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An Official E-Newsletter of AIA Ohio - *Spring 2013*



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Presidents Message
Mike Schuster, FAIA

Nobody Ever Reads These Things, But. . .

Once in a while we all feel like the only thing we have time to read is a headline. We convince ourselves that we got the message from those 3-7 words. It's kind of like architecture. We see the pictures of a building in a magazine or at a "design" presentation and we are convinced that "we get it". We move on with our judgment of the work even though we have never been in the space or experienced how a user moves through and around the architecture. Not that we can't have an opinion of the work from afar, but we know that the real power of great architecture is only understood first hand.



But, in this digital age and with in-your-face media surrounding us every minute of every day, sometimes that is all we ever experience of someone's work. **We rush through our understanding of many things with quick, superficial acknowledgment. 3-7 words. 3-7 photos.**

What we as architects do is complicated, very complicated. It requires 5-6, (or more for some of us), years of undergraduate/graduate education. Follow that with several years of internship before you can even take the registration exam, (ARE) and you are still learning that you don't know all you need to know to design and detail a building. They say that unlike many other vocations, architects are just hitting their stride when they are 50, (so there is hope).

So when we consider the current state of the ARE, and IDP and we criticize the process and the complexity of the process we need to understand that we are in a complicated profession and the intentions of NCARB and the state licensing boards are understandable. Understandable, yes, but still maybe a bit too complicated even for our complicated profession.

Recently, I had the great fortune of talking at length with Ron Blich FAIA, president of NCARB. During our discussion, we both acknowledged that the ARE process, while being currently delivered with the best intentions, is in need of renewal. **He gets it!** He explained that there is a great deal of



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**Transitions: *Architecture in a
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conversation about all aspects of the ARE process. From how formal education can be intertwined with the needs of core competencies, to how and when tests are administered. NCARB is also discussing how other countries' models might be studied to see what components from their process can be relevant. These are just a few of the many considerations on the table.

This is all great news. While this will take many years and some big changes, I believe we are moving in the right direction. We need to make the process easier for our future architects. We need to reinforce that undergraduate and graduate education is part and parcel of creating good and competent architects. We need to make the base requirements to even be eligible to sign up for testing simple and straight forward, and not so cumbersome that it takes a NASA Scientist to understand. And most importantly, we need to celebrate and acknowledge the great accomplishment of becoming a registered architect!

What we do is complicated. How we get there doesn't have to be.

. . . and sometimes people read these things.

[Members Urged to Contact their State Representatives NOW!](#)

[AIA Ohio Moves Aggressively to Stop Tax on Architect Services](#)

David W. Field, CAE, Hon. AIA,
Executive Vice President

David Field 2012



Governor Kasich introduced a Budget/Tax proposal (HB 59) the first week of February. It would **extend Ohio's sales tax to architectural services** as well as most other services. It also would implement a permanent personal *income tax cut to 20 percent* over three years and *reduce the state sales tax rate from 5.5 percent to 5 percent*.

In addition, the budget proposes a *deduction of 50 percent of the business income for small businesses* that are categorized as "pass through entities" such as S corporation owners, partners in partnerships, owners of limited liability companies (LLCs) and sole proprietorships earning up to \$750,000. This deduction is capped at \$375,000 annually.

According to the Administration, the tax reductions are designed to make the state more attractive to business development and will be funded in part by a \$2 million surplus, which the state expects to achieve by next July, as well as a proposed 4% Ohio severance tax on horizontal wells.

The governor says he wants to move Ohio away from what he perceives as an overreliance on the income tax and a sales tax system that has fundamental inequities to a restructured tax system "that ... relies less on *income* and more on *consumption* and resource extraction."

Since the introduction of HB 59 AIA Ohio has:

- Surveyed member opinion via e-mail and telephone discussions
- Researched other state's experiences with the sales tax/service tax issues
- Established a coalition with ACEC Ohio
- Carried a joint AIA Ohio/ACEC Ohio letter to Governor Kasich
- Met with his Legislative Director, Matt Carle, as well as

- The Executive Director of the Ohio Republican Party, Matt Borges
- Delivered a joint AIA Ohio/ACEC Ohio letter to Ohio House of Representatives Speaker, Bill Batchelder
- Delivered similar letter to each member of the House Finance and Waysand Means Committees which are vetting the Governor's proposals
- Delivered testimony to the subcommittee hearing the tax proposal
- Called on all AIA Ohio members to contact their state representatives and senators- with current emphasis on their representatives--because that's where the action is now. Senate deliberations will follow House action which is expected after mid April... and
- Provided members with talking points as well as how to reach their individual legislators.

