

TENNESSEE



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The TN PHCC Newslink

Sept/Oct 2019

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TN PHCC Apprentice School Open for Online Registration 10/1

The Tennessee PHCC is launching our online apprentice program on October 1st!

"This program will fill an education gap that exists for our members outside of the Knoxville area. The KAPHCC Apprentice School in Knoxville is successful as a brick-and-mortar school and we would like to expand this program to other areas of the state. The online program uses the same curriculum as the Knoxville program and will have regional testing and hands-on activities scheduled.

Members will have two options for their employees: the first option will be achievement with the NCCER credentials, (upon successful completion and passing of all test modules) and the second option will also include US Dept of Labor registration as a Certified Apprentice.

This program has been a few years in process and we are excited to offer this tremendous benefit to our members for their employees and the future of the industry," said Beth Killen, Executive Director.



TN PHCC Members will be able to request a registration packet on our website, taphcc.com and register their apprentices for the program starting October 1st*. The program will be powered and accredited by the NCCER (National Center for Construction and Education Research) Connect online program. The TN PHCC

Apprentice School online program is registered as part of the national apprentice system with the US Department of Labor Employment and Training Administration— Office of Apprenticeship.



This training program is designed to provide students the opportunity to learn the textbook fundamentals of the HVAC or plumbing trades. The training course must be supplemented by their employer with through on-the-job training in each area of instruction in the book. NCCER Certification is achieved by completing the on-line assignments for each module and passing a proctored Competency Test that will be scheduled in the apprentice's area based on the number of students that register and their locations.



After the employer and employee registrations are complete, the apprentice will receive a textbook and instructions for accessing the course content on NCCER Connect. Students must have access to a reliable internet provider to complete the course. The apprentice will have 12 months to complete the course by 12/31 of any year. Registrations will be accepted until March 1st for the 2020 Plumbing I and HVAC I courses.

Complete details will be available on our website on October 1st and we look forward to this exciting program.

*Members within 45 miles of metro Knoxville will not be eligible for the online program due to the current KAPHCC Apprentice School program. Plumbing or HVAC contractors who would like to become members and enroll an apprentice will receive the remainder of 2019 and all of 2020 for one yearly membership rate (14 months for the price of 12). Please call the TN PHCC Office for details.

Member News

Upcoming Date Reminders...

Oct 1-4: PHCC National CONNECT 2019, Indianapolis, IN

Oct 18-19: TN PHCC Fall Board Meeting, The Campbell House and Keeneland Racing, Lexington, KY

January 24-25: TN PHCC Winter Board Meeting, The Whitestone Inn, Kingston, TN

March TBD: TN PHCC Day on the Hill, TN Capitol, Nashville, TN

May 6th: KAPHCC Apprentice School Graduations and Awards Banquet, Knoxville Expo Center

May 7th: TN PHCC 123rd Annual Convention and Trade Show, Knoxville Expo Center

May 8th: TN PHCC 28th Annual Golf Classic, Avalon Golf Club, Lenoir City, TN

May 26-27: PHCC Legislative Conference, Washington, DC

Mission Statement:

"The TAPHCC is dedicated to serving and improving the PHC industry by providing opportunities for continuing education, communication, social networking, and business improvement.

We are dedicated to the protection of the environment and the health and safety of our society."

Service Creed:

If I do a job in 30 minutes, it's because I spent 10 years learning how to do that in 30 minutes. You owe me for the years, not the minutes.

Welcome Contractor Member:

Legacy Plumbing Company Inc.

1200 Nate Cove
Cordova, TN 38018
901-751-1448
Contact: Eric Huckaby

Member Recruitment in Memphis

We had been contacted by several Memphis contractors and suppliers to talk about PHCC and the industry in their area. Gordy Noe (TN Chapter President), his wife Ethel, Kay Keefe (TN PHCC Board Chair) and Beth Killen met with eleven contractors and a few associates at the Guest House at Graceland.



We are working with a few contractors to possibly start a chapter and develop the Ride and Decide program.



