PEER STATE BENCHMARKING

Executive Summary

Peer state benchmarking was the third of four evidence streams in the current state analysis. Between May and June 2026, structured interviews were conducted with the chief executives of five peer state home builders associations: Craig Toalson of the Home Builders Association of Virginia, Rick Wajda of the Indiana Builders Association, Anetha Sanford of the Home Builders Association of Kentucky, Brad Boycks of the Wisconsin Builders Association, and Greg Lane of the Building Industry Association of Washington. Each interview followed a common guide covering membership, revenue, governance, staffing, advocacy, technology, and the state-local relationship. A Form 990 comparison across those five states and the PBA completes the stream. Where the member survey measures what PBA's members value and the EO focus groups reach the local relationship, this stream answers a question neither can: what does a comparable state association's operating model look like when it is working, and which of PBA's differences from that model are circumstances rather than choices? Findings include:

Five executives interviewed independently converged on several operating principles. Operating in different markets and political environments, they described structurally similar priorities: a lean professional staff; leadership authority concentrated in a smaller decision body; advocacy as the core identity; non-dues revenue developed deliberately; selective outsourcing; and a meaningful state role in supporting locals. Virginia and Indiana go further by building their smaller decision bodies around guaranteed local representation. Where the peers diverge—particularly in executive role design, outsourcing, and revenue mechanics—the differences identify choices for PBA rather than a single prescribed model.

The most consequential differences sort into structural givens or strategic choices. BIA of Washington's unusually large non-dues engine rests on a state-monopoly workers' compensation system Pennsylvania does not have, while Kentucky's self-insured fund was built over decades. Neither can be imported. Board size, advocacy staffing, outsourcing, how access is priced, and the deliberateness of dues dependence are choices available to any state association. BIA of Washington should be read as aspirational and as a source of guiding philosophy, not as a template; Virginia offers several more directly transferable strategic choices.

Governance reform is the strongest area of convergence. Virginia and Indiana formally shifted substantial authority from very large boards to smaller decision bodies, while Wisconsin restructured its governance, capped its board size, and strengthened a ten-member executive committee after finding board reduction politically impossible. Kentucky is considering board-size changes and already relies on its senior officers and executive committee for most

association decisions. Washington has not made the same formal reform; Lane described its 130- to 150-member board as difficult to engage and relies more heavily on the executive committee and officers for ongoing decisions.

Advocacy's core is settled; the staffing model is not. All five named advocacy as a central state-level function, echoing both PBA's member survey and its local executive officers. Among the leaner peer models most relevant to PBA's executive-role decision, Virginia separates the CEO from the chief-lobbyist seat, while Wisconsin and Indiana combine the roles into one executive position. Kentucky relies on a contract lobbyist while rebuilding in-house government-affairs capacity, and Washington combines a much larger in-house team with supplemental contract lobbyists.

Non-dues revenue is a deliberate strategic issue, but the reasons for diversification differ. Wisconsin explicitly identified the risk of relying on revenue tied to local recruitment the state does not control; Washington does not view dues as a viable source of operating growth; and Indiana has historically accepted higher dues dependence in part to avoid competing with local associations. Membership trajectories also vary: Wisconsin reported two consecutive years of growth; Virginia, Indiana, and Washington described stable or stagnant membership; and Kentucky reported fewer members than five years ago but recent stability. PBA is the only association in the interviewed set reporting continued year-over-year contraction.

Lean staffing is common, but outsourcing practices vary. Outside Washington, the peers operate with three and a half to five staff positions. Virginia outsources bookkeeping, IT, and communications; Kentucky outsources some financial work and its general counsel and uses a contract lobbyist; Wisconsin outsources HR and would outsource accounting if its part-time accountant retires; Indiana reported no outsourced functions; and Washington, at a much larger scale, reported outsourcing only supplementary lobbying. No peer described delegating overall association management to an association management company (AMC). PBA has already adopted a comparatively extensive selective-outsourcing model through the Boyer and Ritter engagement, though it arrived there reactively through the bookkeeper's recent departure.

Support for locals is a recurring theme across the peer set. Washington, Wisconsin, Kentucky, and Virginia explicitly described practices or priorities centered on supporting locals. Indiana's operating model reflects a similar local-protective instinct through its decision not to compete with local events and a dues mechanism that lets locals retain membership-growth upside. Lane emphasized that professional EO capacity materially affects the service and engagement a small local can provide. Toalson named the adjacent problem: local executive officers are often the least experienced people in association management and the most thinly spread. In his ideal scenario, locals would be chapters and their EOs would be employees of the state or national association, with benefits and consistent back-office support.

The Form 990 comparison is instructive. PBA's dues concentration is unremarkable, but excluding investment income, its association-level operating revenue covered only about 76% of annual expenses in 2024—the lowest coverage among the interviewed peers. At the same time, PBA holds substantial reserves, giving it financial capacity to address the imbalance deliberately rather than reactively.

How to read these findings

Five interviews, one executive each. The stream reports what five chief executives said about their own organizations. Membership counts, revenue mixes, staffing, and program results are as reported by each executive, and outcome characterizations such as "it's been very successful" are self-assessments. Where a figure could be checked against a public filing, it was. Most could not be, and none were audited for this engagement.

