

# **Implementing the Future NAHB's Streamlined Governance Structure**

## ***NAHB Chairman Greg Ugalde and First Vice Chairman Dean Mon Answer Your Frequently Asked Questions***

### ***Why did NAHB change the association's governance structure?***

The association leadership decided it was necessary to streamline our governance structure for a variety of reasons.

The changes will:

- Make participating in NAHB's governance process easier and more meaningful to the broadest group of leaders.
- Create a more nimble structure that can address an increasingly changing environment.
- Better utilize NAHB's resources.
- Reduce liability, including the risk of litigation, for individual members and the Association.

### ***How will Delegates be chosen?***

Leadership Council Delegates will be nominated and elected using the same process that NAHB used for nominating Directors to the previous NAHB Board of Directors.

Nominations of Delegates to the Leadership Council will be forwarded to NAHB by State and Local Executive Officers and will be reviewed and voted on annually by the members at the NAHB Meeting of the Members.

### ***Is there a role for Alternate Delegates?***

The continuity of Delegates participating in Leadership Meetings is important to the success of the Leadership Council. Delegates need to be informed on the issues and policy requirements of the industry and the Association. This being the case, the Bylaws do not provide for Alternate Delegates.

### ***What are the attendance requirements for Delegates serving on the NAHB Leadership Council?***

Delegates are required to attend two of the three scheduled Leadership Council Meetings each year. Should a Delegate have a significant health issue or business consideration which may prevent participating in two meetings, the Delegate can seek an excused absence from the NAHB Third Vice Chairman.

***What happens to Senior Life and Life Directors?***

The Association will continue to recognize the significant contributions of our member leadership. All Senior Life and Life Directors will become Senior Life and Life Delegates. Additionally, all those in the process of attaining Life and Senior Life status will receive equal credit toward Life and Senior Life Delegate status.

We look forward to welcoming more of our committed member leaders to this status in the future.

***What are the meeting attendance requirements for Senior Life Delegates?***

A Life Delegate who has attended two meetings per year for 10 consecutive years will be recognized as a Senior Life Delegate. In recognition of this significant accomplishment, Senior Life Delegates will be awarded permanent voting rights with no continuing attendance requirements.

***How are State HBAs represented on the Leadership Council?***

Each Affiliated State Association may nominate one Delegate to the Leadership Council if it meets the following criteria:

- The State Association has a membership of 100 hundred or more builder members who are members of Affiliated Local Associations.
- There are three or more Affiliated Local Associations within the state HBA's boundaries.
- The State Association maintains an office.

In addition, any State HBA with 50 or more at-large builder members can nominate an additional Delegate to the Leadership Council. However, in no case will a State HBA be provided more than two Delegates.

***Can an Associate member serve as a State HBA Delegate?***

If the Bylaws of the State Association allow for it, a State Association may nominate an Associate Member to serve as one of the up to two possible State Delegates.

***Are HBAs required to nominate their authorized number of Delegates?***

No HBA is required to nominate their authorized number of Delegates. However, Delegates are the leaders who provide the Association direction on priorities and make policy decisions. This being the case, all HBAs are encouraged to nominate members to serve in this key leadership role.

***Why should Delegates attend the Leadership Council Meetings if their votes do not count?***

The Leadership Council provides essential policy direction for NAHB. The votes Delegates cast at Leadership Council meetings are extremely important because they establish NAHB's priorities. Active participation by Delegates is required to ensure that the Association truly reflects the priorities of NAHB's grassroots membership.

***If there are no builders willing to serve as a Delegate, can an Associate be nominated?***

Though the bylaws do provide for Associate Delegate positions, an Associate cannot be nominated to fill a position designated as a Builder Member position.

***Who elects the Directors to the Board?***

The Directors are elected by the Leadership Council. Beginning in 2020, the Board will be comprised of the following:

- NAHB Officers
- National Area Chairs
- Two National Associate Chairs
- State Representatives
- Special State Directors representing states with large numbers of members
- Past Chairs serving in ex-officio status

***How does the Special State Director allocation work? Are two available?***

When a state has a total of 7,000 or more Builder and Associate members, it will have the opportunity to select an additional Special State Voting Member to serve on the Board of Directors. States with 11,000 or more members may select two Special Voting Members.

It is important to note that a state with a member serving as a National Area Chairman will be allowed only one Special Voting Member, even if the state has a membership of 11,000 builder and associate members. A state may not have more than two total positions between Special State Voting Members and the National Area Chairs.

***How do Committee and Council Chairs participate in NAHB's Governance process?***

The Committee and Council Chairs report to the NAHB Leadership Council, which will rely on these leaders to provide insight and guidance on NAHB's policy priorities.

Periodically, the NAHB Board may address a business effort that would benefit from the insights of one or more of these leaders. When this is the case, these Chairs will be invited to attend and participate in a Board of Directors Meeting. This may include any of the NAHB Committees and Councils from the Membership Committee to the Executive Officers Council.

***In the new governance structure, when does the Executive Board meet?***

In the new governance structure there is no longer an Executive Board. The Leadership Council is charged with making the Association's policy-related decisions. It has oversight of the Committees and Councils and will provide direction to the NAHB Board of Directors.

The Board of Directors will generally convene following the Leadership Council as this will provide the Directors the opportunity to review and act upon the direction provided to the Board by the Delegates of the Leadership Council.

***I was nominated by my local as a National Director. What does this mean to me?***

It is likely you were nominated by your local to serve as a National Delegate. We are all still adjusting to the revised terms and different titles used in the new governance structure. However, local nominations will generally focus on Delegates to the Leadership Council from this point forward.

If you are questioning whether you are serving on either the Leadership Council or Board this year, please feel free to reach out to the NAHB Secretary's office ([SecretarysOffice@nahb.org](mailto:SecretarysOffice@nahb.org)) to validate your position. As a reminder, please include your full name, your HBA and, if you have it, your NAHB Membership Number/PIN.

***What if I have additional questions?***

Throughout this transition, Dean Mon will be providing the membership with regular updates. However, if you have a question, you don't have to wait for the next meeting or webcast. Forward any questions or concerns via email to [boardtopics@nahb.org](mailto:boardtopics@nahb.org).