

Request for Proposals: Policy Academy on Strengthening Your State's Manufacturers

Overview and Important Information

Proposals Due: June 7, 2019

Selection Announcement: July 9, 2019

Purpose: The purpose of the Policy Academy on Strengthening Your State's Manufacturers is to guide states through a planning and implementation process to identify relevant manufacturing-related partnerships and policies that would move your state's economic development strategy forward. The outcomes of this effort will likely be new or enhanced initiatives that advance your state's manufacturing agenda (See Appendix 1 for examples based on previous Policy Academy participant experiences). We will help you customize the process and outcomes to build on your existing efforts by (1) providing ideas about how to improve the performance of your existing approaches, (2) organizing access to national subject matter experts, and (3) creating a mechanism to discuss and think through your ideas with colleagues from other states facing similar challenges or opportunities.

For example, your state may be interested in pursuing activities such as the following to strengthen your state's manufacturers: (a) engaging business partners to address talent gaps, (b) accelerating business start-ups and scale-ups through creative ideas that foster innovation and entrepreneurship, (c) expanding the market reach of your smaller companies by promoting exports and diversifying their customers, (d) diversifying your economic base through improved supply chain linkages among big and small companies alike, or (e) improving the efficiency of your economic development ecosystem by getting service providers to more effectively meet business needs. Your team's proposal to participate in this Academy will reflect your state's strategic priorities; the partners are organizing and funding this Academy to ensure that your manufacturing base is front and center in those priorities.

Assistance Available to Awardees: The Policy Academy on Strengthening Your State's Manufacturers is a year-long process that offers dedicated technical assistance to help selected states with the development and initial implementation of policies that will strengthen the state's manufacturing base. The Policy Academy will offer selected states the following activities and assistance:

- Two multi-state joint meetings at the beginning and mid-point of the Policy Academy, which will be attended by all selected state core teams and that will provide access to manufacturing experts, opportunities for peer-to-peer exchange among states, and dedicated strategic planning time for each state team;
- Two visits per state by a lead technical expert and experienced facilitator who will be matched with the state to guide the state's broader home team through a strategic planning and implementation process; and
- Ongoing technical assistance through monthly conference calls and peer-to-peer learning opportunities, such as webinars.

Travel and lodging expenses will be covered for up to four (4) team members to attend multi-state meetings.

Period of Performance: August 19, 2019 - September 30, 2020

Bidders' Conference Call: A conference call will be held May 8, 2019 at 3:00 p.m. EDT.

Call in number: 866.740.1260

Passcode: 614.9011

Eligibility: All states are eligible to participate in the Academy except for those that participated in the first cohort (Kentucky, New Jersey, Puerto Rico, Utah) or that have gubernatorial elections in 2019 (Louisiana, Mississippi). All states are required to engage a Manufacturing Extension Partnership Program (MEP) Center on their proposal team and as part of the core team.

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Policy Academy Purpose and Background

In 2012, following both a national recession and a protracted decline in manufacturing, the U.S. Department of Commerce NIST Manufacturing Extension Partnership Program (NIST MEP) sponsored a Policy Academy on “Encouraging Growth Opportunities in Manufacturing”. Several national organizations, including SSTI and the Center for Regional Economic Competitiveness (CREC), led eight states through a process to re-focus state manufacturing strategies on innovation, entrepreneurship, and investment. The Policy Academy helped states introduce new programs, pass legislation in support of manufacturing priorities, and secure new funding.

Now, seven years later, manufacturing in the United States is in an arguably better competitive position. Manufacturing has added over 1.2 million jobs since the end of the recession, with the majority paying higher than average wages.¹ Furthermore, manufacturing has been a positive contributor to growth in real gross domestic product (GDP) in each year since 2010.² During that time, the real gross output of the manufacturing sector has grown by more than 15 percent.³ When taking into account the entirety of the manufacturing value chain, the sector makes up nearly one-third of U.S. GDP and has a local economic multiplier effect of 3.6, according to the Manufacturers Alliance for Productivity and Innovation.⁴

There is also a renewed sense of optimism around the manufacturing sector. Confidence among manufacturers is at record highs, according to a recent survey by the National Association of Manufacturers.⁵ A Deloitte study finds that more Americans believe that US manufacturing will grow stronger in the longer term.⁶ However, more than three in four respondents agree that the US needs a more strategic approach and more investment to develop its manufacturing base.