Understanding model convergence and divergence. This part is deliberately not five case studies. The value of the interviews lies less in any single state's practices than in the pattern across them: five executives interviewed independently, operating in different markets, described several similar priorities. Where they converged, that convergence is noted. Where they diverged, the divergence identifies a design choice rather than a single prescribed model.

Not all peers carry equal weight. Virginia, Indiana, and Kentucky operate under constraints closest to PBA's and should anchor any discussion of what a practice would look like in Pennsylvania. Wisconsin is comparable with caveats, and Washington is aspirational and structurally non-replicable. Section 1 defines these tiers, and every finding below should be read through them.

Attribution is by name. Unlike the local executive officer focus groups, which carried a confidentiality commitment, these interviews were conducted on the record as professional peer exchanges, and the executives are named. Throughout this part, each executive is named on first mention and referred to by surname thereafter, and each association is referred to by its state.

The financial comparisons are cross-sectional and based on Form 990 data. Section 2a places PBA among its peers on scale, revenue structure, operating coverage, cost structure, and reserve position; Section 2b separately compares reported CEO compensation. Single-year figures should not be read as trends, presentation varies by filer, and program economics carried in related entities may not appear in the association-level financial comparison.

1. Design, Participation, and What the Stream Can Establish

The five states were selected for structural comparability rather than proximity or familiarity: HBAs of similar membership scale in Virginia, Indiana, Kentucky, and Wisconsin, plus one deliberately aspirational outlier in Washington, included to show what the same model looks like at maximal resourcing. Each interview ran against a common guide covering industry trends, membership trajectories, operational challenges, member programs, revenue mix, board structure, staffing and outsourcing, advocacy structure, technology systems, and counsel for PBA. Interviews concluded in June. Table 1 summarizes the peer set.

Table 1. The peer set at a glance

Association	Executive	Members	Locals	Staff	*Estimated* Dues share of revenue	Tier
Virginia	Craig Toalson, CEO	2,800 to 3,000	14	5	34% of a $1.6M budget	1
Indiana	Rick Wajda, CEO	2,500 to 2,700 (770 builders)	20	4 plus session intern	60%	1
Kentucky	Anetha Sanford, EO	4,000 (600 builders)	18	4 positions, 2 open	28%	1
Wisconsin	Brad Boycks, ED	4,000 (1,000 builders)	20	3.5	50%	2
Washington	Greg Lane, EVP	8,000 (see Note 1)	14	roughly 20	10%	3
PBA (reference)		3,392 B&A (Feb 2026)	27	4	48% (2024 Form 990)*	

*Source: Interview record, May and June 2026; figures are as reported by each executive unless otherwise noted. Dues share is each executive's own budget-based characterization and does not correspond to the Form 990 ratio in Table 2; see Section 2a. Virginia's figure counts local association dues only (Note 2). PBA row from the February 2026 membership list, current staffing, and the 2024 Form 990. *PBA dues share uses total Form 990 revenue, including investment income.*

Comparability tiers. Not all five peers carry equal evidentiary weight for PBA decisions, and the Executive Committee should weigh the input in three tiers.

Tier 1, most analogous: Virginia, Indiana, Kentucky. Similar membership scale, similar dues revenue of roughly $500,000 to $700,000 per the financial comparison, lean staffs of four to five, and 14 to 20 locals. They made their decisions under constraints closest to PBA's.

Tier 2, comparable with caveats: Wisconsin. Similar membership scale and a strong advocacy identity, but a notably smaller budget and an executive director who doubles as chief lobbyist, a configuration with direct lessons, positive and cautionary, for PBA's leadership design.

Tier 3, aspirational and structurally non-replicable: Washington State. An eight-figure net-asset base supported by programs and a regulatory environment Pennsylvania does not have. Washington is included for aspirational elements, philosophy, and revenue diversification. Any comparison presented without this label invites the legitimate objection that Pennsylvania is not Washington, and risks discrediting the comparisons that do hold.

Structural givens cannot be borrowed; strategic choices can. *Structural givens* are conditions a state association cannot choose. Washington's non-dues engine exists because the state runs a workers' compensation system that permits association-run retrospective rating programs, a regulatory artifact unavailable in Pennsylvania. Kentucky's self-insured workers' compensation fund was built over decades and now returns more revenue than dues. Seattle's market density supports the second-largest local association in the country. None of these can be imported.

Strategic choices are decisions any state association can make regardless of its structural position: how large its board is and where authority sits, how it staffs advocacy, what it outsources, how it prices access to its programs, how it shares revenue and responsibility with locals, and how deliberately it approaches dues dependence. These are dimensions on which PBA has meaningful agency, even though the peers may make different choices within them.

PBA holds a structural given of its own. The workers' compensation program through BSI is a decades-built asset analogous in some respects to Kentucky's "golden handcuffs," and its dividend income has materially supported members and locals. The exposure is concentration: one engine, carried in a subsidiary, with its economics invisible to most members.

What this stream establishes that the others cannot. The survey and the focus groups describe PBA from inside its own federation. Within this selected peer set, PBA's sustained year-over-year contraction is unusual rather than universal. Indiana is the only peer whose long-arc trajectory resembles Pennsylvania's, falling from more than 7,000 member companies before the housing recession to just above 2,000 at the trough and then holding between 2,500 and 2,700 for several years. Virginia and Washington described long-running stability; Kentucky reported a five-year decline followed by recent stability; and Wisconsin has grown for two consecutive years. PBA, by contrast, has continued to lose members at an average of 4% year over year. The financial comparison identifies a second distinction: PBA's 2024 association-level revenue excluding investment income covered a materially smaller share of expenses than the interviewed peers.