Executive Director Celebrates 10 Year Anniversary

In a discussion with Gordy Noe, the President of the Tennessee PHCC about a President's article for this issue, he indicated that it was time for me to write an article because he hadn't seen one from me in a while. Perhaps since I write most of the content for this newsletter, I did not realize it had been a few years. However this year, I am celebrating 10 years working for your Association!

To say it has been a privilege and a pleasure to work for this Association would be an understatement and that in no way illustrates the tremendous satisfaction I receive from working with our members. In so many ways, I know we are making a difference in the future of the trades and ultimately our members, whether it be through career days, the Ride and Decide program, apprentice programs, scholarships or being a voice in advocacy and on panels and discussion groups on every educational institution level across the state.

What we all do is an ongoing process. This Association has had and continues to have incredibly talented and dedicated leaders and volunteers that move us forward to achieve our goals. Even though we are a group of individuals, our shared vision can and will improve our future. If you have even the slightest urge to serve, please join. The benefits and rewards are worth much more than the time and effort.

I have had some wonderful memories and shared laughter and friendship with so many of you, thank you for this opportunity and I look forward to working with you and for you in the future!



Beth Killen
2009

State News

TN PHCC Clay Shoot Challenge:

On August 30th, the Tennessee PHCC Clay Shoot Challenge was held at the Chilhowee Sportsman's Club in Maryville. This was the second year for the event and the weather was wonderful compared to the freezing rain and drizzle that we had for last year's tournament.

The sold out event was very competitive with the Stowers Rents team (Doug Hill, Jack Tucker, Kirk Johnson and Dusty Brown) earning first place and the Engert Mechanical team taking second. Steve McRae of McRae Plumbing won the five stand event.

A big thank you to Federated Insurance for their title sponsorship of the event. Stand sponsors included Ben O'Neal Company, Ferguson and Stowers Rents. Thank you to all of our shooters, see you next year!



Vertical from top Right – First Place Stowers Rents team with TN PHCC President Gordy Noe and Federated Sponsor, J.T. Booth. Second Place- Engert Mechanical, Honorable Mention- the Keefe Plumbing team. The Quality Plumbing and Mechanical team is shown below.



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Above left– Kay Keefe of Keefe Plumbing and TN PHCC Board Chair. Above right, Five Stand McRae Plumbing shooter and first year apprentice at the KAPHCC Apprentice School, Joshua Murmann. Below left– Mid America Marketing, A6 Sales, Ferguson and Scramlin Plumbing enjoying lunch.



State News

Tennessee Takes Turd (Third) in PHCC Zone 2 Competition

The TN PHCC attended the annual PHCC Zone 2A Meeting hosted by the North Carolina Chapter on September 6-8th in Blowing Rock, NC. In attendance were each state's Executive Board Members, the PHCC Zone 2 Director— Jonathan Byrd and the Executive Directors from Georgia, North Carolina and Tennessee.

After a group meeting to share ideas and innovations from each state, the event was moved to the Chetola Sportsman's Club for the afternoon competition. The Zone Olympics challenge this year included a clay shoot and an archery competition. The Olympic style event was started 2 years ago and Tennessee won the competition the first year and North Carolina and Georgia tied last year. Instead of holding a tie-breaker last year, the two states opted to have the trophy engraved with the 2018 winner as, "Not Tennessee." (picture of trophy below)

The competition this year was won by host state, North Carolina. Georgia came in second and was awarded a plunger and Tennessee came in "Turd" and was awarded a copper pipe with a turd toy coming out of the top. Tennessee PHCC Executive Director, Beth Killen, won the clay shoot and archery competitions for the women, however that was not enough for the team to take the title.



The friendly competition, (which also includes bragging on respective college sports,) helps create bonds and networking among members across state lines. This PHCC Zone 2 Meeting is celebrating its seventh year and continues to build friendships and communication within the PHCC member community.



PHCC of Georgia will be hosting the event in 2020 and we encourage all members to attend. Details will be announced next year.

