118th Congress: Opportunities and Challenges for the Roofing Industry

National Roofing Contractors Association
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January 14, 2023

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Overview

2022 Election
118th Congress
Legislative Priorities
2024 Elections
National Trends
How can you make a difference?

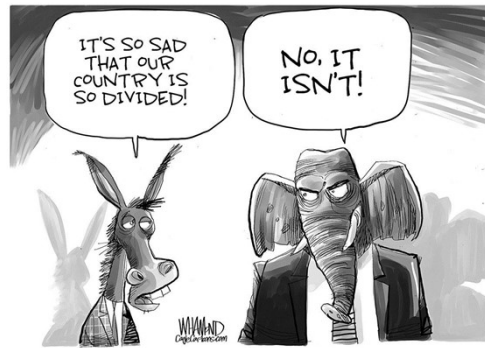**information** **education** **technology** **advocacy**

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2022 Election Results

Senate
- 51 Democrat
- 49 Republican

House
- 222 Republican
- 213* Democrat

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Who Left?

Retired/ Other Office/Lost Primary: 68 (38 D, 28 R)
Resignation/Death: 18 (9 D, 9 R)

>19% of Congress

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Incumbent Advantage

100% Senate incumbents won

- First midterm since 1934 where the party in power defended every Senate seat.

97% of House incumbents won

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Redistricting

States that lost a seat: CA, IL, MI, NY, OH, PA, WV
States that gained seat(s): CO, FL, MT, NC, OR, TX (2)

- NY attempt to draw hyper-partisan lines was replaced by Court likely costing Dems 4 seats

- Gov. DeSantis' backed lines likely led to 4 more GOP seats

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Bipartisan legislation into law

SHARE OF PROJECTED SPENDING INCREASE, 2019-2030

65%

Social Security 29%

Net Interest 15%

Health care 36%

Discretionary 15%

All Other Mandatory 5%

Note: Figures have been rounded.

Infrastructure Investment and Jobs Act
Bipartisan Safer Communities Act (Guns)
CHIPS and Science Act
Respect for Marriage Act
National Defense Authorization Acts FY22 & FY23
Funding Government– including security assistance for Ukraine

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65th Congress (1917-1919)

- Republican control of the House by 1 seat however, Democratic Speaker
  - 215 Republicans, 214 Democrats, 3 Progressives, 1 Independent, 1 Prohibitionist and 1 Socialist (never permitted to take his seat)

- Passed bad laws, perhaps worst of all time
  - Declared War on Germany
  - 18th Amendment prohibiting alcohol
  - Espionage Act, the Sedition Act, and the Selective Service Act.

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72nd Congress (1931-1933)

- Republicans held majority in the House, 218-216, along with one member of a third party.

- Before the start of the 72nd Congress, 14 members-elect died, including the incumbent speaker, Republican Nicholas Longworth.

- The resulting special elections to replace them shifted the balance of power to the Democrats, 219-212.

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107th Congress (2001-2002)

Patriot Act

Department of Homeland Security

AUMF in Iraq and Afghanistan

NEVER FORGET
9/11/01

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United or Divided?

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House and Senate Leadership

Republicans
Speaker Kevin McCarthy (CA)
Minority Leader Mitch McConnell (KY)

Democrats
Majority Leader Chuck Schumer (NY)
Minority Leader Hakeem Jeffries (NY)

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Race for Speaker

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Leader of the House of Representatives

Second in line for the Presidency

Does not need to be a sitting member of Congress

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Race for Speaker

Kevin McCarthy was elected Speaker in the 15th round of voting but a very narrow margin after making numerous concessions to hardline conservatives.

Most ballots (133) for speaker was in 1855 electing Speaker Nathanial Banks. Conflict over slavery and a rising anti-immigrant mood contributed to the deteriorating political climate.

Expect this fight to foreshadow upcoming debt ceiling fight – likely around August.

THIS IS FINE.

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Committees of Focus

Finance/Ways and Means

Education and Workforce/ H.E.L.P

Judiciary

Appropriations

Energy and Commerce/Commerce/ENR

T&I / EPW

Small Business

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Committee Selection Process

"I don't kiss enough butt and I don't raise enough money."
-Rep. Tim Burchett, R-Tenn.

