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**Advocacy Digest | December 21, 2021**

**Brad Boycks, Executive Director**

**Help Fight Barriers to Housing**

As you are likely aware, with your membership comes a voice to local, state, and national government. We are here to help your business thrive and to positively enact change for the homebuilding industry. Too often we hear from members about the roadblocks that you face at a local and state level, and we want (and need) to do something about it.  
  
In partnership with the Wisconsin Institute for Law and Liberty (WILL), we are sending you this survey on [Government Barriers to Affordable Housing](https://wisbuild.us17.list-manage.com/track/click?u=4b652b5dc1419566a54a97e7a&id=76bc089b62&e=fab4d3a601). The results of the survey will help us better understand the role that local and state government play in the process of home building. WILL hopes to quantify the costs of many of the barriers we experience in the home building industry, which can serve as a driver of reform in future years. The survey should take approximately 5-10 minutes to complete, and your responses will be kept confidential.  
   
Your participation is very important, as we want the results to reflect as many members as possible. The survey will be open until January 2nd, but please take a few minutes to fill it out as soon as possible. We look forward to your participation as it will provide much-needed information and data to help us enact change on a local and state level moving forward.

**Assembly Democrats Replace Hintz with Neubauer**

Recently, Assembly Democrat Minority Leader Gordon Hintz (D-Oshkosh) announced that he would be stepping away from his leadership position in his caucus in January 2022. Hintz also stated that he would be making a decision on seeking reelection to the state assembly later in 2022.

With Hintz’s announcement that set the stage for leadership election to replace Hintz on Monday, December 20. State Representative Greta Neubauer ran unopposed and was elected the new minority leader in the state assembly.

After her election, Neubauer stated “as Assembly Democratic Leader, I will work to build the relationships, the strategy, and the infrastructure to move our shared values and priorities forward. I will make tough decisions and push back when necessary. And I will do everything in my power to provide more opportunities for every member to lead on the issues they are most passionate about.”

It was first reported by Wispolitics.com that Neubauer, 30, is the youngest person to serve as a legislative caucus leader since 1943 when GOP State Senator John Brynes was elected minority leader at age 29.

**Tax Break for Apprenticeship Expenses Vetoed**

WBA recently gave an update that [Senate Bill 125](https://docs.legis.wisconsin.gov/2021/related/proposals/sb125.pdf) (SB 125) was passed by both houses of the legislature. SB 125 would have allowed an individual, when calculating income for state income tax purposes, to subtract the tuition expenses paid by the individual for the individual or the individual's dependent to participate in an apprenticeship program that is approved by the Department of Workforce Development.

Unfortunately, since our last update, Governor Evers announced that he had vetoed SB 125.

In his [veto message](https://docs.legis.wisconsin.gov/2021/related/veto_messages/sb125.pdf), Governor Evers stated “I object to the manner in which it is duplicative of certain existing tax benefits while leaving out important partners in Wisconsin’s apprenticeship system.”

# From NAHB: [Residential Construction Inputs Higher Amid Record Material and Service Prices](https://nahbnow.com/2021/12/residential-construction-inputs-higher-amid-record-material-and-service-prices/)

According to the [latest Producer Price Index (PPI) report](https://www.bls.gov/news.release/ppi.nr0.htm), released by the Bureau of Labor Statistics, the prices of goods used in residential construction excluding energy climbed 1.8% in November (not seasonally adjusted). Meanwhile, the price index of services inputs to residential construction decreased 0.8% in November, continuing a four-month trend during which the index has declined 10.1%.

The PPI for all inputs to residential construction — a weighted average of goods and services, which increased 0.3% in November — has climbed 17.3% over the past 12 months and is 22.7% higher than its pre-pandemic level.

* Specific product breakdowns include:  
  Softwood lumber (seasonally adjusted) increased 6.9% in November and has gained 16.1% since September. The recent trend of mill prices suggests that the softwood lumber PPI is headed for another sizable gain in December. Visit [nahb.org](https://www.nahb.org/news-and-economics/housing-economics/national-statistics/framing-lumber-prices) to see the latest framing lumber prices.
* Steel mill products prices rose 2.4% in November, the smallest monthly increase since May 2021. The last monthly price decrease in steel mill products occurred in August 2020, and the index has climbed 151.4% in the months since.
* Ready-mix concrete (RMC) gained 0.9% in November after increasing 0.1% in October. The index for RMC has risen 8.3% since January 2020 and 6.6% year to date — the largest year-to-date increase in November since 2005.
* Gypsum products declined (-0.2%) for only the second time in 2021. Gypsum products prices have climbed 19.8% over the past 12 months and are up 18.8% in 2021.
* Exterior and interior architectural coatings (i.e., paint) increased 1.5% and 0.2%, respectively, in November. Neither index has declined since January 2021.

Specific service breakdowns include:

* Building materials wholesaling decreased 1.4% in November, and building materials retailing declined 1.6%. The wholesale and retail services indices measure changes in the nominal gross margins for goods sold by retailers and wholesalers. Gross profit margins of retailers, in dollar terms, have declined 22.1% since reaching an all-time high in June 2021, but remain 33.4% higher than the January 2020 level.
* The prices of legal, architectural and engineering services rose 0.3%, 0.3% and 0.2%, respectively, in November. Although the year-to-date increase in prices of professional services used in residential construction are quite modest compared to that of materials, prices have increased more in 2021 than they had by November 2020.
* Metal treatment services increased 0.7%, on average, in November. The services used to calculate the inputs to residential construction include plating and polishing, coating and allied services, and heat treating. Metal coating and allied services have increased the most — 14.1% (not seasonally adjusted) — since the start of 2021.

David Logan, NAHB director of tax and trade policy analysis, provides more in [this Eye on Housing post](https://eyeonhousing.org/2021/12/paint-steel-and-services-prices-set-records-drive-ppi-for-residential-construction-inputs-higher/).