It is a commonsense solution to a complex problem. Well done, to our ASA GRC team in securing this important legislative victory.

Additionally, on December 15, 2021, ASA secured Miller Act exemption from inflationary increases in the FY22 NDAA. Maintaining Miller Act Bond Threshold at $150,000 is a big win for small business contractors. ASA commends Congress for passing S. 1605, the National Defense Authorization Act (NDAA) for Fiscal Year 2022 and including a provision in the bill that removes the Miller Act from periodic threshold increases based on inflation, which has been a legislative priority for ASA for more than a decade. The U.S. Senate, by a vote of 89-10, concurred with the House by passing S. 1605. The U.S. House of Representatives had passed S.1605 by a vote of 363-70 on December 7. Arbitrarily increasing the Miller Act bond threshold based on inflation exposes businesses, including smaller and disadvantaged businesses working as subcontractors and suppliers, to loss of vital payment protections on federal construction projects. Maintaining the bond threshold at $150,000 protects U.S. taxpayers by ensuring tax dollars are not being placed in jeopardy by the absence of performance bonds due to a rote inflationary indexing. **Well done to our ASA GRC team in securing this important legislative victory.**

At the request of ASA Past President Kerrick Whisenant, the ASA is working with Reps. Brooks (R-AL) and Huizenga (R-MI), to address unfair competition issues in the federal prison industry by offering suggested legislative language for the elimination of mandatory sourcing for government contracts along with small business set-asides for federal prisons, and a report to Congress on the extent of which domestic markets Federal Prison Industries compete with domestic capacity in the private sector, including small business, and identify new markets overseas for Federal Prison Industries to begin to compete for in which there is no domestic capacity in the private sector, including small business. The ASA's partnership with Rep. Brooks on this issue led to his visit of Claborn Manufacturing's new, state of the art facility located in Tanner, AL. The tour was led by Kerrick, who is the President of Limestone Building Group, the constructor of the Industrial Park where the facility is located.

On December 3, 2021, ASA, along with the Construction Industry Procurement Coalition (CIPC), offered comments to the House and Senate Armed Services' Committee Leadership highlighting our views regarding the FY22 National Defense Authorization Act (NDAA). We support the Defense Department submitting a report on the Cybersecurity

Maturity Model Certification (CMMC) on small businesses. The CMMC is one of the most ambitious cybersecurity compliance requirements ever undertaken by the department. The program is designed to be a mandatory requirement on all defense contracts. The potential of excluding a significant portion of small business defense contractors and the ability for agencies and prime contractors to meet small business goals should be evaluated and reported to Congress and the public. Additionally we supported the exemption of the Miller Act from the periodic indexing required under Title 41. The Miller Act currently requires all general contractors on federal construction projects over $150,000 to furnish surety bonds to protect the government's use of taxpayer funds and to ensure payments to subcontractors, and suppliers. Any increase in the contract price threshold through indexing exposes workers, suppliers, and taxpayer dollars to unnecessary risk. Finally, we opposed the bill's section regarding new and onerous requirements for military construction contractors which goes against decades of federal contracting policies and precedent, including requiring all contractors and subcontractors performing a military construction contract be licensed in the state where the work will be performed and issuing local hiring preferences.

In the wake of COVID-19, the ASA was on the front lines working with a coalition of other construction associations to ensure our industry remained essential across the country. In consultation with the GRC, the ASA drafted a Gubernatorial Statement on keeping the construction industry an essential service as governors issued shutdown orders. The ASA ran a VoterVoice advocacy campaign and 1,399 members sent the Gubernatorial Statement to 38 governors across the country.

Throughout the pandemic, we have worked diligently to ensure members are aware of major federal regulations and relief opportunities through the creation of our COVID-19 webpage. In consultation with the Attorneys Council, the ASA also created the following resources: a COVID-19 Employer Guide, Attorneys Council Legal Guidance, Families First Coronavirus Response Act Leave Provisions Guide, and a Small Business Administration Loan Program Summary. Through our membership to the Construction Industry Safety Coalition (CISC), ASA members also have access to a COVID-19 Exposure Prevention Preparedness, and Response Plan. As Congress considers new programs to address the pandemic along with the extension of federal programs to support small businesses and families impacted by the virus, the ASA Government Relations Team will provide timely analysis and resources to support our members.

Much of Congress' focus in 2021 has been related to addressing COVID-19 and the ASA has been at the forefront of advocacy efforts to support the construction industry during these difficult times. The ASA has signed onto the following letters related to COVID-19:

- ASA, along with the U.S. Chamber of Commerce and many other organizations representing small businesses, urged Congress to extend the deadline for the Paycheck Protection Program (PPP) through December 31, 2021.
- On January 29, 2021 ASA, along with the Construction Industry Safety Coalition (CISC), wrote to OSHA regarding President Biden's recently issued "Executive Order on Protecting Worker Health and Safety." Per the order, the President has tasked the Agency with several actions including the issuance of clear guidance regarding protecting employees from COVID-19 in the workplace and considering whether an Emergency Temporary Standard (ETS) is warranted to address the pandemic. Per the letter, we wanted to inform OSHA of CISC's work to keep construction workers safe in these unprecedented times and to request a meeting to discuss ways that we may assist the Agency in its efforts related to developing guidance for COVID-19 prevention in construction workplaces.
- ASA, along with the CISC, sent a second letter to OSHA outlining several issues the agency should consider while they deliberate the need for an emergency temporary standard (ETS) on COVID-19. Per the letter, "we call on OSHA to be more transparent about the process of developing the ETS and also raise concerns about the need for a COVID-19 ETS in construction and potential burdensome provisions in a COVID-19 standard."
- On March 11, 2021, ASA joined the U.S. Chamber of Commerce, National Federation of Independent Business (NFIB), American Hotel & Lodging Association, International Franchise Association and more in strong support of the Paycheck Protection Program Extension Act of 2021, which would extend the Small Business Administration's (SBA) application period beyond March 31, 2021 to June 30, 2021.
- On March 26, 2021, ASA, along with the American Road & Transportation Builders Association and the American Association of State Highway and Transportation Officials, sent a letter to Treasury Secretary Yellen urging her Department to ensure transportation infrastructure is defined explicitly as a qualifying eligibility in the American Rescue Plan. The Department of the Treasury's guidance on the measure's $350 billion in relief funds for state and local governments and $10 billion in capital assistance

will be critical. States and local transportation revenues were hit hard by COVID-19, with 49 states publicly projecting declines. State departments of transportation are facing at least $18 billion in estimated revenue shortfall through 2024.

- On September 9th, President Biden issued a new plan entitled "Path of the Pandemic," which includes a six-pronged, comprehensive national strategy to combat the surge of COVID-19 variants, with the primary goal of vaccinating the unvaccinated. One prong of the plan would entail OSHA issuing an Emergency Temporary Standard (ETS) that will require all employers with 100+ employees to ensure their workforce is fully vaccinated or require any workers who remain unvaccinated to produce a negative test result on at least a weekly basis before coming to work. OSHA is currently developing this second ETS and the Agency does not have to follow the Administrative Procedure Act, meaning there is not an opportunity for a formal public notice-and-comment period. However, ASA believed it was very important for the construction industry to engage on this issue quickly, as we did with the 1st COVID ETS. Therefore, we sent a letter to James Frederick, OSHA Deputy Assistant Secretary highlighting the Construction Industry Safety Coalition (CISC)'s COVID-19 prevention efforts to date, which states the construction industry is low-risk for COVID-19, and raises issues of concern, including Workforce Shortages, Employer and Employee Obligations for Vaccinations and Testing, Paperwork Burdens, Recordability of Adverse Reactions to the COVID-19 Vaccine, Cost of Paid Time Off for Vaccinations and Adverse Reactions, and Availability of Testing Kits.
- On October 8, 2021, ASA, along with the Construction Industry Procurement Coalition (CIPC), sent a letter to the White House's Coronavirus Response Coordinator & Counselor to the President of the United States, Jeffrey Zients, requesting a delay in the implementation of the Executive Order (E.O.) 14042, "Ensuring Adequate COVID Safety Protocols for Federal Contractors." In the letter we stated "our concern that the timeline and elements of the policy will undercut the ability of the businesses we represent to support the critical needs of our federal agency clients and the taxpayers they serve. These critical services include the maintenance, design and construction of critical infrastructure, operations of national laboratories, preserving the world's preeminent defense industrial base, as well as providing essential cybersecurity services. We believe that we can achieve the goals of the President's policy in a manner that would limit disruptions in the essential work we perform for our federal clients." The letter requests the delay to allow for the implementation of the following recommendations:
  - Include the option of testing for non-vaccinated employees.
  - Ensure consistent enforcement across agencies. To this end, agencies such as the General Services Administration (GSA) are including vaccination requirements in other contracts that are not required to be covered by E.O. 14042, such as applying the mandate to contracts below the Simplified Acquisition Threshold.
  - The chilling effect coupled with the significant uncertainty that this creates for many businesses further erodes the partnership between the private sector and their federal clients.
- With all the attention on "Billionaire Taxes," we are concerned that two top issues for our ASA membership, the proposed changes to grantor trust and the changes to valuation rules, might not receive the attention they deserve. For family businesses, these two provisions have the potential to raise their estate tax levies to the point where the business can no longer survive. To that end, ASA, along with several contractor associations, sent a letter to the House Ways and Means Leadership urging the rejection of the proposed changes to these rules. Per the letter, "the changes related to the taxation of grantor trusts would eliminate the usefulness of the grantor trust for normal and legitimate business (non-tax) purposes, such as facilitating the transfer of business ownership between generations and protecting assets from liability or creditor claims of a trust beneficiary. These new rules would unfairly punish taxpayers who relied on decades-old laws and Internal Revenue Service guidance to establish estate plans to transfer family businesses to future generations, threatening the viability of thousands of family businesses across the country. It is simply unfair for Congress to step in and retroactively change them now, just when they are to be called upon to help with the transfer of a family business from one generation to the next."
- On November 17, 2021 ASA issued the following statement regarding the Associated General Contractors (AGC) of America's legal challenge against the Occupational Safety and Health Administration

(OSHA)'s COVID Vaccine Mandate Emergency Temporary Standard (ETS):

- ASA applauds the AGC of America regarding their legal challenge against OSHA's COVID-19 Vaccine Mandate ETS, which will have significant implications for the construction industry's workforce, particularly since OSHA has generally characterized the construction industry as low risk. The AGC of America's petition filed in the U.S. Court of Appeals for the Fourth Circuit notes "that OSHA exceeded its statutory authority to promulgate an ETS, and it failed to comply with the Occupational Safety and Health Act." Additionally, this new standard will impact all construction companies with 100 or more employees by causing many of them to lose a substantial number of their workers to smaller companies, instead of leading to more people getting vaccinated in the industry.