Popularity
$$$
District

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Policy Issues

- Labor shortage solutions
  - Career and Technical Education, WIOA, Immigration Reform
- Tax Policy
- Regulatory issues
- Energy efficiency and sustainability

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Labor shortages will continue to restrict growth for both manufacturers and contractors

Participation
Demographics
Culture

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Career and Technical Education

- Expand career and technical education
  - 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
  - Increased funding:
    - $52 million in FY 2021
    - $45 million in FY 2022
    - $50 million in FY 2023

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Workforce Innovation and Opportunity Act

- Congress began work on reauthorizing the Workforce Innovation and Opportunity Act (WIOA)
  - WIOA programs help displaced workers obtain skills and find employment
- NRCA supports reforming and expanding to increase effectiveness
  - Increased funding - $50 million in FY 2023
  - Expand access by streamlining bureaucracy and expand role for competency-based education programs
  - More employer representation on workforce boards at state level

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Immigration Reform

- Maximize effectiveness of H-2B visa program
- Essential Workers for Economic Advancement Act New - visa system to meet employer workforce needs
- Two-track system: employer tests market and obtains permit; workers qualify for new 3-year H-2C visa
- Provide permanent legal status for TPS and DACA individuals

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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 (began Jan 2018)
  - Doubled estate tax exemption
- Make permanent expiring TCJA provisions
  - Sec. 199A pass-through deduction expires 2025
 - Maintain full expensing for non-residential roofs under Sec. 179

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Regulatory Issues

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- Work with federal agencies to minimize regulatory burdens
- Primary focus is the Occupational Safety and Health Administration which has been most active with new regulations and enforcement

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Energy efficiency and sustainability

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Opportunity for increased funding and demand for energy efficient and sustainable products and systems through the Inflation Reduction Act and Infrastructure Investment and Jobs Act.

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Looking ahead to 2024

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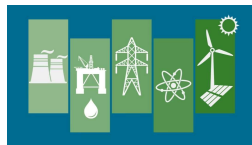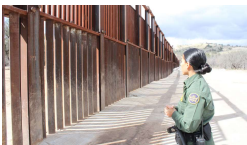
National Trends