¹ [St. Louis Fed, Manufacturing Employment](#)

² [BEA, Contributions to percent change in real GDP](#)

³ [BEA, Real Gross Output by Industry](#)

⁴ [MAPI, “Manufacturing’s Economic Impact: So Much Bigger Than We Think”](#)

⁵ [National Association of Manufacturers, “Manufacturers’ Optimism Reaches Record High Amid Progress on Tax Reform”](#)

⁶ [Deloitte, US Perception of the Manufacturing Industry](#)

This renewed economic confidence in manufacturing coincides with a re-commitment by many states to invest in efforts to spur growth in the manufacturing base as a strategy for providing economic opportunities for their citizens. Many states now have cluster-based manufacturing strategies aimed at promoting investment. In this context, states have identified manufacturing as an important priority.

Today, the goal is to spur creative action, and states have a unique opportunity to take a variety of approaches to strengthening the competitiveness of the manufacturing sector, its firms, and their workers.

To help states leverage this opportunity, NIST MEP is again sponsoring a Policy Academy aimed at helping up to 12 states over two cohorts in an in-depth manner to refine their manufacturing strategies and policies. Four states (Kentucky, New Jersey, Puerto Rico and Utah) are participating in the first cohort. Organized by SSTI and CREC, the Policy Academy on Strengthening Your State's Manufacturers will guide states through a planning and implementation process to identify the partnerships and policies that will strengthen manufacturers in their state. The process will be customized to build on each participating state's existing strategies, leverage available resources, and spur creative new ideas about how to address major challenges or take full advantage of available opportunities. States with existing manufacturing strategies may want help with facilitating multi-agency teams, access to subject matter expertise, information about best practices, and creative perspectives about how to move an issue forward. These issues may address a wide variety of topics relevant to manufacturing including:

- **Talent and skills:** A survey of global manufacturing executives found that talent is the number one driver of the sector's competitiveness.⁷ In the United States, manufacturers have reported more than 400,000 job openings in each of the last six months.⁸ Domestic manufacturing is increasingly driven by technological innovation and that requires a more specialized workforce.⁹ Employers often require workers to develop a combination of production (machining, welding, fabrication technologies) and engineering skills (process improvement, quality assurance, design). Smaller manufacturers and those located in rural areas may be especially prone to talent shortages. States can help address manufacturing talent issues, including identifying and addressing existing manufacturing skills gaps, expanding apprenticeship or other "earn and learn" programs, and leveraging higher education and workforce development resources to meet the skills needs of smaller manufacturers. Economic development agencies have a unique role to play in engaging companies to articulate their skill needs and providing feedback on the quality of talent sourcing organizations (e.g., education and training providers), and states are clarifying how economic development and workforce development can work together to complement one another's resources and expertise.
- **Technology adoption:** While talent remains the main driver of manufacturing competitiveness, the sector's strength is increasingly propelled by advanced technologies and investments in research, technology, and innovation.¹⁰ To stay competitive, American manufacturers rely on their ability to adopt innovative technologies and practices, such as additive manufacturing, digital manufacturing, advanced analytics, new materials, and robotics. States can facilitate technology adoption by working with MEP centers, Manufacturing USA Institutes, universities,

⁷ [Deloitte Global Manufacturing Competitiveness Index](#)

⁸ [BEA, Job openings levels and rates by industry and region](#)

⁹ [EMSI, Manufacturing is not Dead](#)

¹⁰ [Deloitte Global Manufacturing Competitiveness Index](#)

and other research resources. States rely increasingly on customized services to small and medium-sized manufacturers, which are among the most-cost effective economic development incentives.¹¹ States are seeking innovative approaches to providing these resources in a more cost effective way that leverages impacts for a greater number of companies with fewer public resources.

- **Supply-chain competitiveness:** To continue on a path of manufacturing growth, the United States must increase its commitment to the competitiveness of small and medium sized companies. Supply chain manufacturers pay wages that are more than 20 percent higher than at business-to-consumer manufacturers, and they are nearly three-times as STEM intensive.¹² However, recent research by McKinsey shows a wide disparity in global competitiveness between larger and smaller manufacturers. Domestic revenues at large manufacturers grew more than twice as fast as the sector average, while smaller suppliers experienced negative growth.¹³ By viewing workforce development and innovation through the lens of smaller manufacturers, states can help support the competitiveness of their manufacturing supply chains. States are also helping to strengthen manufacturing supply chains by implementing programs that connect entrepreneurs, start-up companies, and scale-up companies with manufacturers that could make their products. Encouraging international engagement through exports of manufactured goods or the attraction of foreign investment in manufacturing facilities may further boost the manufacturing supply chain in a state.