Photos: (From top right, clockwise): Winners TN, NC and GA, the Turd Trophy, Gordy Noe- President PHCC of TN, Ethel Noe, Zone 2 group photo and Gordy Noe.



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Chapter News

Knoxville Chapter:

The Ride and Decide Program finished its 5th year with a luncheon at the end of July. The program concluded with a luncheon for employers and students at the regular Knoxville PHCC Chapter meeting.



Knox County Mayor Glenn Jacobs, (pictured left), talked to the students about the future of the trades and the value of trade and apprentice schools for their futures. Mayor Jacobs is dedicated to workforce development and has included increasing interest for students to consider the trades as one of his position goals.

Gordy Noe of Pioneer Heating and Air and pioneer of the program, began the luncheon with discussing the success of the program and inviting both the employers and the students to share their experiences.

Many of the students talked about how they did not understand how many opportunities were available in the trades before starting

the program and several declared that they were going to pursue the trades in their future.

There were over 24 employers and 72 students in the two month program. Many of the students are repeating the program each year and if they start in the summer of their sophomore year, they can technically try out 6 different jobs. We have learned that at least 26 students are working full time for our contractors after completing the Ride and Decide program.

We encourage employers to consider hiring students for the program. We will be recruiting students starting in January 2020 for next summer's program so please let us know if you would like more information and to register your company.

For more information please visit: RideandDecide.com



Northwest Plumbing Wins Free Lunch from Trade Show

At the 2019 TN PHCC 122nd Annual Trade Show in Knoxville, members received door prize entries for their employees that attended the show. All of the entries were put into a raffle and Northwest Plumbing won a Free Lunch for their employees.

Tammy Graham, Office Manager, decided to have the luncheon in conjunction with their TN Drug-Free Training for their employees. There were 30 Northwest Plumbing employees that attended the luncheon and the company training.



From left to right: Tammy Graham, Office Manager, Steve Graham (President), Michael Graham (Project Manager) and Bryan Graham (Vice President) of Northwest Plumbing

Northwest Plumbing employees thanked Michael Graham for the winning ticket that gave them all a free lunch!

Workforce Development

KAPHCC Apprentice School Update

On August 19th, the Knoxville Association PHCC Apprentice School kicked off the new school year with 132 apprentices enrolled in the four year programs. The school teaches three crafts; Plumbing, HVAC and Sheet Metal and meets five nights per month until May. The school is NCCER certified and US Department of Labor registered and accredited.

This will be the second year for the Construction Math program that requires the apprentices to hone their math skills at the beginning of each class to better prepare them for their careers. Last year's program was highly successful with a majority of the students receiving a grade of 80 or above on their final math exam.

Last year the school completed an HVAC Lab at Fulton High School. The lab will be used for the HVAC students in both the apprentice school and the high school.

Thank you to Associated Equipment in Knoxville for donating the equipment for the HVAC Lab.

This year the school hopes to install a plumbing lab for the apprentices in one of the area high schools.

The Graduation and Awards Banquet will be held on May 6, 2020 at the Knoxville Expo Center.



Apprentices from the HVAC II Class under the direction of Instructor Michael Ramsey, work on units for the hands-on portion of their classroom instruction.

TN PHCC and our Construction Math Program

The TN PHCC and the KAPHCC Apprentice School presented their Construction Math program at the 2019 Institute for CTE (Career and Technical Education) Educators on July 16th, 2019 in Chattanooga. We titled the program, "Construction Math: The Measurement of Success."

Kay Keefe of Keefe Plumbing in Chattanooga (TN PHCC Board Chair), discussed the importance of math skills to the trades and how skills learned in high school can determine the success rate of a new apprentice.



Beth Killen, Administrator for the KAPHCC Apprentice School (and TN PHCC Executive Director) discussed the math program that was developed for apprentices at the school to the over 70 career and vocational teachers that attended two sessions.