That means that the Governor and every legislator directly involved in this discussion has heard from AIA Ohio; some on several occasions. The important thing now is for as many members as possible to contact their own legislators requesting that they remove from HB 59 the proposed tax on architectural services. For the last three weeks, we've asked members to contact their state representative-and we've made it easy by providing them with direct links to their representative. We've also asked them to complete an on-line questionnaire with the results of their contacts.

Following are our suggested Talking Points:

Competitive Disadvantage: To remain in business during a construction recession Ohio's design professionals have relied upon out-of-state projects for which they've competed with firms from around the country. Only three states - none of them east of the Mississippi - impose a sales tax on an architect's service, so, depending upon how it's implemented, extending Ohio's sales tax to architectural services could put Ohio architects at a 6.5 to 7 percent disadvantage (5 percent state tax plus up to another 1.5 -2 percent county piggyback tax) when competing for future projects. The administration says that the tax would only apply when the design project is to be "enjoyed" within Ohio and that out-of-state architects would have to pay the same tax as Ohio architects. Inasmuch as our state can't seem to collect sales tax from out-of-state Internet retailers, it's hard to believe Ohio would be able to collect the tax from a California firm, a firm in Calcutta... or one in Beijing!

Pyramiding: The *actual disadvantage* could be even *greater* than 7 percent since architects would be paying an additional 7 percent for each subcontract-- to engineers, surveyors, soil testers, interior designers, lawyers, accountants etc.

Border City Firms: Especially hard hit might be architectural firms close to Ohio's borders.

Ohio's Multi-State Firms Could Move Business: Ohio's large multi-state firms understandably could look for ways to do their work through their out-of-state affiliates--driving Ohio jobs to other states.

Costly Tax Collection: Most Ohio firms are small (under 10 person) offices for which administering a complex sales tax would be a daunting task. (Billing, receiving, reporting, record-keeping.)

Ohio Design Community Still in Recession: Ohio's fragile architecture community has yet to emerge from recession. Unemployment is as high as 35 percent. Recently one of Ohio's leading firms, Karlsberger, closed its doors (150 jobs reportedly lost). Architectural firms need more time to recover from this recession.

Other States Experiences: Florida and Connecticut imposed a sales tax on professional services in the 1980s only to end up repealing them because "they were an administrative nightmare." Just a few years ago, Michigan passed a sales tax on these services and repealed it less than 24 hours later due to a huge outcry from the business community.

OFCC Advisory Committee

As you may know, last year the Ohio Facilities Construction Commission (OFCC) established an AIA Ohio/ACEC Ohio Advisory Committee that met with (OFCC) representatives on December 19. The next meeting is scheduled for March 27.

Since the December meeting, Advisory Committee member, Hank Reder, AIA, Cleveland and insurance

adviser, Bob Gavin, have prepared a Memorandum addressing issues that have arisen related to the OFCC A/E Agreement and Exhibits. That Memorandum, along with other subjects will be discussed March 27. If you have subjects you would like included on future Advisory Committee agendas, please send them to me in writing. Future meetings have been scheduled for June 13, September 19 and December 18.

AIA Ohio Honor Awards Submissions Now Being Accepted

Included in this newsletter is the submission information for the following AIA Ohio Honor Awards Programs:

[AIA Ohio Gold Medal Award](#)

[AIA Ohio Gold Medal Firm Award](#)

[AIA Ohio Mentor Award](#)

[AIA Ohio Public Service Award](#)

Please note, the Call for Entries for the AIA Ohio Design Awards will be sent separately, in April. The submission for AIA Ohio Honor Awards is an electronic format. To submit for the AIA Ohio Gold Medal or Gold Medal Firm Award, you will NOT need to request a submission binder.

The AIA Ohio Honor and Design Awards will be recognized on Friday, Sept. 20, at the AIA Ohio Valley Region Honor Awards Reception in Louisville, Kentucky. Award winners and their clients will be invited to attend this event.

Please be aware of the following dates:

June 21, 2013: Submissions for Gold Medal, Public Service and Mentor awards are due at the AIA Ohio office by 5 p.m.

July 12, 2013: AIA Ohio Board meets to vote on finalists for AIA Ohio Gold Medal and AIA Ohio Gold Medal Firm Award, and chooses the winners of the Public Service and Mentor Awards

Sept. 20, 2013: AIA Ohio Valley Region Honor Awards Reception, when the 2013 AIA Ohio Honor Award winners will be recognized.