2a. The Form 990 Comparison: Where PBA Sits

The Form 990 comparison places PBA alongside the five interviewed peer associations on financial scale, revenue structure, operating coverage, staffing cost, and reserves. The comparison is cross-sectional and based on each association's 2024 filing (Note 3); it should not be read as a trend analysis or as a consolidated picture of affiliated entities. Its value is narrower but important: it shows how the association-level operating model compares with organizations facing similar federation responsibilities.

Table 2. Financial positioning: PBA and interviewed peer states

Source: 2024 Form 990 association-level filings; calculations by TRANSiT Strategy & Analytics

Metric	PBA	Virginia	Indiana	Kentucky	Wisconsin	Washington
Total revenue	**$1.41M**	$1.39M	$1.77M	$1.18M	$0.82M	$2.09M
Total expenses	**$1.24M**	$1.23M	$1.03M	$1.13M	$0.78M	$1.75M
Investment income as % of revenue	**33.6%**	9.5%	45.7%	7.1%	4.1%	15.3%
Operating coverage[1]	**0.76x**	1.03x	0.93x	0.97x	1.01x	1.01x
Dues concentration	**47.6%**	50.2%	39.2%	43.4%	63.0%	33.1%
Staff compensation / expenses	**58.8%**	54.2%	63.6%	43.0%	63.2%	54.5%
Reserve runway[2]	**4.51x**	1.81x	3.30x	2.44x	1.96x	6.97x

[1] Revenue excluding investment income ÷ total expenses.

[2] Net assets ÷ annual expenses.

PBA is not unusually dependent on dues. Its dependence on investment income is more consequential. Membership dues represent 48% of PBA's total reported revenue, placing it near the middle of the peer group. Virginia derives 50% of revenue from dues and Wisconsin 63%, while Indiana, Kentucky, and Washington report lower concentrations. On dues alone, PBA does not stand out.

The picture changes when investment income is separated from operating revenue. PBA generated approximately $934,000 in revenue excluding investment income against $1.24 million in expenses in 2024—an operating coverage ratio of 0.76. Put differently, the association generated roughly 76 cents of non-investment revenue for every dollar it spent. The resulting gap was approximately $301,000 before investment income. No other interviewed peer showed an association-level gap of comparable magnitude: operating coverage ranged from 0.93 in Indiana to slightly above 1.0 in Virginia, Wisconsin, and Washington.

Virginia provides a useful comparison. The two associations are nearly identical in reported scale: PBA recorded $1.41 million in total revenue and $1.24 million in expenses, compared with Virginia at $1.39 million and $1.23 million. Their dues revenue is also similar. The difference lies in revenue composition. Virginia generated approximately $1.26 million before investment income, enough to cover its expenses, while PBA generated approximately $934,000. The comparison suggests that PBA's financial challenge is less about the organization's size or its dues rate than about the non-investment revenue supporting that scale.

Indiana illustrates why the distinction matters. Its 2024 filing reports $1.77 million in total revenue and the lowest dues concentration among the more comparable peers, but more than $806,000 of that revenue came from investment income. Excluding investment income, Indiana's operating coverage falls to 0.93. A single-year dues-to-total-revenue ratio can therefore make an organization appear more diversified than its underlying operating revenue would suggest.

PBA's cost structure does not appear anomalous within the peer set. Salaries, compensation, and benefits represent 59% of PBA's expenses, compared with a peer range of approximately 43% to 64%. PBA is below Indiana and Wisconsin on this measure and reasonably close to Virginia and Washington. The 990 comparison therefore does not, by itself, support a conclusion that PBA's operating gap is primarily a staffing-cost problem.

The balance sheet provides PBA with significant capacity. Net assets equal approximately 4.5 years of annual association expenses, second only to Washington among the interviewed peers and well above Virginia, Kentucky, and Wisconsin. This is an important strength: PBA is not confronting its operating-model questions from a position of immediate financial distress. At the same time, a strong balance sheet can sustain an operating imbalance for a considerable period without resolving it. Reserves provide time and capacity to make strategic choices; they are not a substitute for a sustainable recurring-revenue model.

These findings should be interpreted with an important limitation. Form 990 presentation varies across associations, and significant program economics may sit in related organizations rather than the association entity itself. Kentucky's workers' compensation fund, Washington's program infrastructure, and PBA's affiliated operations are not fully captured by a single-entity comparison. The ratios therefore should be read as indicators of association-level financial structure rather than consolidated measures of organizational strength.

What this means for PBA. The peer comparison shifts the financial question. PBA does not principally stand out because too much of its revenue comes from dues, nor because its staffing costs are unusually high. It stands out because a comparatively large share of its annual association revenue comes from investments rather than recurring operations. PBA also

possesses the reserves to address that issue deliberately rather than reactively. The strategic challenge is to use that capacity to strengthen recurring revenue and operating coverage while protecting the advocacy and local-support functions the other evidence streams identify as central to the association's value.