PHCC National

Recent Attack on Licensure in Texas is Indicative of Bigger Problem Nationwide

-Mark Valentini, Director of Legislative Affairs, PHCC National



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On May 26, 2019, the Texas State Legislature voted against a measure that would have moved the Texas State Board of Plumbing Examiners (TSBPE) under the Texas Department of Licensing and Regulation (TDLR). The failure to pass the measure was a “win” for the plumbers in Texas. Fighting a Sunset Commission recommendation to cease a stand-alone agency and moving it under a very large umbrella agency was not favored. However, the victory was very short lived. A “safety net” bill was supposed to be brought forth for a final vote that same evening. This bill would give any agency going through the Sunset Review process two more years in existence should something such as the experienced defeat of the bill mentioned above. The sponsor of the bill pulled it from the agenda, and the Texas State Board of Plumbing Examiners no longer had a life after September 1, 2019. All regulation of statewide licensing would cease to exist.

Had Texas Governor Greg Abbot not intervened—in response to industry opposition led by PHCC-Texas—by signing an executive order extending the TSBPE’s authority for another two years, the responsibility of issuing plumbing licenses and regulating the plumbing industry would have fallen to the state’s local governments and municipalities. In fact, prior to the governor’s executive order, the city of San Antonio had already commenced preparations to establish its own plumbing regulations, underscoring municipalities’ eagerness for new revenue coming from the issuance of plumbing licenses.

There was substantial debate on the proposal to bring the TSBPE under jurisdiction of the TDLR. It was argued that the TDLR bureaucracy is already overburdened and that the agency is ill-equipped to take on the additional responsibility of licensing plumbers. PHCC-Texas mobilized members to contest this plan through their legislators, but it became an uphill battle to maintain the TSBPE. The debate over what to do with the TSBPE ended when the legislative actions on May 26th resulted in a loss of statewide regulation, rather than moving those functions under the oversight of TDLR.

If the regulation and licensure of plumbers falls to localities within the state, Texas would become a patchwork of regulation. Plumbers that operate in multiple cities or counties would need to be licensed in each of those localities, increasing the costs for licensure and limiting the areas where plumbing businesses could operate. A few states that already have such a patchwork sometimes have licensing reciprocity between counties or issue permits to perform work. Otherwise, such a regulatory model means plumbers will pay up to thousands of dollars in annual licensing and permitting fees for each jurisdiction in which they operate.

The events in Texas are part of a broader pattern of attack on licensing for professional trades that has been playing out in state legislatures across the country for several years. States have had mixed results in pushing back against efforts by governors, legislatures, and regulatory agencies to remove licensing requirements and allow any layperson to perform plumbing work without a license. Unfortunately, the State of Texas took this effort a step further by essentially eliminating the regulatory board charged with issuing plumbing licenses and enforcing regulations.

While there is a desire to ensure that we have “skilled labor” for our industry, it is even more important that we have professional and licensed master trades people who are not merely competent in installing and servicing a limited number of products and systems, but are also knowledgeable about why they do what they do and hence, can diagnose and solve problems for American homeowners and businesses. States cannot lose sight of the potential collapse of the traditional apprenticeship system because we will end up with the “Jacks and Jills of all trades and experts in none” who may elect to satisfy only those competencies necessary to become immediately employable and thus may never meet licensing requirements as a “licensed plumbing contractor.” Strong standards must be in place to ensure that competent plumbing and HVAC professionals are maintaining the integrity of potable water systems, sanitary drainage systems, medical gas systems in hospitals, and heating and air conditioning systems that are protecting the health and safety of our nation and preserving the environment.

There would be a cost savings of \$768,000 in general revenue by sunsetting the Texas BPE, but it ignores the potential risk of catastrophic costs associated with hasty decisions that resulted in Flint, Michigan’s water crisis in April 2014. The Flint water crisis exposed an estimated 8,000 children to lead and other toxins and will likely cost \$400 million in future costs to the city in addition to thousands of cumulative years of poor health for those affected. The high levels of contaminants in Flint’s water resulted in a spike in Legionnaire’s disease, infertility rates, miscarriages, abnormalities in unborn children, and behavioral problems. Cost-cutting measures were also responsible for gas explosions in Massachusetts’ Merrimack Valley that killed a teenager, destroyed nearly a dozen homes, and resulted in over \$800 million in damages.

