



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Benjamin H. Wu | Deputy Secretary of Commerce

December 22, 2017

The Honorable Thomas V. Mike Miller, Jr.
President, Maryland Senate
State House, H-107
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401-1991

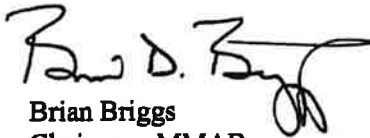
RE: Maryland Manufacturing Advisory Board Report

Dear President Miller and Speaker Busch:

In accordance with Economic Development Article §3-109 the Maryland Manufacturing Advisory Board, in conjunction with the Department of Commerce is pleased to submit the annual Maryland Manufacturing Advisory Board Report.

We look forward to your review of this report and will be happy to furnish any additional information that is needed. If we can be of further assistance, or if you have any questions regarding this report, please contact Todd Sabin, Executive Staff to the Maryland Manufacturing Advisory Board at 410-767-0697.

Sincerely,


Brian Briggs
Chairman, MMAB


R. Michael Gill
Secretary, Department of Commerce

Enclosure



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Benjamin H. Wu | Deputy Secretary of Commerce

MEMORANDUM

TO: The Honorable Larry Hogan
Governor

FROM: Brian Briggs
Chairman, MMAB

R. Michael Gill
Secretary

THRU: Sean Powell
Deputy Chief of Staff, Governor's Office

DATE: December 22, 2017

SUBJECT: Maryland Life Sciences Advisory Board Report

In accordance with Economic Development Article §3-109 the Maryland Manufacturing Advisory Board, in conjunction with the Department of Commerce is pleased to submit the annual Maryland Manufacturing Advisory Board Report.

We look forward to your review of this report and will be happy to furnish any additional information that is needed. If we can be of further assistance, or if you have any questions regarding this report, please contact Todd Sabin, Executive Staff to the Maryland Manufacturing Advisory Board at 410-767-0697.

Attachment



**FISCAL YEAR 2017 ANNUAL REPORT
OF THE**

MMAB MARYLAND
MANUFACTURING
ADVISORY BOARD

As required by Economic Development Article §3-109

Respectfully submitted to the General Assembly of Maryland by

Brian Briggs, Chairman

Secretary R. Michael Gill, Commerce

401 East Pratt Street

Baltimore, MD 21202

December 2017



Larry Hogan, Governor | Boyd Rutherford, Lt. Governor

OPEN *for* **Business**

MMAB Background

During the 2017 legislative session the Maryland Advisory Commission on Manufacturing Competitiveness (MACMC) was renamed the Maryland Manufacturing Advisory Board (MMAB or Board) and restructured to deliver more meaningful leadership and guidance towards the state of Manufacturing in Maryland. The Board meets quarterly, with its inaugural meeting held this past September.

Under the legislation, which became Sections 3-101 and 3-103 through 3-109 of the Economic Development Article of the Maryland Annotated Code, the purpose of the Board is to advise the Secretary of the Maryland Department of Commerce (Commerce) on the best methods to implement the policy directives of the action plan for manufacturing competitiveness in the State, including:

- 1) encouraging the development of new manufacturing enterprises and the expansion and retention of existing manufacturing enterprises;
- 2) encouraging and facilitating training and education of individuals for manufacturing jobs;
- 3) producing a climate conducive to the growth and viability of manufacturing enterprises;
- 4) supporting research necessary to evaluate, plan, and execute effective promotion of manufacturing enterprises; and
- 5) encouraging, assisting, and coordinating the activities of local, regional, and national public or private organizations that promote manufacturing

Membership

The Board is comprised of 16 members appointed by the Secretary of Commerce with the approval of the Governor and one ex-officio member who represents Commerce. Members are representative of varied geographic regions of the State, varied sectors of manufacturing, and a mix of manufacturers that employ 500 or more employees and those that employ fewer than 500 employees. The Board is comprised of 10 manufacturers, 2 legislators, 1 member of the business community, 1 educator, 2 labor representatives, and Secretary Gill. The Board has 1 vacancy of the 10 manufacturing stakeholders. A potential member has been identified with the invitation to participate on the Board accepted. The Board is awaiting approval of the application. (See Appendix A for membership listing.)

The MMAB is chaired by Mr. Brian Briggs, President of TIC Gums, Inc. Mr. Briggs has more than 25 years of financial and operations experience in profitably building companies in both the public and private equity sectors.