2b. CEO Compensation Comparison: Where PBA Sits

CEO compensation varies considerably across the peer set, reflecting differences in organizational scale and executive role design. Total reported CEO compensation ranges from approximately $200,000 in Kentucky to $371,000 in Washington and Indiana. PBA reported total CEO compensation of approximately $207,000, the second-lowest among the six associations and about 16% below the peer median of approximately $246,000.

Table 3. CEO compensation: PBA and interviewed peer states
Source: 2024 Form 990 association-level filings; calculations by TRANSiT Strategy & Analytics (Note 4)

State HBA	Reportable compensation	Other compensation	Total CEO compensation
Washington	$341,647	$28,993	**$370,640**
Indiana	$315,180	$55,292	**$370,472**
Wisconsin	$225,061	$33,352	**$258,413**
Virginia	$185,500	$47,805	**$233,305**
PBA	**$171,251**	**$35,901**	**$207,152**
Kentucky	$170,454	$29,199	**$199,653**

The figures should not be interpreted as a simple salary ranking. Executive responsibilities vary materially across the peer group. Indiana and Wisconsin combine the chief executive and chief lobbyist roles, while Virginia maintains a separate chief lobbyist and Washington operates with a substantially larger staff and program infrastructure. Kentucky relies on a contract lobbyist while rebuilding internal government-affairs capacity.

Virginia provides the most useful comparison for PBA. The two associations operate at nearly identical financial scale, with approximately $1.4 million in annual revenue and $1.2 million in expenses, and both separate the chief executive role from the chief-lobbyist function. Virginia reported approximately $233,000 in total CEO compensation in 2024, compared with approximately $207,000 for PBA—a difference of roughly $26,000/year.

What this means for PBA. The peer data do not establish a single market rate for PBA's next executive, but they suggest that current PBA compensation sits toward the lower end of the peer range. As the association defines the scope of its next executive position, compensation should be evaluated alongside the responsibilities assigned to the role—particularly organizational leadership, revenue development, local-association support, and whether direct lobbying responsibility is included.

3. Governance: Smaller Boards, Empowered Executive Committees

Three peers have formally restructured oversized boards, while Kentucky is actively considering changes. Virginia eliminated its large board outright this year, going from nearly 100 directors to a 26-member board on which every local holds a seat. Indiana's reorganization gave a 30- to 35-member executive committee, composed primarily of local representatives rather than presidential appointees, the power to pass the budget and set policy, with the full board meeting twice a year (Note 5). Wisconsin reached a similar shift in working authority by a different route: Boycks found it politically impossible to shrink the board, so he worked to cap its size, impose attendance-based voting rights, and rebuild a ten-member executive committee of senior officers with year-round decision authority. Kentucky, with a board of over 100 including past presidents and life directors, is examining board size, moving one of its three required in-person meetings to virtual, and relocating policy out of its bylaws; its senior officers and executive committee already can make the majority of association decisions.

The rationale was practical rather than theoretical. In Indiana, the large board had become, in Wajda's words, unwieldy and perfunctory, while real decision-making had migrated to a smaller group. Toalson said plainly that Virginia's executive committee was already doing the full board's work, so the board was reformed to match where the work actually sat. Wisconsin likewise strengthened its executive committee after concluding that shrinking the larger board was politically infeasible. Washington has not formalized a comparable board reform: Lane described a board that turns over 25% to 30% yearly and is difficult to engage regularly, while the executive committee and six officers handle much of the ongoing oversight and decision-making.

> *"We learned that our executive committee was doing all the board's work... We've gone from nearly 100 to 26. Every local association has a rep on that board."* **Craig Toalson, Virginia**
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> *"The day-to-day operations are carried out by the staff... The board and leadership should focus on the organization's strategic positioning."* **Rick Wajda, Indiana**

In Virginia and Indiana, the reforms survived by expanding local representation, not reducing it. Virginia's change came in two stages: the executive committee was first expanded in 2018 so that every local held a seat, and the large board was eliminated in 2026 once the smaller body had proven itself. Indiana guarantees an automatic seat to every local with 100 or more members, and each local names its own representative. The president fills five further seats, three of which are reserved for locals too small to qualify on their own. That leaves the president with two discretionary picks on a committee of 30 to 35, most of whom he previously appointed. In both cases, the smaller body is more representative of the locals than the sprawling board it replaced, which is the political mechanism that made the change passable.

Discipline and strategy support governance changes. Wajda described a board that stays at the level of strategic positioning, lets staff run day-to-day operations, and treats that division as the point of the reform rather than a byproduct. Toalson's counsel ran in the same direction from the board's side: a governance structure should be set up to support the staff, give it room to take calculated risks, and stand behind it when a risk is taken. Kentucky's meeting reform is the small, concrete version of the same instinct. Of the three meetings Kentucky's bylaws require, Sanford has moved one to virtual, leaving two in person, after concluding that members "kind of want to get in, do the business. network a little bit, and then get back to their business."

What this means for PBA. Governance is a clear area of peer convergence, but there is no single prescribed model. Virginia, Indiana, and Wisconsin have formally shifted more working authority to smaller bodies, while Kentucky is considering additional reform and already relies heavily on its senior officers and executive committee. Two observations from the other streams sharpen the point. PBA's own local executive officers, across nearly six hours of facilitated conversation, raised meeting redundancy and travel burden without once connecting either to board structure itself. And PBA's directors are the segment of the membership most critical of the organization's direction. The peer set supplies a potential diagnosis PBA's own stakeholders circled without naming, and Virginia and Indiana provide two recent examples close to PBA's size.

