

**National Institute of Standards and Technology
Manufacturing Extension Partnership
Advisory Board
Minutes of the September 12, 2018 Meeting**

Background

The Department of Commerce (DOC), National Institute of Standards and Technology (NIST), Manufacturing Extension Partnership (MEP) Advisory Board met in an open session from 2:00 p.m. to 6:00 p.m. on September 12, 2018, at the Kansas City Marriott Downtown, in Kansas City, Missouri. Approximately 38 attendees, composed of MEP Advisory Board members, other NIST and NIST MEP participants, MEP National Network™ participants from MEP Centers, guest speakers, and observers attended the meeting. Carroll Thomas, Director of MEP, is the Designated Federal Officer for the MEP Advisory Board.

Attendees

Board Members

Jose Anaya, Dean of Community Advancement, El Camino College
E. LaDon Byars, President and CEO, Colonial Diversified Polymer Products, LLC
Carolyn Cason, Professor Emerita, The University of Texas at Arlington
Bernadine Hawes, Vice Chair, MEP Advisory Board, and Senior Research Analyst, Community Marketing Concepts
Mary Isbister, President, GenMet Corporation
Mitch Magee, Director of Engineering, PPG's Architectural Coatings Business Unit
Patricia Moulton, President, Vermont Technical College
Matt Newman, Director of Business Management, Covanta
Kathay Rennels, Associate Vice President for Engagement, Colorado State University
George Spottswood, Owner and CEO, Quality Filters, Inc.
Leslie Taito, Senior Vice President for Corporate Operations, Hope Global
Jeff Wilcox, Chair, MEP Advisory Board, and Vice President for Digital Transformation, Lockheed Martin
Jim Wright, Vice President of Operations, Proof Research

NIST MEP Participants

Dave Cranmer, Ph.D., Deputy Director, NIST MEP
Cheryl Gendron, Advisory Board Liaison, NIST MEP
Phil Singerman, Ph.D., Associate Director for Innovation and Industry Services, NIST
David Stieren, Division Chief for Extension Services Division, NIST MEP
Carroll Thomas, Director of MEP and Designated Federal Officer, MEP Advisory Board
Ken Voytek, Manager for Manufacturing Research and Program Evaluation Group, NIST MEP

Observers

Tom Bugnitz, Manufacturer's Edge
Monica Claussen, NIST MEP
Mike Coast, MMTc
Mark Jackson, Department of Defense
John Kennedy, NJMEP
J. Chancy Lyford, NIST MEP
Kathie Mahoney, MassMEP
Petra Mitchell, PA MEP

Mary Ann Pacelli, NIST MEP
Vincent Rice, WI Economic Development Corporation
Carol Shibley, NIST MEP
Nicole Simister, University of Utah MEP
Pat Toth, NIST MEP
Ben Vickery, NIST MEP
Marlon Walker, NIST MEP
Thomas Williams, NIST MEP
Robert Zaruta, PA MEP
Bob Zider, VMEC

Welcome and Introductions

Speakers: Jeffrey Wilcox, Chair, NIST MEP Advisory Board; Dr. Phil Singerman, Associate Director for Innovation and Industry Services, NIST; Carroll Thomas, Director of MEP

J. Wilcox called the meeting to order at approximately 2:00 p.m. and made introductory remarks, noting new resources available to the Board on MEP Connect, the NIST MEP shared online space for the MEP National Network, including a list of NIST MEP acronyms as well as a document outlining the roles/responsibilities of Advisory Board members. Both resources have been released to help new members become familiar with NIST MEP and understand the role of the Advisory Board.

Board members and attendees introduced themselves.

MEP Advisory Board Working Group Updates

Supply Chain Development Working Group

Speakers: Matt Newman, MEP Advisory Board; Dave Stieren, NIST MEP

Working Group Deliverable

- Guidance and perspective on the MEP National Network support and development of manufacturing supply chains with an emphasis on defense suppliers regarding Defense Industrial Base gaps; and expertise on who should be brought into the discussion to provide insight on defense supplier gaps.

