



AGC PUBLIC AWARENESS AND ADVOCACY FUND

Background:

The United States is facing a number of significant issues that, if not addressed appropriately, will affect the ability of America to compete and prosper in the future. Among these issues are: infrastructure investment, the environment, and developing the construction profession's present and future workforce. Through the AGC PAC, involvement in coalitions, staff lobbying efforts, member activism, and the efforts of our Chapters we have been actively involved in making the Congress, the Administration and state and local officials aware of the construction industry's interest and concerns in addressing these important issues. Notwithstanding these efforts, we are far from strategic solutions that will sustain America in an increasingly competitive global marketplace. Thus far what has been lacking in many of our endeavors is the ability to generate sufficient public support to cause decision makers to do the right thing. While generating this support is expensive ---without such support, we cannot expect a different result in the future.

Currently AGC of America has two active advocacy funds:

- 1. Environmental Action Foundation (EAF)* - The Environmental Action Foundation was formed by AGC in 1999 to address the growing need for AGC to be proactive in the environmental arena. The Foundation was initially capitalized with \$300,000 in FY 2000 surplus revenue, and AGC has made additional contributions of \$425,000 to the present day. The current assets of the Foundation are approximately \$115,000.
- 2. Infrastructure Action Fund (IAF)* - In 2004, AGC established the Infrastructure Action Fund to increase AGC's advocacy efforts to make the case for quality infrastructure investment. The fund was initially capitalized with \$300,000 in surplus revenue from FY 2004 and AGC has made additional contributions of \$500,000 to the present day. Current assets of the fund are approximately \$465,000.

Proposal:

Establish a multipurpose fund to educate the public and policy makers on long term, strategic issues important to the construction industry that impact America's economic health and competitiveness. The fund would be initially funded through consolidating the assets of the IAF and the EAF into the new public awareness and advocacy fund. Additional funding would be generated by a 1% annual increase in AGC of America national dues and surplus revenues that AGC of America may generate from non-dues revenue sources in the coming years.

Guiding Principles:

The fund will be used to undertake AGC advocacy initiatives, either solely or in partnership with other industry groups. The initiatives should meet one or more of the following criteria:

- Advance the construction industry as a profession that is a vital partner in solving environmental challenges facing the nation and the world;
- Increase awareness and support for the need to make vital infrastructure investment at the federal, state and local level;
- Challenge unsound legislative or regulatory proposals that will adversely affect the construction profession in crucial areas such as tax and economic policy, environmental enforcement, safety, workforce and contract administration; and
- Promote the positive image of the construction profession to attract present and future workforce.

The Executive Board will have oversight of the advocacy fund. It will approve all major initiatives and have oversight of the budget for the fund. The Management Committee will have day to day management authority over the fund. The Management Committee will also develop a process for vetting new initiatives before they are presented to the Executive Board for their approval.

AGC PUBLIC AWARENESS AND ADVOCACY FUND FREQUENTLY ASKED QUESTIONS

DUES QUESTIONS

1. *When does the dues increase go into effect?*

Answer: January 1, 2009

2. *Is this dues increase optional?*

Answer: No, the dues rate and the 1% increase are included in the bylaws of the Association and are not optional.

3. *Is there anything in this proposal that changes the 3% discount?*

Answer: At this time, the 3% discount remains unchanged.

4. *Does the dues adjustment affect Specialty Contractor and Service/Supply Members?*

Answer: Yes, the 1% dues increase affects all categories of AGC membership, including GC dues, Non-Home dues, Specialty Contractor dues, Service/Supply dues, etc. The dues increases for each year are indicated in the attached chart.

5. *At the end of the 5-year period, do the dues revert back to their original amount? In other words, the minimum dues in 2008 are \$450. In 2013 with the annual 1% adjustment, the minimum dues will be \$472.95. What happens in 2014?*

Answer: The dues will remain at the 2013 level once the 5-year period is over.

6. *What is the projected annual income from the fund?*

Answer: The dues increase is expected to generate \$1.6 million over the 5 year period.

7. *Is the new 1% dues amount affected by the proxy tax?*

Answer: At this time it is uncertain the impact the expenditures from this fund will have on the proxy tax paid by AGC. We do know that it will not impact the amount of dues paid to national AGC that are deductible by the members which will remain at 100%. AGC will continue to pay the proxy

tax on lobbying expenditures so that the members can deduct 100% of the National portion of their dues.

8. *Why are we taking this approach instead of passing the hat?*

Answer: The new fund will benefit all membership categories within AGC of America and therefore the costs should be spread across all membership categories. Since this fund will benefit all members, this solution is more equitable and will alleviate the need to ask the same members to fund the cause. We can ask for a little bit of money from a lot of members instead of having to ask a few members for a lot of money.

ADVOCACY FUND QUESTIONS

1. *What was the initial monetary capitalization amount for the fund?*

Answer: Currently, the Environmental Action Foundation (EAF) and the Infrastructure Action Fund (IAF) have cash reserves of approximately \$570,000. AGC will fund an additional \$500,000 from the 2007 surplus, allowing us to put \$1,070,000 to capitalize the fund.