This list of issues and potential state actions to address those issues is meant to be illustrative, not exhaustive. For states, the goal of the Policy Academy is to articulate issues and opportunities requiring attention in your state and propose approaches for further investigation and possible investment. This involves identifying which levers, opportunities, policies, and practices can improve the competitive nature of the manufacturing sector. Appendix 1 includes examples of previous Policy Academy state outcomes.

Expected outcomes from the Policy Academy process include:

- Invigorated or renewed state leadership focus on manufacturing issues;
- New program design and implementation;
- Revision to program delivery (broader/deeper engagement among service provider ecosystem); and/or
- Legislative initiatives to enhance manufacturing competitiveness.

Policy Academy Activities

Selected states will receive facilitation help through a robust process that will clarify their goals and proposed actions, ensure that they are engaging appropriate partners, and provide insights about what other states are doing and what subject matter experts are recommending as the best approaches to addressing the issues that the state has identified. At the end of the process, the state team will create an action plan and begin implementing policies or programs formulated to improve the manufacturing competitiveness in their state. Each state will propose the policy areas it will focus on based on its unique

¹¹ [Upjohn Institute, What works to help manufacturing-intensive local economies?](#)

¹² [MIT Sloan Research Paper, "A New Categorization of the US Economy: The Role of Supply Chain Industries in Innovation and Economic Performance"](#)

¹³ [McKinsey Global Institute, "Making it in America: Revitalizing US manufacturing"](#)

policy environment, challenges, and opportunities (in one or more areas such as technology adoption, workforce development, and international trade—see the full list of possible areas on pages 7-8). The Policy Academy process will be accomplished through the following steps:

- 1. Multi-state Meetings:** Selected states will convene as a group two times during the year-long Policy Academy. The first meeting, an orientation, will introduce states to the Policy Academy process and to a policy framework for strengthening manufacturing competitiveness. States will be matched with a lead facilitator and, with the facilitator’s assistance, will begin the strategic planning process, starting by refining the focus and goals of each state’s plan. The orientation meeting is scheduled to occur in Washington, DC on August 20 to 21. States will meet for a second time at the mid-point of the Policy Academy to review the progress made in refining and implementing the state team’s plan. The mid-point meeting provides an opportunity for states to hear from experts on topics identified as challenges or opportunities across the participating states and to exchange information and ideas for policy change with the other participating states. The mid-point meeting will likely occur in March 2020 in a location to be determined. Each meeting will provide a balance of access to policy experts, dedicated state team time for discussing issues and making decisions about next steps, and issue-specific, facilitated peer-to-peer exchange. State teams are expected to complete a short written report describing their experiences with the Policy Academy prior to the mid-point meeting and upon the program’s completion.
- 2. Facilitated In-state Strategic Planning Meetings:** Each state’s lead facilitator (a subject matter expert selected from the SSTI/CREC team) will conduct two site visits throughout the Policy Academy process. The goal of these site visits will be to lead the state through an action plan that starts with the specific challenges or opportunities identified in each state and results in an implementation plan to improve manufacturing competitiveness in the state. The primary purpose of site visits will be to engage the state’s full “home team” in an action planning and implementation exercise. There may be some variation in the format of site visits depending on each team’s plan – other possibilities would include facilitating a broader session of manufacturing companies to gain industry input, bringing a subject matter expert to the state for dedicated technical assistance or facilitating “core team” planning sessions.
- 3. Ongoing Technical Assistance:** SSTI, CREC, and its partners will coordinate technical assistance to participating teams throughout the Policy Academy process. In addition to the on-site visits, on-going technical assistance may include webinars, phone consultations, and background research.
- 4. Team Leader Conference Calls:** Team leaders from each state will participate in regular conference calls throughout the Policy Academy to keep one another briefed on their work and experiences to date. These calls provide opportunities for states to work together on common challenges or opportunities, and to learn from each other as each state progresses through its strategic planning process towards implementation.