MEP National Network supports Department of Defense (DoD) supply chains in many areas, including:

- Cybersecurity assistance
Defense Industry Adjustment efforts of the DoD Office of Economic Adjustment (OEA)
- DoD-sponsored Manufacturing USA Institutes

Cybersecurity

- Development of MEP National Network cybersecurity assistance capabilities progressing
 - Catalyzed by Defense Federal Acquisition Regulation Supplement (DFARS) awareness, compliance assistance for Defense contractors
 - Spurred by strong partnerships with DoD programs and the Office of the Secretary of Defense (OSD)
 - Legislation may also influence MEP's role (e.g., National Defense Authorization Act (NDAA))
- MEP cybersecurity assistance capabilities not yet fully developed on national scale
 - Threats, vulnerabilities in commercial markets not yet spurring urgency/action among small manufacturers
 - Integration of cybersecurity assistance into MEP Center business models still evolving

MEP National Network Cybersecurity Progress (as of September 2018)

- >2250 Small Manufacturers served
- >150 projects conducted
- >170 Awareness/Training events
- 19 MEP Centers to participate in OEA Cybersecurity project work funded at >\$8 million
- Competitive Award Program (CAP) Cybersecurity Project developing “Cyber in a Box”
 - >27,300 NIST Handbook; 162 downloads
- 41 MEP Centers in MEP National Network Cybersecurity Working Group
- 39 of the 51 MEP Centers have cybersecurity practice
- <25% of Defense contract compliant with DFARS/800-171

Manufacturing USA Institutes

- Round 1 Awards period of performance ends September 30, 2018
 - All Round 1 awards applying for no-cost extension
 - Round 2 & 3 awards currently scheduled to end on January 14, 2019 and August 31, 2019 respectively
- NIST MEP working with portfolio of projects to report initial results by end of 2018
- NIST MEP working to scale learnings to MEP National Network

MEP National Network Progress Report

Embedding MEP in Manufacturing USA Institutes pilot projects

- Inform stakeholders and create advocacy
- Report available January 2019
- Highlights of the report will include:
 - SMM engagement mechanisms developed and deployed
 - Business models tested
 - Results and success stories
 - Plans for scaling, next steps

Discussion

- C. Cason asked about the basis for why Centers need the no-cost extension applications. D. Stieren said that the Institutes were at different levels of operational readiness when the awards were made. Also, not every project has been fully successful in terms of the level of integration of the MEP work into the Institute. C. Thomas noted that each project has been different and there have been many variables to work out.
- B. Hawes asked what happens when an Institute goes offline. D. Stieren said it is not foreseen that any of the Institutes would go away after their five-year contract is up. DoD values the Institutes and intends to continue funding them in some capacity. D. Cranmer added that the time limit for the Cooperative Agreement only applies to those Centers and Institutes funded under the Revitalize American Manufacturing and Innovation Act, the others can be funded for as long as DoD or DOE choose to do so.
- M. Magee asked why the 12 Institutes would not participate. M. Newman said each Institute has its own hurdles and the Centers need to find out what those are and look for ways to assist. D. Stieren said any time new capabilities are added to a system with finite capacity, it will create some disturbance. Also, if a Center is in a state that is not currently serving a large DoD market, small and medium-sized manufacturers (SMMs) push back on the need for cybersecurity.
- M. Isbister asked if it would be possible for a Center that does not have the resources or connections to have their own practice and partner with another Center that would act as their representative in that capacity. D. Stieren said they are striving to become a National Network precisely for this reason. M. Isbister suggested providing a list of vetted third-party vendors.
- M. Isbister asked about having two tiers of cybersecurity requirements so that manufacturers that do not work with DoD could attain some level of protection. D. Stieren said this has been a topic of a lot of discussion. Regardless of what the company is manufacturing, they should have the ability to protect their information and operating systems and recover when there is a breach.

