



May 09, 2024

**Being Seen & Heard In
Washington: Current Issues
Impacting The Roofing Industry**

... a conversation with

Duane L. Musser

*Vice President, Government
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Overview

- Roofing Day in DC
- Key Federal Legislative and Regulatory Issues
- ROOFPAC
- 2024 Elections Outlook
- Questions

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NRCA Government Relations

- NRCA is a full-time advocate for the roofing industry in Washington, DC; Capitol Hill office opened in 1991
- Government Relations Dept. works with 3 NRCA committees:
 - Government Relations Committee
 - PAC Advisory Committee
 - Roofing Day Advisory Committee
- Website: <https://www.nrca.net/advocacy>

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Roofing Day in D.C.

- Annual industry advocacy event; speak with “one voice” to Congress
- Events in 2018/2019/2021/2022/2023/2024
- Advocacy issues for Roofing Day in D.C. 2024
 - Addressing workforce shortages via Career & Technical Ed. grants, Immigration Reform and the Workforce Opportunity & Innovation Act;
 - Support for the key pro-growth tax provisions for pass-through businesses and research & development expenses
 - More info: <http://www.nrca.net/roofingday>
- Roofing Day in D.C. 2025 – April 8/9 – Save the date!

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Major Policy Issues

- Career and Technical Education
- Workforce Innovation and Opportunity Act
- Immigration Reform
- Tax Policy
- Regulatory Issues
- Energy Efficiency/Resiliency/Sustainability

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Career and Technical Education

- Expand career and technical education opportunities
 - In 2018 NRCA successfully urged Congress to pass legislation to reform/expand Perkins CTE grants
 - Perkins grants fund CTE programs at state and local level
 - Now supporting increased funding to expand CTE opportunities process:
 - \$45 million increase for Perkins Grants in FY 2022
 - \$50 million increase for Perkins Grants in FY 2023
 - \$10 million increase for Perkins Grants in FY 2024
 - Advocated for future increase during Roofing Day in D.C. 2024

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Workforce Innovation and Opportunity Act

- Congress reauthorizing Workforce Innovation and Opportunity Act
 - WIOA programs help displaced workers obtain skills and find employment
- NRCA supports reforming/improving to increase effectiveness
 - Expand access by reducing paperwork/streamlining bureaucracy
 - Expand role for competency-based training and certification programs
 - WIOA programs better targeted at in-demand industries
 - More employer representation on workforce boards at state level
 - “A Stronger Workforce for America Act” (H.R. 6655) approved by House

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Immigration Reform

- Maximize effectiveness of H-2B visa program
 - DHS/DOL provided additional 64,000 visas in 2023
- “Essential Workers for Economic Advancement Act”
 - H.R. 3734 - New visa to meet workforce needs
 - Two-track system: employer tests market and obtains permit; workers qualify for new 3-year H-2C visa
- Support legislation to provide permanent legal status
 - Individuals with Temporary Protected Status (TPS)
 - Those in the Deferred Action for Childhood Arrivals (DACA)



Tax Policy

- Tax Cuts and Jobs Act (TCJA) of 2017
 - Lowered tax rates for both corporations and pass-through businesses
 - Increased limits on Section 179 expensing and expanded definition to include non-residential roofs as eligible property
 - Doubled estate tax exemption
- Successfully defended tax increase proposals to modify TCJA 2021-22
- Future tax agenda
 - Support legislation to make permanent Sec. 199A pass-through deduction
 - Maintain full expensing for non-residential roofs under Sec. 179
 - Defend against tax increases impacting the roofing industry

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Tax Policy

- Two major tax policy priorities
 - “Main Street Tax Certainty Act” (H.R. 4721/S. 1706)
 - Makes the Sec. 199A 20% deduction for pass-thru businesses permanent
 - The 199A deduction currently expires at end of 2025
 - House bill has bipartisan support, Senate bill does not
 - Epic battle to get this approved before expiration (has significant budget implications)
 - “American Innovation and R&D Competitiveness Act” (H.R. 2673/S. 866)
 - Permanently restores the immediate full deduction for Research & Development costs
 - Since 2022 must amortize R&D costs over 5 years (2017 TCJA for budget reasons)
 - This legislation has strong bipartisan support
 - Included in another tax package approved by House, but stalled in Senate



Energy Efficiency/Resiliency/Sustainability

- Engage with federal efforts on energy efficiency, resiliency and sustainability in commercial and residential buildings
- Tax credits
 - Energy efficient commercial buildings tax credit
 - Solar investment tax credit
- Dept. of Energy
 - Funding for DOE Building Technologies Office
 - Energy Efficiency Programs from Bipartisan Infrastructure Law
- General Services Administration & FEMA initiatives