Team Composition

State should identify (1) a **core team**, which will consist of the four members who have the most direct involvement in the Policy Academy and who will travel to multi-state meetings, and (2) a slightly larger **home team**, consisting of seven to ten members whose input is critical for the success of the state's plans. Strong teams will include a cross-section of policy makers from relevant state agencies and stakeholder groups and will reflect the proposed direction and issues that the state is considering. All team members should be willing to commit to working together over a 13-month timeframe from August 2019 through September 2020.

The core team **must include** (1) the head of or a member of the state economic development agency's executive management team and (2) the director of the state MEP center. States that have multiple state-level economic development entities should designate one of the entities as lead and include a clear plan for coordination between agencies in their application.

One member of the core team should be designated as the team lead, who will play a leadership role throughout the process, take responsibility for managing the team's activities, and ensure the state meets its proposed goals and objectives. Team leads will be expected to participate on regular phone calls with their lead (SSTI/CREC) facilitator as well as monthly calls with team leads from all participating states.

Other recommended team members to fill out the core team and create a home team include:

- an executive representing a manufacturer operating in the state;
- an economic development policy advisor or another appropriate official from the governor's office;
- a state legislator or senior legislative staff person;
- a representative from a complementary state agency (such as workforce development); and
- representatives from key regional partners (for example: universities, chambers of commerce, regional economic development authorities).

Home team members are expected to participate (along with the core team) in the site visits conducted by the state's lead facilitator.

To facilitate the state's participation, SSTI will cover transportation and lodging for up to four (4) people from each selected state's core team to attend the multi-state meetings; one of those four people must be the MEP center director. States may send up to three additional members from the home team at their own expense; a registration fee to cover meals and breaks is required for team members beyond the four people covered by SSTI.

The kickoff meeting of the Policy Academy will be August 20-21 in Washington, DC. **Proposers should hold those dates on proposed core team members' calendars to ensure their participation in the kickoff meeting.** The kickoff meeting is a critical component in achieving success in the year-long process of the Policy Academy as it sets the direction and goals of state participants.

Required Proposal Content and Selection Criteria

Only one application per state will be accepted. Successful applications will identify an issue or set of issues that affects the state's manufacturing competitiveness and describe how the Policy Academy process will help the state either address a specific gap or capture a specific opportunity related to that issue or set of issues. Preference will be given to applications that demonstrate readiness and commitment to implementing strategies developed during the Policy Academy.

Proposal Content

To apply for the Policy Academy, states must submit a proposal that includes the following:

- A letter of application that articulates why the state is interested in participating in the Policy Academy and what it expects to gain from the process. Preference will be given to states with letters signed by the governor, but applications with letters signed by the head of the state economic development agency will also be accepted.
- A list of confirmed core and home team members, as described in the Team Composition section. Please include each team member's name, title, email address, and a short description of their ability to assist in strategy development and implementation. The list must identify the name and contact information for the team lead (see page 6 for information on the team lead's responsibilities).
- A narrative of 5 pages or less (12 pt. font, 1-inch margins) that addresses the topics and questions posed in items 2-4 of the assessment criteria: defining issues affecting the state's manufacturing competitiveness, objectives for the Policy Academy process, and the state's plan for implementation.

Each state should make a strong case for the most significant gaps that will be addressed and the most compelling opportunities that could be pursued through the Policy Academy process. The state proposal to strengthen the manufacturing base should focus on issues that are important to the governor and other state leaders. Industry participation is an important element of the Policy Academy, and states should indicate in their proposals how they plan to engage the private sector. While the reviewers are open to a variety of ideas, the reviewers are particularly looking for proposals that focus on one or more of the following: improving talent and skills, fostering innovation and entrepreneurship, promoting export strategies, enhancing supply-chain competitiveness, and increasing coordination among partners and firms. Specific strategies for addressing these issues could include:

- Applying technology to manufacturers' needs through Manufacturing USA Institutes and other research resources;
- Strengthening defense industrial base supply chains;
- Encouraging international engagement through exports of manufactured goods or attraction of foreign investment in manufacturing facilities;
- Connecting entrepreneurs, start-up companies, and scale-up companies with manufacturers that could make their products;
- Addressing unique challenges facing rural manufacturers; and

- Strengthening solutions to manufacturing talent issues, including identifying and addressing existing manufacturing skills gaps, expanding apprenticeship or other “earn and learn” programs, and leveraging higher education and workforce development resources to meet the skills needs of smaller manufacturers.