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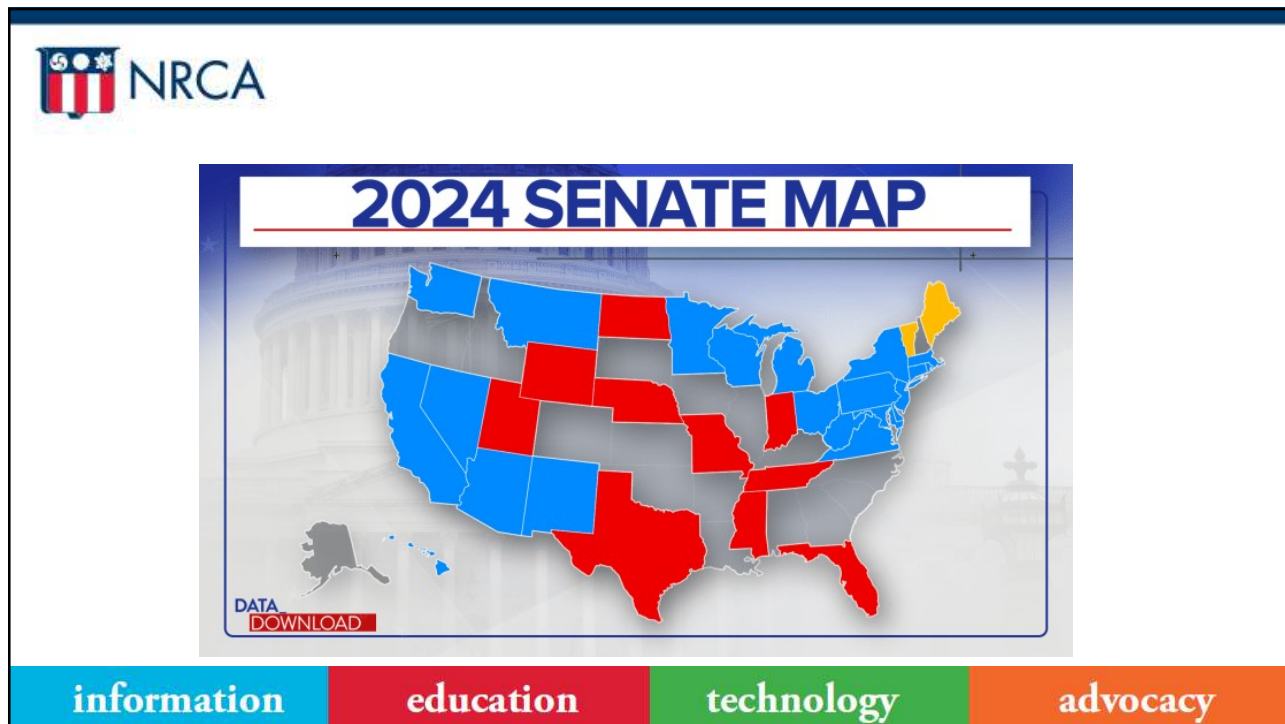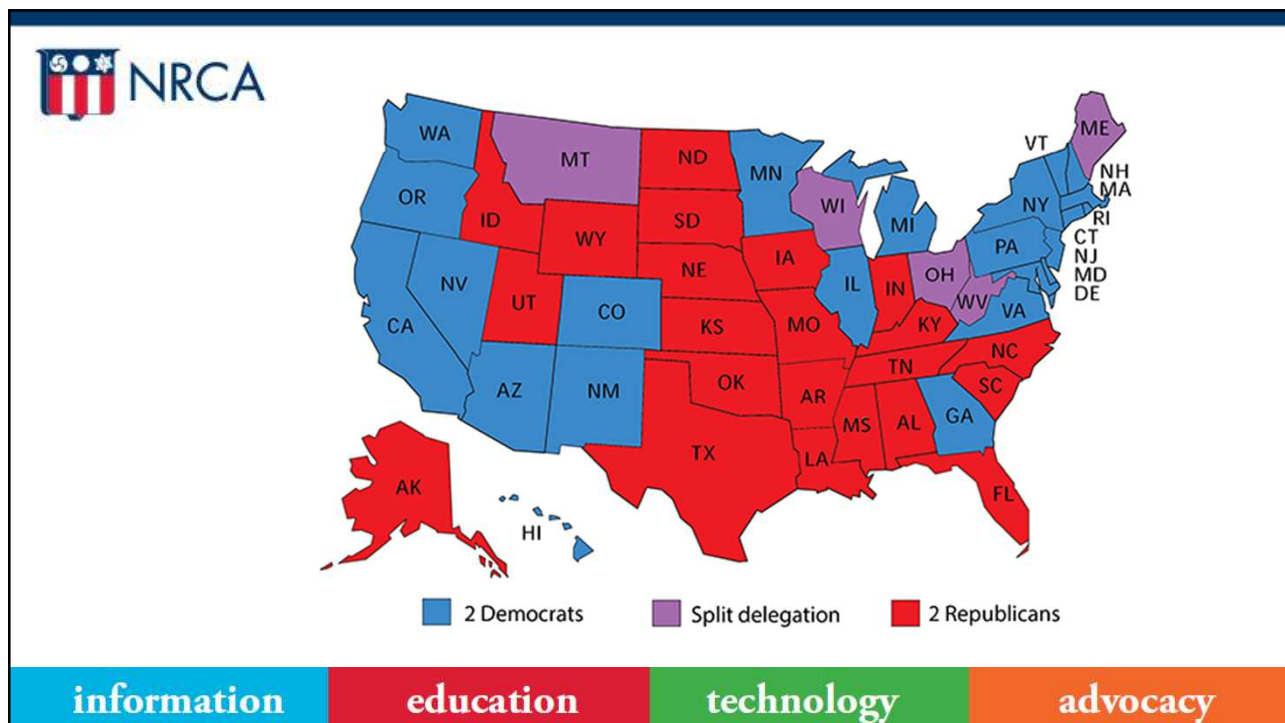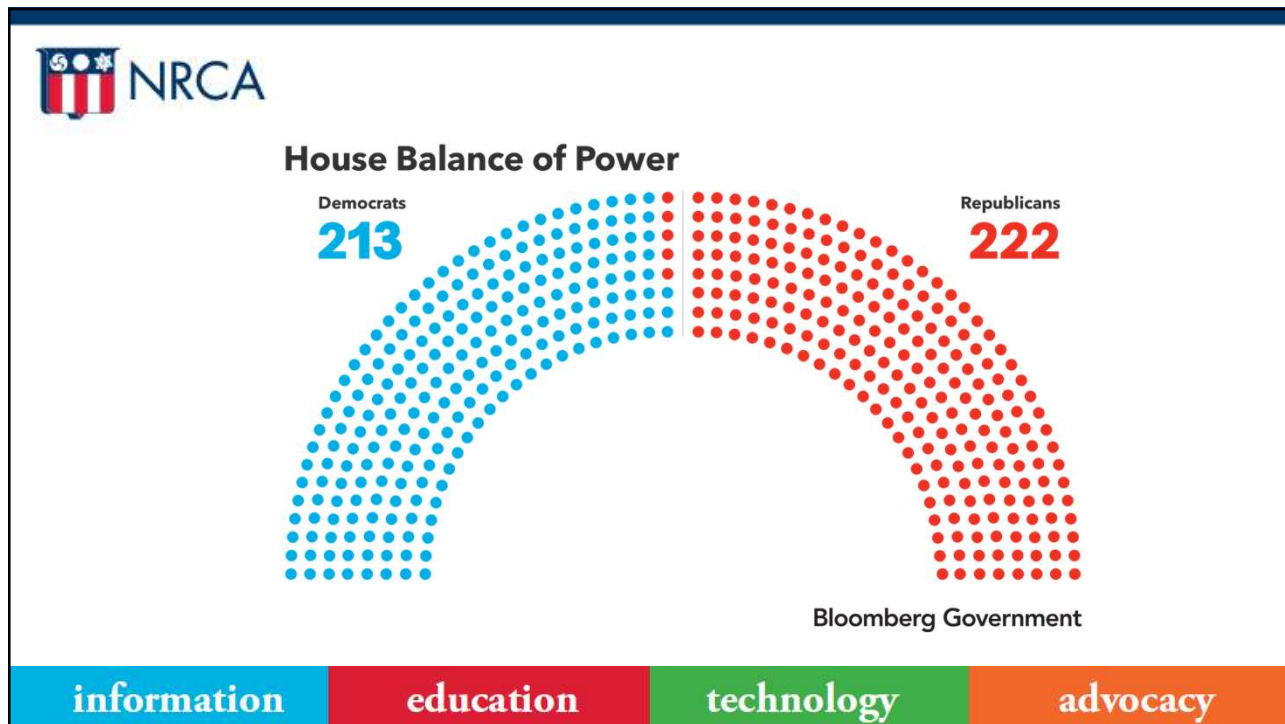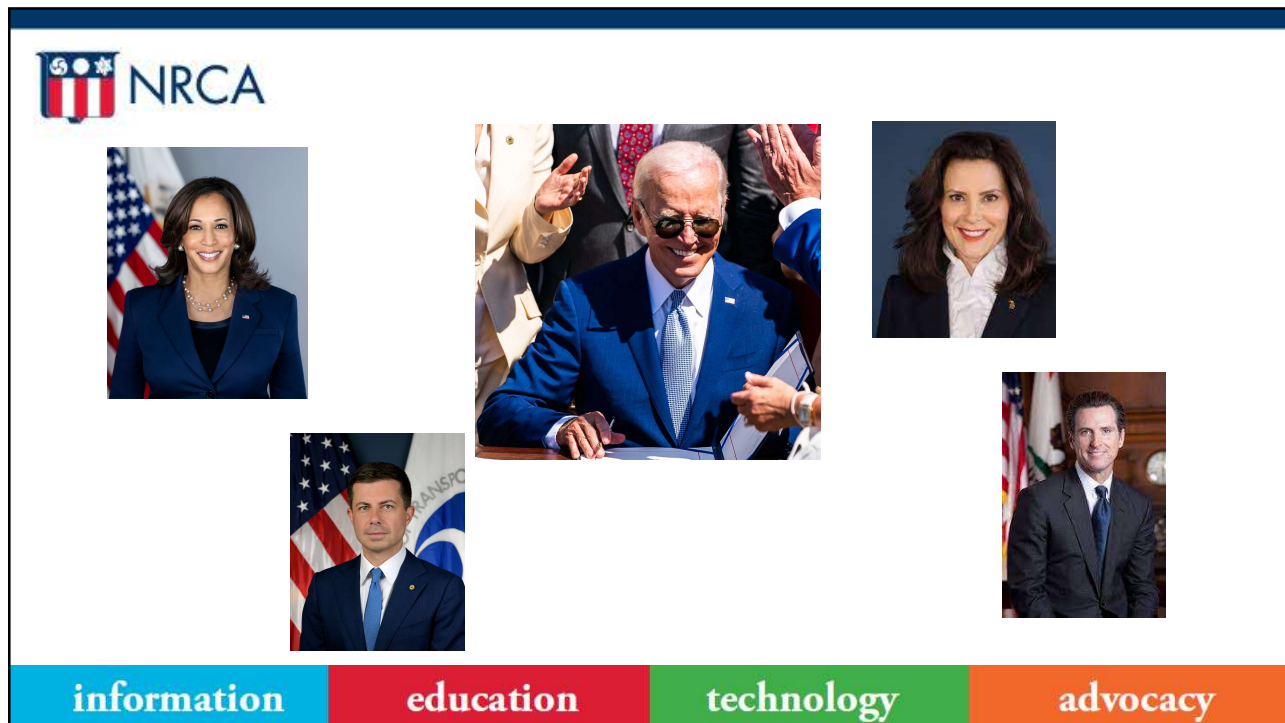
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- Invested in members of Congress now in top leadership roles
- Supported historic investment in energy efficiency and sustainability
- Prevented increases in taxes on Corporations, protected the 199A pass-through deduction.
- Secured increased funding for Career and Technical Education Perkins Grants
- Secured funding for the Workforce Innovation and Opportunity Act
- Ensured construction was not left out of H-2B visa program and other immigration reforms
- Prevented PVC from being classified as a hazardous waste.