- There are, however, different levels of assessment. M. Newman added that cybersecurity needs to become part of everyday industrial hygiene. New standards for auto manufacturing and other areas will be coming at all levels.
- J. Wright asked what the feedback from MEP customers has been on the cybersecurity products they offer. D. Stieren said they are in the process of receiving such feedback. The assistance MEP provides is still very different from one customer to the next. Much of the discussion now involves positioning cybersecurity within the context of some other topic, such as risk management.
 - P. Moulton asked when enforcement of cybersecurity requirements will begin and if it will be national. She also asked if the MEP National Network is ready for the panic that will come with enforcement. D. Stieren said procurement officers are being trained on the requirements now and there is a large effort underway to raise awareness of the DFARS compliance rules. The MEP National Network is working to prepare itself and regional partnerships will be key to its success.
 - G. Spottswood asked what kind of continuous training will be available. D. Stieren said that developing a National Network that shares best practices is the approach they are taking now. As it continues to mature, the working group will address the issue and seek guidance from NIST MEP.
 - J. Wilcox asked if this focuses mainly on cybersecurity for information technology or if it includes operations and product technology. D. Stieren said that the majority of what they have been addressing has been associated with information systems. The working group is now beginning to get into the areas of operations and product technology.
 - B. Hawes suggested presenting more information on the 39 Centers that have cybersecurity practice to include the level of practice and in what areas.

Executive Committee Working Group

Speaker: Cheryl Gendron, NIST MEP

Working Group Deliverable

- Updated: To provide guidance on future MEP Advisory Board leadership and membership recruitment, provide insights into cultivating strong Board governance as well as explore ways to expand the MEP Advisory Board's role regarding the local MEP Center Boards.

New Member Support

- Implementing an informal mentoring program
- Resources on MEP Connect:
 - Job roles and responsibilities document is ready for use and will remain in development as updates are needed.
 - Glossary of commonly used NIST MEP and MEP National Network terms is ready for use and will remain in development as updates are needed.
 - Onboarding presentations are currently in practice and the latest recording of this presentation is also available online.
- If Board members have any other ideas for new member support, they should email them to any of the Executive Committee Working Group members.

Next Steps

- Succession planning
 - Chair and Co-Chair current terms expire May 31, 2019
- Next meeting will be February 27, 2019
 - Center board participation will be included
- A webinar on the basics of social media is scheduled for October 18; there is no attendance requirement for Board Members

Discussion

- C. Thomas said the Executive Committee is working hard to be a role model for all of the Center Boards.
- B. Hawes commented on the difficulty of modifying the bylaws even slightly and recommended that any suggestions for changes be gathered and implemented when a number of changes are needed, rather than one thing at a time. Please send anything that may come up to a member of the Executive Committee Working Group.
- J. Wilcox said the Executive Committee may want to create a list of the kinds of experience that the Board really wants to be able to draw from to help inform new member recruitment.
- C. Thomas let the group know the charter renewal paperwork is in process and one significant change is a request for the renewal cycle to move from one year to four years.

Government Accountability Office (GAO) Cost Share Report

Speakers: Phil Singerman, Associate Director for Innovation and Industry Services, NIST; Carroll Thomas, Director of MEP; Arvin Wu, Analyst-In-Charge, GAO; Thomas Corless, Analyst, GAO; Chris Murray, Assistant Director, Natural Resources and Environment Team, GAO; Calaera Powroznik, Analyst, GAO

P. Singerman provided background on the changes to the cost share requirement for the minimum required to match federal funding. Changing the cost share model from 2-to-1 to 1-to-1 is something NIST MEP had been working towards for over a decade in order to enable the Centers to work with a more diverse group of companies and offer a broader array of programs. Congress requested a report from the GAO in consultation with the MEP Advisory Board evaluating the cost share model and making recommendations. Since GAO's report did not include recommendations, the Secretary could not take any actions. A subsequent recommendation that NIST prepare a study led to the creation of one in 2012 and the Advisory Board analyzed the cost share requirement and identified the problems it was causing, including difficulties in accounting, driving the system towards looking for match rather than for service, and limiting the ability of the Centers to partner with other organizations in regional activities. This change was implemented in early 2017 with the signing of PL 114-329, the American Innovation and Competitiveness Act (AICA.) This new legislation mandated a GAO study of the impact of the cost share change to the program.

This conference call with the GAO and the MEP Advisory Board was scheduled and conducted to receive important Advisory Board perspective for the pending report.

