VOLUME I 2022

scontractors Association THE ubAlaInsider

of Alabama

SubAla & WorkersFirst

CONVENTION



Subcontractors Association of Alabama & WorkersFirst CompFund

> WHEN: Thursday, July 14 to Sunday, July 17

WHERE. Sandestin Golf & Beach Resort 0300 Emerald Coast Parkway W

Miramar Beach, FL 32550

Come enjoy a weekend in July full of network opportunities with fellow contractors and suppliers while on the sandy beaches of Destin, Florida. We have planned a fun weekend providing you the perfect atmosphere to grow your business relationships. Our convention is family friendly by creating enjoyable activities at each event for children of all ages. We would love to meet your whole crew!

Interested in sponsoring? We offer multiple sponsorship levels: Platinum, Gold, Silver, Bronze, and WF Partners. Our sponsors provide us the ability to host this fun weekend event at the beach. We are grateful to our friends who sponsor the convention and incredibly thankful for their interest in supporting us.

Glance through our preliminary schedule, sponsorship opportunities and register today on our website, subala.org. Make sure to reserve your room through Sandestin Golf and Beach Resort using our group code (24L4LO). We can't wait to see you in Destin!

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By some estimates, about 10,000 workers are retiring every day. Unfortunately, these aging Baby Boomers are taking a significant volume of knowledge with them as they walk out the door. This leaves a huge wake that can't be filled by Generation X, as they're much smaller by volume.

Many contractors are beginning to view Millennials as the likely sole solution to today's labor woes. They're taking important and necessary steps to attract them to the industry, and even tailoring their recruitment strategies to reach 20- and 30-somethings.

Along the way, they're telling a cohesive story that resonates with the Millennial mindset. Recruiting is much more than simply competing for workers over wages; it's also about offering a robust training program and well-defined pathway for mobility. Technology should play a role in the process. Some contractors even incorporate gaming technology, augmented and virtual reality to attract and train workers in pipe fitting, welding, electrical, instrumentation etc.

A dedicated recruitment manager can be useful in helping to build relationships through job fairs, industry, community and schools events, veterans initiatives, women-in-trades events etc. A robust internship program can also target middle school, high school and college students.

Of course, the jobs gap is a symptom of a bigger problem – a general lack of interest in construction. That's why contractor groups are collectively pushing for technical education awareness programs as early as grade school. They're focusing their efforts on attracting the volumes of people they need, connecting them with the appropriate education institutions, and ensuring that learning objectives are aligned with knowledge, skills and ability.

Some even leverage opportunities afforded by the pandemic, often using Zoom to broaden their reach. In that case, workforce development directors can hop on a call to introduce K-12 students to construction in an engaging way.

Preserving Knowledge and Values

"Brain drain" is a particular problem left behind by the departing Baby Boomers. As such, another prevailing human resource challenge is finding ways to transfer knowledge quickly, efficiently and effectively to a more diverse workforce. Some lean on tools specifically dedicated to knowledge transfer and have become more sophisticated in how they train.

Others use a multi-faceted plan for managing seismic demographic shifts targets knowledge management, operational excellence, HR processes and culture. They're also incorporating technology into their recruitment practices so that they can more easily establish a conversation with potential recruits, or are turning to social media to accomplish the same result.

Through it all, contractors should be mindful of the potential negative impacts to their cultural and organizational values that can occur during the transition. As the Baby Boomers depart, owners should ensure that their values don't walk out the door with them. Strong communication is an important part of the process. They should use engagement metrics to ensure their employees are actively displaying the behaviors that they want to see in the field.

Human resource policies should also be holistic in nature, with a focus on respect for the individual. As a result, a contractor can increase retention, increase engagement and hire those people who want to be here. That will definitely impact the bottom line and improve retention.

Robert Coker, CPA, CGMA rcoker@cricpa.com 3700 Colonnade Parkway, Suite 300 Birmingham, AL 35243 205-949-8635



What a fun night! On April 13th at Regions Field, we hosted over 560 general contractors, subcontractors, vendors, and suppliers from all over the southeast to come build their industry relationships. The event showcased 19 general contractors, 15 industry vendors and suppliers, and rentable industry equipment. The Expo was made possible by our generous sponsors, general contractors, and vendors. We greatly appreciate your support!



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LEGISLATIVE UPDATE

The Alabama legislature met for the final day on April 7 close to midnight. The scheduled final day was for the end of April, but lawmakers hurried through the session by working longer days and meeting three days instead of the usual two-day weeks. This showcased just how eager lawmakers want to return home in an elections year. The fast paced session was a challenge for lawmakers and lobbyists including your SubAla team and the media alike.

At least one special Session is expected to occur to dispense the final Federal Stimulus money. Also, a Special Session on gaming could occur after the Governor's race is decided.

AN OVERVIEW OF WHAT PASSED IS OUTLINED BELOW:

Permitless Concealed Carry

• Alabama will become the 22nd state to allow people to carry concealed handguns without first undergoing a background check and getting a state permit. The new law takes effect on Jan. 1,2023 and will allow a person to carry a loaded handgun concealed under their clothes, in a car or in a bag or purse. It does prohibit the concealed weapon on property that the owner has marked.

Transgender Medication Ban for People under 19 years of age, bathroom and locker bill clarified; 5 years for English

- This law will make it a felony punishable by up to 10 years in prison to prescribe puberty blockers or hormones to transgender people under age 19. Alabama is the second state to impose a ban on gender-affirming minor and the first to impose criminal penalties.
- The law now says that students will be required to use multi-purpose restrooms and locker rooms that match the sex on their original birth certificate.
- The bill is law that gives schools five years to work with students whose first language is not English before those students test scores impact the letter grades assigned to schools each year by the state.

