

**Impacts of CARES Act Funding
Across the MEP National Network™**

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CARES Act Authorization and Funding

On March 27, 2020, the president signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to address the economic upheaval caused by the COVID-19 pandemic. The CARES Act included \$50 million for NIST MEP to assist manufacturers to respond to the pandemic.

On April 10, 2020, NIST MEP published the NIST MEP Emergency Assistance Program Request for Application (RFA) in [Grants.gov](https://www.grants.gov). This RFA invited noncompetitive applications from current recipients of MEP Center cooperative agreements to implement projects that would assist manufacturers in preventing, preparing for and responding to the COVID-19 pandemic.

NIST submitted an implementation plan to the Department of Commerce 10 days after the CARES Act was signed on April 6, with the goal of issuing all awards within 90 days. The last award was issued on June 29, within 84 days, and just 94 days after passage of the CARES Act. Award amounts were determined by a formula based on each state's population of manufacturers and ranged from \$91,000 to \$6.1 million. With these funds, MEP Centers assisted manufacturers to increase production of personal protective equipment (PPE), cultivate new suppliers and reach new markets.

MEP National Network: Meeting the Challenges of 2020 and 2021

NIST MEP expedited the internal review and award process to disburse the emergency funding. The National Network was activated quickly to make the best possible use of the appropriated funds.

CARES Act Impacts

To date, CARES Act project clients surveyed report more than \$1.4 billion in new and retained sales, over \$480 million in new investments and nearly \$175 million in total cost savings. These projects resulted in almost 18,000 jobs created or retained. Nearly half of the over 5,000 companies served were first-time MEP Center clients.

MEP Centers are providing assessments and serving as a technical resource to help small and medium-sized manufacturers (SMMs) recover from workforce and supply chain interruptions. They are providing cybersecurity assistance – addressing new kinds of threats as employees work in new ways. The Network is helping manufacturers examine ways to use technologies to improve productivity, which will benefit them long into the future. Among the myriad types of assistance the MEP Centers are providing manufacturers are the following:

Assessing the extent and nature of the disruption. Every MEP Center surveyed their population of manufacturers as they navigated the uncharted waters of 2020. These surveys served to define challenges, identify opportunities and raise awareness of the resources available in the Network.

Rethinking – and retooling – service delivery. Given the rapidly changing business operating conditions, MEP Centers reevaluated every aspect of service delivery, adapting their client engagement approach and upgrading their use of technology to optimize remote delivery. While webinars and training videos have long been offered, MEP Centers needed to enrich and expand their offerings to make them widely accessible. With online programs representing the rule rather than the exception, MEP Centers invested in their technology infrastructure to ensure seamless and professional delivery of content. Similarly, small manufacturers, with MEP assistance, turned to digital marketing and e-commerce platforms to reach customers wherever they were.

Forging new and strengthening existing partnerships in the state. MEP Centers have always worked with state and local government partners, industry organizations, and other stakeholders to share

critical information and leverage resources to support small manufacturers. The pandemic drove the creation of new partnerships such as emergency task forces and niche collaboratives as state and local governments scrambled to minimize the economic fallout. MEP Centers ensured that the voice of the manufacturer was always represented in these efforts.

Helping manufacturers pivot operations to produce PPE, medical supplies and medical devices. MEP Centers have helped thousands of manufacturers pivot to new markets, as well as to identify suppliers. MEP Centers identify specifications, alternative materials, and supply chain gaps while connecting manufacturers who have production capacity to hospitals or other organizations that have the need. MEP Centers also provide crucial expertise, guiding manufacturers through testing protocols, quality testing and required certifications.

Implementing supplier databases for searching/matching. When U.S. manufacturers needed to rapidly increase production of PPE, ventilators, N95 masks, hand sanitizer and other supplies, the MEP Centers across the country quickly created supply chain portals, shared best practices, and connected with local organizations. The MEP Supplier Scouting service leverages existing online collaboration platforms to provide business opportunities to U.S. manufacturers and connects those that have relevant production capabilities.

Tailoring services for operating in the post-pandemic environment. Amid the uncertainty of the last two years, MEP Centers have assisted manufacturers to adapt to the changing environment. In addition to the strategic planning services they have always offered, MEP Centers have developed reopening guides, business recovery strategies and business health assessments.