Discussion:

- A. Wu said that GAO has two research objectives for this interview:
 - What changes, if any, have the MEP Centers experienced in the services they offer as a result of the cost share change?
 - What are the views of selected stakeholders about the impacts of the cost share change?
- C. Thomas asked the GAO team to explain the two types of Centers that the legislation mentions.
 - C. Murray said that the clarification GAO received regarding this provision of the mandate was that the two types of Centers referred to legacy Centers and those that were newly competed under the round that occurred prior to the change in AICA.
- A. Wu recognized that the Board was instrumental in getting the cost share change included in the legislation and asked the members to provide some background on why they felt the change was needed and how it came about.
 - C. Thomas noted that several of the current Board members were not on the Board when this idea was originally put forth.
 - J. Wilcox, who was on the Board at the time the working group was drafting the letter, did not recollect the details of how it came about but said that there have been discussions since then related to a number of services provided by Centers that do not necessarily lend themselves to a cost share model because they are difficult to quantify, such as workforce development and training. The Board did not want to see Centers driven into situations where they were not able to pursue work because of cost share.

- L. Taito, who was ending her role as a Center Director at the time of this proposal, said her Center struggled consistently with the older cost share model. As a small Center, the 2-to-1 cost share forced them to work with larger manufacturers that could afford to pay the cost and generate sufficient revenue to ensure the Center could achieve their match. Part of the goal of the Centers is to work with SMMs so they can become competitive, improve their performance, and grow from small to medium sized. Since these companies had limited means to pay the cost, it limited her Center's ability to partner with them, despite being the companies that most desperately needed the services. The Center's goal has always been to return to working with the small manufacturers.
- A. Wu asked if Board members have heard any arguments against changing the cost share structure.
 - B. Hawes said that no Center believed moving to a 1-to-1 cost share was unnecessary. Her Center looked at cost share models across the government and found that most agencies do not require a 2-to-1 match and, in many cases, do not require a match at all. MEP Centers were requiring a 2-to-1 match at a time when they needed to increase services to small and rural manufacturers, as well as expand the Centers' expertise and capacity.
- A. Wu asked if the Board members have heard of any impacts from Centers or manufacturers now that the change has been in place for over a year.
 - L. Byars said that, from the manufacturer side, at the time the cost share change was requested, the Center in Tennessee was not able to provide services to rural manufacturing companies like hers. The Center had limited resources and many small manufacturers could not afford the services that were available due to the 2-to-1 cost share. The cost share change has been critical for her company and other companies in the area, enabling their survival and continued gainful employment for Eastern Tennessee.
 - G. Spottswood said that his company was also saved by the MEP Center in Alabama in the mid-1990s and they are thriving to this day. He is fully aware of the needs of many other small manufacturers in the Southeast. The 1-to-1 cost share would make a huge difference in those companies' ability to afford MEP services that could help them stay in existence for the next twenty years.
- A. Wu asked if the impacts can be seen already or if they were anticipated in the coming years as the Centers adjust to having the 1-to-1 cost share for the life of their agreement.
 - J. Wright said he has used MEP services for three different companies in rural Montana, two of them small companies and one medium sized. These companies have use MEP services for various certifications and training. The benefits have not only been to help these companies survive but to grow. There are several difficulties running a company in rural areas, and the benefits these companies have received from working with the Centers were more than tenfold the cost. These benefits include their ability to compete, expand their workforce, and grow the company. They continue to use their services today. Northwest Montana does not have the availability of consulting firms, but even if one was brought in, these companies could not afford one that offered the services MEP Centers provide.
- A. Wu said GAO is interested in the various structures of MEP Centers (non-profit, state-run, and university-based) and asked Board members if they had any thoughts on how the cost share change has affected these three types differently.
 - C. Cason spoke to a previous question regarding the impacts associated with providing services to small and rural companies that, prior to the change, were unable to afford MEP's services. Because user surveys are conducted approximately a year after companies receive services, the impact data is just now becoming available. Since the change was implemented, the number of small companies (20 employees or fewer) receiving MEP services has increased dramatically. Her state of Texas, like Montana, has areas where consultation services are not available, so the Texas MEP provides a very valuable resource to SMMs because of the cost share change.