Questions should be directed to Kate Brunswick at AIA Ohio, kate@assnoffices.com.

Court Rules that BWC Overcharged Thousands of Employers for Premium

On Friday, December 28, 2012, a Cuyahoga County Common Pleas Court ruled that the Ohio Bureau of Workers' Compensation (BWC) overcharged thousands of Ohio employers between 2001 and 2008. The employers that were overcharged were not able to participate in, or were dismissed from Group Rating Programs and it was determined that they paid higher premium to subsidize the lower premium payments for employers that did qualify for Group Rating Programs. The *San Allen* case, filed in 2007, on behalf of a class that includes thousands of Ohio employers, related to a Cleveland based employer that was not permitted in a Group Rating Program.

The Court determined that the BWC violated statutes which mandate the BWC must develop an equitable and fair rating system for employers. The Court ruled that employers that were not permitted into Group Rating Programs paid excessive premiums to the BWC's Insurance Fund in order to subsidize the discounted premiums that Group Rating participants received. The judge relied on testimony from current and former BWC employees. They also used prior testimony from a former Administrator of the BWC to the Ohio House Insurance Committee which indicated "similarly situated employers were paying different premiums for the same product - some far below what their risk represents to the system, others more than their share."

The total damages are still being determined, but preliminarily range from \$800 million to \$2 billion. A final Hearing on the damages is scheduled in mid-March, 2013.

In 2009, the Ohio Legislation enacted House Bill 79 which preserved the Group Rating Program going forward.

AIA Ohio Valley Regional Director Report

Bruce W. Sekanick AIA, OAA

AIA National Board of Directors

In early December, I, along with my new classmates of the Board Class of 2015, attended both the board orientation and, for our first time, the meeting of the National Board of Directors of the AIA. While I thought I was well prepared for the five days that I would spend at Institute, and while my predecessor Chas Schreckenberger AIA, along with our senior Regional Director Martha Tarrant AIA, had provided me with wide ranging advice, I still found myself somehow struggling to keep up. As I sat through session after session, I realized that the Boy Scouts really did get it right; their motto of "be prepared" seemed to be most appropriate to understanding what was going on in the many fast paced discussions we had throughout the week.



While we spent a lot of time getting a crash course in "everything AIA", I was really amazed at how well the new members of the board were able to come together and work with one another and to begin to contribute to the efforts of the board. Coming from every part of the country and beyond, both architect and non-architect alike, the sixteen new members of the board each brought a different background, skill set, and understanding of the issues we face moving forward. What was even more interesting, was that each member brought with them a true interest in making sure that the AIA will be an organization that is focused on advancing members needs and advancing the profession in a meaningful way.

As indicated by our nearly 90 pages of agenda information and reports, the efforts and discussion of the board are wide ranging and bring forth very diverse opinions. It is especially interesting to hear the comments and opinions of the public members of the board, whose view and perspective is sometimes so very different from the way we see ourselves. As you may guess, many of the issues discussed in December revolved around advocacy issues, repositioning and, as an added bonus, the discussion and deliberation of the AIA Gold Medal and Gold Medal Firm awards, all of this layered on top of the board's other duties in overseeing the financial state of the Institute and in developing a vision for moving forward. As you can see, the time spent at the board meetings can only be defined as a combination of visionary planning, education and personal development, topped with a layer of leadership. Combined with collaboration and developing friendships, this strange mix, for some reason, really seems to work well. I look forward to seeing this develop as I continue my work over the next three years on the board.

Martha Tarrant and I both hope to work closely with everyone within the region as well to begin to better focus the definition of "repositioning". For those who will attend the Grassroots program in Washington, you will hear a lot more on the board's efforts. The members of the board firmly believe that this is more than just another re-branding, and as we move forward with each step, we hope to help provide guidance while at the same time, we seek your suggestions and feedback. As we change the way we practice as a profession, it is so very important for us to also change the way we function as an organization, and I do believe that with all of us working together, we really can get there.

Finally, I want to close with two comments. At the beginning of each national meeting, whether board or committee, we start with our compliance statement. It is intended to remind us of our responsibilities and in general, to keep us out of trouble. I hope that in a similar way that, as we finish each meeting, we end each meeting with an advocacy statement that reminds us that advocacy is not just on Legislative Day, The Day at the Statehouse, or Grassroots, but it is an ongoing effort that we work at each day of our professional lives. That also includes our efforts to participate and contribute to the PAC at both the state and federal level. If each of us makes that a personal priority, we will be the profession that defines the path as opposed to one who follows. The second comment is that I would once again like to thank my predecessor Chas Schreckenberger AIA for all his help in preparing me for this year. It is a great opportunity to represent the region and my experience has been so much better through his support. That same thank you is extended to each member of the state and region who worked to elevate the work of the AIA

AIA Ohio Valley Region Convention Journeys to Kentucky in 2013



If you haven't been to [Louisville](#) recently, you're in for a big surprise. Louisville is many things -- original, eclectic, dynamic, and energetic. Within its boundaries you'll find sports, history, nature, art, music, amazing food and of course, great architecture.