2. *What is the purpose of the new AGC Public Awareness and Advocacy Fund?*

Answer: To educate the public and policy makers on long term, strategic issues important to the construction industry that impact America's economic health and competitiveness.

3. *What happens to the EAF and IAF when the new Fund is created?*

Answer: The purpose and goal of the new AGC Public Awareness and Advocacy Fund will consolidate the existing purposes covered with the EAF and IAF and will enhance other construction industry issues as stated in Question 2.

4. *Will AGC surpluses be used to fund this initiative as well?*

Answer: AGC contemplates making an annual contribution to this fund from surplus revenues. Annual contributions will vary annually depending on available funds at the end of each calendar year. It is estimated that we could fund \$250k annually.

5. *How much money will be needed on an annual basis?*

Answer: We anticipate annual expenditures of \$350,000 to \$750,000 depending on legislation and approved image campaign initiatives.

6. *Will this fund be used for overhead and staffing activities of AGC?*

Answer: No, the funds raised will only be used for advocacy activities and not for overhead and staffing.

7. *What types of expenditures do you anticipate being paid out of this fund and who will manage the expenditures from this new fund? In other words, who decides when and where the money is used?*

Answer: The fund will be used to undertake AGC advocacy initiatives, either solely or in partnership with other industry groups. The initiatives should meet one or more of the following criteria:

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- Increase awareness and support for the need to make vital infrastructure investment at the federal, state and local level;
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9. *What will the money raised for this fund be used to support?*

Answer: The fund will assist in the grassroots and grass tops efforts of pending legislation both locally and nationally. It is also the goal of the fund to enhance the image of the construction profession as well as the industry. Some examples:

- Image
- Workforce Development
- Immigration
- Highway Reauthorization
- Water and Waste Water Reauthorization
- Water Resources Development Act (WRDA) Reauthorization
- 3% Withholding

- Death Tax
- Health Care

There has been some interest in hiring a national spokesperson for the construction profession. This fund would assist in funding this endeavor.

Result of Indexing Dues 1% over 5 Years

Dues Category	Current Dues	2009	Amount Dedicated to Advocacy Fund	2010	Amount Dedicated to Advocacy Fund	2011	Amount Dedicated to Advocacy Fund	2012	Amount Dedicated to Advocacy Fund	2013	Amount Dedicated to Advocacy Fund
GC-Under \$2 Million	\$450.00	\$454.50	\$4.50	\$459.05	\$9.05	\$463.64	\$13.64	\$468.27	\$18.27	\$472.95	\$22.95
GC-\$2 to \$4.999 Million	\$595.00	\$600.95	\$5.95	\$606.96	\$11.96	\$613.03	\$18.03	\$619.16	\$24.16	\$625.35	\$30.35
GC-\$5 to \$9.999 Million	\$995.00	\$1,004.95	\$9.95	\$1,015.00	\$20.00	\$1,025.15	\$30.15	\$1,035.40	\$40.40	\$1,045.75	\$50.75
GC-\$10 to \$19.999 Million	\$1,495.00	\$1,509.95	\$14.95	\$1,525.05	\$30.05	\$1,540.30	\$45.30	\$1,555.70	\$60.70	\$1,571.26	\$76.26
GC-\$20 to \$44.999 Million	\$2,775.00	\$2,802.75	\$27.75	\$2,830.78	\$55.78	\$2,859.09	\$84.09	\$2,887.68	\$112.68	\$2,916.55	\$141.55
GC-Over \$45 Million	\$3,950.00	\$3,989.50	\$39.50	\$4,029.40	\$79.40	\$4,069.69	\$119.69	\$4,110.39	\$160.39	\$4,151.49	\$201.49
Non-Home Mbr	\$250.00	\$252.50	\$2.50	\$255.03	\$5.03	\$257.58	\$7.58	\$260.15	\$10.15	\$262.75	\$12.75
Provisional Mbr - Yr. 1	\$200.00	\$202.00	\$2.00	\$204.02	\$4.02	\$206.06	\$6.06	\$208.12	\$8.12	\$210.20	\$10.20
Provisional Mbr - Yr. 2	\$300.00	\$303.00	\$3.00	\$306.03	\$6.03	\$309.09	\$9.09	\$312.18	\$12.18	\$315.30	\$15.30
Provisional Mbr - Yr 3	\$400.00	\$404.00	\$4.00	\$408.04	\$8.04	\$412.12	\$12.12	\$416.24	\$16.24	\$420.40	\$20.40
Specialty Contractor Mbr	\$150.00	\$151.50	\$1.50	\$153.02	\$3.01	\$154.55	\$4.55	\$156.09	\$6.09	\$157.65	\$7.65
Service & Supply Mbr	\$125.00	\$126.25	\$1.25	\$127.51	\$2.51	\$128.79	\$3.79	\$130.08	\$5.08	\$131.38	\$6.38
Educational Associate	\$75.00	\$75.75	\$0.75	\$76.51	\$1.51	\$77.27	\$2.27	\$78.05	\$3.05	\$78.83	\$3.83