

BOARD OF REGENTS

BRIEFING PAPER

Transfer of State Funds Supporting Nevada Industry Excellence (NVIE)

BACKGROUND & POLICY CONTEXT OF ISSUE:

Nevada Industry Excellence (NVIE) is the Industrial Extension Program for the Nevada System of Higher Education and also serves as the state’s Manufacturing Extension Partnership (MEP) center. In December 2013, the Board of Regents approved transferring the NVIE unit from System Administration to Statewide Programs at UNR where it originated over a decade ago. Transfer of the unit was effective January 1, 2014.

For the remainder of FY14, state funding for NVIE will remain in the System Administration budget account and will be paid to UNR through a memorandum of understanding. Consistent with Board action in December 2013, staff requests authorization to seek approval of the Interim Finance Committee to transfer state funds appropriated for FY15 from the System Administration budget account to Statewide Programs at UNR. The amount of the transfer is \$334,885.

Additional Background: The mission of NVIE is to help Nevada manufacturers, mines, and construction organizations transform the way they do business and become more competitive in the markets they serve. NVIE is well positioned to share its tools for business development, flexible and timely contracting, methods for engaging subject experts, as well as the monitoring and reporting of financial transactions, account management milestones and final results. NVIE’s mission will not change with the move to Statewide Programs at UNR. The majority of state affiliated MEP centers are housed with individual universities across the country.

SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

System staff requests approval to seek Interim Finance Committee approval pursuant to Section 55 of Assembly Bill 507 (Chapter 446, *Statutes of Nevada*) of the 2013 Legislative Session, to transfer appropriated state funds for NVIE for FY 15 in the amount of \$334,885 from the System Administration budget account to Statewide Programs budget account at UNR.

IMPETUS (WHY NOW?):

This request follows action taken by the Board in December 2013 that transferred the NVIE unit from System Administration to Statewide Programs at UNR, effective January 1, 2014.

BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

The transfer of the state funds from System Administration to Statewide Programs for FY15 is the final action necessary in transferring the unit as approved at the December 2013 Board meeting.

POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None have been brought forward.

ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

None have been brought forward.

COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #____ Chapter #____ Section #____
- Amends Current Board Policy: Title #____ Chapter #____ Section #____
- Amends Current Procedures & Guidelines Manual: Chapter #____ Section #____
- Other:_____
- Fiscal Impact: Yes____ No__**X**____
Explain: Request is for the transfer only on funds, there is no increase or decrease in funding requested.



ORGANIZATIONAL UNIT CHANGE FORM

DIRECTIONS: Use this form when proposing a change to an existing organizational unit, center, institute, department, school, or college that is the result of a significant reorganization of existing units, consolidation, or change in mission.

DATE OF REQUEST: September 1, 2013

Date of AAC Approval:

Sept. 4, 2013

INSTITUTION: System Administration / UNR

CURRENT UNIT NAME: Nevada Industry Excellence

Date of Board Approval:

December 6, 2013

PROPOSED UNIT CHANGE: Moving NVIE from System Administration to Statewide Programs, UNR

EFFECTIVE DATE OF CHANGE: January 1, 2014

PART 1

A. Brief description of proposal

Currently, Nevada Industry Excellence (NVIE) is an organizational unit of System Administration and reports to the Vice Chancellor for Academic and Student Affairs at System Administration. The purpose of this proposal is to request approval to move NVIE from System Administration to Statewide Programs at UNR under the Vice President of Research and Innovation.

B. Justification for proposed change in existing program or structure

NVIE's success in connecting with the private sector statewide can be leveraged more effectively with additional support and attention it can receive from a line institution. This should greatly improve NSHE's impact on state economic development.

NVIE is not regularly represented by the Chancellors Office in State Economic Development discussions and it is anticipated that reporting through a line institution will promote more and higher level engagements with the State's economic decision-makers.

System Administration is a policy-setting entity and is not designed nor charged with the effective management and utilization of an operating line unit such as NVIE. Currently, NVIE is only of two MEP center in the country reporting to a System Office. It is more common for centers to have a direct affiliation with a university. NVIE is successful in establishing and maintaining fee-for-service projects with Nevada's industrial community but has been less effective in connecting university faculty with industry and vice versa. The move to UNR Statewide Programs is expected to facilitate stronger partnerships with faculty.