(Continued on next page)

PHCC National

Recent Attack on Licensure in Texas is Indicative of Bigger Problem Nationwide (cont.)

It is critical for PHCC members across the country to inform state policymakers that cutting corners to save money has catastrophic consequences that go way beyond a few leaking water pipes.

This is a critical moment for our industry. Plumbers must be engaged with their state government to stay aware of changes that may be developing and fight back against efforts to relax or eliminate licensing laws:

Develop relationships with your state legislators and regulators and raise awareness of the importance of retaining licensed professional plumbers. PHCC-Texas' success in keeping the BPE alive is a direct result of the relationships it maintains with policymakers in Austin. An effective way to build those relationships is to host a Capitol Hill Day for your members (PHCC National can provide logistical and educational resources should you need them). Describe to your legislators the training required to ensure safe water and sanitation systems, particularly apprenticeship requirements, preventing cross-contamination, knowledge of plumbing codes and standards, etc. More importantly, talk about the risks associated with systems that are not properly installed and maintained, and any experience you have with correcting errors or consequences you have witnessed.

Start a letter-writing campaign. PHCC-National has the resources to send letters to your state legislators on your members' behalf with the click of a button. Simply draft a letter making the case for maintaining licensing laws, and PHCC-National can create a weblink that you can email to your members. Your members can click the link, submit their name and address, and send the letter to their legislators with the click of a button. The more legislators hear from PHCC members, the more they will pay attention. Coordinate with Mark Valentini, PHCC-National's Director of Legislative Affairs, to draft the content for your members.

Get active on social media. Your business' social media page is a good outlet for promoting not only your services, but the reason why the services you provide are best completed by licensed professionals. Include pictures and first-hand observations of shoddy work that you've corrected or property damage resulting from a lack of quality workmanship that only a licensed plumber can provide. Be sure to link to content provided by your PHCC state or local chapter and PHCC-National.

Consider becoming a member of your legislative body. There are many PHCC members who are legislators at the state and federal level. Having policymakers with real-life plumbing experience ensures common-sense laws and regulations are implemented regarding our industry.

Recruit your friends in other plumbing and HVAC businesses for PHCC membership. There is strength in numbers. Being a member of PHCC gives plumbing and HVAC professionals access to vital information and a network of peers with which to coordinate a response to political crises like the one we just witnessed in Texas.

Align with similar industries that may face similar license review activity, such as electrical contractors, carpenters, and other skilled trades. If plumbing licensure is targeted, there's nothing to prevent other trade licenses from coming under the knife.

Push your licensing board to modernize testing procedures, offer more testing, and make testing available at more locations so that the examination process to become a journeyman or master plumber eliminates bottlenecks and improves efficiency when issuing licenses. The impetus to remove the Texas BPE had to do in large part with the difficulty meeting the demand for plumbers because of a backlog of exam requests, over-regulation, and inability to enforce licensing rules and laws.

Keeping an open line of communication with your state government, combined with ongoing coordination with industry counterparts is the best strategy for any crisis where industry interests are under attack. PHCC is your resource to help you implement your strategy to protect licensure in your state.

Contact Mark Valentini, Director of Legislative Affairs for PHCC National at valentini@naphcc.org or (703) 752-9871.

Ibid.

Josh Sanburn, "Flint Water Crisis May Cost the City \$400 Million in Long-Term Social Costs. *Time Magazine*. August 8, 2016. <http://time.com/4441471/flint-water-lead-poisoning-costs/>

Business News

Here's What \$1.6 Trillion in Student Loan Debt is Doing to the Economy- Christopher Ingraham, The Washington Post

American families are carrying about \$1.6 trillion in student loan debt, a massive burden that amounts to nearly 8 percent of national income, a share that has roughly doubled since the mid-2000s.

Senator Bernie Sanders (I-Vt.) and some of his House colleagues unveiled a proposal that would cancel student debt for 45 million Americans and make public higher education tuition-free. The 2020 presidential hopeful said he would put a tax on Wall Street, raising an estimated \$2 trillion over 10 years, to pay for the plan.