Beyond the regulatory issues regarding COVID-19, ASA addressed the following regulatory issues in 2021:

- On November 5, 2021, ASA requested a delay of OSHA's Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings Advance Notice of Proposed Rulemaking (ANPRM).
- ASA and AGC submitted comments on the Defense Department's Past Performance of Subcontractors Interim Rule.
- ASA worked directly with the Small Business Administration (SBA)'s Surety Bond Guarantee Program regarding retainage bonds.
- ASA closely monitored OSHA's new enforcement exposure guidance on beryllium dust.

The ongoing pandemic did not slow down ASA Government Relations Director Mike Oscar this year in visiting chapters across the country. Mike visited with these Chapters in-person and virtually, to provide our members with a federal legislative, regulatory, and political update. Each of these Chapter visits provided a tremendous opportunity to brief members about ASA's efforts to advance subcontracting issues nation-wide, while also highlighting individual Chapters. In 2021, Mike met with the following chapters:

- Carolinas (Charleston and Midlands)
- Central PA (Virtual)
- New Mexico (Virtual)
- Southwest Florida
- Utah (Virtual)
- San Antonio
- Colorado
- Michigan
- ASA North Texas
- ASA of California

Speaking of state chapters, we engaged our membership in three Voter Voice campaigns in OK, CO, and DC Metro, dealing with retainage, prompt payment, and public-private partnership projects, which involved 109 ASA participants, who sent 1,189 email messages to their state legislators.

As of December 13, 2021, our social media presence increased with 1,503 people liking the ASA Facebook page, an increase from 1,312 likes from September 2019 and 2,092 people followed the page up from 1,773 followers in September 2019. The most popular posts continue to focus on ASA Staff/members meeting and engaging:

- Two posts on October 22, 2021 focused on the Attorneys' Council meeting and SLDF Fundraiser in San Antonio were viewed 575 times with 59 engagements.
- A January 25, 2021 post on an ASA Panel Discussion on managing growth reached 431 people.
- Our Thanksgiving message reached over 300 members with 22 engagements.
- On Twitter, 3,248 followers, an increase from 2,307 in September of 2019.

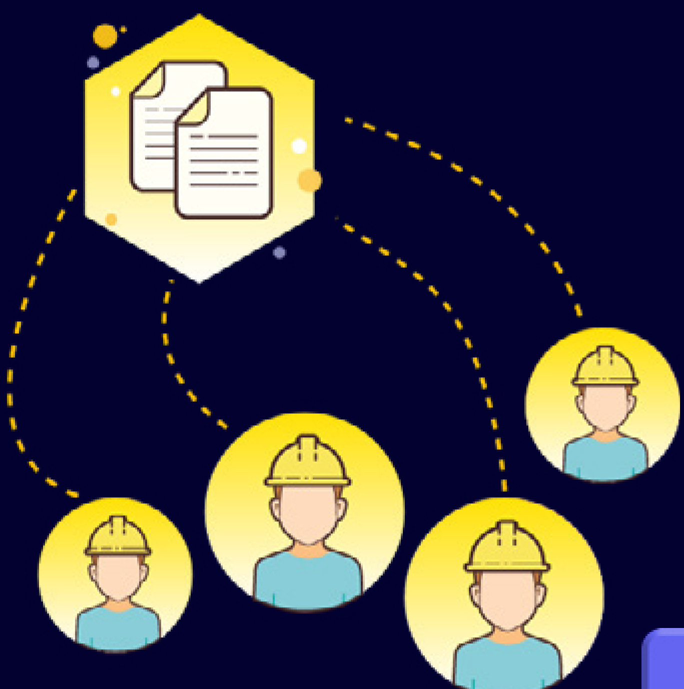
Additionally, this year we introduced Podcasts as another communication method to engage our membership and to that end we held the following:

- Two Podcasts for Women in Construction Month (3/21)
  - Mike Oscar interviewed Sheila Ohrenberg and Dana Thompson (Women in Construction Coalition)
  - Shannon Oscar interviewed Bethany Beck (ASA AC Chair)
- Podcast with Jordan Howard, AGC's Director of Federal & Heavy Construction, on May 20, 2021
- Podcast with Dalton Defendis, the Surety & Fidelity Association of America's GRC Director, on July 28, 2021
- Podcast on H2K Oklahoma SLDF Case on September 28, 2021

Finally, the ASA looks forward to 2022, where we will build on the momentum of this year's advocacy achievements and use our voice to continue to advance our legislative priorities.

TIRED OF **ENDLESS** QUALIFICATION FORMS?

As risk management becomes more prevalent, subcontractors are often forced to fill lengthy forms for a chance to win the project



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It's always something AWESOME

By Angie Weidel, Executive Director, ASA Baton Rouge

The Louisiana Patriot Shootout and Gala is an event that supports ***Folds of Honor***, a national organization dedicated to providing scholarships for the children and spouses of soldiers killed or disabled during their military service. The Patriot Shootout is a golf tournament hosted by one of the premier golf clubs in Baton Rouge, University Club, and draws regional business owners and philanthropists. The gala is a ceremony and silent auction held on the evening before the shootout, when the scholarship recipients are announced and the scholarship donors are presented to the community.

Back in 2014 I was asked at the last minute to fill in to **sing the National Anthem at the Gala on a Sunday night**, and then again at the golf tournament the following Monday. I didn't know at the time but two business associates of mine who knew that I had a background in vocal music were on committees with this event and they both reached out to me. I said yes, and seven years later I'm knee deep and loving every minute.

In 2020, when I became the Executive Director of the ASA Greater Baton Rouge chapter, the company that had previously been part of an additional fundraiser at the Shootout was no longer able to participate. I jumped at the chance to promote ASA at this event that I'd grown to love so much. We were able to raise an additional $2,000 for Folds of Honor. In 2021, I wanted to go even bigger. Thanks to several board members and a couple of enthusiastic women in our chapter, we were able to do a lot more, both for ASA and for the Patriot

Shootout. As you'll see in the photos, these members helped us with a special challenge on Hole 14 of the golf course where we set up a kayak in the water hazard and accepted donations of $20 per opportunity (per ball) to put it into the kayak. We numbered all of the balls in case we had more than one golfer get the ball into the kayak (this year there were four), and we drew the winner to receive the kayak! At this year's Patriot Shootout, ASA of Greater Baton Rouge was able to raise over $2,600 for Folds of Honor just on this one fundraising challenge! Having participated in this challenge with the previous company for many years, I can tell you that this Hole 14 Kayak challenge was the largest amount raised to date!

I was also asked this year to help with a special Gala project. After the events at the airport in Kabul, our committee couldn't let this year pass without some special recognition of this war's tragic ending - especially since so many of our recipients lost loved ones in Afghanistan during this 20-year conflict. We decided to set a special version of the "Missing Man" table to honor the 13 soldiers killed on August 29, 2021. Further, an anonymous donor gave their full $5,000 scholarship to Folds of Honor - specifically to honor these 13 souls. This had never been done at previous Gala ceremonies, but will now become a staple to recognize many others who have sacrificed. I was blessed to be allowed to design the table setting and had much help pulling it all together. That table was placed in the center of the room. The Anthem is one of my favorite songs to sing, and I am passionate about the words and meaning behind them. Every time I sing it I get goosebumps. This year in particular I had to steel myself from tears with that table directly in front of me and as taps played live immediately following. It was a moving experience that preceded a day of fun in the Louisiana sunshine at the Shootout.

I'd like to give special shoutouts to my members, my friends who supported this event and participated at the Gala and the ***Patriot Shootout***: Jeff Tarver at ***Holmes Building Materials***, Joe Weidel at ***Equipment Depot***, Mary Richardson at ***Gulf Coast Occupational Medicine***, Brinkley Maginnis at ***United Fire and Water*** and Cameron Petty at ***Cornerstone Commercial Flooring***. I appreciate the hours, the work and the laughs! Thank you!

Angie Weidel is the Executive Director of the ASA of Greater Baton Rouge and owner of Blended Strategies, LLC.

The Contractor's Compass is recognizing excellence in ASA's ranks. Every month we are highlighting the activities, achievements, and actions of ASA members that might inspire others. Do you have something you want to share? Send us an email at ***communications@asa-hq.com***.

FEATURE

Navigating the Challenges of OSHA's Emergency Temporary Standard on COVID-19 Mandate

by Dan Doyon & Michael McLin, Maxim Consulting Group

Photo: Michał Chodyra/iStockphoto

President Biden issued the COVID-19 Executive Order – Vaccine Mandate on September 9, 2021, which was wide-ranging in scope. The ramifications are profound and almost certainly have long-term implications for contractors. In early November 2021, the Biden Administration's Secretary of Labor, acting through the Occupational Safety and Health Administration (OSHA), enacted the Emergency Temporary Standard (ETS) COVID-19 Vaccination Mandate for much of the United States' workforce. The mandate, which employers were required to enforce, applied to roughly 84 million workers and covered virtually all contractors with at least 100 employees. It required workers to receive a COVID-19 vaccine, preempting state laws. The only exception is for workers who obtain a medical test each week at their own expense and on their own time and wear a mask each workday. Historically, OSHA nor Congress have ever before imposed such a mandate.

On January 13, 2022, the United States Supreme Court struck down the OSHA ETS. It stated the vaccine mandate was "a significant encroachment into the lives—and health—of a vast number of employees." [1]

Legally, the court did not permanently end the ETS, but the future outlook is questionable. The Supreme Court reinstated the temporary restraining order, preventing OSHA from implementing the ETS. At the same time, the legal battles continue in the lower courts over the validity of the emergency rule. We view this as highly unlikely; however, OSHA may press on and develop a similar permanent standard to the initial ETS.

[1] *National Federation of Independent Business, et al. v. Department of Labor, Occupational Safety and Health Administration, et al., Ohio, et al. v. Department of Labor, Occupational Safety and Health Administration, et al., Volume 595 U. S. ____ (2022).* ***https://www.supremecourt.gov/opinions/21pdf/21a244_hgci.pdf***

The case has been remanded to the Sixth Circuit Court of Appeals to consider further OSHA's power to issue the ETS. In restraining the ETS, the Supreme Court majority determined that the plaintiffs in the case are likely to prevail on the merits. Although the result is not conclusive, it will likely affect the Sixth Circuit's ruling. Additionally, the ETS is valid for six months from the date of issuance—or until May 5, 2022. The Sixth Circuit may not make a ruling before the ETS ends, depending on the briefing and argument timetable.

