SMACNA Mid-Atlantic Chapter

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Virginia Governor Gets Behind Worker Misclassification

A task force report has several recommendations to make sure Virginia workers receive the pay, workplace protections and benefits they have earned. Governor Ralph Northam released the final report of the Inter-Agency Task Force on Worker Misclassification and Payroll Fraud, which outlines 11 recommendations.

According to a news release, this report is the result of an executive order Northam signed in August 2019 that directed the task force to produce updated recommendations to measure and combat misclassification ahead of the upcoming General Assembly in January 2020.

The release specifies that about 214,000 employees in the Commonwealth are currently misclassified as “independent contractors” by their employers. The task force recommends increasing education for employers and employees, additional funding for investigation into possible wrongdoing, and harsher penalties for businesses that illegally misclassify employees.

The number one recommendation of the task force was to impose penalties that are substantial enough to deter misclassification, which is not presently the case in Virginia.

“It’s clear that misclassification is robbing Virginia workers of the pay, benefits and protection they have earned” said Northam. “These concrete policy changes will make a tremendous difference for thousands of Virginians and their families, and I look forward to working with the General Assembly to turn these recommendations into law.”

The release states misclassification keeps workers from receiving fair workplace protections and benefits, and has created a competitive disadvantage for businesses that follow the law.

It also states misclassification deprives Virginia of about $28 million in tax revenue annually. For more than a decade the General Assembly has considered the harm of worker misclassification.

The task force was comprised of representatives from the Virginia Employment Commission; the Workers' Compensation Commission; the Department of General Services; the Department of Labor and Industry; the Department of Professional and Occupational Regulation; the Department of Small Business and Supplier Diversity; the Department of Taxation; and the Office of the Attorney General.
Who’s Your Competition for Man Power?

Like me, you have no doubt noticed the many discussions and articles focusing our country's labor shortage. It is not just construction, but there are shortages in manufacturing, education, the various service industries, and even the military. As thousands of Baby Boomers continue to retire in record numbers, the pressure is on all of us to recruit and train new workers in order to continue in business. This is easier said than done. For decades the Armed Forces have spent billions of dollars on recruitment activities. You may have recognized that they are advertising nearly everywhere, appearing in print as well on television, bill boards, and social media.

At the same time, colleges and universities are aggressively pursuing students (customers?) to fill their classrooms. The college and university system thrives on tuition paying students. So where does that leave us? SMACNA Mid-Atlantic certainly cannot compete at this same level when it comes to these multi-million dollar advertising budgets. But don't think for a moment our product is not just as attractive.

Very few entities can offer what we as union contractors can—free training, stable work, superior benefits, and excellent wages! The problem is that we need to tell our story! Like every skilled journeyman, our organization needs the proper tools and resources to perform our job! Every new start-up entity takes money, knowledge, patience and, of course, a lot of hard work.

Our "Choose Bigger" recruitment program is not just recruiting new apprentices… it is changing a mind-set where the culture has been that every person needs to go to college to be successful. "Choose Bigger" has opened the door to school administrators, counselors, teachers, and students by offering an attractive alternative. Last year, our association along with the cooperation of our member contractors, sponsored seven plant and training center tours. Local state legislatures were invited to see what our industry is capable of offering. Many who participated in the tours later became tremendous ambassadors for our program.

At the same time, "Choose Bigger" ads are appearing on Facebook and Google! Our message is being seen where our future employees are searching for information—on social media!

So is it working? Absolutely! SMACNA Mid-Atlantic is facilitating the process by helping to direct interested applicants to the JATC Training Center and to prospective employers. Our experience so far is that people coming in through the "Choose Bigger" program have a significantly higher retention rate than those coming in through the traditional method.

As time goes on, the system will steadily improve as the intent is to establish "pipelines" to schools, universities, veteran’s organizations, and other influential institutions. "Choose Bigger" is becoming a known and respected entity with these organizations as well as with state apprenticeship agencies.

Can SMACNA Mid-Atlantic afford this? How can we not? Although the intangibles are difficult to measure, the results so far have been very encouraging and will only get better as the program grows. There is too much at risk by not moving forward. Some excellent candidates are already moving through the system as helpers and now apprentices. Stay tuned and contact the SMACNA Mid-Atlantic office if you are looking for helpers and apprentices or would just like more information about this exciting new program.
Save the Date!

2020 Northeast States
Sheet Metal Coalition Meeting
Naples, Florida
April 2-4
Naples Grande Beach Resort

- Meet fellow contractors.
- Share information and ideas.
- Rest and Rejuvenate!

Resort information can be found at https://www.naplesgrande.com
Reservations must be made by March 2.