Traffic ticket Abuse

• The law limits what cities can retain from traffic fines and penalties to combat the abuse found in the City near Birmingham.

Teacher Pay

• The largest teacher pay raise in a generation was passed to combat the teacher shortage. Teachers with 9 or more years would get raises ranging from 5% to 21%. A teacher with a bachelor's degree that

has taught for 20 years gets a raise from \$51,810 to \$57,214. Teachers with less than 9 years would receive a 4% raise.

Pandemic Money

 Alabama will spend \$772 million from the American Rescue Plan on a mix of broadband, water and sewer projects and health care. Al. faced criticism for using \$400 million that is 20% of the state's 2.2 billion for prison construction.

Tax Cuts

• A series of tax cuts were approved for people and businesses. One law will increase the optional standard deduction by \$1,000 for married taxpayers and by \$500 for single, married filing separately and head of household taxpayers. It would also increase the adjusted gross income range allowable for the maximum optional standard deduction and for the dependent exemption. Another law will exempt up to \$6,000 in retirement income from state income taxes for people who are 65 years old or older.

Unemployment Compensation

• The law that allows for unemployment compensation if the person has made one contact per week was revised to require 5 contacts per week. It also requires the Alabama Dept. of Labor to randomly audit the information submitted to the Department in order to receive the check for unemployment.

What Failed:

 Lottery and casino gambling failed again amid longstanding disputes over who should get casino licensees. A sweeping school choice bill that would have let parents tap \$5,500 per year to pay for private school or other school options also failed. As did a bill to ban a list of "divisive concepts" from being taught in K-12 classrooms and state worker training passed the House but failed to get a Senate vote.

ISSUES FOR SUBALA

Issues Failed:

- No Workmen's Compensation Revisions Introduced
- No Exemption from Competitive bid law on computers and automotive parts
- Employers to Provide Tax Credit for employees under the Federal Work Opportunity Tax Credit Program
- Employer Discrimination against employee or prospective employee due to hair style or ethnicity and to create a cause of action against employer

The pace of business is going to pickup in the next 6-8 weeks. Are you ready? The hope and recommendation is that all of our members are preplanning for the change in pace. Spring kick-off meetings, procuring safety-related gear/equipment and attempting to overcome staffing shortages should help offset increases in injury incidents rates.

Let's discuss the value of some lessons we have learned over the last 24+ months. We are all exhausted at the thought of continuing to review anything even moderately related to COVID. However, in all the confusion and unknown we have been dealing with, hopefully we have been able to glean some valuable information as it relates to worker safety and business continuity. Let's apply the following moving forward when dealing with communicable illnesses:

• The importance of workplace hygiene

AFETY

- Navigating the use of <u>common areas</u> in offices and shops
- · Addressing possible cross-contamination issues when dealing with shared workspaces
- Administering practical approaches to <u>sick leave</u>
- · Finding ways (training and/or policy implementation) to compel your dedicated staff to avoid exposing their coworkers to illness

Loss control personnel will be happy to come out and speak with your staff to help with any spring kick-off meetings and trainings. Let's all push to make 2022 a happy, healthy, productive, and safe year!

Robert Moore | Loss Control Manager WorkersFirst Compfund (334) 322-9497 | robert@workersfirst.net

LEGISLATIVE UPDATE (CONTINUED)

Issues Passed:

Construction Management Revisions

 A non- controversial revision to change the requirement for inspection from the Division of Construction Management became law. Current law requires the projects to be \$500,000 or more before it is reviewed by the Department and ensure that the projects comply with codes for K-12 public schools and 4-year Universities. It was changed to \$750,000 and exempted the two-year college system from any oversight and the State Parks Division of the Department of Conservation and Natural Resources.

Fines on contractors who don't clean up lead paint does not Apply to Commercial Buildings

 Alabama has a law on the process contractors are to use when renovating homes with lead-based paint, but there was no real enforcement mechanism according to state officials. The revision passed allows for fines for contractors up to \$5000 per day for violations of the 1997 Lead Reduction Act. It is governed by the Alabama Department of Public Health and that does not change in the new law. It also continues to exempt commercial buildings.

Continuation of Construction Recruitment Institute

• The bill to continue the Construction Recruitment

Institute passed but must be reviewed for continuation again next session. Lawmakers questioned that no grants have been rendered in recent years.

Resolution Adopting Study Commission for Indemnification Contracts

- SubAla was behind the Resolution that passed creating a study commission and findings on the subject of indemnification contracts. The Resolution requires the Legislature's Research arm to call for meetings of groups and associations that have an interest in the subject. The legislature will then submit a report to the entire legislature.
- It became evident during the session that lawmakers were encountering misinformation on the subject of indemnification contracts. Some even suggested that it should be addressed through additional comprehensive tort reform although the Alabama Civil Justice Reform Committee never proposed such legislation. The Resolution coming from a neutral party should dismiss fact or fiction on the subject from an impartial source. The Commission will begin meeting in the near future.

This update was provided by Jeff and Deborah Miller of Miller Development Group in Montgomery. If you have any questions or would like more information, please contact SubAla's General Counsel, David Campbell, by phone (205) 981-0086 or through E-mail dcampbell@subala.org.

2022 PAC CONTRIBUTORS

We would like to give a very special thanks to the members listed below who have generously contributed to the SubAla PAC fund this year. A political action committee (PAC) is a political committee organized for the purpose to donate funds provided by members to campaigns and legislation representing the common interests of the group. SubAla's legislative focus is being the voice for all subcontractors and specialty trade contractors and making sure you are heard in Montgomery and Washington. Without these donations, our legislative efforts and governmental accomplishments would not be possible.

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