Contractors need to be aware of potential impacts in specific areas. They should decide if the following is appropriate for their companies, as customers may require compliance to perform onsite work.

- Determine whether you wish to impose a company mandatory vaccination policy for specific business areas. Some of our clients focus solely on federal contracts, which are now implementing a number of vaccination requirements. If this is a significant percentage of your business, consider the pros and cons of such a policy.
- Create a list of vaccinated employees. Some contracts will be requiring subcontractors to use only fully-vaccinated employees to work on jobs. Having this list ready to go will position your company to deploy workers to those job sites quickly.
- Institute a no-cost periodic testing option for your company. This will benefit both vaccinated and non-vaccinated workers and prevent the spread of the virus and the financial impact on jobs. Have a plan of how compensation will be handled with these employees who self-report a COVID infection to drive honesty with testing results.
- Consider establishing a confidential HR or management contact person to handle the expected reactions of your workers and customers to the company approach, including how you will manage responses. Remember, these are politically charged issues and should be treated as such.
- Decide whether you will have an accommodation policy to meet religious and health concerns, focusing on communication and administration of the accommodation process, and emphasizing the confidential evaluation of each discussion.
- Assess any cost impact that might require a fair contract modification. One may argue that the cost and schedule effects are not entirely quantifiable at the moment; however, contractors must reserve their rights to pursue change orders.
- Ensure that you understand your contract and your right to withdraw from a project (work stoppage).
- Check with your insurance company to see whether this qualifies as a business interruption claim.
- Conduct a review of your contracts and the flow-down provisions (supplier and vendor agreements, subcontracts, etc.) and make required updates.
- Review the most recent Safer Federal Workforce Task Force standards at ***https://www.saferfederalworkforce.gov***.

The Supreme Court's decision potentially sets a precedent for how the Court would rule in these matters once they reach the lower courts. Keep in mind that these judgments do not prevent employers from imposing vaccination and testing mandates independently, nor do they preclude state and municipal governments from issuing mandates.

While the Supreme Court seems to have temporarily suspended OSHA's ETS through its ruling, no regulatory requirements need to be met under the ETS. Employers must now evaluate whether they are making reasonable measures to safeguard their workers against pandemic threats due to the many CDC and OSHA recommendations for COVID-19 workplace practices.

Almost all construction trade organizations recognize the importance of these challenges and are dedicated to providing ongoing updates to keep members and the broader contracting community informed of critical developments. Contractors are encouraged to remain current on these challenges and the latest developments.

About the Authors

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FEATURE

Learning from 2021 for a Safe and Healthy 2022

by Abby Fenzel, YellowBird

Looking back at 2021, there's a lot we can learn from the Top 10 OSHA fines. These fines can be the first indicator of what OSHA inspectors will be looking for when they inspect your site in 2022.

Top 10 OSHA Fines in 2021

- Fall Protection (General)
- Hazard Communication
- Respiratory Protection
- Scaffolding
- Ladders
- Lockout/Tagout
- Powered Industrial Trucks
- Fall Protection – Training Requirements
- Personal Protective and Life Saving Equipment – Eye and Face Protection
- Machine Guarding

Not only were there a considerable amount of OSHA fines in 2021, but there were also 57,703 regulatory changes. Trying to navigate all the changes and knowing which apply to your business can be a herculean task. Hiring an EHS Professional can help you steer the ship through choppy OSHA waters, and address issues on your own timeline.

Moving forward into 2022, in addition to learning from 2021's top fines, here are the top trends you should consider when building out your 2022 Safety Plan.

1. **Emergency Temporary Standard (ETS):** Vaccine mandates: Companies that have federal contracts and healthcare workers are required per the ETS to be fully vaccinated. For companies with more than 100 employees, the employees either must be fully vaccinated OR submit to weekly testing and wear a face covering while at work. Those employers with less than 100 employees may opt to mandate. 58% of workers expressed they would consider quitting if their employer did not mandate vaccines. With the continuing confusion regarding legal stays on the mandate, along with various state and local guidelines, it can be difficult to navigate what keeps you in compliance.
2. **Mental Health:** Impacting both worker productivity and on-the-job suicide rates, many companies are putting programs in place to address improving worker mental health. If you haven't recently, make sure your employees know what resources are available to them (healthcare, Employee Assistance Programs, mental health days if your company offers them, etc).

3. **Workplace Drug Testing and the Growing Use of Cannabis:** With the legalization of cannabis in many states and growing use in personal settings, cannabis could have an impact on your employees' job performance. While recreational use may be legal, as an employer you have the right to require employees to be sober while at work. One way to keep your employees honest is by establishing a testing protocol. With the knowledge that there will be a screening system, you'll have the peace of mind that your employees are at their best when they're at work.
4. **Heat Stress in Construction and other industries:** With the trend of seemingly every year being the hottest year on record, "heat is the leading cause of death among all weather-related phenomena," according to ***OSHA***. The current heat stress advice is set by the CDC however later this year, OSHA will be making a stand regarding heat stress. Make sure your workers have the proper training to recognize and react to heat stress among themselves and fellow employees.
5. **New Risk Category: Infectious Diseases:** As we enter year three of the pandemic, navigating infectious diseases and the havoc they can wreak on your employees has become its own risk category. Having a contact tracing protocol in place can help minimize the number of workers who may become infected. Infrastructure upgrades may be needed as well to ensure cybersecurity for vaccine passports, depending on your company's policy regarding vaccination.
6. **Growing Use of Temporary/Contracted Workers:** Temporary or contract workers provide your business flexibility in various departments, but don't forget, contractors also need proper training, not just your W2 employees. As workers want more autonomy and work flexibility, contracting has become more appealing to many Americans. Don't forget to double check your contractor's experience to make sure they have the proper training required for your work environment.
7. **Investing in ESG:** 78% of CFOs surveyed said they were putting ESG metrics into their performance goals for 2022. By integrating Environmental Social Governance in your operational strategies, you can make your business more profitable.
8. **Environmental Assessments:** Storm water run-off, dust control, wetlands mitigation, and more continue to threaten the environment. If part of your product includes any kind of manufacturing, consider an environmental assessment to see what impact your projects have on the environment and possible changes you could make to reduce your ecological footprint.
9. **Industrial Ergonomics:** In the past couple of years, we've seen logistics and manufacturing segments grow by leaps and bounds. By proactively designing physical worker activities in an ergonomically friendly manner, you can reduce the number of worker's comp claims. An added bonus, by investing in your employees' health, you'll boost employee morale!
10. **Bringing Worker Training into Compliance:** With the pandemic, many certifications lapsed. With employees back at work in person, now we are dealing with the pent-up demand to ensure worker compliance on key skills such as Forklift training, First Aid training, confined spaces, annual refresher courses, and more. Coordinating this across multiple locations and even states can be a tricky puzzle.

After reviewing the top issues and OSHA fines, which of the above impact your business the most? These lists can serve as a great starting place to build or update your safety plan. Looking at 2022's plans and protocols, the next step would be determining your timeline and budget for projects and training.

Spreading the activities over the course of the year can help spread the cost over a couple of quarters to make it more affordable and realistic. One thing to keep in mind when building your calendar is planning for seasonal topics before they are needed. For example, if heat stress is a problem in your industry, it's better to educate your workers in the Spring rather than in the thick of July when it could be too late for the message to make a difference.

What better time to align resources than the beginning of the year! With a fresh mind after the holidays, it's a great time to evaluate your internal resources and see what value outsourced professionals can provide to create and execute your 2022 safety plan.

About the Author

*Abby Fenzel is the Director of Marketing & Communications for YellowBird. She's worked in various communications roles for eight years in a variety of industries. Fenzel is a third Generation Arizonan with a Bachelor's Degree in Journalism from Northern Arizona University. If you're looking for quality, experienced EHS professionals, look no further than YellowBird! YellowBird's professional gig platform quickly and easily connects vetted and certified Environmental, Health, Safety, and Risk Professionals to opportunities on-demand. YellowBird uses matching technology to connect the right people, in the right location, with the right experience for the job. Safety has never been so simple! To see more go to **www.goYellowBird.com**.*

The Rolling Stones, Van Halen, or A-Ha—An examination into organizational chemistry and why certain organizations thrive in perpetuity, reinvent themselves, or become a one-hit wonder

by Gregg Schoppman, FMI

First, in full disclosure, the author is an enormous fan of Van Halen. Whether you are talking about the hits from the David Lee Roth years or "Van Haggar", their catalog is absolutely amazing. There are probably a few readers that are asking the question "But what about the Gary Cherone years?", to which the response is exactly the thesis of this piece. For the small minority that are asking "Who is Van Halen," my apologies. On the flipside, the Rolling Stones have an equally amazing history that makes them one of the greatest rock and roll bands today. In fact, much to everyone's surprise, the Rolling Stones still perform today, 58 years since they were formed. The fact that they perform today has less to do with their age and more to the point that there is a documented "toxic relationship" that exists between the lead singer and the lead guitarist. Rock and roll egos make for amazing stories. Lastly, you have the band from the 1980's, Ah-Ha. While some rock purists would say it is blasphemous to include them in such a list with rock royalty, it is important to recognize that this alternative musical group won many awards and have often been attributed to revolutionizing the video music industry. Alas, this Norwegian one-hit wonder's meteoric ascent was only matched by their descent back into obscurity. Sure, they stuck around until around 2010, but ask anyone to name one other song other that famous melody "Take on Me", in their catalog and you would be hard pressed for an answer.

Whether it is The Who, Led Zeppelin, Oasis, The Black Crowes or even BTS (just had to be sure you were still paying attention), strife, unrest and the clamor for the limelight seems as rock and roll as laser shows, tower speakers and pyrotechnics. Now before you think you opened to an article in *Billboard* or *Rolling Stone*, it is important to think about how the same chemistry in the greatest bands has some similarity to today's construction organizations.

Consider this. Your organization is on top of the world. In addition to charting record volumes and appearing in all of the industry trade journals, the team has grown exponentially. With new personnel, there is an almost collegial tone, where associates mix it up as if every day were a pep rally. It doesn't get any better than this. And then one day, someone leaves that happy family. And then another leaves. A project slips, failing to meet its budget or deadline, sowing seeds of discontent. A new manager hops on board but doesn't seem to have that tribal knowledge of the others in the firm, forcing them to leave a short time later. Markets shift, confidence erodes, customers complain. One day, the team was winning "Best New Builder", the next day, they are the discount contractor struggling to make payroll. What happened?

Ultimately, all companies evolve or devolve. Some adjust and pivot with the times, while others seek to find the same glory days as if it were lightning in a bottle. For others, that friendly, chummy environment bred complacency. Put another way, if you read the news about how great you are, you start believing it. So, is the theme to not have a harmonious environment and where managers and superintendents roam the hallways like divas? No, but there is something interesting occurring in some of our case study examples that bear mentioning.