4. Advocacy: A Shared Core Function, Different Staffing Models

All five executives named advocacy as the state association's central function. This matches PBA's own member survey, where advocacy topped the value rankings, and the local focus groups, where every tier named government affairs as PBA's strongest offering. No peer hedged. What divides them is how the function is staffed, and Table 4 sets the five configurations side by side.

Table 4. Advocacy capacity across the interviewed peer set

State	Chief lobbyist	Advocacy staffing	Outside lobbyists	Member engagement infrastructure
Virginia	VP of Government Affairs	2 in-house lobbyists; CEO not in the lobbyist seat	Dropped; episodic session help if needed	Day on the Hill; local visit targets; council briefings
Indiana	The CEO	CEO plus governmental affairs director plus session intern	Used once or twice in 20 years	VoterVoice; legislative preview days at locals; Cloverleaf local-government tracking
Kentucky	Contract lobbyist	Contract lobbyist plus the EO; GA staff position being filled	Yes (primary)	Weekly session newsletter; two code task force seats
Wisconsin	The Executive Director	Executive Director as lobbyist; advocacy group open to any member	Episodic (NAHB grant); contingency for a legislature flip	VoterVoice; biennial lobby day; monthly video updates; local GA groups feed issues up
Washington	In-house team	4 in-house GA staff plus 3 contract lobbyists; research center; 2 staff attorneys	Yes (3, supplementary)	Weekly session calls; Hill Day; remote testimony sign-ins

Source: Interview record, May and June 2026, as reported by each executive.

Virginia's move away from a contract lobbyist was a considered reversal, not a cost cut. Toalson's account is specific: their contract lobbyist was expensive, relationship-protective in ways that limited how hard he would push, unable to engage the technical substance of the issues, confined to legislation rather than regulation, and absent from member contact for the

nine months a year the legislature was not in session. Two in-house lobbyists replaced him under a VP of Government Affairs who serves as chief lobbyist. Toalson named the two conditions that made the change defensible: strong reserves and the ability to go to the board for an unbudgeted expense and buy outside help for a specific session crunch rather than carrying it year-round.

Among the leaner peers, the lobbyist-executive model works for some and not for others. Wisconsin passed all seven of its priority bills last session with the executive director serving as lobbyist. Indiana has used outside lobbying help once or twice in twenty years. Neither executive expressed regret about the combined role. Toalson, who keeps himself out of that seat by design, was direct about why: a chief executive who is at the statehouse from 7 a.m. to 8 p.m. for sixty days a year cannot simultaneously run the association, support the locals, and grow the programs. Kentucky illustrates another lean model, relying on a contract lobbyist while filling an in-house government-affairs position. The interviews therefore support more than one workable advocacy staffing architecture.

> *"What I've learned is that I cannot be the chief lobbyist and the CEO... I cannot be at our State House every day for 60 days out of the year from 7 a.m. to 8 p.m. and effectively run the association."* **Craig Toalson, Virginia**

Two executives described members who value advocacy but will not participate in it. Toalson put it plainly: Virginia's members are grateful for the advocacy work and do not want to engage in it, though they engage readily with workforce development. Wajda named a narrower version: national builders active in several Indiana markets who care about government affairs but remain unplugged. Neither treated this as a member failing that needed correcting. Virginia instead routed the disengaged toward workforce development, where they were already willing to show up, and built a low-time-commitment advocacy product for its largest builders.

> *"Some members are very grateful for the advocacy work we do... but they don't like to engage in it. But they do like to engage in workforce development programs."* **Craig Toalson, Virginia**

The design question for PBA is leadership architecture, not whether advocacy is the core. The peer set, PBA's own members, and its local executive officers all name advocacy first, so the core needs no further validation; instead, the peer evidence speaks to the executive profile. PBA already holds in-house advocacy depth in a chief lobbyist and a governmental affairs professional. That means the peer evidence does not, by itself, require the next executive to duplicate lobbying capacity; it supports evaluating organizational leadership alongside advocacy credentials.

5. Revenue Design: Non-Dues Programs and Dues Mechanics

Every peer treats non-dues programming as both a member-value proposition and a revenue strategy. The difference is scale. In Washington State and Kentucky the program is structural: non-dues revenue funds roughly 90% of Washington's operations, led by its retrospective rating and health programs and supplemented by a legal contract subscription service, a certified builder program, sponsorships, and rent from half the building it owns; Kentucky's self-insured workers' compensation fund returns more than dues and enrolls nearly half the membership, its existing association health plan is being converted to self-funded, and a property and casualty program has just been added. In Wisconsin and Virginia, the program is supplemental: Wisconsin's health and business insurance partnerships share revenue with locals, and a sponsorship program built in 2019 now generates $40,000 to $50,000 annually, while Virginia's affinity and rebate portfolio produces $5,000 to $10,000 per program.

Virginia's Volume Builders Council is the most transferable revenue tactic for PBA to consider. In 2018, Virginia discovered that its largest builders, members on paper and invisible in practice, had hired their own contract lobbyist in Richmond and were shadowing the association's work. Rather than treat this as a threat, Virginia built a council for builders producing 100 or more homes a year: direct access to the advocacy operation, peers in the room, and a time commitment of two four-hour meetings annually. The council now generates roughly $200,000 in annual assessments, and the model has been extended to a Multifamily Housing Council producing another $100,000. The binding constraint in forming it, Toalson emphasized, was never money. It was time.