As lawmakers debate the merits of various proposals, it's worth taking a step back to ask a basic question: What is student loan debt doing to the economy? Economists have been digging into this issue for several years.

Here's a roundup of what they've found:

Student loan debt is delaying marriage and family formation

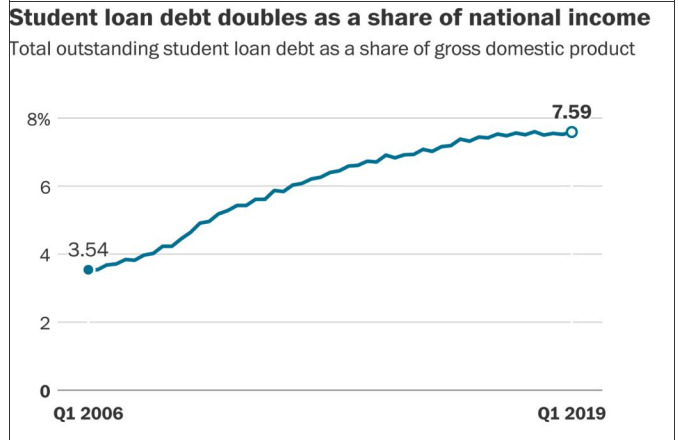
A 2014 study found a link between a woman's student loan repayment schedule and marital timing. A \$1,000 increase in student loan debt, researchers found, lowered the odds of marriage by 2 percent a month among female bachelor's degree recipients in the first four years after graduation. That finding has been bolstered by more recent research showing a similar trend.

Research has shown that marriage confers myriad economic benefits: For starters, married people, particularly men, earn more money. And children who grow up in two-parent households tend to be better off as adults.

Student loan debt is hampering the growth of small businesses

A 2015 study by economists at the Federal Reserve Bank of Philadelphia found "a significant and economically meaningful negative correlation" between rising student loan debt and falling small-business formation. The mechanism isn't hard to grasp: If you're paying off a student loan, you're less able to pull together the cash to start a small business.

The effect is significant: The increase of one standard deviation in student debt translated into a decrease of 70 new small businesses per county — a decline of approximately 14.4 percent. The authors note that small businesses are responsible for "approximately 60 percent of net employment activity in the U.S."



Student loan debt is taking a bite out of the housing market

This year, the Federal Reserve issued a report showing that student loan debt prevented about 400,000 young families from purchasing homes, accounting for about a quarter of the drop in homeownership rates in this demographic from 2005 to 2014. In addition to the obvious connection between debt payments and the ability to save for a down payment, the researchers noted that the rise in student debt increased borrowers' odds of default, which has a major adverse effect on their credit scores and, therefore, their ability to qualify for a mortgage.

Student loan debt makes it harder to weather financial crises

Another Federal Reserve report, this one from 2013, found that student loan debt jeopardizes the short-run financial health of households.

Most obviously, it found that households with student debt had a lower median net worth (\$42,800) than those with no student debt (\$117,700). More troubling, however, was the finding that the Great Recession took a bigger chunk out of the net worth of student-loan-indebted households: From 2007 to 2009, households with student loans saw 12.4 percent of their total

net worth evaporate, while the net worth of those without student loans fell by 9.3 percent.

Student loan debt is preventing young people from saving for retirement

A 2018 study by the Center for Retirement Research at Boston College found that while student debt didn't affect 401(k) participation rates, it did affect how much young workers were able to sock away. "Those with debt have only about half as much in assets by age 30 as those without debt," the report found.

(Continued on next page)

Business News

How Often Do You Change Workplace Passwords?- By James C. Price, Leadership and Management, Surveys, Polls, and Infographics

In a recent Refresh Leadership poll, we asked our readers how often they change the passwords on work devices, including computer, mobile phone, apps, etc. And with 49% of the votes, the top response wasn't all that surprising. Most individuals only change their passwords when they're told to. The second highest response was "Quarterly" with 24% of the votes, followed by "Monthly" with 12%. Of all those who responded, only one person selected the voting option of changing passwords daily.