The Rolling Stones

Not all teams have to get along all the time. However, they do have to get along enough to recognize the organization comes first. In fact, some of the greatest businesses have conflict on a daily basis. Conflict by itself is not bad. Lack of conflict resolution and the inability to foster a robust feedback system is bad. How often do firms stifle that constructive dialogue because they fear upsetting their fragile ecosystem? While Mick Jagger and Keith Richards may not have had a Kaizen event or brainstorming sessions to work out the kinks on "Sticky Fingers" or "Steel Wheels" they recognized that their greatness together far outweighed the pettiness of their individual egos. How many construction organizations are able to channel conflict in a constructive fashion, while overcoming those individual roadblocks?

Van Halen

Think of organizations that have been around for 50, 60, or even 100 years. During that time, regimes have risen and fallen, staff has turned over numerous times and they have had to stay relevant. Not every organization can replace a key leader and still be relevant in the marketplace. In some cases, they try too hard to hold onto their old persona without allowing themselves to grow and evolve. Van Halen managed to reinvent themselves amidst a transition of their leadman. With the risk of deteriorating into a musical diatribe, each lead singer had different strengths vocally and musically and the band managed to capitalize on those differences. Were they a starkly different band? Some would argue yes but they also managed to create amazing music that was complemented by those differences.

Well, it worked once at least. They tried to reinvent their band again, but it failed. Were they trying to insert a senior leader in a role that was simply a "plug and play", hoping that the organization would adapt the new leadership with no discontinuity? Organizations have to be willing to adapt to change and worry about not wanting to shake things up simply to maintain a status quo.

A-Ha

Firms do not need to be enormous nor do they adhere to the norms of what others think they should be. If a firm is satisfied at being $25-30M, with some modicum level of growth, that is all that is important. Often, firms race to the top of the mountain, only to realize they were more content as a small or mid-sized firm. Would A-Ha have preferred to sell multi-platinum albums every year and make the Rock and Roll Hall of Fame? Possibly, but it is interesting that they still made nine albums after their groundbreaking debut. Firms create their own strategy and more importantly develop the business they want. While the market will dictate their commercial success, a firm can control their own destiny.

There is no perfect construction organization just as there is no perfect band. Firms are full of personalities, conflict and egos just like the rock and roll world. The keys are channeling conflict in the right direction, being adaptable to the skills and talents of the team and finding the place in the world that allows the organization to build according to their vision, not the vision others think they should be. In a world that is full of ABBAs (sorry ABBA fans), wouldn't it be nice to be a little like The Beatles?

About the Author

*As a principal with FMI, Gregg specializes in the areas of productivity and project management. He also leads FMI's project management consulting practice. He has completed complex and sophisticated construction projects in several different niches and geographic markets. He has also worked as a construction manager and managed direct labor. FMI is the largest provider of management consulting, investment banking, and research to the engineering and construction industry. FMI works in all segments of the industry providing clients with value-added business solutions. For more information on FMI, please visit **www.fminet.com** or contact by email at **gschoppman@fminet.com**.*

FEATURE

Global Construction Outlook 2022

by Duane Craig, writer

Global construction industry trends in 2022 include a generally favorable economic outlook along with some challenges that are expected to continue.

In the U.S., the American Institutes of Architects' Consensus Construction Forecast ***predict*** non-residential construction will grow 4.6% in 2022, while a 9% growth is expected in the residential sector, according to Oxford Economics and ConstructConnect ***forecast*** .

Across the European Union construction will grow from 1.5% in Spain to 3% in France and the Netherlands. The average growth across the EU is projected at 2.7%, while the United Kingdom is looking at 6.3%.

Construction worldwide is predicted to grow 3.7% in 2022 ***according*** to the Construction Intelligence Center, with the largest share of growth to happen in the Asia-Pacific region and China. The fastest growth is expected in Sub-Saharan Africa, including Ethiopia and Eastern African countries.

A recent report by the ***Housing Industry Association*** in Australia warned of a slowdown in Australian residential construction starting mid-2022, and Master Builders of Australia ***predicted*** the sector would enter negative territory next year. The red hot housing markets that have been spurred by grants for building and renovating are expected to slow down in the face of market saturation and rising costs. Master Builders also expects commercial construction in Australia to drop.

In Canada, the 2022 construction growth is ***projected*** at 16.4%, with residential seeing 5.5% growth and non-residential at 23.6%.

Beyond macroeconomics and the potential effects of unknown monetary and public policies, a couple of operational trends could put a damper on the expected growth, while another trend could help minimize their impact.

Labor and Skills Shortages

On the ***global scale***, construction faces growing labor headwinds from decades of low productivity. According to McKinsey, "poor project management and execution, insufficient skills, inadequate design processes, and underinvestment in skills development, R&D, and innovation" are the chief causes for the productivity problems.

Every area has its own culprits. For instance, the U.S. construction industry has struggled with labor problems for decades. The national emphasis on four-year college being a must for all, along with construction's reputation as dull, dirty, and dangerous, the industry's inability to establish a reliable labor pipeline, the decline of unions, and the lack of political will to promote trade education all but hollowed out potential pipeline of construction employee candidates.

Then came the great recession, political and cultural battles over immigration, and a pandemic. It's no wonder construction finds itself in worse shape than ever regarding its labor potential. Besides a numbers issue, it's also a skills and experience issue since long-term employees head for retirement.

Tech Will Help Attract New Talent

Across the world, technology is one factor that's helping uplift construction's reputation. Young people who have grown up with tech are prime candidates for the new roles in construction, such as virtual reality, augmented reality, robotics, and building information modeling specialists. The ***same candidates can find interesting work*** in scheduling, estimating, and project management, all of which have heavy tech footprints.

While robotics and autonomous machines will also see more use in 2022, there is still a great need for manual workers. The manual construction processes like finishing concrete or building frame walls still need to be done.

A first step many construction companies are taking is putting a big emphasis on keeping the skilled workers they have. Whether through incentives, bonuses, pay raises, benefits, or adjusting career paths, construction companies will continue pulling out all stops to keep their people in the coming year.

Consolidation is another approach. When a general contractor buys up other trade businesses, they immediately gain greater control over the subcontractor labor portions of the projects. Mergers and acquisitions will continue in 2022 as not only a way to bolster the employment ranks but also to move into new territories or expand into other construction sectors.

Higher Input Costs

Supply chains were stretched to capacity even before the pandemic, which then multiplied the problems. Experts in the U.S. don't expect great improvement until at least 2023. The European Union projects its supply chain issues will resolve sometime in early 2022. Rising materials prices alone made Canadian ***reconstruction costs*** jump by 6.4% from May 2020 to May 2021 as contractors struggled with increased costs and shortages.

In the UK, supply chain shortages have had a disproportionate effect on small to medium-sized businesses. Australia's decades-long manufacturing decline has left the construction industry there heavily reliant on offshore materials, creating an ***intractable problem*** for contractors and owners that's expected to continue for some time.

In the U.S., supply chain challenges haven't gone unnoticed by Congress. The current Build Back Better Act (***H.R. 5376***) under consideration includes $5 billion for supply chain resilience. It comprises supply chain mapping and monitoring, establishing standards and best practices, strengthening security, identifying and promoting technological advances and providing grants to support resilience. Only three percent of the money can be used for administrative purposes.

Contractors can see some benefits by moving materials and supplies conversations up the chain to owners to counter supply chain woes. By doing so during contract negotiations, it's possible to build some resiliency into the picture through creative sourcing, materials storage, owners supplying materials funding upfront and locking in owner selections far earlier than normal.

There are some other strategies to consider. Contractors may consider increasing the frequency of schedule updates, including delivery of common materials in planning, challenging contract clauses that increase risk in light of supply chain problems, limiting hard bid projects with long price lock-ins, and using contingency clauses to reduce material price volatility.

Tech Adoption Moving to the Platform

High-performance construction companies have abandoned single-point technology solutions and wholeheartedly embraced the cloud platform—that's the key learning from a recent ***Procore survey*** into construction's tech use. Those that rely heavily on manual and siloed solutions tend to underperform.

In 2022, look for more companies to adopt ***cloud-based construction project management*** and other solutions that integrate with their existing tech while involving their partners more deeply.

The global trend of using an ecosystems approach has taken hold this year. More and more firms are differentiating themselves by embracing the platform concept not just for themselves but also by including other project stakeholders. Construction firms that have their subs, their vendors, their engineering, and their design all tapped into a cloud platform are on the cusp of this major tech change for the industry. This trend will only accelerate in 2022, ***according to Deloitte***.

Two other preeminent tech tools that will accelerate in tandem with this collaborative new paradigm are BIM and 3D modeling. These technologies are making ***prefabrication*** of components more exact so trade contractors can assemble, test and deploy larger portions of the work offsite under controlled conditions. Besides cutting costs, the goal is to improve quality and reduce rework.

While construction firms can rack up major competitive advantages by using more tech tools and automation, this requires careful investment. Running after single-point solutions that don't integrate with existing software, hardware and business processes can work to a firm's detriment in the long term.

About the Author

Following roles as photojournalist, education director, landscaper and residential project manager/superintendent, ***Duane Craig*** moved to writing for a less stressful life. For the past 14 years Duane has covered the construction, food, finance and tech industries.

This article originally appeared on January 10, 2022 on Procore's JOBSITE blog, and is reprinted with permission from Procore.

FEATURE

Three Ways to Improve Projects with Construction Tech in 2022

by Jessica Meno, Raken

2021 was an interesting year for construction. Despite supply chain issues (and increasing labor shortages), the number of projects and developments across the country continues to grow. And demand for good construction technology is high.

Here are three ways construction tech can take your projects to the next level in 2022.

1. You'll have better documentation.

In construction, if you didn't document something, it didn't happen. Having a solid record of events clearly shows the work of your field crews—and any outside factors that affected progress. Documentation is key to protecting your business from litigation, too.

What does documentation include? Everything from daily reports and surveys to photos, videos, and notes. With construction technology, you can easily collect project documents (and track them all) in one place. That way, you can find the critical information you need fast.

Last year, Raken customers took 29,680,516 jobsite photos. Documents are uploaded to the cloud in real time, meaning there's no manual entry (and less errors) after the fact.

2. You can optimize different workflows with a tech stack.

As construction tech gets more popular, you may be wondering how to pick the best software for your business. The truth? Investing in multiple best-in-breed solutions may give you the most value.

