



**FISCAL YEAR 2023 ANNUAL REPORT  
OF THE**



**As required by Economic Development Article §3-109**

**Respectfully submitted to the General Assembly of Maryland by**

Secretary Kevin Anderson, Commerce

401 East Pratt Street

Baltimore, MD 21202

January 2024



Wes Moore, Governor | Aruna Miller, Lt. Governor

## **MMAB Background**

The Maryland Manufacturing Advisory Board (MMAB or Board) serves 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.

## **Fiscal Year 2023 Board Composition**

The FY 2023 MMAB consisted of the following members:

### **Ex Officio**

Kevin Anderson, Secretary, Maryland Department of Commerce

### **Manufacturing Representatives (10)**

1. Lynda Hefner (Chairman), President/CEO, Clark Machine Corp.
2. Sue Chambers, President and CEO, The Strouse Corporation
3. Luke Chow, President and CEO, Prime Manufacturing Technologies Inc.
4. Katarina Ennerfelt, President, Arcon Welding
5. Suzy Ganz, CEO, Lion Brothers
6. Sam Griffith, President, National Jet Co., Inc.
7. Mina Izadjoo, President, Integrated Pharma Services, LLC
8. Greg Maxwell, VP - Global Supply Chain, Northrop Grumman Corporation
9. Bobby Patton, CEO, Patton Electronics
10. April N. Richardson, Owner, Good Opportunity

### **Legislators (2)**

1. (Senate Appointee) Senator Katherine Klausmeier (stepped down October 2023)
2. (House Appointee) Delegate Ned Carey (stepped down mid-year)  
(House Appointee) Delegate David Fraser-Hidalgo (replaced Delegate Carey September 2023)

**Business Community Representative (1)**

1. N. Scott Phillips, Director, **Mid-Atlantic Region MBDA Advanced Manufacturing Center**

**Labor Representatives (2)**

1. Jim Strong, Sub-District Director, **United Steelworkers District 8** (term ended and stepped down June 30, 2023)
2. Vacancy (as of January 2023)

**Education Representative (1)**

1. Kelly Koermer, VP of Continuing Education & Training, **Carroll Community College**

**Commerce Staff Support:**

Heather Gramm, Assistant Secretary, Business & Industry Sector Development

**2023 Meetings**

During 2023, the Board held three meetings. The first two were held in-person and the third was held virtually. The 2023 meetings were held on the following days and locations:

September 18, 2023 – MD MEP Offices - 8894 Stanford Blvd. Suite 304, Columbia, MD

November 2, 2023 – Carroll Community College - 1601 Washington Road, Westminster, MD

December 13, 2023 – Virtual

The primary focus of the meetings in 2023 were to develop priorities and recommendations of the MMAB to inform decisions and actions of the new Administration and Commerce Secretary related to support for the manufacturing sector. In August of 2023, a survey was sent out to MMAB members seeking their top 3 priorities related to the manufacturing sector in Maryland. This survey was used to guide discussion in the following 3 meetings to develop priorities and recommendations that the members of the MMAB could support. While these discussions are ongoing, and a final document is not expected until early 2024, some key areas that have been discussed include workforce – both availability and training; implementation of the Maryland Blueprint for Education and opportunities for the MMAB to support engagement of manufacturers in preparing youth for jobs in manufacturing; the importance of industry 4.0 adoption in the manufacturing sector; and the importance of a favorable tax and regulatory environment conducive to growing the manufacturing sector in Maryland.

**APPENDIX A**

**MMAB MEETING MINUTES – APPROVED**

Monday, September 18, 2023

3:00-4:00pm

**Meeting Minutes**

**Attendees:**

Lynda Hefner, Chair

Suzy Ganz

Mina Izadjoo

Kelly Koermer

Greg Maxwell

Delegate David Fraser-Hidalgo

Sue Chambers

Luke Chow

Sam Griffith

April Richardson

Clark Machine

Lion Brothers

Integrated Pharma Services, LLC

Carroll Community College

Northrop Grumman Corporation

MD House of Delegates

Strouse

Prime Manufacturing Technologies, Inc

National Jet

Food Opportunity LLC/Sweet Potato Cake

**Notable Guest(s)**

Mike Kelleher

MD MEP

**Commerce Staff:**

Heather Gramm, Assistant Secretary BISD

**I. Call to Order & Chairman Remarks**

At 3:05pm Chair Lynda Hefner called the meeting to order. With many new members on the MMAB, each member was given a chance to introduce themselves. Lynda thanked the Maryland MEP for hosting the meeting at their offices.