Looking Forward: Agility, New Capabilities and Expanded Visibility

There is a sharp focus now on the fragility of supply chains as delayed shipments of raw materials and components have resulted in shrinking inventories. NIST MEP has long recognized that the whole of the Network is much greater than the sum of its parts. In the specific context of the global pandemic, NIST MEP was able to marshal a coordinated response rather than rely on a series of two-way communications. Because information regarding the supply and demand for PPE – as well as myriad other needs – was visible across the Network, the resulting response was streamlined, efficient and most importantly, rapid.

As MEP Centers continue to combat the impacts of the pandemic and the economic fallout it has produced, the strength and resilience of the manufacturing sector is paramount. Some manufacturers are scrambling to meet a swell of demand, while others have seen their markets collapse before them. In each case, MEP Centers have worked with them to help them adjust to a new reality. Manufacturers who had previously sold directly to consumers in person have developed electronic commerce platforms with MEP Centers' assistance. MEP Centers have worked with manufacturers whose markets vanished overnight to help them pivot to produce PPE. MEP Centers are working with manufacturers to help them exploit emerging opportunities, such as the drive to reshore the production of critical supplies. Innovation has always driven economic competitiveness, and it will be integral to the economic recovery.

Investing in manufacturing is investing in communities because creating good jobs for high school and college graduates means they don't need to move out of state to find work. Helping small manufacturers grow deepens their roots in local economies. Manufacturing jobs are credited with a

strong multiplier effect, but more importantly, they create value in the economy and increase resilience at the local, state and national levels. The MEP program's experience with the CARES Act funding demonstrates the substantial demand for MEP Centers' services and the basis for program expansion.

Appendix: CARES Act Stories From Across the MEP National Network™ – A state-by-state listing of selected projects and initiatives made possible by CARES Act funding

For more information, see the appendix for a compilation of stories made possible by CARES Act funding from each of the 51 MEP Centers.

About the Manufacturing Extension Partnership

Since 1988, the Hollings Manufacturing Extension Partnership (MEP) program has worked to bolster U.S. manufacturing. The MEP program was created in 1988 by the Omnibus Trade and Competitiveness Act to improve the competitiveness of U.S. based manufacturing by making manufacturing technologies, processes and services more accessible to SMMs through MEP Centers in every state and Puerto Rico. The MEP Centers provide expertise to help manufacturers reduce costs, create new products, develop the next generation workforce, penetrate new markets and achieve business success.

For over thirty years, the MEP program has focused on bridging the manufacturing productivity gap, identifying opportunities for growth and encouraging technology deployment. MEP Centers support SMMs nationwide, looking over the horizon to anticipate challenges, and develop resources and shared learning.

The 51 MEP Centers, located in each state and Puerto Rico, form the backbone of the MEP National Network, which has more than 1,400 trusted advisors and experts at approximately 450 MEP Center service locations. Working with state governments, universities, community colleges, nonprofit entities, associations and private consultants, the MEP Centers provide manufacturers with the services needed to reduce bottom-line expenses and grow top-line profits, both of which are necessary to thrive in the global marketplace.

Through the pandemic and the resulting economic crisis, the MEP program has continued to fulfill its mission to strengthen and empower U.S. manufacturers to maintain the health of the U.S. manufacturing sector. MEP Centers in every state are helping companies engage with customers in new and different ways, such as:

- Working with companies needing access to capital through loans, lines of credit and cash
- Helping businesses protect their workforce and their workplace
- Guiding manufacturers as they examine and stabilize their own supply chains
- Helping companies engage customers in new and different ways
- Examining ways manufacturers can use technologies to improve productivity
- Protecting manufacturers against cybersecurity threats

While U.S. manufacturing is facing an extraordinary emergency that will have long-lasting effects, the MEP Centers are maintaining their base operations and working to strengthen and empower U.S. manufacturers to maintain the health of the sector. The MEP program is uniquely positioned to address

the critical challenges to U.S. manufacturing. We have been in the trenches working directly with 132,431 manufacturers over the last 30 years, generating over \$138.8 billion in new sales, more than \$26.2 billion in cost savings, and creating and retaining over 1.45 million jobs. In fiscal year 2021, for every dollar of federal investment, the MEP National Network generated over \$26 in new sales growth and over \$34 in new client investment. This translates into more than \$3.9 billion in new sales. For every \$1,193 of federal investment, the Network created or retained one manufacturing job. This experience gives NIST MEP a deep understanding of manufacturers' needs and challenges, and broad visibility across the Network to the resources and potential solutions to strengthen U.S. manufacturing.