2017 Meetings

During 2017, the Board held meetings on September 25 and December 12. The meetings were held at two locations. The September meeting was held at Commerce's office at World Trade Center in Baltimore. The December meeting was held at TIC Gums, Inc. in White Marsh. (Meeting Minutes are found in Appendices B)

Board members also met with leaders of workforce resources for manufacturers in Maryland and facilitated a panel discussion. This discussion was beneficial to helping Board members to establish common framework for understanding the State's workforce challenges and the programs available to address these challenges.

Closing Statement

In its inaugural year, the Maryland Manufacturing Advisory Board initially focused on the workforce development needs facing Maryland manufacturers. The lack of suitable, prospective candidates engaged in manufacturing employment has been identified as a long-term issue for the State.

Looking forward to 2017, the Board expects to continue its deliberations on this point and will present additional recommendations to promote and expand Maryland's manufacturing base.

APPENDIX A

MMAB VOTING AND NON-VOTING MEMBERS

Ex Officio

MD Commerce Secretary Mike Gill

Manufacturing Representatives (10)

Brian Briggs, President, **TIC GUMS** (Chairman)

Scott Simmons, VP NA Supply Chain, **McCormick & Co.**

Patrick Nolan, VP and GM Missile Products Division, **Orbital ATK**

Bobby Patton, CEO, **Patton Electronics**

Tom Sanders, Owner & Managing Director, **Coherent Technical Services (CTSI)**

Joanie Gerber, President, **Bikle Manufacturing**

Phil Tulkoff, President, **Tulkoff Food Products**

Suzy Ganz, CEO, **Lion Brothers**

Sandra Lamb, President, **Semforex**

Legislators (2)

(Senate Appointee) Senator Katherine Klausmeier

(House Appointee) Delegate Ned Carey

Business Community Rep (1)

Christine Ross, CEO, **Maryland Chamber of Commerce**

Labor Reps (2)

Jim Strong, Sub-District Director, United Steelworkers District 8

Loretta Eggleston, Chairperson of Trustees & Shop Steward, Boilermakers Local S 50

Education Rep (1)

Dr. Willie E. May, Director of Major Research and Training Initiatives, College of Computer, Mathematical, and Natural Sciences, **University of Maryland College Park**

Commerce Support:

Kris Shock, Senior Director, Office of Strategic Industries and Entrepreneurship

Todd Sabin, Manufacturing Program Manager

APPENDIX B

Monday, September 25, 2017
17th Floor Conference Room, World Trade Center
401 East Pratt Street, Baltimore, MD 21202
8:30am – 10:30am

Meeting Minutes

Attendees:

Brian Briggs, Chair
Del. Ned Carey
Loretta Eggleston
Suzy Ganz
Joanie Gerber
Sen. Katherine Klausmeier
Saundra Lamb
Patrick Nolan
Bobby Patton
Christine Ross
Tom Sanders
Scott Simmons
Jim Strong
Phil Tulkoff
Dr. Willie E. May

Company

TIC Gums
Maryland General Assembly
Boilermakers Local S 50
Lion Brothers
Bikle Manufacturing
Maryland General Assembly
Semforex
Orbital ATK
Patton Electronics
Maryland Chamber of Commerce
Coherent Technical Services
McCormick & Company
United Steelworkers District 8
Tulkoff Food Products
University of Maryland College Park

Ex-Officio Members:

R. Michael Gill, Secretary, Department of Commerce

Commerce Staff:

Kris Shock
Todd Sabin
Sharon Markley

I. Commerce Department Welcome

Secretary Gill welcomed members and staff to the inaugural meeting of the Maryland Manufacturers Advisory Board (MMAB). His remarks emphasized the importance of customer service, a culture of “yes”, and talent acquisition as key to successful manufacturing. He reported on the implementation of the More Jobs for Marylanders Act (MJM) and requested Kris Shock, Senior Director, Strategic Industries and Entrepreneurship, to provide an overview of the program. Ms. Shock stated the program provides attractive tax incentives tied to job creation for a 10-year period; encourages additional investment in new equipment through accelerated and bonus depreciation, and strengthens Maryland’s workforce. After Ms. Shock’s review, Secretary

Gill requested the Board provide input on the MJM's initial form and how it may be improved upon to better support Maryland manufacturing.

II. Chairman's Remarks and Call to Order

Chairman Brian Briggs called the meeting to order and welcomed members and staff. He reviewed the purpose of the MMAB as outlined in House Bill 245. As industry advisors, the Board shall advise the Secretary on manufacturing competitiveness as highlighted in Section 3-108, including: manufacturing attraction, expansion, and retention, workforce preparedness, developing a business climate conducive to growth, the promotion of industry, and create partnerships to promote industry.