Each state should make a strong case for the most significant gaps that will be addressed and/or the most compelling opportunities that will be pursued through the Policy Academy process. More important than the topic is the team’s commitment to improving their state’s efforts to strengthen the manufacturing base. Reviewers will be looking for evidence that this initiative has top-level support and will be a high priority for upcoming gubernatorial or legislative policy.

Assessment Criteria

Proposals will be evaluated according to how well they address the following criteria:

1. The state forms a relevant and influential core and home team, committed to learning from others and making change for their state. (30 points)

Describe the composition of the state’s core team and home team, including a brief description of each member, how they will contribute to the team and who will serve as team lead. Members of the team should be high-level officials who have decision-making and budget authority and are able to adopt changes and create new programs. There should be a clear line of sight to the governor, either through a state agency representative or an advisor from the governor’s office. The core team **must include** a member of the executive management team (please provide evidence that the individual proposed plays that role) and the director of the state MEP center. One member of the core team must be designated as the team lead, who will play a leadership role throughout the process and be responsible for managing the team’s activities and ensuring the state meets its proposed goals and objectives.

2. The state clearly defines an issue or set of issues that will be addressed to improve manufacturing competitiveness in the state. (25 points)

Describe the strengths and weaknesses of the state’s manufacturing policies and environment. Provide a frank assessment of the state’s manufacturing competitiveness. What issues or set of issues would participation in this process most advance? How would the Policy Academy either build on existing efforts in the state or prompt new efforts?

3. The state articulates outcomes it aims to achieve during the Policy Academy process. (30 points)

Describe how the state can best use the Policy Academy process to address the challenges and opportunities identified in the previous section. What challenges or gaps are most pressing and prevent growth of manufacturing within the state? What opportunities are on the horizon for supporting manufacturers in the state? How would participation in this process provide a catalyst for policy change within the state?

4. The state develops a clear plan for in-state activities. (15 points)

Describe key activities that will help the state advance its objectives during the Policy Academy process. It is expected that key activities will be refined through the planning process, thus, the proposal should outline the state’s initial plans or milestones for getting the most out of the

process. Key activities could include convening industry or other stakeholders, conducting research on best practices in other states or countries, establishing a steering committee, developing programs or legislation, or building new partnerships.

Eligibility

All states are eligible to participate in the Academy except for those that participated in the first cohort (Kentucky, New Jersey, Puerto Rico, Utah) and that have gubernatorial elections in 2019 (Louisiana, Mississippi). All states must actively engage the leadership of their Manufacturing Extension Partnership Program (MEP) Center. Up to eight states will be selected from the 45 eligible states. Questions regarding eligibility should be directed to Jonathan Dworin [614.901.1690 / dworin@ssti.org].

Selection Process

SSTI will name an independent panel of subject matter experts to review and score the proposals based on the criteria outlined above and make recommendations about which states will be invited to participate in the Policy Academy. States will be notified of their award status by July 9, 2019.

Bidders' Call

A conference call will be held May 8, 2019 at 3:00 p.m. EDT.

Call in number: 866.740.1260

Passcode: 614.9011

Submission Information

Using the subject line "Proposal: 2019 Policy Academy on Strengthening Your State's Manufacturers," please email applications in a single .pdf document to Jonathan Dworin [dworin@ssti.org].

Appendix 1: Examples of potential activities based on previous Policy Academy participant experiences

Strategy

- Created an interactive hub for manufacturers to access workforce and economic development resources, and customized technical assistance;
- Developed a statewide manufacturing strategic plan that complements the state's overall economic development strategy;
- Coordinated a public-private partnership to advocate on behalf of the state's advanced manufacturing sector;
- Established an industry-led advisory council to offer a consistent voice on issues facing the manufacturing sector; and,
- Secured legislative funding for manufacturing priorities around five high-priority areas.

Workforce

- Implemented a postsecondary career and technical education pathways program focused on manufacturing skills;
- Began a manufacturing career awareness initiative targeting K-12 students;
- Formed an apprenticeship program embedded in the state's MEP center; and,
- Passed legislation to renew and extend a community college initiative that funds manufacturing workforce partnerships.

Innovation

- Led an effort by the state's research universities to drive innovation in the manufacturing sector;
- Passed bipartisan legislation to provide funding for innovation vouchers, which offer manufacturers grants to access R&D and other services;
- Developed liaison offices at universities to bridge the gap between R&D and industry needs; and,
- Planned an Advanced Manufacturing, Design, and Innovation Center to support innovation amongst small and mid-sized firms.