Best-in-breed apps are built for a specific workflow, and to solve a specific problem. By combining the right tech for the right job, your teams can work more efficiently—without navigating through extra features. Bonus points if your tech can integrate with other industry-leading software.

For example, Raken customers logged 602,191 time cards in 2021. Since payroll teams can import time data right into their accounting software, payroll processing is smoother than ever. And efficient payroll means timely paydays (and happier workers).

3. You'll build better client relationships.

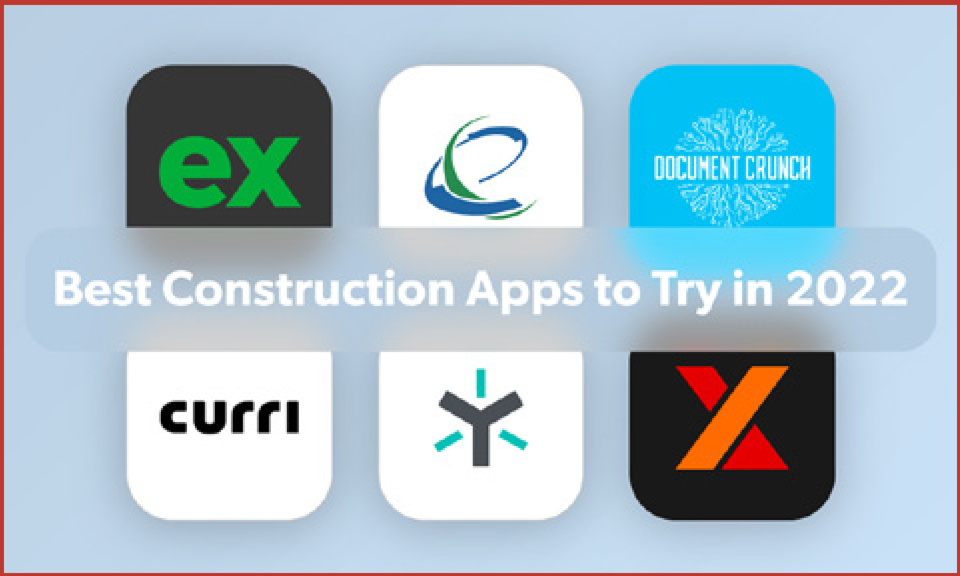
Project visibility for internal teams is one thing, but keeping stakeholders in the loop is another. Luckily, construction tech helps with both.

Since a lot of construction apps use cloud storage, sending clients project information is a breeze. Some solutions (like Raken) compile project data into professional, polished PDF reports to make them easy to understand. Clients will be happy to see how things are going—and you'll build up trust and rapport for your company. In 2021 alone, Raken customers completed 2,440,000 daily reports. That's a lot of documented, organized proof for project progress and updates, without additional work needed from team members in the field.

Start 2022 strong with Raken.

Last year, contractors managed 155,408 projects (across 76 countries) with Raken. And those numbers keep growing.

What does Raken do? We help contractors collect, share, and analyze field data in one place. With real-time insights, your teams will know how to build more profitable projects.



About the Author

Jessica Meno is a writer for Raken, the cloud-based software that was built to connect the field to the office. Raken helps boost productivity and safety by streamlining workflow processes such as daily reporting, time cards, production tracking, and safety management. ***Schedule a demo today*** *to see how Raken can work for your business.*

FEATURE

Maintaining Past Gains: Taking Newfound Agility into the Future

A conversation with Melissa Lewis, SVP of HR at Hunter Douglas

by Joe Hart, Dale Carnegie Training

One of the things I've noticed talking with other leaders in recent months is this: Many organizations have been more agile than they ever imagined possible in their responses to the pandemic.

Now, leaders are asking: How can we continue being this agile into the future?

Recently, Melissa Lewis, senior vice president of HR at Hunter Douglas, and I discussed what that might look like. Together, we came up with four key focus areas:

- Protecting and communicating the desired corporate culture and staying grounded in purpose
- Maintaining the social capital across the organization
- Rethinking our tools and processes
- Supporting resilience in our people

Hunter Douglas is a family-run company with a rich history that has made window coverings for more than 100 years and Melissa joined them just as the pandemic hit. I started by asking her about that experience, because while she had met key company leaders in person, most of her onboarding took place virtually.

Protecting and Communicating Corporate Culture

That's one area in which companies waiting to reopen their offices or which continue remote work for some employees will need to get more comfortable going forward: imprinting the corporate culture on new employees.

Reflecting on her own experience, Melissa suggested that purposeful storytelling can help. "Our senior leaders are very good at storytelling, in part because they have such roots in the company. As they welcomed me into Hunter Douglas, their stories really gave me that essential backdrop to understand why we do things, and how we make decisions," she said.

Purposeful Storytelling

Melissa's observations prompted me to think more about the role that purposeful storytelling plays in establishing and ***maintaining a strong company culture***, which we all know is a critical factor in sustained success. Culture is tightly intertwined with an organization's purpose, values, and principles, all of which have been put to the test by the pandemic and the compounding social and political tensions the world is currently facing.

Looking ahead, those organizations not planning a full return to the office will need to think consciously and purposefully about how to keep their company culture alive and well. Some say it's working fine now, why worry? The answer is likely that we've been coasting on the culture we created and shared before the pandemic, but that may not work in the long run. Storytelling during presentations could help keep those shared experiences alive and help new hires get a better sense for the corporate culture with context.

Trust in Leadership

Developing trust among leadership is also a fundamental requirement to protecting the culture, and even more so in a crisis. When the pandemic hit, Melissa and her team had to ensure people that they would be safe coming to work, so the company mandated the use of masks in their factories early on. Melissa said this and other "decisions they made about people reflected who we are. And in return, people have gone above and beyond for us because we continued to build that trust during a difficult shared experience."

Maintaining the Social Capital

There's a similar challenge with social capital, which is the network of relationships between people in the organization that facilitate cooperation between groups. We all depend on trusted relationships to function successfully at work, and in an partially virtual environment, such as is found in the construction industry, it creates challenges to making meaningful connections. When people have empathy for other's situations, they are good at listening and excellent communicators. Right now, we're primarily using the networks we built pre-pandemic. As turnover occurs, there's a risk those relationships and network may weaken if we don't put conscious effort into maintaining them.

As Melissa observed, "In summits I've been on, initially we heard so many of the tech companies were going to go virtual forever, but then you start to hear people coming back from that because they recognize that those connections, the culture are at risk." She thinks they will aim to strike a balance with a hybrid workplace. "I do think it's going to be harder to come to a clear answer on what the model looks like. We have to have a clear answer from some employees when they ask: Why do I need to come back? But there is still so much to gain from being together at certain points. Does that need to be all day, every day? Probably not."

Rethinking Tools and Processes

Another area we dove into was tools and processes. I think we all found ourselves breaking some of our own "rules" during our initial reactions to the pandemic when it came to our normal processes. That meant quicker decisions and less bureaucracy. If we want to keep that going into the future, it's essential we take a thoughtful look at our processes and tools. Which processes can we streamline to reflect how we actually did things when we had to move fast? And for those who will stay remote, as Melissa says some roles will have the option of doing, she points out that it's critical that "we make sure they have the right equipment and support to do that job not just in the short term, but for the long term." What we got by with in recent months may not be ideal, and for optimal performance we need to address that.

Teaching and Supporting Resilience & Agility in People

The final topic we focused on is resilience. As we continue to persevere from the pandemic and the experiences we've been through, many would probably echo Melissa's thoughts: that apart from looking for people who can bring their skillset with both the confidence and humility that make a great team member, *"resilience is one of the top characteristics we are looking for."*

Having people who can overcome adversity, rebound from its negative effects, and learn from the experience has been proven to be extremely valuable. None of us know what the next challenge we'll face will be – but we all know it's coming. Organizations that can sustain a new level of agility once this "burning platform" period ends will be a step ahead when it does.

For more on building ***resilience*** and ***agility*** in your organization, download our white papers. Check out the ***ASA course site*** for further info.

Written by Joe Hart

Joseph K. Hart is the President and CEO of Dale Carnegie Training, an organization whose founder pioneered the human performance movement over 100 years ago and has continued to succeed and grow worldwide, through constant research and innovation building on its founding principles.

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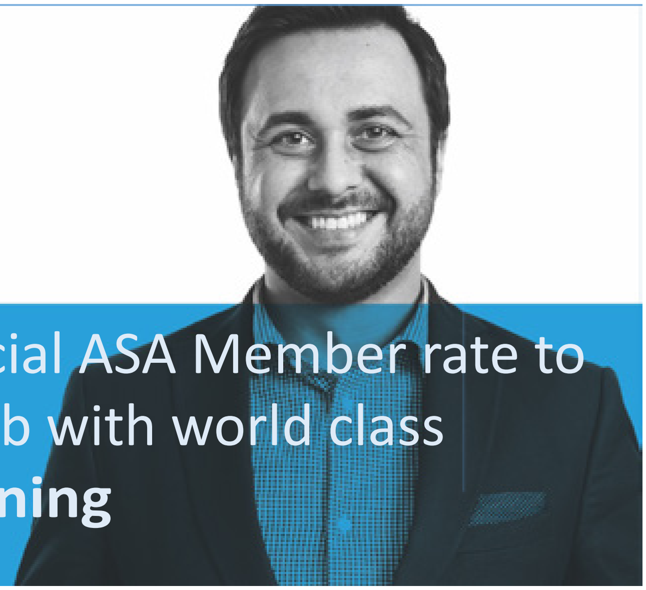

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FEATURE

The Great Resignation of 2021

by Jamie Hasty, SESCO Management Consultants

The Great Resignation of 2021 is the biggest problem for US employers right now. More and more employees are quitting their job in favor of jobs that come with better compensation and benefits, work/life balance and more meaningful work. It is obvious that the Pandemic brought many changes to the labor market, and so employers are in the midst of a major labor crisis. More than 4.3 million workers quit their job in August 2021 alone – a historical number – according to the Department of Labor.

Employers are left wondering what are the reasons behind the Great Resignation? How do we curtail it? The answers are more than simple and require a deep dive into the organization and commitment by leadership to addressing the challenges.

Why Are Employees Leaving?

Many employees, across various generations, are not satisfied with their current employer and the positions they hold within the organization. Many are searching for better opportunities that promise a slew of benefits to upgrade their lifestyle. Consider the following statistics:

Employees between 30 and 45 years old have had the greatest increase in resignation rates, with an average increase of more than 20% between 2020 and 2021. While turnover is typically highest among younger employees, a recent study found that over the last year, resignations actually decreased for workers in the 20 to 25 age range (likely due to a combination of their greater financial uncertainty and reduced demand for entry-level workers). Interestingly, resignation rates also fell for those in the 60 to 70 age group, while employees in the 25 to 30 and 45+ age groups experienced slightly higher resignation rates than in 2020 (but not as significant an increase as that of the 30-45 group).