> *"The amount of money they're spending on these people, they could give us a quarter of that, and we could do so much more!"* **Craig Toalson, Virginia, on large builders' independent lobbying spend**

Toalson also offered the sharpest framing of program economics in the interviews. Members never seek out the rebate and affinity programs; they stumble on them. What members actively seek out is a code fight, a permit denial, or a zoning decision that threatens a project. Virginia's discipline follows from that distinction: programs members want are treated as a revenue strategy and priced accordingly, and programs members stumble into are funded as benefits rather than budgeted as engines.

Two peers draw an explicit boundary against competing with their own locals. Virginia runs a state conference and a one-and-a-half-day industry summit and nothing smaller. Toalson's formulation is the cleanest statement of the principle in the dataset: "We are in the event business, but not in the small event business. Our locals do small events really well, and we don't need to compete with that." Indiana runs no trade show at all for the same reason, protecting

local income at the cost of its own diversification, and presents that as a deliberate trade rather than a lag. The boundary is not a constraint the peers resent; it is a design rule they apply on purpose, and it determines where they look for revenue. This matters for PBA because the same boundary exists in Pennsylvania but is heavily influenced by the locals rather than driven by the state, which is a harder condition to plan around.

Dues mechanics are a design variable even where dues dependence persists. Indiana reports the highest dues reliance of the five and still re-engineered how dues work, replacing the per-capita NAHB model with a flat three-year franchise fee charged to each local. Locals keep all growth upside, and the state gets three years of budget predictability. Indiana also built partnered non-dues revenue that reinforces its strength rather than competing with it: by contracting with the Indiana Construction Roundtable Foundation to provide legislative representation and aligning workforce development with its advocacy operation instead of standing up a parallel program.

Lane makes the most far-reaching argument in the dataset. Washington State has not raised dues since 1989, holds them at $90, and does not regard them as a viable way to fund operations. Lane's argument, however, is not that dues should be low but that the federation's membership and payment model is obsolete: corporate memberships that let more employees of a member firm count as members, monthly subscription billing rather than an annual renewal chase, and a centralized payment system managed at the national level with revenue flowing down. He named as a specific pain point the difficulty of managing multiple memberships when one company belongs to several local associations, and suggested that some national brands would be better served by a single national membership conferring automatic membership in every local. That is the peer-side description of the exact mechanism PBA's mid-size executive officers identified as an active driver of non-renewal, where firms bordering two locals drop one or all rather than pay duplicate state and national dues. The duplicate-membership problem is structural to the federation, not particular to Pennsylvania.

> *"When 50% of income is driven off members, and you don't directly recruit, you're just wishing and hoping your partners do a good job... You don't have much control over 50% of your income."* **Brad Boycks, Wisconsin**

Where this leaves PBA. All five peers devote deliberate attention to non-dues revenue, but they do not share a single dues-reduction rationale. Wisconsin explicitly identified the risk of depending on revenue tied to local recruitment the state does not control; Washington does not consider dues a viable source of operating growth; Indiana has historically accepted higher dues reliance in part to avoid competing with local associations; and Kentucky and Virginia have developed substantial or supplemental non-dues programs within their own models. PBA has a clear strategic reason to grow recurring operating revenue: in 2024, association-level revenue

excluding investment income fell approximately $301,000 short of annual expenses. While not a panacea, a volume-builder access product is the most directly transferable peer tactic in the interviews: it requires no new structural asset, converts a participation gap into revenue, and sells access to firms rather than benefits through locals, avoiding certain channel-protection dynamics. Indiana is also focused on engaging national builders active across multiple markets, although the interview did not describe a Virginia-style paid council.

6. Staffing, Outsourcing, and Systems

Lean staffing is common, but selective outsourcing varies. Outside Washington State, every peer runs on three and a half to five staff positions organized around advocacy, communications, member services, and a thin administrative core. Virginia outsources bookkeeping, IT, and communications; Kentucky outsources reconciliations and general counsel and retains a contract lobbyist; Wisconsin outsources HR and would outsource accounting when its part-time accountant retires; and Indiana reported no outsourced function. Washington, at much larger scale, reported outsourcing only lobbying. The common pattern is not a fixed boundary between in-house and outsourced work; it is selective use of outside specialists while retaining internal control of the association's priorities and relationships.

No peer delegates overall association management to an AMC. Wholesale delegation of association management to an outside firm did not come up in any of the five interviews. The interviews validate selective outsourcing as a common practice, but they do not establish that an AMC model could not necessarily work for PBA.

PBA has already adopted one of the more extensive selective-outsourcing models in the peer set. Under the Boyer and Ritter engagement executed in May 2026, daily transaction processing remains in-house with the Office Operations Manager, while Boyer and Ritter provide a weekly transaction-review layer, reconciliations, monthly board-ready reporting, cash flow projections, budget support, lobbying and campaign-finance compliance reporting, and internal-control development across the entities. That is a fuller outsourced-controller function than any peer described. PBA also outsources its general counsel, code consulting, and its endorsed trade program (ETP).

