

Montana Manufacturing Extension Center comments

Provided by Director Steve Holland, 406.994.3812

Background

The Montana Manufacturing Extension Center (MMEC) is an outreach center in the College of Engineering at Montana State University whose mission is to help manufacturers succeed. The Center carries out this mission by providing information, training, decision support, and implementation assistance to Montana's manufacturers. MMEC assists manufacturers in adopting new, more advanced manufacturing technology, techniques, and business practices.

One of the core services MMEC offers is LEAN Manufacturing which seeks to reduce waste of all kinds. Examples of waste include: time, materials, energy, scrap, and by-products. Less waste also means less air and water contaminates, and less solid waste going to landfills.

While manufacturing represents only 4% of Montana's total employment, it is an important industry segment accounting for more than 20% of Montana's economic base. According to the Bureau of Business and Economic Research at UM, there are over 3,500 manufacturing establishments (including approximately 1,700 self employed) in Montana directly employing close to 24,400 workers, and paying over \$1.2 billion in annual wages. Manufacturing wages average over 26% more than the average Montana wage. Montana's manufacturers produce more than \$8 billion in output annually.

Started in 1996, MMEC is a member of the US Department of Commerce National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP). Since that time, MMEC services have resulted in nearly \$110 million of increased sales and over 500 new jobs according to a stringent, independent survey conducted quarterly by the National Institute of Standards and Technology.

Measure	1/1/96 – 3/31/08 MMEC inception to date
Clients Served	582
Counties Served	46
Projects Conducted	1226
Jobs Created	507
Jobs Retained	671
Increased Sales	\$109,251,200
Retained Sales	\$65,632,150
Client Investment in Property, Plant/Equipment, Workforce, Information Systems, etc.	\$51,966,093
Client Satisfaction	4.63 out of 5

In an effort to efficiently deliver services to Montana's manufacturers, MMEC partners with other Montana organizations and agencies including: Montana Department of Commerce; Montana Department of Agriculture; Montana Department of Labor and Industry; and Montana Department of Environmental Quality. For more information on the Montana Manufacturing Center visit <http://www.mtmanufacturingcenter.com/>

Comments on draft bill

The draft takes a different direction than the bill the Schweitzer Administration been working with us on. Because of that, we would not be able to support the current version of your draft bill. Our specific concerns are listed below:

- MMEC provides non-biased engineering consulting services to achieve our mission to "Help Manufacturers Succeed". We have never performed any sort of regulatory function because doing so would erode client trust. We are concerned that requiring us to work on a specific regulatory function with a regulatory agency would move us in that direction and put our ability to achieve our mission at risk.
- We do not have an adequate measurement system in place that would allow us to demonstrate results specific to your bill. Our existing measurement system is mandated by Congress and is the result of an independent survey of our clients. It measures increased and retained sales; increased and retained jobs; capital investment; and cost savings clients experienced as a result of our services.
- While we appreciate the suggestion of funding behind the requirement, \$100,000 would not provide a full time engineer plus the travel and administrative expenses necessary to achieve and document the results.