There are a few factors that can help to explain why the increase in resignations has been largely driven by these mid-level employees. First, it's possible that the shift to remote work has led employers to feel that hiring people with little experience would be riskier than usual, since new employees won't have the benefit of in-person training and guidance. This would create greater demand for mid-career employees, thus giving them greater leverage in securing new positions.

It's also possible that many of these mid-level employees may have delayed transitioning out of their roles due to the uncertainty caused by the pandemic, meaning that the boost we've seen over the last several months could be the result of more than a year's worth of pent-up resignations.

And of course, many of these employees may have simply reached a breaking point after months and months of poor organizational culture, lack of appreciation from leadership, high workloads or burnout, uncompetitive compensation practices or lack of performance/retention bonuses, hiring freezes, and other pressures, causing them to rethink their work and life balance.

For numerous reasons, it is paramount that leadership partners with human resources (HR) professionals to take extra steps to mitigate employee turnover. Turnover presents many direct costs to a business, from hiring to training. These costs can add up to $4,000 or $5,000, but for executives, that number increases significantly. In aggregate, employee turnover reportedly cost businesses over $600 billion in recent years. There are also many intangible negative impacts, such as reputational damage and lower morale due to staffing shortages.

So, where do employers need to start?

1. Challenge Compensation Practices

Pay is often the first component, but it is certainly not the last, and often not the most important. It is not always possible for every business (particularly small and midsize businesses) to compete on salary for every position.

As inflation continues, what impact does it have on employee wages? Currently, consumer price inflation is 5.4%," with high inflation rates are expected to last through the rest of the year; the United States Office of Management and Budget (OMB) recently changed its inflation outlook forecast for Q4 2021 — from 2.1% (the forecast in May) to 4.8%. Generally, you consider giving your employees a raise because of tenure or performance, but inflation can also play a role.

Inflation has a direct impact on the purchasing power of the dollar which, in turn, has a direct impact on the value of your employees' compensation packages. For many, receiving a typical three (3) percent COLA adjustment is actually taking a pay cut in the current year. When you combine the declined value of the dollar with the labor shortages employers are currently experiencing (and the corresponding demand for workers), it's clear that employees' expectations around compensation are changing. A few tips:

Competitor Compensation: If you want to attract and retain top talent, you need to pay them a competitive wage. Doing competitive research (for example, a customized SESCO market wage and benefit survey) can give you insights into how much the market is paying (and how much the market is increasing wages during this time of increased inflation), which can help employers adjust compensation plans accordingly.

Budget: Employers who plan to increase employee compensation need to find that money somewhere, which means looking in the budget to determine how to account for increased labor costs. Can the organization increase the price of your products or services? Are there areas where spending cutbacks can occur to make room in the budget for increased wages? Examine this closely to see what makes the most sense for your organization and your employees.

Inflation Projections: As mentioned, the Office of Management and Budget expects inflation to return to more manageable levels in 2022, which could impact how and how much the organization plans to increase employee compensation. For instance, if leadership feels confident that inflation will return to normal levels over the next few months, you may consider giving employee bonuses versus salary increases to tide over employees until things stabilize. On the other hand, if leadership believes that inflation is here to stay through 2022 and beyond, increasing employee wages for the long term might feel like the better solution.

2. Revisit and Realign Company Culture

By putting company culture first, organizations can hopefully ward off the worst of "The Great Resignation" by focusing on employees' experiences at work. People choose to join a company for various reasons, but organizational culture is why people ultimately decide to stay. Consider:

Conduct an Opinion Survey: Engagement starts with understanding your employees. Done right, surveys can uncover critical insights about where your employees are experiencing the most friction. It's good to note that not all employees can be "saved"; not every pain point can be resolved quickly enough to make a difference in a given employee's decision to leave or stay.

That's precisely why conducting a survey can be so helpful for weathering "The Great Resignation." By collecting and analyzing feedback from those who have left during the pandemic, you can pinpoint why people are leaving and take action on the areas (e.g., remote work options) that will drive the greatest impact. SESCO's Employee Opinion Survey tools provide statistically significant and valid results for addressing employee engagement, morale, culture, communication etc. areas needing to be addressed by leadership.

Offer Flexible Work Options: The pandemic has proven that remote work is working. As a result, many employees feel it's reasonable to expect the option to work from home at least some of the time. If your employees feel like their voices aren't being heard, they'll be more likely to leave especially if there's little-to-no justification for going back to the office full-time.

Clear and Transparent Communication: Lack of clear communication can be a significant factor in turnover. Often found on results of employee opinion surveys, "Employees feel they've yet to hear enough about their employers' plans for XZY or that they do not know what is going on within the organization." Organizations may have announced general information or half way pushed vital information going forward, but too few of them, employees say, have shared detailed guidelines, policies, expectations, and approaches to make them successful at their job.

Now that the job market is hotter than ever, employees may choose to leave for a company that promises them what they want from the offset rather than deal with the anxiety and lack of clarity from poor communication at their current employer.

3. Invest in Your Employees Development

The pandemic has left many employees feeling stagnant and ready for anything new and exciting. Over the past two years, many employees were home more than ever before, allowing for extended periods of reflection and exploration. The pandemic has exposed the fragility of daily life, and many are reassessing their goals and what it means to spend their life meaningfully. Recently, CNBC reported that of the 26% of workers planning to leave their employers after the pandemic, 80% are doing so because they're concerned about their career advancement.

Now is the time to proactively and transparently create pathways for employee growth and development. If internal career pivots are possible, make sure employees are aware of them. Encourage leaders within your organization to dig deeper into their direct reports' goals during their 1-on-1 conversations and empower them with the tools and resources they need to achieve their goals. Provide company paid training and development opportunities that are communicated and encouraged by the organization and not by the employee having to seek out those opportunities.

While the Great Resignation will likely continue into much of 2022, employers must truly open their eyes to the realities of the current labor markets and challenges ahead. Addressing retention and turnover is not a "one size fits all" approach by any means. By utilizing some of the recommendations above, organizations can commit to their valued employees and provide a great working environment where staff feel valued and appreciated. It is important to emphasize that employers who "take care" of their staff will receive the commitment and support from those employees in return.

About SESCO

*SESCO specializes in human resources consulting services and federal and state employment law compliance. We welcome your call to discuss compliance questions as well as provide to ASA members free telephone and email consulting for human resource related questions or needs. Contact a SESCO Management Consultant today at (423) 764-4127 or via email at **sesco@sescomgt.com***

OSHA—The Year in Review

by Michael Metz-Topodas, Cohen Seglias

Starting 2021 under a new administration promised significant changes to Occupational Safety and Health Administration (OSHA) regulations and enforcement, especially with the agency confronting a deadly and omnipresent virus. And the year unfolded as expected—at least for new safety requirements. Despite a focus on COVID-19, OSHA implemented several other regulatory changes that impacted the construction industry, and these recent initiatives may provide insight on future policy and enforcement in several key construction workplace areas.

The Emergency Temporary Standard Vaccine Mandate

Commentators have spilled vast amounts of ink about OSHA's vaccine mandate in the emergency temporary standard issued in November 2021 (the ETS). Multiple injunction actions and appeals challenged and defended this rule, culminating in a final petition on the ETS's validity to the Supreme Court. With oral argument completed on January 7, 2022, employers can expect clarification on the ETS shortly. The Court expressed skepticism about whether OSHA acted within the proper scope of its authority in issuing the ETS, but recognized that COVID-19's unprecedented widespread and devastating effects could warrant workplace safety regulation. The Court's questions and comments suggest it may end up staying the ETS, but not foreclosing other, perhaps narrower, emergency standards or final rules aimed at protecting workers from COVID-19 exposure. Nonetheless, during the time the Court allows the ETS to remain in effect, all employers with one hundred or more employees must comply with the rule, including those working on federal construction projects, despite the Federal Acquisition Regulation vaccine mandate remaining stayed.

A Small Change in COVID-19 Reporting with Major Implications

The ETS also contained a minor, almost imperceptible, change in workplace injury and illness reporting requirements. Previously, under a Trump administration regulation, employers needed to record and report an employer's COVID-19 hospitalization or death as a workplace illness if the employer could reasonably establish that the infection more than likely occurred from work-related activity. The prior policy's "more than likely standard" acknowledged that employers lacked resources to determine whether an infection occurred at work, other than in very clear circumstances. Now, however, employers covered under the ETS must report any employer COVID-19 hospitalization or death using the same "work-related" criteria used for any other injury or illness: whether an "event or exposure in the work environment either caused or contributed" to the infection or if COVID-19 exposure "likely occurred in the work environment." In making this determination, an employer must consider these factors:

- the type, extent, and duration of the

- employee's work environment contact with other people, particularly the general public;
- workplace controls, such as physical distancing, that impact the likelihood of work-related exposure;
- the time spent in a shared indoor space with limited ventilation; and
- whether the employee had work-related contact with anyone who exhibited signs and symptoms of COVID-19.

This slight modification in reporting requirement creates for employers a nearly impossible task—determining whether an infection resulted from work activity. In attempting to comply, employers face a no-win dilemma. If they determine an employee COVID-19 hospitalization or death did not result from work-related conditions, and OSHA investigates and concludes otherwise, employers risk citations for failure to report. If, however, to ensure compliance, they treat all COVID-19 employee hospitalizations or deaths as work-related and report them, employers risk additional workers' compensation claims, a tainted safety record, an increased EMR, and raised insurance premiums. Additionally, employers must report a work-related employee death from COVID-19 any time after the workplace event leading to the COVID-19 infection, whereas this reporting obligation ends 30 days after all other incidents.

Potential New Electronic Reporting Requirements

An intended notice of proposed rulemaking signaled that OSHA may seek to return to the original standards for its electronic reporting requirements for workplace injuries and illnesses. When originally introduced, the rule required that for employer establishments with more than 250 employees or those with over 20 employees in certain high risk industries (such as construction), they must electronically submit to OSHA information from Form 300A, which contains yearly summary data of workplace injuries and illnesses. As written, the rule also required establishments with over 250 employees to submit electronically data from Forms 300 (safety incident log) and 301 (safety incident reports). OSHA, however, never enforced this requirement for data from Forms 300 and 301 and eventually amended the rule to require only Form 300A information. In December 2021, however, OSHA announced it intended via a notice of proposed rulemaking to restore the original requirement to submit Form 300 and 301 data. The agency has provided no information about how it would address the objections that led to eliminating this requirement in the first place: submitted data revealed confidential business information and personally identifiable information, including medical information; and publicized data led to unjustified conclusions about company safety as not all incidents mean a safety problem exists. If OSHA does not address these concerns in the new rule, it likely will face challenges from multiple industries, including construction.