Have News About Your Company That You Wish to Share?

Send us your news about recent hires, promotions, or retirements so your industry friends and colleagues can stay up-to-date on your important events. Information may be sent to “Connections” at info@smacnaatl.org or faxed to 301/446-0018.

ACE Meets with D.C. Attorney General Karl Racine

The Alliance for Construction Excellence (ACE) met with Washington, D.C. Attorney General (AG) Karl Racine on November 6th. This was a very productive meeting and AG Racine commented that the gathering exceeded his expectations.

There was an in-depth discussion on wage theft and how to hold General Contractors accountable for actions of subcontractors. Some ACE members suggested posting a list of “bad subcontractors.”

Also, there was a suggestion to work with AG’s staff on a possible “AG Alert/Letter to the Editor” to put bad actors like Power Design on notice that the AG’s office is onto them and to put pressure on General Contractors and owners to be mindful of unethical subcontractors and others who violated the laws.

Regarding B23-0406, the “Contractor Indemnity Act of 2019,” Racine offered his support and volunteered his staff to assist with the drafting of legislative language. Racine said he will encourage members of the Judiciary and Public Safety Committee to hold a hearing on the bill.

ACE will also consider sending a letter to Members of the Judiciary and Public Safety Committee urging them to schedule a hearing on this issue.

The Members of the Committee are as follows:

Committee Chair – Councilmember Allen (Ward 6)
Councilmember Bonds (At-Large)
Councilmember Gray (Ward 7)
Councilmember Cheh (Ward 3)
Councilmember Evans (Ward 2)
Calvert CTA Tour ADJ Sheet Metal

On Thursday, December 5, students and staff from the Calvert Career and Technology Academy (CTA) toured ADJ Sheet Metal in White Plains, Maryland. This was the 7th and largest tour of 2019 with 32 students and 2 faculty members attending.

Special thanks to ADJ leadership Mike Doerk - Executive Vice President, Tom Hall - Vice President /Pre-Construction, and Jimmy Redding - Production Manager, for tour arrangements and conducting the tour.

The students on the tour were introduced to multiple facets of the sheet metal industry to include: estimating, project management, CAD design, BIM, fabrication equipment and more.

An abundance of information was disseminated in discussions with ADJ Sheet Metal personnel during the tour.

Calvert CTA has a direct entry option for their graduates into the SMART Local 100 apprenticeship program. This option requires an accompanying letter of recommendation from the school.

Calvert CTA instructor Harold Garrison stated, “Only the best candidates will be given a letter of recommendation.” Despite the shortage of skilled professionals within the sheet metal industry, the goal remains to get the best suited individuals into the

“Choose Bigger” Gateway

Thomas Edison H.S. of Technology

Representatives of SMACNA Mid-Atlantic Chapter and SMART Local 100 visited Thomas High School of Technology in Silver Spring, Maryland on December 20. Executive Director Bernie Brill and Marketing Manager Kurt Snyder facilitated the event. John Dumler and Mike Mahar represented Local 100. Montgomery County Students Foundations Office Executive Vice President Steve Boden and Thomas Edison’s Principal Shawn Krasa were present.

The visit was a "Choose Bigger" recruitment initiative to learn more about the school and the HVAC / sheet metal program which has 43 students enrolled.

These students are not only are receiving excellent classroom instruction but they are involved with building residential homes as part of their curriculum and hands-on experience.

Historically, a good number of the students who have graduated ultimately landed in non-union companies.

"Choose Bigger" has a strategy to introduce these students to the benefits of a union career and bolster apprentice retention rates. School representatives were eager to learn more about a partnership.

With a great foundational education, "Choose Bigger" would like to engage Thomas Edison High School of Technology as a direct entry gateway into the Local 100 apprenticeship program.

State of Maryland Tax Credits for Apprentices

Did you know there are tax credits available through Maryland’s Department of Labor for apprentices who have been employed for at least seven months by your company? A $1,000 voucher is available for each apprentice and company who meet the requirements.

Last year less than half of all apprenticeship vouchers (243 out of 500) were issued to companies throughout the state of Maryland. This left approximately $257,000 in unused credits! This is a first come, first-serve program.

As an example: If an apprentice began working at your company in November 2018, making their seven month of employment in May 2019, the voucher would be applied for in the year of their seven month of employment or 2019 and applied to 2019 state taxes. An apprentice needs to be currently employed with your company and have worked for seven full months in order to file for the tax credit. A voucher is limited to one use per apprentice. This means you cannot file again for the same apprentice in the future. More information can be found at: https://www.dllr.state.md.us/employment/appr/apprtaxcreditinfo.shtml