



## Powering Progress: Modernizing Dues and Service Charges

The electrical contracting industry has transformed significantly over the past three decades, presenting abundant opportunities for all contractors. NECA has evolved alongside the industry, committed to continual improvement and innovation.

### **Dues and Services Charges**

NECA's Executive Committee (EC) has committed to examine its antiquated and sometimes inequitable revenue model. With the electrical contracting industry's rapid evolution, technological advancements, shifting market dynamics, and changing member expectations, NECA must modernize its financial framework to better serve our diverse membership base. Addressing this issue now is crucial to ensuring the association remains competitive, relevant, and capable of providing the highest value to its members, fostering innovation, and sustaining its growth in an increasingly complex economic environment.

With this in mind, the EC engaged a task force of Vice Presidents (4), Contractors (5), and Chapter Managers (6) to evaluate and develop options to ensure the necessary investment in NECA's strength. Following TF recommendations, the EC approved the following recommendations for the Board of Governors' consideration at the Annual Convention and Trade Show in September:

#### **2024 Board of Governors will consider:**

- Increasing annual dues to \$450 for U.S. members (from \$150) and \$500 for international members (from \$200).
  - If approved, this would take effect January 1, 2025.
- Revising the NECA Reserve Fund policy to ensure the fiscal stability of that fund.
  - Affirms that the Reserve Fund shall maintain a balance greater than six months operating expenses and less than two years operating expenses.
  - Restricts reserve spending by eliminating ability for the EC to utilize the reserve fund to supplement annual operations.
  - Authorizes the EC to recommend utilization of up to five percent of reserve funds only during times of crisis, recession, for protection against significant unexpected revenue declines, or unforeseen legal costs or settlements. The Board of Governors must approve any other withdrawals.

#### **Fall 2024–Winter 2025:**

- Continue to study the inequities of the current Service Charges model in light of industry trends such as, mergers and acquisitions.
- The EC will continue to review and update NECA's strategic plan to ensure maximum value is offered to each and every NECA member.

### **Our Achievements**

#### **Labor Relations and Workforce Development**

NECA's partnership with IBEW enhances efficiency in electrical contracting. Addressing the workforce shortage, NECA has launched initiatives for workforce recruitment and development to address the worker shortage in the electrical construction industry to meet the burgeoning demands and projected growth.

#### **Pension Reform**

NECA embarked on a transformative journey to reform the National Electrical Benefit Fund (NEBF) and eliminated withdrawal liability, the most significant burden on our contractors. NECA also spearheaded the creation of a new optional National Individual Benefit (NIB) plan, offering greater flexibility and choice for electrical contractors and their employees.

## **Government Relations**

NECA has emerged as a formidable force in shaping government policy. Our proactive engagement with key policymakers and government agencies has cemented its reputation as a trusted advisor and partner in driving legislative and regulatory initiatives that advance the interests of the electrical construction industry. Our team delivered on landmark legislation, including the passage of the Tax Cuts and Jobs Act, repealing the dreaded Cadillac Tax on our health plans, enacting the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act.

## **Education and Innovation**

NECA's educational programs keep our contractors at the forefront of the electrical contracting industry. With more than 100 in-seat offerings and nearly 400 online programs in our education catalog, we have our contractors' professional growth and their company's future in mind. Our classes include Field Leadership Essentials, Line Foremanship Fundamentals, Project Management, Basic and Advanced Estimating, EC Essentials, and more. Over the last five years, we have had over 60,000 class registrations and programs are delivered in-seat, online, and on-demand as well as through virtual classroom events and webinars.

## **Meetings and Events**

NECA plans and produces the best events and opportunities for electrical contractors to connect with fellow professionals and industry leaders. Over the past five years, our team has delivered benefits designed to better serve our members and chapters by pioneering new meetings, transforming existing conferences into strategic consolidated meetings, thereby increasing NECA's value proposition. This thoughtful approach is a testament to our dedication to preserving member's time and resources while delivering unparalleled value to grow their businesses.

## **Sales and Partnerships**

NECA produces premier events for contractors and brought sponsorship sales in-house to increase non-dues revenue. The Sales & Partnerships team manages the Industry Alliance Network (IAN).

## **Leadership Development**

NECA focuses on developing future leaders through initiatives like Veteran Recruitment, Women in NECA/Future Leaders, Diversity, Equity, Inclusion, and Belonging, and the new CEO Advanced Leadership Seminar.

## **Public Relations and Business Development**

NECA utilizes modern communication channels to distribute important industry information to our contractors and to tell their story to the general public. Strategic partnerships with companies like Microsoft and Intel provide significant work opportunities for contractors.

## **Safety and Standards**

NECA produces the industry's most invaluable tools and products that help members and industry professionals stay successful when managing their company's safety programs by providing exclusive training material for their employees. In addition, NECA added an Outside Line Safety professional in 2021 to address the specific safety and health needs of the Outside Line community.

**Increased Support for our Outside Line Contractors:** NECA has demonstrated unwavering support for outside line contractors through strategic initiatives to enhance safety, foster partnerships, and expand opportunities within the utility sector.

**Developing the Growing Integrated Systems Sector:** Recognizing low-voltage systems' unique challenges and opportunities, NECA has made significant investments in dedicated resources and leadership to drive growth and excellence in this space.

**A New Age of Fostering Alliances:** NECA embarked on a concerted effort to establish robust alliances with several of the most prominent construction and electrical industry associations.

## **Conclusion**

Change is always on the horizon. Our processes and best practices have changed rapidly this century, and today's operations will look completely different in 20 years.

Just as electrical contractors will grow and change, so will the association. Now is not the time to be complacent. The industry must continue powering forward into the future and performing the nation's best electrical work. NECA has hit the ground running over the past few years to respond immediately to serve the greater electrical construction industry. With over \$4 trillion worth of work coming to our industry, NECA must be prepared like never before. We cannot wait to see the exciting projects and innovations our contractors are poised to perform in the coming years.

The inevitable truth is that the electrification of America is here.

And we are the face of electrical construction.

Let's get to work.