Proposed Heat Hazards Protections

OSHA is also directing its attention to workplace heat hazards and heat illness in both outdoor and indoor settings. On October 27, 2021, the agency issued an advanced notice of proposed rulemaking to initiate a public comment period. During this time, employers can submit information and issues for OSHA to consider in developing a heat hazard and illness standard. The final rule will likely set a heat index of 80°F or higher as the trigger for employers to implement heat hazard protections and controls, a threshold some state safety regulations already use. Previously, OSHA used the general duty clause (GDC) to address unsafe work conditions from excessive heat, but often GDC citations are vulnerable to being vacated by courts due to insufficient precision about what constitutes the violation. Setting more precise heat hazard standards, however, becomes challenging due to the variety of workplace environments. Any new regulations will need to account for variations in the cumulative and interactive effects temperature, humidity, cloud cover, and other weather factors can have. Additionally, high heat can impact strenuous manual labor workers, such as warehouse loaders, much differently from those in more stationary roles, such as parking lot attendants. Temperatures that warrant hazard controls will differ depending upon acclimation to climate—a 95°F day has a more profound impact in Seattle than Phoenix. The new rule will also need to consider individual worker conditions.

In addition to implementing novel standards, OSHA intends to implement an enforcement initiative that will prioritize inspections and interventions on days 80°F or higher. Finally, a national emphasis program will create a Heat Illness Prevention focus group within the National Advisory Commission on Occupational Safety and Health. Construction industry stakeholders have expressed concern about the proposed new rules because they could require a heat effect analysis to determine both a permissible exposure level and an action level for each aspect of work. In that way, a new heat hazard requirement threatens to add significant costs to any construction project for all involved—from owners to contractors to suppliers.

The team at Cohen Seglias will continue to monitor these and other developments in OSHA regulations and enforcement to assess the effects on compliance and performing projects. Contractors facing such issues should contact their counsel who remain knowledgeable and up-to-date on these developments.

About the Author

Michael Metz-Topodas is a partner at Cohen Seglias. As a construction litigator, he represents general contractors, subcontractors, owners, designers, and suppliers through all stages of private, public, and federal projects helping clients navigate all kinds of construction project disputes. His practice also focuses on OSHA compliance and citation defense in the construction industry. He can be reached at ***mmt@cohenseglias.com*** *and 267.238.4755.*

FEATURE

How To Reduce Your DSO and Future-Proof Your Finances

by Patrick Hogan, Handle.com

The day sales outstanding, or DSO, is one of the most important key performance indices (KPIs) in the construction business. The DSO allows you to measure how fast you convert your invoices into cash -- it helps you to not only assess the health of your cash flow but also to mitigate any potential financial risks.

The average DSO for the construction sector is between 60 to 90 days. Ideally, you want your DSO to be as low as possible since a low DSO implies that your clients pay their invoices early or on time.

If your DSO is high, it means that you often deal with late payments and overdue invoices. Below are seven tips to help you reduce your DSO and consequently protect and improve your cash flow.

1. Vet your clients

Vetting your clients right from the beginning is necessary, especially in an industry like construction. You do not want to work with clients who have notorious track records for never paying on time. Not only will they cause you to increase your DSO, but they can also cripple your cash flow.

If you choose to work with ill-reputed clients, consider imposing a lower trade credit limit on them. This way, you ensure that your business is still protected in case the client fails to issue the payment on time.

2. Implement a robust trade credit policy

When you have an effective trade credit policy, making decisions on which clients to work with becomes easier. For example, your credit policy may include requiring all potential clients to submit trade references as part of the application. You can consult the trade references before you make a decision.

However, keep in mind that every company is different. A robust trade credit policy for one contractor may not be effective for another. You must first know your company's core values before you build or reassess your trade credit rules.

3. Send invoices on time

Another key step to reducing your DSO is sending out your invoices on time. Your clients will not know how much they need to pay you without seeing an invoice. Note that if you consistently send your invoices late, you will also receive your payments late.

There are many ways to improve your invoice processes. One way is to set a regular date and time for when you prepare and send your invoices. You can also take advantage of automated invoicing software to become even more efficient.

4. Serve preliminary notices even when not required

Serving preliminary notices for every project has many benefits, one of which is increasing your so-called "visibility" in a project. For example, when you serve a preliminary notice on a property owner, they are more likely to remember who you are, which is a big advantage during payment time.

Serving preliminary notices also preserves your lien rights. However, even if the state you are in does not require pre-lien notices, you are still strongly encouraged to serve one so you can get paid on time and reduce your DSO.

5. Be specific when writing your payment terms

Your client must easily understand the payment terms in the contract. You should clearly and concisely communicate to them when they will receive the invoice, how long they have before the payment deadline, and what the consequences are if they fail to make the payment on time.

Late payment penalties must be stated clearly in the payment terms. If your payment terms are vague, payment disputes may arise, which will only delay the payment process and increase your DSO.

6. Offer early payment incentives

Other than imposing late payment fines, offering early payment incentives is also a good way to encourage clients to pay early. Early payment incentives appear less aggressive than late payment fines, and some clients may find it more appealing.

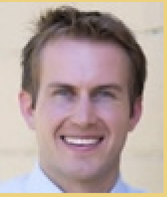
If you decide to offer early payment incentives, be sure to communicate them to the client. It should be stated in the payment terms in order for the clients to know that they can save some money if they choose to pay early.

7. Organize your records

Maintaining and organizing your records is imperative if you want to reduce your DSO. When your records are neatly organized, you can easily identify which invoices are overdue and which clients are consistently pulling your DSO up. You can also measure our KPIs if you can easily access your client data.

All the tips mentioned may require additional effort and diligence on your end, but they are all worth doing, especially if you want to reduce your DSO and convert your invoices to cash faster.

About the Author:



Patrick Hogan is the CEO of Handle.com, where they build software that helps contractors, subcontractors, and material suppliers with late payments. Handle.com also provides funding for construction businesses in the form of invoice factoring, material supply trade credit, and mechanics lien purchasing.

FEATURE

Long Disparaged, Education for the Skilled Trades is Slowly Coming into Fashion

by Jon Marcus, writer

MEDIA, Pa. — Young men in jackets and ties walk along tidy walkways that connect the red brick buildings of the 220-acre campus of the Williamson College of the Trades. They wake up around 6 each morning, turn out for inspection, attend a morning assembly, then spend full days doing course work and in shop, alternating at chores in the kitchen and tending the buildings and grounds. No alcohol is allowed, phones can't be in view, and even straying onto the grass costs demerits. Lights out is strictly at 10:30 p.m.

The college was established in 1888 by a frugal wealthy dry goods merchant to train young men as blacksmiths, bricklayers, harness-makers, wheelwrights, and other kinds of tradesmen—"so they may be able to support themselves by the labor of their own hands."

Now, its original endowment ***having grown to $128 million***, it enrolls ***265*** mostly low-income men who spend three years, at no cost to them, earning associate degrees in subjects including carpentry, masonry, machine tooling, and power plant technology.

"It's old school," said Michael Rounds, Williamson's president." A throwback."

But education for the skilled trades appears to be returning to fashion,

"From the student perspective, incomes [in the trades] have increased to the point where you can support a family with a single income from these careers."

— Gary Beeman, CEO and founder, New Valley Initiative Institute

Williamson College of the Trades, which was founded in 1888, provides free tuition for three years to young men training for the skilled trades. It plans an expansion. Getting a education in the skilled trades pays off more quickly (and sometimes just more in general) than going to college and getting a bachelor's degree Credit: Saquan Stimpson for The Hechinger Report

Shamar Kerr, who's learning at the Williamson College of the Trades how to service boilers. "I didn't know how much money you could make," he says. Getting an education in the skilled trades pays off more quickly (and sometimes just more in general) than going to college and getting a bachelor's degree.

according to enrollment trends, survey data, and other signals.

"If you look at where the jobs are, the sweet spot is an associate's degree with a focus on the trades," said Rounds, a former Army lieutenant colonel who previously taught engineering at West Point and whose desk faces a portrait of benefactor Isaiah Vansant Williamson.

One trend reviving interest in education in the trades appears to be growing doubt among high school students and career switchers about the value of a four-year college; the proportion of high schoolers who are considering a four-year education ***has plummeted from 71 percent to 48 percent*** since the start of the Covid-19 pandemic, according to a survey by the ECMC Group, a nonprofit student loan guaranty agency that also operates three career schools.

"Students and their families were questioning the cost of a four-year education, the declining completion numbers, the increasing debt," said ECMC Group president and CEO Jeremy Wheaton. "That was something that was gaining momentum and traction even before the pandemic, and the pandemic has accelerated this movement." (ECMC's philanthropic arm, the ECMC Foundation, is among the funders of The Hechinger Report.)

Meanwhile, Americans can see firsthand the labor shortages in fields such as construction, transportation and logistics, along with rising pay for those kinds of jobs and the lower debt and the shorter timetables needed to train for them. "Especially with the younger generation, time matters. Money matters, but time matters as well," said Chad Wilson, superintendent at the East Valley Institute of Technology in Arizona, or EVIT.

Trade careers have also gotten higher levels of respect as the labor shortages reveal their importance. "These are deemed critical infrastructure," said Mike Pressendo, chief marketing and strategy officer at the TechForce Foundation, which encourages students to become transportation technicians. And now, he said, "employers are sweetening the packages" for new recruits with higher pay, better benefits, tool allowances and signing bonuses.

At a job fair at Williamson in November, 114 employers showed up, outnumbering the graduating seniors.

Outside Rounds' office window, a $21.2 million student center is under construction, paid for by a donation from an alumnus, and a new dorm is going up nearby. The college is in the midst of ***raising $55 million*** to add to its endowment. All of these things are in anticipation of a planned increase in enrollment.

"If you look at where the jobs are, the sweet spot is an associate's degree with a focus on the trades."

— Michael Rounds, President, Williamson College of the Trades

The number of people seeking education and training for the skilled trades is also up elsewhere.

In Utah, ***enrollment rose in the fall*** at seven of the state's eight technical colleges, according to the Utah System of Higher Education. South Dakota's Lake Area Technical College saw an ***8.1 percent increase***. The number of people training for the trades at Georgia Piedmont Technical College rose 13 percent this fall over last fall, the college says.

Postsecondary enrollment at EVIT is up 54 percent since 2018, it says; it's adding a new aviation building and expanding other facilities. And the career colleges run by ECMC Group, in Georgia, Florida and Texas, reported a collective 20 percent increase in the number of students last year and 16 percent this year.