Kentucky has confronted institutional knowledge loss directly. Sanford succeeded an executive of 35 years and found a great deal of practice that had never been documented. Her priority since has been building a handbook so that whoever holds the position next can transition into it without reconstructing the institution from memory. This echoes the need for Pennsylvania locals to have a single point of contact and knowledge repository when a new EO is currently onboarding.

Different methods of staffing the communications team. Boycks outsourced communications once and calls it the thing he would never do again: an in-house expert simply communicates better with the membership. Toalson eventually outsourced to a firm that also serves other associations, and that is the arrangement Virginia runs today. Both were reasoning from real experience and landed in opposite places.

Technology produced the shortest answers in every interview. No peer described technology as a strategic differentiator or said they were betting on a platform. The stacks are modest and

conventional: GrowthZone as the association management system in Wisconsin and Indiana, Constant Contact for member email, QuickBooks and a payroll platform behind the scenes. Where peers do invest with conviction is purpose-built advocacy tooling: VoterVoice in Wisconsin, Indiana, and Kentucky, and Indiana's Cloverleaf, an AI tool that tracks local government activity on members' behalf. Virginia contributed the one cautionary note: more than $20,000 a year across a fragmented stack of separately billed software. Giving staff the right tools is not inexpensive.

What the peer set validates. The staffing question in front of PBA is not simply whether to be lean, but which functions to own internally and which specialized capacities to source externally. Outside Washington, the peers operate with small teams, but Kentucky was carrying two vacancies at the time of interview, and Indiana said it may need another position depending on issue volume. PBA's current four-person headcount likewise should be read in the context of positions that departed and were not refilled. PBA has been intentional about various outsourcing, ensuring coverage for accounting, legal, and codes-related needs. The 990 comparisons also do not suggest that PBA's operating gap is principally a staffing-cost problem. Compensation and benefits represent approximately 59% of expenses, within the range of the interviewed peers. On technology, the interviews support investing in tools that help staff work efficiently; nothing in the peer set suggests that a major platform investment is a panacea to the association's challenges.

7. The State and Its Locals

Four executives explicitly described supporting locals as an important state-association responsibility. Washington uses program revenue sharing to help even very small locals support part-time executive officers. Boycks describes eliminating state-local discord as his biggest job and runs EO summits, monthly local calls, and dedicated local meetings inside every in-person session. Kentucky shares program revenue with locals and seats a local executive officer on every strategic planning committee. Virginia sets and tracks a target for local association visits each year. Indiana protects local economics by declining to run a competing trade show and uses a three-year franchise-fee structure that lets locals retain membership-growth upside.

> *"I think it's engagement and participation that make for a good working relationship... we do a revenue share with our locals; we don't keep all of those funds to ourselves, we share that back to the locals, and I think that's important."* **Anetha Sanford, Kentucky**

Small-local capacity emerges as a recurring concern. PBA's decline is concentrated in small and rural locals, many of them without professional staff. Lane identified Pennsylvania's large number of very small locals lacking EO support as a primary reason for the state association to take broader responsibility, and elsewhere emphasized that EO presence makes a major difference in the services, events, and member engagement a local can provide. Kentucky offers a second caution: Sanford said some smaller locals stopped holding meetings after COVID, while the active locals maintain a strong working relationship with the state. Toalson reached the same layer from the staffing side, describing local EOs as thinly spread and often relatively inexperienced in association management.

> *"Having an EO at a local makes a huge difference in terms of everything they're able to do... and keeping their members engaged."* **Greg Lane, Washington**

What this means for PBA. Local capacity matters because it is closely tied to PBA's membership trend and influence across the state. The local EO focus groups identified many of the same support gaps that surfaced in the peer interviews, particularly among smaller associations with limited professional staff. That makes an advocacy-only model risky: the locals with the least capacity are also the least able to replace support withdrawn by the state association. Lane argued that Pennsylvania's size and large number of small locals make it a strong candidate for a state association that both advocates and provides broader program and operational support. Boycks reinforced the relationship side of the same point: where state-local tension exists, the executive must be willing to invest the time and patience required to build trust with local leaders.

8. Implications for the Decision Ahead

Read together, the five interviews show convergence on several operating principles rather than a single operating model: lean professional staffing among the more comparable peers; working authority concentrated in smaller decision bodies, with guaranteed local seats specifically in Virginia and Indiana; advocacy as the core state-level function, staffed in different ways; deliberate development of non-dues revenue; selective use of outside specialists; and a recurring emphasis on strong state-local relationships. PBA already holds several of these components, including a structural non-dues asset in the workers' compensation program, real in-house advocacy depth, and a comparatively extensive outsourced-finance architecture.