III. Introductions

MMAB members gave brief introductions of their backgrounds, companies, and thoughts on key issues facing their companies as manufacturers in Maryland. One of the key themes shared by many members was the need to address better access to a workforce that will support their operations.

IV. Key MMAB Priorities

Chairman Briggs reviewed the primary manufacturing strategies developed in the Department of Commerce 2016 Strategic Plan and the update provided in the subsequent 2017 Progress Report. Manufacturing strategies recommended include: training programs, industrial energy conservation strategies, supply chain review, reshoring, and the State as a national hub in one or two key sub-sectors.

V. Closing Remarks

In respect to members' time, Chairman Briggs kept closing remarks brief and asked Todd Sabin, Program Manager, Manufacturing for any additional comments for the Good of the Order. Mr. Sabin advised members to complete their Contact Information form included in their packets, and informed them of the Regional Manufacturing Institute (RMI) Manufacturing Day being held on October 6th. The next meeting of the Board will be in December, date to be determined.

VI. Adjournment

There being no further discussion, the meeting was adjourned at 10:25am by Chairman Briggs.

Tuesday December 12, 2017
TIC Gums, Inc.
10552 Philadelphia Rd, White Marsh, MD 21162
9:30am – 11:30am

***DRAFT* Meeting Minutes**

Attendees:

Brian Briggs, Chair
Del. Ned Carey
Loretta Eggleston
Sen. Katherine Klausmeier
Saundra Lamb
Patrick Nolan
Christine Ross
Scott Simmons
Phil Tulkoff
Dr. Willie E. May
Craig Wanner

Company

TIC Gums
Maryland General Assembly
Boilermakers Local S 50
Maryland General Assembly
Semforex
Orbital ATK
Maryland Chamber of Commerce
McCormick & Company
Tulkoff Food Products
University of Maryland College Park
The Whalen Company

Ex-Officio Members:

Workforce Panel Members

Sharon Markley, Maryland Department of Commerce
Gary Bockrath, Governor's Workforce Development Board
Elaine Carroll, Jane Addams Resource Corporation (JARC)
Linda Gilmore, Office of Workforce Development
Michael Netzer, Executive Dean, Community College of Baltimore County

National Association of Manufacturers (NAM) Update Member

Drew Greenblatt, Marlin Steel and Chair of Small and Medium Manufacturers (SMM) Group

Commerce Staff:

Kris Shock
Todd Sabin
Jen LaHatte

Business Community Attendees:

Colin Jesien, Arnold Packaging
Mike DiGiacomo, Governor's Workforce Development Board

I. Call to Order

Brian Briggs called the meeting to order and welcomed members and guests.

II. Review and approval of September 25, 2017 minutes

Upon motion duly made and seconded, the minutes of September 25, 2017 meeting were approved.

III. Workforce Resource for Manufacturers in Maryland Panel Discussion

Sharon Markley acted as moderator for the panel discussion and members gave brief introductions. Ms. Markley described her role at Commerce and identified workforce as one of the top needs for business and emphasized how Career and Technical Education (CTE) supports these business needs. Ms. Markley then gave an overview of the WorkSmart program.

Mike Netzer addressed the Board and stated that 32% of career choices made by students are based on what their parents did. He proposed that money can be spent to expose students and parents to manufacturing as a career, but this ultimately needs to be owned by “manufacturing” and is not an education problem. In overcoming the poor perception of manufacturing as an attractive career to young adults, the answer is not in robotics itself, but in their applications such as manufacturing.

Linda Gilmore addressed the Board and emphasized the value in apprenticeships as a career pathway to advanced manufacturing. She went on to provide a program overview of (Employment Advancement Right Now) EARN and how it supports this pathway. She then gave an update stating that under 300 companies are involved with the apprenticeship program with 3,000 students going through these apprenticeships.

Gary Bockrath gave an overview of the Governor’s Workforce Development Board (GWDB) and its taskforce group on Advanced Manufacturing. He stated that students lack soft skills and many are not ready to enter the workforce, and there is a need for better branding of advanced manufacturing and skill trades. He went on to state that of the 75% of students that go to college only 50% of these graduate and the 50% that don’t graduate are underserved. There needs to be a way to brand skill trades to that group. He noted that industry is involved in school programs, but only on a limited basis. He is in favor of finding a way to convince students and parents that manufacturing is a fun place to work such as problem solving, hi-tech, clean workplace, etc. He stated that manufacturing’s image needs to change and this image needs to get to students early while in school. He then showed a video featuring Mike Rowe addressing the need for more vocational education in the United States.