Those figures are particularly noteworthy against the backdrop of ***a nearly 8 percent decline*** in overall undergraduate college and university enrollment in the last two years, according to the National Student Clearinghouse Research Center.

Also in Pennsylvania, a for-profit trade school teaching diesel and automotive servicing, the New Village Initiative Institute, is opening in January on the site of a trade school that closed four years ago just outside the town of Indiana — where the public four-year Indiana University of Pennsylvania has seen ***a 27 percent decline in enrollment*** in the last five years.

"From the student perspective, incomes [in the trades] have increased to the point where you can support a family with a single income from these careers. And it really is a career and not just a job," said Gary Beeman, New Village's CEO and founder.

Williamson student David McCann took college courses while in high school and went to a community college for a while after that, paying out of pocket to avoid student loan debt. But "it would have taken such a long time to get a degree. It wasn't worth it," he decided.

College "may be useful if you want to be a doctor, if you want to be a lawyer, if you want to be a nurse. But I wanted to work with my hands," said McCann, who already runs his own landscaping company with a friend on weekends and in the summers and plans to do that full time when he graduates.

Jose Santos went to a college-preparatory high school in North Philadelphia, and his college counselor and English teacher pushed him to enroll in what he calls "regular college" for a bachelor's degree. Instead, he also went to Williamson, where he's in his second year in the carpentry program with plans to start his own business flipping houses.

"My friends all applied to four-year colleges, and now they're in debt and I'm not," said Santos matter-of-factly, a pencil tucked into the rim of his baseball cap and a tape measure on his belt.

Classmate Shamar Kerr, who's learning how to service boilers ("I didn't know how much money you could make," he said), interned during the summer at a nuclear power plant.

High schools like his, Kerr said, "try to push you to universities." But he "didn't like the idea of learning academic-type stuff that I didn't think I was going to use." His friends who did go to four-year colleges "aren't happy. It's a lot of stress. They're paying a lot of money to take courses they don't like to get jobs they might not even want."

Parents encourage four-year college educations, too. Those who didn't get degrees themselves "are the ones hardest to convince [to let their children go to trade school], because they tend to think the reason they're in this position is because nobody went to college," Rounds said.

In Aaron Tallman's hometown in the coal-mining region of Pennsylvania's Schuylkill County, "there was always a 'you should do better than we did' mentality." But "why would I take the four years and go into a field I don't know anything about, spend the money, spend the time, to go into something where there's not even any demand?" asked Tallman, who is studying machine tooling at Williamson.

Raymere Stewart, who, like Tallman, is in his final year at Williamson, training to be a mason, said his parents back in Wilmington, Delaware, "pushed me about 'What are you going to do when you graduate from high school?' " Stewart has already signed with a general contractor at a salary he said will be twice what either of his parents make.

There's still broad antipathy among many prospective students toward working in the skilled trades.

"I just don't think people see the trades as glamorous," said Rich Torelli of South Philadelphia, who is in his final year in Williamson's carpentry program and is being courted by a custom homebuilder in Montana. "When you think of a successful high-paid person, you don't think about a carpenter."

Half of Americans age 18 to 24 in a survey before Covid-19 by the metals supplier Metal Supermarkets said they ***would rather work as baristas*** than as welders. In another survey, by the large equipment rental company BigRentz, only 11 percent of 18- to 24-year-olds said they believed that training in the skilled trades ***led to high-paying jobs***.

Aaron Tallman is in his final year at the Williamson College of the Trades and already has eight job offers. "These people email you over and over and over," he says. Getting a education in the skilled trades pays off more quickly (and sometimes just more in general) than going to college and getting a bachelor's degree Credit: Saquan Stimpson for The Hechinger Report

College "may be useful if you want to be a doctor, if you want to be a lawyer, if you want to be a nurse. But I wanted to work with my hands."

— David McCann, student, Williamson College of the Trades

But those opinions have begun to shift. When BigRentz asked the same question after the pandemic started, the proportion of respondents who thought jobs in the trades paid well ***had risen to 16 percent***; 33 percent said they thought trade school had become a better option than a more conventional college education, while 30 percent said it was more likely to lead to a job.

More than half of the high school students in that ECMC Group survey said they thought they could succeed with ***postsecondary educations of three years or less***.

Many of them can. People with bachelor's degrees still ***earn more and are less likely to be unemployed*** than people without them, according to the Bureau of Labor Statistics. But the number of jobs with median pay of $55,000 a year or more ***that don't require a four-year university degree*** has been rising in about half of the 50 states, including in fields such as construction, the Georgetown University Center on Education and the Workforce says.

Another analysis by the Georgetown center found electrical and power transmission installers earning ***entry-level salaries of $80,400*** — more than some graduates of Harvard with not just bachelor's, but master's degrees.

Employers are clamoring for people who can do these kinds of jobs, and are often paying them more than in the past. That's not only because of low unemployment. ***More skilled tradespeople are between the ages of 45 and 64***, and nearing retirement, than workers in other occupations, according to the staffing company Adecco.

There's a need for 258,000 new automotive technicians this year, for example, ***double the demand of last year***, TechForce reports; fewer than a fifth that many are in the pipeline.

Because the course of study is shorter and the payoff so evident, completion rates in many trades programs are much higher than elsewhere in higher education, and so are placement rates.

Williamson has a graduation rate of about 75 percent, it says, more than double the ***33 percent of students*** at conventional two-year colleges the federal government reports finish within three years. Its job-placement rate is 98 percent.

Prospective employers "email you over and over and over," said Tallman, who is in his final year at Williamson and already has eight job offers. "We don't have to go somewhere and beg for the job. They're pleading for us."

Georgia Piedmont has a ***99 percent job placement rate***; job fairs in the spring and fall spill out of the university's conference center and into the hallways and vestibules, said executive vice president Cheree Williams.

States have also started pushing the skilled trades.

Indiana ***started an initiative called Next Level Jobs*** even before Covid-19 hit, providing free training for high-demand occupations in advanced manufacturing, construction and transportation and logistics; 52,348 people have signed up for the program, which was expanded during the pandemic, a spokesman said, and 28,007 have completed it.

Tennessee is spending $50 million ***to beef up career and technical training***, especially in rural counties, under what it calls the Governor's Investment in Vocational Education.

The governor of South Carolina has proposed spending $17 million of that state's Covid-19 relief money to provide free tuition to technical colleges for training in high-demand occupations, including welding, driving trucks and running forklifts.

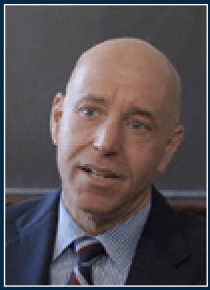
Some states are focusing on changing people's perceptions of the trades. The Associated Industries of Arkansas is ***leading a campaign*** to nudge more people into them. Florida last year ***created an initiative*** to raise awareness of short-term career and technical training that leads to high-paying jobs.

"The biggest thing is attitudes and awareness," said Pressendo, of TechForce. Half of what the foundation does to recruit future transportation technicians is offer scholarships, he said. "The other half is trying to get people to understand that these jobs are high tech, they're high-paying, they're secure."

Wilson, at EVIT, returns the conversation to the revelations of the last two years.

"What people realized is that the backbone of who we are and what keeps our country going," he said, "is often rooted in the jobs we prepare people for."

About the Author



*Jon Marcus writes and edits stories about, and helps plan coverage of, higher education. A former magazine editor, he has written for The Washington Post, The New York Times, The Boston Globe, Wired, Medium.com and the Times (U.K.) Higher Education magazine, among others. His work has been honored by the National Headliner Awards, Mirror Awards, National Awards for Education Reporting, City and Regional Magazine Association, Deadline Club of New York City and others.This story about education for the skilled trades was produced by **The Hechinger Report**, a nonprofit, independent news organization focused on inequality and innovation in education. Sign up for our **higher education newsletter**. This story was reprinted with the permission of the author, Jon Marcus. This story also appeared in The Washington Post.*

Upcoming Webinars

WEDNESDAY, JAN 26, 2022 | 12:00 - 1:00 PM (EST)

Delay and Disruption Claims

Delay and disruption claims are always a risk in the best conditions on a construction site. Never more so than during the global pandemic brought about by COVID-19 and related labor and material disruptions. Depending on the specific contractual terms and the impact COVID-19 and related governmental orders have had on a specific project, this pandemic may be considered a force majeure, delay, change in law, suspension and/or other applicable event.

This presentation will provide an overview of key issues to being successful in pursuing or defending against claims related to delay and disruption, especially in light of the difficulties caused by COVID-19, and how to best document and position claims and defenses to maximize the chances of success.

Presented by: *Jim Sienicki and Ed Hermes of Snell & Wilmer LLP. Jim Sienicki's practice involves construction contract preparation, construction law representation and litigation, procurement law and bid protests, general commercial litigation, creditors' rights and other litigation, alternative dispute resolution and appellate matters. Jim is a construction mediator and arbitrator.*

Ed Hermes is a commercial litigator whose practice is focused on complex commercial, tax, property, and construction disputes. His experience includes litigation regarding breach of contract and tort claims, commercial and residential construction disputes, tax disputes and appeals, and disputes involving Federal Indian Law.

Register Today!

WEDNESDAY, FEB 9, 2022 | 12:00 - 1:00 PM (EST)

Enabling Success—Creating Alignment Between Field and Office

For construction firms to thrive, synergy, teamwork and trust must exist between the office and the field. The proper deployment of defined processes and tools will facilitate this critical alignment. This collaboration must begin before mobilization and continue through project closeout. During this session, we will discuss the workflow that must exist in order to mitigate risk and maximize productivity. During this session, we will discuss why the processes of preconstruction planning, short interval planning, production tracking, daily project reports, exit strategy, and lessons learned are critical to the organization. We will also discuss what the benefits are for each member of the team, and how these processes can be properly implemented.

Learning Objectives:

- Describe the information needed to effectively navigate preconstruction planning.
- Learn the critical communication required in short interval planning.
- Discuss the importance of accurate production tracking.
- Identify the needed data transfer of a daily project report.
- Outline the data collection required of the project team during closeout and lessons learned.

Presented by: *Stephane McShane is a director at Maxim Consulting Group responsible for the evaluation and implementation processes with clients. Stephane works with construction related firms of all sizes to evaluate business practices and assist with management challenges. With a large depth of experience working in the construction industry, Stephane is keenly aware of the business and, most specifically, operational challenges that firms face. commercial litigation, creditors' rights and other litigation, alternative dispute resolution and appellate matters. Jim is a construction mediator and arbitrator.*

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