- C. Murray said that from a preliminary look at some of the information GAO has collected so far, it seems that the level of in-kind matching the Centers would be seeking has gone down since the cost share change. He asked if Board members have seen this and what the implications of fewer in-kind contributions might be, acknowledging that in-kind contributions vary significantly from Center to Center.
 - M. Isbister said in-kind contributions were a mechanism to bring down the funding needed as much as possible. There were years when the Wisconsin MEP could not fully pull down their part of the cost share and would work very hard at the end of the year to find ways to bring that money in for fear of losing it the next year. At times, resources were diverted to less impactful activities for the sole purpose of trying to reach the match number. She believes there is just as much in-kind activity going on today but not as much needs to be reported because they are not working to try to make that match. Centers that are functioning well and have good partnerships with their co-service providers know how to optimize in-kind contributions and use them appropriately.
- A. Wu said that GAO has collected information from all of the MEP Centers and plans to speak with several of them in further detail. They have also spoken to the American Small Manufacturers Coalition (ASMC). He asked for recommendations of stakeholder groups that GAO should speak to on the impact of the cost share change. Besides the ASMC, GAO has not gotten the sense that there are many others that know much about the change to the cost share structure and its implications.
 - C. Thomas said they have several MEP Centers that work directly with state manufacturer associations. She suggested the Mississippi Manufacturers Association, the Connecticut Business and Industry Association, the South Carolina Economic Developers Association, and the State Science and Technology Institute. NIST MEP will provide contact information for these organizations and possibly others.

MEP Advisory Board Working Group Updates (continued)

Performance/Research Development Working Group

Speakers: Leslie Taito, MEP Advisory Board; Ken Voytek, NIST MEP

Working Group Deliverable

- Input and guidance on the management portfolio and Program performance measurement processes of the MEP National Network. In addition, the working group will provide feedback and suggestions for establishing a research agenda that will support and enrich NIST MEP's performance and evaluation management system through improved Center evaluation processes, the promotion of system learning, and by enhancing the portfolio of network information services for Centers.

The draft report is now available, and Board members were asked to provide feedback. Overall findings of the report include:

- NIST MEP has one of the strongest and most robust mechanisms for quantifying and analyzing data and determining return on investment across the federal system. It is a huge differentiator in what NIST MEP does compared to other federal programs.
- Annual Review should be aligned with the impact and results of the new panel review process.
- The results of MEP Center clients versus non-MEP Center clients warrant further investigation.
- Areas for performance improvement include:
 - Understanding Network and Center performance used to discover best practices regarding organizational structure
 - Practices, policies, and other factors can and should be analyzed to improve Network performance
 - Linking data, information, and learning will be critical to the long-term vitality of the Network

- Need to continue to work with Centers, partners, and stakeholders to refine performance measurements
- Need to continue to work with Centers, partners, and stakeholders consistently to ensure that the measurement of performance does not place an undue burden on clients or Centers

Recommendations for Research and Development:

- Research on NIST MEP National Network
 - Undertake research on factors of differences of Center performance
 - Focus on strategic areas for development and growth
 - Analysis on innovation and experimental services and how to sustain these past special funding
- Research on the manufacturing landscape
 - Underserved segments of the marketplace should be explored to find ways to design specific services for those particular businesses
 - Identify and explore manufacturing ecosystems
 - Look at broader economic and business environmental factors
- Support research and evaluation
 - Look at new models for research

Discussion:

- C. Cason said she always thinks about how your metrics inform your strategic initiatives. One of the concerns she has is the challenge of focusing resources to meet strategic initiatives. She asked the Board to consider if NIST MEP’s measures inform them on the intended outcomes as stated in the Strategic Plan, with the focus on building sustainable businesses. L. Taito said that the system does some of that. Sustainability of companies is one key driver for ensuring long-term viability, as is job creation/maintenance, new business, and others. Some of the services that MEP Centers offer are difficult to quantify but looking at these drivers gets at the sustainability of a manufacturer. There are some key points in the recommendations that the working group could explore further that could help drive the strategies, giving them even more breadth and depth.
- C. Cason reminded the Board of a comment made at a previous meeting: “The value of MEP is to tell me what I don’t know.” L. Taito said it is the trusted advisor role that MEP Centers fill and is key to getting return clients.
- C. Thomas said she is always concerned, not only with measuring the right things, but making sure the right weight is being applied to the individual factors.
- B. Hawes asked if NIST MEP knows the variables that go into making a Center low-performing versus high-performing. C. Thomas said they know some of them, such as the value of state funding. L. Taito said state funding also brings state recognition.
- B. Hawes said the Board needs to talk about Centers relying on repeat customers and, as a result, not better penetrating the market of SMMs.
- L. Byars said that assisting SMMs may not have as much of an economic impact as working with a larger corporation, but the relationship will make them an advocate for the Center.
- P. Moulton asked if this working group would be looking at how to nuance the metrics to facilitate cross-state and cross-Network sharing of referrals. L. Taito said they are going to have to look into how to ensure the metrics encourage collaboration and not driving Centers to focus on getting credit. M. Newman said Network participation should be more heavily weighted.
- J. Wilcox said the draft is very good and he encouraged Board members to send feedback to Ms. Taito. The questions raised by the recommendations will keep the Board busy for years. Creating a priority list from them will be important.

MEP National Network Strategic Plan and MEP National Network Update

Speaker: Carroll Thomas, Director of MEP

NIST National Network 2017-2022 Strategic Goals

- Empower Manufacturers
 - Objective: to assist U.S. manufacturers in embracing productivity-enhancing innovative manufacturing technologies, navigate advanced technology solutions and recruit and retain a skilled and diverse workforce.
- Champion Manufacturing
 - Objective: to actively promote the importance of a strong manufacturing base as key to a robust U.S. economy and protection of our national security interests; create awareness of innovations in manufacturing; create enabling workforce development partnerships to build a stronger and diverse workforce pipeline; and maximize market awareness of the MEP National Network.
- Leverage Partnerships
 - Objective: to leverage national, regional, state and local partnerships to gain substantial increase in market penetration; identify mission-complementary advocates to help the MEP National Network become a recognized manufacturing resource brand; build an expanded service delivery model to support manufacturing technology advances.
- Transform the Network
 - Objective: to maximize MEP National Network knowledge and experience by operating as an integrated National Network; increase efficiency and effectiveness by employing a Learning Organization platform; and create a resilient and adaptive MEP National Network to support a resilient and adaptive U.S. manufacturing base.

Discussion

- M. Newman noted a comment made by Eric Chewning, Deputy Assistant Secretary of Defense, Manufacturing and Industrial Base Policy, (speaker at the March 2018 MEP Advisory Board meeting) that over 60,000 U.S. manufacturers disappeared from DoD's supply chain roster and NIST MEP is working to help repatriate that list. C. Thomas noted that the companies did not just cease being DoD suppliers and that they have instead disappeared altogether.

Network Priorities for the Next 18 Months

- Create an integrated National Network Service Delivery System
- Update national-level partnerships and performance support services
 - Particularly state relations
 - Policy Academy is underway to this end, with another Policy Academy planned for 2019-2020
- Define areas of focus for manufacturing technology advances
 - Cybersecurity
 - Digital manufacturing
 - Automation and robotics
 - Additive manufacturing
 - Internet of Things
 - National and regional service portfolio coordination
 - National Network workforce development plan
- Develop supply chain national services and information and technology access
- Build infrastructure for National Network Learning Organization

18-month measures of success

- Piloted integrated national network approach to delivery system engaging 50% of Centers in multi-Center delivery projects
 - FY 2017 Baseline: number of Centers in multi-center delivery projects-17
 - 2nd Quarter Progress: number of Centers in multi-center delivery projects-19. To meet the goal, a total of 34 Centers in multi-Center engagement is needed
- Increased small/rural engagements through third party partnerships by 10% and increased longer-term impactful projects with these smaller firms by 5%
 - FY 2017 Baseline: number of small manufacturers engaged through third party partnerships-507