The Convention Schedule is drafted and while we've not determined all of the educational offerings, you can get a good feel for what will take place. Go to www.aiaohio.org/convention. Here you'll also find a link to the Convention Call for Presentations. As in years' past, the Convention Committee is seeking presentation submittals for continuing education programs. The convention theme is **"Transitions: Architecture in a Time of Change."** We invite you to share are your knowledge and expertise with your peers!!

Architecture, by its very nature, is a profession of change. From politics, to culture, by technology and contemporary trends, the architects create spaces that speak to and reflect the changing needs of society. Through a focused vision, architects design change.

Within a changing world, the profession itself is not isolated from these internal and external influences. Our evolving roles, changing business practices and the development of new project delivery methods significantly affect the day to day business of design. The need to educate, understand, and implement change within the profession has never been greater. Through paths of Design, Sustainability and Practice, this year's convention will focus on key influences that continue to shape our practices and our profession.

The submission deadline has been extended to March 31, 2013. [Click here](#) for the online submittal form.

The AIA Ohio Valley Region Convention will take place in Louisville, KY, Sept. 19-21, 2013. The convention planning committee began work on this event nearly a year ago, and it is shaping up to be an exciting convention offering education, keynotes on design, tours and networking opportunities.

Deb Kunce, FAIA, has declared her candidacy for AIA National First Vice President/President-elect. Deb has consistently centered her AIA service on strategically planning an AIA future that nurtures emerging professionals, advances our legislative agenda, and promotes the AIA brand which leads to a better world. She is currently serving as a National Vice President, leading a nation-wide initiative to reposition AIA for the future.

Deb leads CORE Planning Strategies, LLC, a facility planning and project



implementation firm located in Indianapolis, Indiana, focused on helping building owners THINK ahead, PLAN for efficiency, and REALIZE their vision when executing design and construction projects.

The election will occur at the AIA National Convention in Denver, Colorado, June 20-22, 2013.

We need your help in reaching AIA Leaders across the nation to ensure they know Deb Kunce, FAIA. Join our region in reaching AIA leaders via social media.



@debkunce



/debkunce (or like her page: Debra S. Kunce, FAIA)



/debkunce

2013 Ohio Safety Congress

The Ohio Safety Congress & Expo is one of the finest occupational safety and health events in the Midwest. The event, scheduled for April 9 - April 11, 2013 at the Greater Columbus Convention Center, will offer dynamic keynote speakers, a variety of educational sessions and displays of occupational safety and health products.

Free registration makes Safety Congress a valuable tool for your injury prevention program.

- Reduce training costs for you and your employees.
- Earn free CEUs for accreditation and BWC discount programs.
- Save on registration fees and out-of-state travel expenses.
- Fewer injuries mean lower workers' compensation costs.
- Choose from 150 educational sessions to help your business save lives and save money.

For more information contact BWC at 1-800-OHIOBWC or visit ohiobwc.com.

The 2013 AIA Ohio Handbook of Architects

The next AIA Ohio Handbook of Architects, to be published in July, 2013, Every individual AIA Ohio member will automatically be listing in the new directory.

The directory will also feature firm profiles of Ohio architectural firms whose principals are members of the AIA. **YOU MUST COMPLETE THIS FORM AND SEND PAYMENT BY APRIL 15, 2013, IN ORDER FOR YOUR FIRM TO BE INCLUDED.**

In order to be listed in the AIA Ohio Handbook, one principal or partner in your firm must be a member and the firm must have an Ohio Certificate of Authority to practice architecture.

The cost to list your firm in the profile is \$50. *If you have additional locations which you would like to be listed in the firm profile section of the AIA Ohio Handbook, please complete a form and submit payment for each location*

The AIA Ohio Handbook is distributed via hard copy to all AIA Ohio members as well as to state legislators. A digital version of the Handbook is also located at www.aiaohio.org, with a search engine for use by the public

and media.

[Click Here to submit your FIRM PROFILE via the online form](#) (This is the only way that Profile Submissions is being accepted)

AIA Ohio

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