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Regulatory Issues

- Work with federal agencies to minimize regulatory burdens
- Occupational Safety and Health Administration regulations
 - Possible new standard to prevent heat illness in the workplace
 - NRCA members provided input to OSHA as Small Entity Representatives
 - Possible new standard to reduce exposure to lead in construction
 - Final rule regarding worksite inspection procedures
 - Clarifies that, consistent with current law, employees may authorize a non-employee (3rd party) to serve as their representative in workplace inspection if “reasonably necessary to conduct an effective and thorough inspection.”
 - Effective May 31, 2024
- EPA potential designation of PVC as a hazardous waste

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Regulatory Issues

- Dept. of Labor Regulations
 - Final Rule on Independent Contractor determination
 - Modifies rules for determining IC status under Fair Labor Standards Act
 - Implements 6-factor “totality of circumstances” test for IC’s
 - Aimed at reducing misclassification
 - Effective March 11, 2024
 - Final Rule on overtime compensation under the Fair Labor Standards Act
 - Increases salary threshold for employees exempt from overtime compensation
 - Current minimum - \$38,568 annual salary
 - July 1, 2024 – increases to \$43,888
 - Jan. 1, 2025 – increases to \$58,656
 - Effective July 1, 2024

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ROOFPAC

- ROOFPAC amplifies the roofing industry's voice in Washington, D.C.
 - Supports candidates for Congress who work with us on key issues
 - Raised \$420,000 in 2021-2022 election cycle
- Goal: expand participation to grow ROOFPAC
 - Depends on voluntary personal contributions and corporate sponsorships
 - Events at NRCA Convention/IRE, Midyear and Fall Meetings
 - Donor categories: "Political Insiders Council," "Capitol Hill Club" and "Emerging Leaders Club"
 - Strong ROOFPAC is needed to boost NRCA's message on Capitol Hill

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2024 Elections

- House of Representatives
 - Republicans have very slim majority in 118th Congress
 - Democrats need 4 seat pickup for majority in 119th Congress
 - 17 Republicans represent districts won by Pres. Biden in 2020
 - Redistricting – R’s pickup 3 in NC, D’s possibly 2 in AL and LA
 - “Toss-up” rated races: Democrats 9/Republicans 9
 - “Leans to” incumbent races: Democrats 15/Republicans 9
 - “Likely” incumbent races: Democrats 17/Republicans 12
 - Will top of ticket in presidential race help/hurt candidates in close races?
 - Bottom line: Race for House majority in 2025 is a toss-up

2024 Elections

- U.S. Senate
 - Democrats now hold 51-49 majority (3 independents caucus with Dems)
 - Republicans need 1-2 seat pick to take majority (depending on White House outcome)
 - Senate map favorable to Republicans (one-third of Senators up for reelection)
 - Democrats defending key “red” seats:
 - *Manchin (D-WV), Brown (D-OH), Rosen (D-NV), Tester (D-MT)*
 - Other competitive races: *Arizona, PA, Michigan, Maryland, Texas, Wisconsin*
 - Democrats’ best outcome – 50-50 Senate, keep majority if Biden reelected
 - Republicans’ best outcome – 8-9 seat pickup, solid majority, 57 or 58 seats
 - Likely outcome – Republicans pick-up 2-6 seats – Republican majority
 - Looking ahead - Senate map favors Democrats in 2026 and 2028 elections

2024 Elections

- Race for the White House

- Favorable/Unfavorable ratings: Biden 41/58 Trump 42/57 *Gallup 1/9/24
 - Presidential job approval – 39.2 *RealClearPolitics average
- Key swing states (Trump leads in RealClearPolitics poll averages)
 - Pennsylvania (1.0)
 - Michigan (1.2)
 - Wisconsin (1.8)
 - Arizona (5.0)
 - Georgia (3.8)
 - Nevada (4.5)
 - North Carolina (5.4)
- Biden has lost ground from 2020 with young voters/voters of color – can he maintain?
- Haley-voting Republicans – will they come home in November?



2024 Elections

- Key issues in presidential race
 - Economy/jobs/inflation – Trump advantage
 - Immigration – Trump advantage
 - Abortion in Post-*Dobbs* world – Biden advantage
 - Health care/Social Security/Medicare – Biden advantage
 - Climate Change – Biden advantage
 - Threat to Democracy/Jan. 6 – Biden advantage
- Wild Cards
 - Biden campaign building large financial advantage
 - Trump legal issues
 - Independent Candidates could have real impact – Robert F. Kennedy Jr.
- Key question: Referendum on Biden on Trump?

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Conclusion

- NRCA advocates for pro-growth policies that enable roofing industry entrepreneurs to start and grow their business.
- Democracy is not a spectator sport – get engaged to protect your business and advance your industry!
- Engage with lawmakers to educate them on key issues
- Congress needs to hear from you directly!
 - Attend Roofing Day in D.C.
 - Meet with Senators/Representatives in their state/district offices
- Vote in elections

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Questions/Comments?

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