With cyber security being such a hot topic, we asked respondents a follow-up question of whether or not their password-protected accounts had ever been hacked. An overwhelming majority of 76% said no, while 24% admitted to having a past security breach. According to a [recent report](#), 81% of hacking-related breaches were caused by stolen or weak passwords. Moreover, 70% of employees reuse passwords at work, whereas 59% reuse passwords everywhere putting companies at risk for major data breaches. From millions of dollars lost to damage in reputation, cyber threats can cause lasting financial and social ramifications for a company, so it's important to protect yourself from hackers and cyber criminals. And it starts with a strong password protection strategy. Check out these quick password tips to protect you and your company:

- Create a long and complex password (14 characters or more)
- Include numbers, symbols, and a mix of capital and lowercase letters
- Do not use consecutive or predictable numbers (e.g. 777, 1234)
- Do not use popular phrases or your company name
- **Use different passwords for personal and professional accounts** (single most breach responsible)

Here's What \$1.6 Trillion in Student Loan Debt is Doing to the Economy- (cont.)

Student loan debt can cause graduates to give up on their dreams

A 2017 working paper found that "students with debt are less 'choosy' on the job market: They are more inclined to accept part-time work and jobs that are less related to their degree and offer limited career potential." Earlier research showed that student loan debt "reduces the probability that students choose low-paid 'public interest' jobs." New graduates with loan debt, in other words, appear to have an understandably greater interest in paying off their debt than in making the world a better place.

The returns on higher education aren't what they once were

Some commentators have sought to play down concerns over rising student debt by pointing out that higher degrees are associated with higher earnings and that, on net, a college education is still well worth the cost.

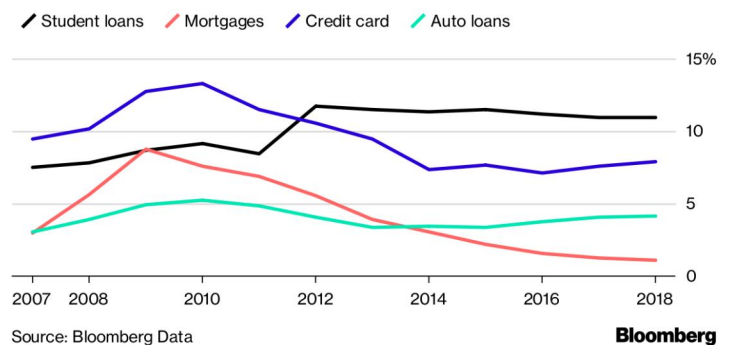
However, progressive economists have recently begun to challenge this view of student loan debt. A 2018 Roosevelt Institute paper, for instance, argues that researchers need to account for the across-the-board wage stagnation that's happened since the 1970s: "To the extent that individuals see an income boost based on college attainment, it is only relative to falling wages for high school graduates."

If a bachelor's degree was an optional ticket to a better life in 1970, in other words, today it's more like a baseline requirement for a living wage. The reason for this shift is that job markets have become more concentrated, giving employers more leverage to demand more skills and training from their workers. A 2018 paper, for instance, found that employers in concentrated labor markets "upskilled" their job postings by requiring various skills and abilities that employers in less-concentrated markets didn't ask for.

So while student debt was once largely confined to those who pursued graduate and professional programs to lock down careers with high earnings potential, rising tuition and changes in the labor market "have made it difficult for many to obtain a credential without

Student Loan Delinquency Rate Remains Close To Post-Recession High

Student loans currently face the highest 90+ day delinquency rate of all household debt, including mortgages, credit cards and auto loans.