Elaine Carroll gave a brief introduction and her background in social work. She then went to describe the work performed at Jane Adams Resource Corporation (JARC) which focuses on hands-on instruction in welding, Computer Numerical Control (CNC), and other skills for entry level positions while gaining nationally recognized certifications. She described JARC’s recruiting and registration efforts and process. In addition to hard skills, JARC provides resume writing, personal finance, and interviewing skills while working with employers to develop the

skills they are seeking. She described the students at JARC are hungry for the education they need to get these trade jobs. She went on to inform the Board of the work JARC conducts with employers to “up-train” incumbent workers which includes custom training; where needed. She stated the JARC was employer led which accounts for much of their success.

Senator Klausmeier added to the panel discussion by informing the Board of a Lions Club scholarship to a career pathway other than obtaining a college degree.

IV. Board Open Discussion on Workforce

Sharon Markley discussed the Eastern Shore program the Office of Strategic Industries & Entrepreneurship at Commerce is working on to facilitate discussion among high schools, area companies, and region economic developers as partners in meeting workforce needs.

Christine Ross gave an overview of the Maryland Registered Apprenticeship Tax Credit, as well as potential legislation to protect employers from on the job liability by hiring for second chance employees. She also discussed the Adult High School Pilot Program to establish an alternative method for adults who did not graduate and get them back to earn their diploma through Career and Technology Education (CTE) programs. She suggested the use of externship to expose teachers to manufacturing in order to have the modern production environment become part of their lesson plan as they are the key driver in exposing students and teachers to manufacturing.

Phil Tulkoff stated the need to start this exposure in the Junior High School level.

Saundra Lamb noted the need to raise visibility and take the supply side (students) and focus on giving them opportunities in manufacturing.

Linda Gilmore agreed with Ms. Lamb and proposed finding organizations to partner to expose students to manufacturing as a business. She introduced the Frederick County Youth Apprenticeship Pilot Program as not an official apprenticeship, but its purpose was exposure of students to industry and go from the Youth Apprenticeship to a formal apprenticeship.

Dr. May stated the need for to 2-3 week workshops for teachers to get enthused about advanced manufacturing by having demonstrations on welding and other manufacturing environments like biopharmaceuticals. He noted his work with Manufacturing USA and its 14 institutes. He closed by stating the need to demonstrate the “coolness” of manufacturing.

Brian Briggs gave closing comments of the workforce panel discussion by stating the need to make sure resources are available to students to gain visibility into the industry. He went on to address the need to create an environment where students from our top schools stay in Maryland potentially through co-ops and apprenticeships.

V. National Association of Manufacturers (NAM) Update

Drew Greenblatt stated some polling numbers conducted by NAM showing that 94.6% were optimistic about the future of manufacturing, there is only 2.6% unemployment in the industry, the average wage is \$85K, and 97% offer health insurance. In Maryland, only 4% of the population is employed in manufacturing, yet produces 5.5% in total manufacturing output. He continued by stating 33% more products were made in Maryland since 2005.

Mr. Greenblatt stated Maryland performs well in three (3) areas of manufacturing: chemical products, computer and electronics, and food and beverage. He then addressed exports by stating Maryland had \$3 billion in exports in 2016 with our free trade agreement partners, 88% of exports are from small business, and 13.2% was employed in trade in 2011. Maryland has 23 agreements with other countries and these free trade agreements are good for the state.

Mr. Greenblatt then presented his opinions on proposed tax reforms, instant expensing, bilateral agreements, the North American Free Trade Agreement (NAFTA), regulations and the More Jobs for Marylanders Program. (Presentation on file.)

Discussion among Board members and Mr. Greenblatt led to unemployment insurance and the use of temp agencies in order to reduce risk. Gary Brockrath interjected that unemployment insurance starts day 1 of employment in Maryland and suggested postponing it for 90 days. Mr. Greenblatt agreed that manufacturers would be willing to take more chances in hiring if there was less risk in regards to paying unemployment insurance.

VI. Closing Remarks

In respect to members' time, Chairman Briggs kept closing remarks brief. Saundra Lamb introduced material to be distributed to members for review that asked the Board to consider adding a component to the goals of MMAB in supporting small manufacturers. The next meeting of the Board will be held at McCormick & Company on March 28, 2018.

VII. Adjournment

There being no further discussion, the meeting was adjourned at 11:35am by Chairman Briggs.

Please note that at the time this report was submitted these draft minutes had not yet been approved by the Board - some changes may occur when they are approved