1. **Persistent membership loss compounds an underlying operating-revenue gap.** PBA's dues share of revenue is unremarkable next to its peers; its membership trajectory and operating coverage are not. Wisconsin reported two consecutive years of membership growth. Virginia, Indiana, and Washington described stable or stagnant membership, while Kentucky reported fewer members than five years ago followed by recent stability. PBA has lost 53% of its Builder and Associate members since 2010 and continues to shed roughly 4% year over year. Indiana stemmed a similar long-arc decline and has held between 2,500 and 2,700 members for the last several years. At the same time, PBA's 2024 association-level revenue excluding investment income covered approximately 76% of annual expenses, compared with roughly 93% to 103% among the interviewed peers. PBA's substantial reserves provide capacity to address that imbalance, but continued membership contraction puts additional pressure on any recurring revenue streams available to close it. *What this does not establish:* what caused peer membership stabilization, or whether PBA's 2024 operating-coverage gap is representative of its longer-term financial trend.
2. **The peers deliberately develop non-dues revenue, but their rationales differ.** Wisconsin explicitly linked diversification to the lack of direct state control over recruitment; Washington does not view dues as a viable operating-growth strategy; Indiana has historically accepted higher dues reliance in part to protect local event revenue; and Kentucky and Virginia have built non-dues programs suited to their own circumstances. Virginia's Volume Builders Council is the most directly transferable idea in the dataset because it does not depend on a special regulatory structure. *What this does not establish:* what PBA could actually earn through replicable programs.
3. **Governance is a strong area of convergence and can be addressed without a new structural revenue asset.** Virginia, Indiana, and Wisconsin formally restructured oversized boards or shifted working authority to smaller bodies. Kentucky is considering board-size changes and already gives its senior officers and executive committee substantial decision authority. Washington has not made comparable formal reform, but Lane describes its

large board as difficult to engage and relies heavily on smaller groups. *What this does not establish:* the right size or composition for PBA's board, which is a design question rather than a blueprint to copy.

4. **PBA has more than one viable model for structuring executive and lobbying leadership.** Among the leaner peers, Indiana and Wisconsin combine the chief-executive and chief-lobbyist roles, creating a more consolidated staffing model that may reduce the need for a separate senior lobbying position; both executives said the arrangement works for their associations, and Wisconsin passed all seven of its priority bills last session. The compensation comparison, however, does not establish that the combined model is less expensive overall. Virginia deliberately separates the roles, with Toalson arguing that the time demands of direct lobbying can limit a CEO's ability to run the association, support locals, and develop programs. Kentucky represents a third approach, using a contract lobbyist while rebuilding in-house government-affairs capacity. PBA currently employs both a chief lobbyist and a government affairs professional, so any decision to combine executive and lobbying responsibilities would need to consider not only the desired CEO profile, but also the resulting staffing structure, total compensation, and allocation of responsibilities across the team. *What this does not establish:* which model would provide the best combination of leadership capacity, advocacy effectiveness, and cost efficiency for PBA.
5. **Peer evidence favors selective rather than wholesale outsourcing.** None of the five executives described delegating overall association management to an AMC. Virginia, Kentucky, and Wisconsin buy specialized outside support; Indiana reported none; and Washington outsources supplementary lobbying. PBA already uses an extensive selective-outsourcing model, and the Boyer and Ritter engagement goes further on finance than anything a peer described. *What this does not establish:* that an AMC model cannot work for PBA.
6. **Supporting locals is a recurring peer theme.** Four executives explicitly described local support as an important state role, and Indiana's operating model also protects local economics. That makes a scenario that narrows PBA to statehouse advocacy a material tradeoff, particularly for small locals with limited or part-time professional capacity. Washington demonstrates what robust program revenue sharing can help fund, although PBA does not have the same revenue engines. Virginia's Volume Builders Council offers a potentially transferable state-level revenue tactic that does not depend on a special regulatory asset. *What this does not establish:* the cost of staffing a stronger local-support role, or the size and willingness of Pennsylvania's volume-builder population to participate.

Notes

1. Membership, staffing, revenue-mix, and program figures attributed to peer executives are as reported in the interviews and were not independently verified except where noted. Outcome characterizations, including program success and growth attributions, are the executives' own assessments. Two entries in Table 1 are exceptions: Washington's 8,000-member figure was not given in the interview and is drawn from the Form 990 comparison reference, and Washington's staff count is an approximation from Lane's description of his teams rather than a stated total. Kentucky's four positions include two vacancies at the time of interview, so its effective staffing was two.
2. Virginia's budget as reported: $1.6 million total, with $545,000 in local-association dues plus roughly $300,000 in Volume Builders Council and Multifamily Housing Council assessments. Toalson does not count council assessments as dues, on the grounds that they are an assessment to join a group rather than dues from a local association, so the 34% figure in Table 1 reflects local dues only.
3. The financial figures in Table 2 reflect the reporting association entity only and should not be interpreted as consolidated financial statements. Significant program economics may be carried in affiliated or related organizations and therefore may not appear in the association's filing. The operating-coverage ratio in Table 2 is calculated as total revenue less investment income divided by total expenses; it is intended as a comparative indicator of association-level operating structure, not as an audited measure of recurring operating performance. A single year should not be read as a trend.
4. Total CEO compensation in Table 3 combines reportable compensation with other compensation reported on each association's Form 990 and therefore should not be interpreted as base salary alone. Executive responsibilities vary across the peer set, including whether the chief executive serves as chief lobbyist and the scale and complexity of the organization being managed. The figures are drawn from each association's 2024 tax-year filing.
5. "Executive committee" is used throughout for the smaller decision body because peer terminology and design vary. In Virginia and Indiana, the two reforms closest to PBA's situation, it denotes a standing group of roughly 25 to 35 members drawn substantially or entirely from local-association representatives and holding year-round authority over budget and policy. Wisconsin's is a ten-member body of senior officers, while Washington's is roughly two dozen committee and council chairs plus presidential appointees; neither is composed primarily of local representatives. Virginia has renamed this body its board of directors outright, while Indiana, Wisconsin, and Washington retain a larger board above it.