- 2nd Quarter Progress: number of small manufacturers engaged through third party partnerships-434. 557 SMEs will need to be engaged to meet the goal
- Increased awareness of the MEP National Network brand by 10% over base brand recognition measurement a year after the Network launches the brand
 - FY 2017 Baseline: number of instances of branded searches-350
 - 2nd Quarter Progress: MEP National Network had 270 instances of branded searches
 - FY 2017 Baseline: number of MEP National Network webpage views-695
 - 2nd Quarter Progress: MEP National Network webpage received-692 page views
 - FY 2017 Baseline: number of MEP National Network webpage backlinks-14
 - 2nd Quarter Progress: MEP National Network webpage backlinks-25

MEP Program Budget Outlook

- FY 2018 Appropriation Status
 - Full access to Appropriation approved 6/1/18
 - All renewals funded – October 1 packages with GMD
 - Supplemental funding recommendations provided to GMD
 - Eight Competitive Awards announced 9/5/18
- FY 2019 President’s Budget Request
 - Program proposed for elimination with no funds for wind-down
 - House Appropriations Committee mark on 5/17/18 at \$140 million
 - Senate Subcommittee mark on 6/14/18 at \$140 million
 - Commerce-Justice-Science bill will possibly be included in a “minibus” bill – timing to be determined

NIST MEP FY 2018 Current Spend Plan

- Available Funding
 - Full year appropriation: \$140.0M
 - Carryover from FY 2017: \$8.5M
 - Total available funding: \$148.5M
- Planned Expenditures
 - Center renewals: \$110.0M
 - Supplemental Funding: \$10.0M
 - Strategic competitions: \$8.1M
 - Contracts: \$5.7M
 - NIST MEP Labor: \$8.3M
 - NIST MEP Overhead: \$6.4M
 - Total planned expenditures: \$148.5M

Performance-based Peer Panel Review Update

- Round 1 completed (Dec 2017-Feb 2018)
 - CO, CT, FL, IN, MI, NC, NH, OK, OR, TN, TX, and VA
- Round 2 completed (May-July 2018)
 - AK, ID, IL, MN, NJ, NY, WA, WI, and WV
- Round 3 (March-April 2019)
- Round 4 (Oct-Nov 2019)
- The seven legacy Centers will be the first to undergo the fifth year legislatively required Secretarial evaluation
 - To date, AZ, KY, MD, and RI have been completed
 - NE and SD are underway
 - FL upcoming

Updates: MEP Extension and Special Services

Cybersecurity Update – Industry and Defense Industrial Base

- 41 Centers in Cybersecurity Working Group as of 8/18/18
- Over 2,250 SMMs served, over 170 awareness/training events and over 150 projects conducted
- Opportunities with defense and automotive supply chains via National Network cybersecurity project (CAP award to MMTC)

Workforce Update – Research

- Workcred Manufacturing Credentialing Project
 - *Examining the Quality, Market Value, and Effectiveness of Manufacturing Credentials in the United States* released 7/25/18
 - Project sponsored by NIST MEP, in coordination with NIST Standards Coordination Office (SCO): engaged Workcred, an affiliate of ANSI

Disaster Assistance Update – Results

- NIST MEP facilitated five awards to MEP Centers between Sept. 2017-Jan 2018
 - TX, LA, FL, GA, and PR
 - \$6.2 million total funding, 800 planned assessment in PR alone, with over 1,000 total completed
- Lessons learned following Hurricane Harvey will be brought to bear on disaster assistance efforts going forward, including Hurricane Florence

MEP Center Performance During and Right After Competitions

C. Thomas presented slides with various graphs/charts summarizing the current distribution of MEP Center IMPACT scores as well as MEP Center performance and other metrics from 2006 through 2017. A few key points include the following statistics.