**II. Maryland Manufacturing Extension Partnership Updates**

Mike Kelleher with MD MEP welcomed the MMAB to their offices, and provided an overview of their organization. The MD MEP is part of the national NIST network of MEP centers in all 50 states and Puerto Rico. Mike and his team have held the contract with NIST for 10 years, with financial matching contributions from Maryland Department of Commerce. Serving mostly small and mid-size manufacturers (500 employees or less), Maryland MEP provides an array of programs and services to help these local companies operate more efficiently, grow profitability, implement new technologies and create more jobs and opportunities in Maryland. Their services focus on 5 key areas of business: strategy and growth, process and innovation, technology and cybersecurity; supply chain and defense, and workforce.

### **III. Discussion on MMAB Top Priorities Survey**

Prior to the meeting, a survey was sent out to members of the MMAB to gauge their assess their priorities for supporting manufacturing in Maryland, and areas that should be a priority for the MMAB's work in 2024. The results of the survey were also distributed to members ahead of the meeting.

Lynda reviewed the results, noting that the 2 areas that had the highest level of interest were Workforce (#1 response) and Industry 4.0/technology adoption for manufacturers (#2 response).

A discussion among the members followed, with a primary focus on workforce. It was acknowledged that workforce is a key issue facing many industries, and that the greatest challenge can be just getting dependable people to show up to work. Skills training was also discussed, as were ideas about reaching both kids and their parents while they are in middle and high school to increase awareness of good job opportunities in manufacturing.

Kelly gave an overview of the Maryland Blueprint for Education, legislation that was passed by the Marland General Assembly, which includes comprehensive changes to Maryland's early childhood and public schools. Increasing education funding by \$3.8 billion each year over the next 10 years, the Blueprint will enrich student experiences, accelerate student outcomes and improve the overall quality of education in Maryland. The legislation requires that 45% of students earn an industry certification or pre-apprenticeship experience. She noted that every county is implementing this legislation in different ways, but that school systems are required to higher career coaches in middle and high schools (starting this school year). She suggested that these career coaches present an opportunity for Maryland manufacturers to engage – perhaps create modules that career navigators can use to showcase manufacturing to students, or help to create videos, curriculum, host facility tours and develop summer camp programming all focused on awareness of and skill in the manufacturing sector.

Greg noted that reaching students was one aspect of the workforce challenge. From his perspective there are 3 aspects to creating a pipeline of workforce: 1) basic life skills, 2) awareness/interest in the industry, and 3) hard skills/technical training. He also noted that the shift to a work-from-home mentality among the current workforce has created new challenges for the manufacturing industry as employers try to recruit talent.

April stated that from her perspective there should be 2 areas of focus for the MMAB: 1) make sure Maryland leaders recognize the importance of the manufacturing industry, and 2) change the face/perception of manufacturing. She asked the group to think about how the industry could also reach college graduates and get them to think differently about how their knowledge/education translate to manufacturing. She also noted that the HBCUs in Maryland could be a great resource.

Aside from workforce and industry 4.0, it was also noted that new federal legislation changed the federal R&D tax credit, making it much more difficult for manufacturers to realize value from this credit. Expenses must now be capitalized over 5 years.

**IV. Transforming Maryland Manufacturing Workgroup (Heather Gramm)**

Heather provided the Board with the final recommendations adopted by the Maryland Transforming Manufacturing Workgroup in December 2022. She noted that, of the 10 recommendations, only one resulted in legislation during the 2023 session – establishing the Manufacturing 4.0 grant program.

After much discussion, it was agreed that the Board would further review these recommendations, and use their next meeting to discuss and make recommendations to the Secretary of Commerce regarding priority focus areas and issues to address in order to strengthen Maryland’s manufacturing sector. These recommendations will be used to inform the Department’s strategic planning process, which will kick off in early 2024.

**V. Maryland Manufacturing 4.0 Program Update**

The group ran out of time, this item will be discussed during the November meeting.

**VI. Adjournment of MMAB Business Meeting**

There being no further discussion, the meeting was adjourned at 4:30 p.m. by the Chair.

Thursday November 2, 2023  
3:00-4:00pm  
**Meeting Minutes**

**Attendees:**

Lynda Hefner, Chair	Clark Machine
Kelly Koermer	Carroll Community College
Sue Chambers	Strouse
Luke Chow	Prime Manufacturing Technologies, Inc
Sam Griffith	National Jet
April Richardson	Food Opportunity LLC/Sweet Potato Cake
Bobby Patton	Patton Electronics

**Notable Guest(s)**

Steve Barry, Carroll Community College  
Leslie Cheslie, Carroll County Public Schools  
Angie McCauslin, Carroll County Public Schools

**Commerce Staff:**

Heather Gramm, Assistant Secretary BISD

**I. Call to Order & Chairman Remarks**

At 3:10pm Chair Lynda Hefner called the meeting to order.