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Roofing Day in D.C.
April 18-19, 2023

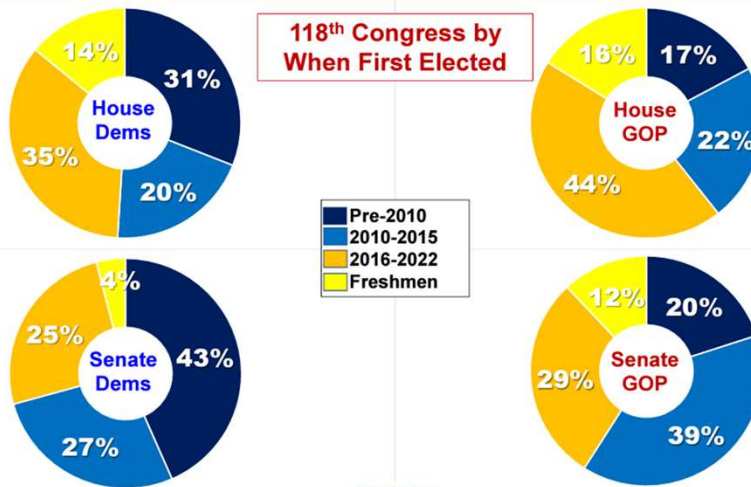Annual industry advocacy event to speak with "one voice" to Congress

- Register today: http://www.nrca.net/roofingday

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118th Congress by When First Elected

House Dems: 31%, 20%, 35%, 14%

House GOP: 17%, 22%, 44%, 16%

Senate Dems: 43%, 27%, 25%, 4%

Senate GOP: 20%, 39%, 29%, 12%

Legend:
- Pre-2010
- 2010-2015
- 2016-2022
- Freshmen

Source: Mehlman analysis

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ROOFPAC

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ROOFPAC is the only PAC dedicated to supporting the roofing industry's interests in Washington, D.C.

During the 2021-2022 election cycle, ROOFPAC raised $419,028 with a success rate of 94% of ROOFPAC-supported candidates on the Nov. 8, 2022 ballot having won their elections.

Emerging Leaders Club: $250
Capitol Hill Club: $1,000
Political Insiders Council: $5,000

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Questions/Comments?

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