- Impacts have risen in FY 2017, but projects and client counts remain flat
- In nominal terms, federal investment in the Centers is flat
- Number of clients and projects peaked before the recession
- Impacts have remained stable with a few spikes
- Survey response rate fell from a high of 92% in FY 2007 to a low of 71% in FY 2015
- The number of manufacturing establishments is falling, from a high of 331,355 in 2007 to 291,543 in 2016
- Staff counts are flat after falling post-recession
- Constant (inflation adjusted) and nominal MEP funding have remained flat since 2011
- Growth, technology, and product development services are an increasing share of MEP services. This impacted the number of clients the Centers serve because the projects are much larger.
- High performing Centers serve more clients, have higher response rates, higher shares of clients reporting improved competitiveness, and more state funding

MEP National Network – Current Status and Leadership

- The Future is Now group (FIN) has changed their name to the National Network Center Leadership Team (CLT)
- Vision Statement:
 - The MEP National Network vision statement: The power of the MEP National Network is being the “Go-To” resource for America’s manufacturers
- Mission Statement:
 - The MEP National Network mission statement: To effectively blend our individual manufacturing expertise into a National Network delivering positive impacts to manufacturers, so much so that we are recognized by local and national funding stakeholders for substantially creating a positive impact on U.S. manufacturing

- Value Proposition:
 - The MEP National Network value proposition: The MEP National Network enhances a Center's ability to serve more manufacturers with more diverse services, increasing penetration, impact, and project revenue
- Benefits to the National Network Include: Centers getting greater impact and more projects, as well as access to trusted advisors across the National Network
- Results will be:
 - Opportunities for new revenue sources
 - Quicker and easier adoption of new services developed by other Centers
 - Increase in the number of manufacturers served
 - Ability to bring new capabilities to market quickly and effectively
 - Higher team problem-solving capabilities
- Center clients will benefit from:
 - Expedient introduction of new products and services
 - Access to capable and timely resources for immediate solutions to critical challenges
 - The delivery of a seamless, consistent service model across multiple Centers for multi-state companies
 - Access to capabilities to solve unique, complex business and technology challenges

MEP Advisory Board Member – Patricia (Pat) Moulton

C. Thomas invited new member Patricia Moulton to discuss what she intends to bring to the Advisory Board. P. Moulton explained that her background is in economic development and workforce development. As President of Vermont Technical College, she oversees workforce development engagement with all types of companies, especially in manufacturing. The school has been moving to expand its additive manufacturing capabilities and serves as a prototyping center for smaller manufacturers in the state. She would also like to be involved in designing measures and the development of the National Network.

Wrap-Up/Public Comments

Public Comments

- B. Zider, VMEC, said Centers need to keep their core values in mind in order to stay on-track. It is important to examine the big goals the Centers have while recognizing the potential for significant hurdles, such as staff turnover. The goals can be overwhelming to staff members that are already working very hard. He also encouraged NIST MEP not to use an across the board percentage for all funding increases.

Concluding Comments

- C. Cason said that the progress made on systemization of services and the strengthening of those services has been outstanding. The metrics do not currently tap into the positive responses she has heard from stakeholders. NIST MEP needs to be sure they are getting data on progress being made in the direction that they intend. Addressing the unification issue will provide the biggest return on investment.
- K. Rennels welcomed P. Moulton to the Board. She thought the Board was going to be challenged in the coming years to figure out how to measure what the Centers have traditionally been judged on, how to measure innovation, and how to weight the factors that are most important to the MEP National Network.
- G. Spottswood said that one of the most important things for NIST MEP to be considering is what is measured.
- L. Taito noted the culture shift that has taken place among Center Directors has become far more collaborative. This is attributable to C. Thomas' work, and L. Taito was confident that NIST MEP will achieve the goals it has set for the National Network.
- M. Newman said the issue of an aging workforce is an area where the power of the MEP National Network can be of great service.

- B. Hawes said that the meeting participants came to connect and reconnect with all of the Centers, the Board, and NIST MEP, and they have done that. She believes the Board has become very impactful, but there are some metrics they need to look at to be better informed as they move forward.
- L. Byars hoped the government could see the impact that the attendees gained from being there. Several members found the meeting to be reinvigorating, as well as a bonding experience with other members.
- J. Anaya found the update from the working group on cybersecurity very informative for his own work in this area.
- C. Thomas said they have a shared mission, and the MEP National Network is now going to the next level of shared accountability. The measures NIST MEP develops are those they feel will help Centers better serve manufacturers. Having the best interests of the client in mind is what should be leading a Center's actions.

Next Meeting

The next Advisory Board Meeting is planned for February 27, 2019, in Washington, D.C.

Adjournment

With no further business, J. Wilcox adjourned the meeting at 5:41 p.m.