## **II. Approval of the September 18<sup>th</sup> minutes**

Board members were provided the draft minutes both via email and hard copy at the meeting. Lynda asked the Board to review the minutes, then requested a motion to approve. Sue Chambers made the motion, Kelly Koermer 2<sup>nd</sup> the motion, and with no discussion the minutes were approved unanimously.

## **III. Manufacturing 4.0 Grant Program Update**

Lynda Heffner provided an update on the Department of Commerce's Manufacturing 4.0 (M4) grant program. Applications for the FY24 funding round closed on October 18<sup>th</sup>. 108 applications were received, and with \$1million in funding available, the maximum numbers of awards possible would be 40. Heather Gramm stated that Commerce expects to make award announcements in January 2024.

## **IV. Maryland Blueprint for Education Presentation (CCC and CCPS)**

Angie McCauslin gave an overview of the Blueprint and the 5 pillars of the plan – 1) early childhood education; 2) high quality and diverse teachers and leaders; 3) college and career readiness; 4) more resources for all students to be successful; 5) governance and accountability. She then focused on Pillar 3 – College and Career Readiness – as the pillar most relevant to the MMAB's discussion on workforce. As part of the CCR pillar, all students are expected to meet the CCR standard (PGA of 3.0 or higher) by the end of 10<sup>th</sup> grade. If they don't meet that standard, they are put into a remedial education plan, and are not eligible to participate in CTE programs. There was a lot of discussion about this new standard, with concerned expressed that a 3.0 GPA is a high standard, and that many kids who might not be able to meet that standard could still be successful in a technical training program. The Blueprint sets a goal for 45% of high school graduates completing an apprenticeship or an industry-recognized occupational credential.

Kelly Koermer asked the group for feedback on industry credentials for manufacturing that are important. Luke Chow noted that there are plastic molding/tubing certifications that are offered through a national association. Many noted that industry certification is not as important as a strong work ethic – if someone will show up and work hard, the employers can usually teach them what they need to know and provide them training necessary specific to their position.

Leslie Cheslie then gave a presentation on the Pre-Apprenticeship program, which does have a requirement for a certification of completion at the end for graduation requirements. Several of the MMAB members noted the challenges for employers to participate in this program, especially small and mid-sized businesses, and that there is not enough incentive built into the program to participate.

Heather Gramm asked the CCPS team how the MMAB or other manufacturers could be helpful in supporting these new goals in the Blueprint. Suggestions included

- Serve as a guest speaker in the high schools
- Provide facility tours to both educators and students
- Provide input on updates to curriculum

## **V. Discussion on MMAB Recommendations to Secretary of Commerce**

Heather shared the official “duties” of the MMAB from the statute that governs the Board’s activities: The Board shall advise the Secretary 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;
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- (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.

The Board members agreed that they want to prioritize the development of a document to submit to the Secretary of Commerce, that outlines what the MMAB believes to be the most important topics for Maryland manufacturers as well as recommendations for Commerce to consider to support the manufacturing sector in Maryland.

The Board began with a review of the recommendations from the Transforming Manufacturing Workgroup report, which was submitted to the General Assembly in December 2022.

The first recommendation was for increased funding for the Manufacturing 4.0 grant program. Members in attendance were in unanimous support of this recommendation.

The second recommendation was for the creation of a Manufacturing Innovation Center. There was a lot of discussion on this, and it was agreed that more information was needed before the group could come to consensus on this recommendation.

In a brief review of the remaining recommendations, it was agreed that the Board members would need more time to review these recommendations, and have further discussion at the next meeting. In addition to the recommendations in the TMW report, the group agreed that a broader conversation was needed about key issues for manufacturing and recommendations that may be more broad in scope than the recommendations in the TMW report.

## **VI. Adjournment of MMAB Business Meeting**

There being no further discussion, the meeting was adjourned at 5:00 p.m. by the Chair.



Thursday November 2, 2023  
3:00-5:00pm  
**Meeting Minutes**

**Attendees:**

Lynda Hefner, Chair  
Kelly Koermer  
Sue Chambers  
Luke Chow  
Sam Griffith  
April Richardson  
Bobby Patton

Clark Machine  
Carroll Community College  
Strouse  
Prime Manufacturing Technologies, Inc  
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**Notable Guest(s)**

Steve Barry, Carroll Community College  
Leslie Cheslie, Carroll County Public Schools  
Angie McCauslin, Carroll County Public Schools

**Commerce Staff:**

Heather Gramm, Assistant Secretary BISD

**VII. Call to Order & Chairman Remarks**

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## **XII. Adjournment of MMAB Business Meeting**

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