Business News

Social Security “No-Match” Letters are Back— What Employers Need to Know to Avoid Legal Trouble and Fines by Bob Dunlevey and Nadia A. Klarr, Taft/Law

The Social Security Administration (“SSA”) resurrected a past practice of issuing “Employer Correction Request” letters, commonly referred to as “no-match letters,” to employers that have at least one employee whose name and social security number do not match on W-2 records or other tax-related filings. While the stated purpose of these notifications is seemingly innocuous – to maintain the accuracy of earnings records used to determine benefit amounts so that employees obtain the benefits earned – make no mistake about it that receipt of a no-match letter has serious legal ramifications for an employer.

Although employee fraud is certainly a possible reason to receive a no-match letter, there are a number of other reasons for mismatches to occur, including typographical errors, unreported name changes, and incomplete or inaccurate employer records. Because the cause is unknown at the time the employer receives a no-match letter, it is very important that employers do not automatically assume that the no-match letter relates to an employee's immigration status or employment eligibility. To that end, the letter should not be used as the sole basis for termination or other adverse action against the employee at issue. However, because the no-match could certainly be the result of employee fraud and could be related to the employment of unauthorized workers, employers must take immediate action upon receipt of a no-match letter.

**Make No Mistake About It—
A receipt of a no-match letter
has serious legal ramifications
for an employer**

First, the employer should review the no-match information from the SSA and compare against its personnel records to confirm they accurately entered the information provided to SSA. If the no-match is the result of a typographical error, the employer can provide SSA necessary corrections on Form W2-C, which can be done by utilizing the W-2C online and through the Employer Report Status within the Business Services Online portal. Necessary corrections must be provided to SSA within 60 days of receiving the no-match letter.

If the discrepancy cannot be resolved by the employer, then the employer must alert the employee to the no-match letter and ask the employee to confirm his or her legal name and social security number. If the information is the same, and therefore the discrepancy with SSA still exists, advise the employee to consult the SSA to correct the information, and provide the employee with a reasonable period of time to do so. Because corrections to SSA are required within 60 days of receiving the no-match letter, a reasonable period of time to provide the employee to consult the SSA to correct the information is approximately 30 days.



Be advised that an employer's failure to investigate and/or respond to a no-match letter issued by the SSA may lead to serious consequences for the employer. Immigration and Customs Enforcement (“ICE”) may consider receipt of a no-match letter as evidence of the employer's constructive knowledge that it was employing individuals not authorized to work in the United States, which can lead to a host of legal compliance issues and fines. Although the current position of the SSA is that it

will not share information related to no-match findings with the Department of Homeland Security (“DHS”) or ICE, it is important to note that the information is available to both DHS and ICE upon request or during an investigation. Interestingly, and probably not coincidentally, I-9 audits have substantially increased over the last two years. In fact, fiscal year 2018 resulted in a nearly 440% increase in Form I-9 audits than the previous year, so employers cannot expect to fly under the radar when it comes to I-9 compliance, particularly if they have received a no-match letter. During an investigation or audit of an employer's Forms I-9, ICE will issue a Notice of Inspection that requests information related to the employer's receipt of any no-match letters from the SSA. ICE will also request evidence from the employer concerning how the employer responded to the no-match letter, including any internal investigation conducted and any formal response to the SSA.

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Thus, prudent employers should immediately take action upon receiving a no-match letter from the SSA. Additionally, prudent employers who receive such no-match notifications should consider conducting their own I-9 self-audit to ensure compliance and to take any corrective action necessary to maintain compliance. If an employer takes these steps and complies with the SSA's process in responding to no-match letters, the employer will likely enjoy a rebuttable presumption that it has followed the law and is properly employing its workforce.

For additional information on no-match letters or maintaining Form I-9 compliance, contact labor and employment law attorney Nadia A. Klarr at (937) 641-2055 or email nklarr@taftlaw.com.

The TAPHCC Newslink

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STATE ASSOCIATE MEMBERS SUPPORTING PHCC

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support the TENNESSEE PHCC:

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Bi-monthly Meeting - 4th Monday, 11:45 am , Bearden Banquet Hall, 5806 Kingston Pike
RSVP- Rose Mayfield - appschool@taphcc.com

MIDDLE TENNESSEE

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Schedule and RSVP - Lynda Palek, MidTennPHCC@gmail.com

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