Just over a decade ago NVIE (then MAP) was at UNR and at that time NVIE's Director reported to the Vice President of Research at UNR. UNR and Business Center North assisted in the development of the systems that allow for flexibility and contracting with industry and both entities will be able to continue to support these necessary processes for continued timely industry service.

NVIE will serve as a model for engaging businesses in fee-for-service transactions for entities statewide regardless of being administered at one institution. Additionally because NVIE has dedicated faculty field agents whose positions require them to regularly engage with businesses, NSHE institutions can use them as a conduit to leverage more engagements with industry.

It is important that NVIE retain its mission as a statewide program due to its recognized industry acceptance and access to federal funds awarded to NVIE as Nevada's only National Institute of Standards and Technology - Manufacturing Extension Partnership Center (NIST-MEP).

C. Relationship to other programs or units within the institution and system

Although currently administered through NSHE System Administration, NVIE staff are located at the following campuses: UNLV, UNR, WNC, TMCC, UNR and System Administration South. Under the proposed move, the staffing location are not expected to change as NVIE will continue to maintain its statewide mission and focus.

The NVIE Advisory Board will assure NVIE continues its statewide service for manufacturers and will expand its Board membership to include additional manufacturers in Southern Nevada (beyond its current two). The NVIE Advisory Board will also extend invitations to the College of Southern Nevada and the University of Nevada Las Vegas.

D. Estimate of resources needed for proposed change (personnel, library holdings, facilities, equipment)

NSHE currently provides F&A to the System Sponsored Projects Office, which would transfer to the UNR Sponsored Projects Office. NVIE has one major federal grant and several other smaller federal and state grants that will require oversight from UNR Sponsored Projects Office.

UNR and BCN North would oversee all purchasing, HR, travel, etc. and would provide fiscal oversight of the program.

It is proposed NVIE staff would remain in their current locations to continue to provide access to businesses statewide and to the local NSHE institutions.

E. Estimated annual financial impact of proposed change

Minimal. NVIE will negotiate an F&A rate with UNR in an effort to maintain its current funding levels.

PART II

A. Description and mission of unit as proposed for change

Nevada Industry Excellence (NVIE) is an Industrial Extension Program of the Nevada System of Higher Education (NSHE). Its mission is to help Nevada manufacturers, mines, and construction organizations transform the way they do business and become more competitive in the markets they serve.

NVIE is well positioned share its tools for business development, flexible and timely contracting, methods for engaging subject experts, as well as the monitoring and reporting of financial transactions, account management milestones and final results.

NVIE's mission would not change other than to be more active in sharing best practices among the institutions preparing for more frequent and flexible contracting and financial transactions with Nevada's businesses.

The NVIE Advisory Board will assure NVIE continues its statewide service for manufacturers and will expand its Board membership to include two additional manufacturers in Southern Nevada (beyond its current two). The NVIE Advisory Board will also extend invitations to the College of Southern Nevada and the University of Nevada Las Vegas.

B. Statement of objectives

Meet or exceed the two-part NIST-MEP Scorecard. (See Attachment A for example scorecard)

C. Plan for assessment of objectives

Third party independent survey of company impacts as conducted by and paid for by NIST-MEP. (See Attachment B for third party survey questions)

Quarterly, annual, and biennial peer review are conducted by NIST-MEP, and periodic reviews are conducted by the NVIE Advisory Board.

D. Contribution and relationship of proposed change to the following –

i. Institution mission

There will be no change to the mission of NVIE. Nevada Industry Excellence (NVIE) is an Industrial Extension Program of the Nevada System of Higher Education (NSHE). Its mission is to help Nevada manufacturers, mines, and construction organizations transform the way they do business and become more competitive in the markets they serve.

ii. Campus strategic plan

There is no expected change to NVIE's strategic plan. (Attachment C for condensed NVIE Strategic Plan)

iii. College strategic plan

NA

iv. Other programs in the institution

Other programs managed by NVIE are not expected to change; e.g., the Facility Operator's Certificate for Utility Systems (FOCUS) for NV Energy and the Train-Employees-Now (TEN) for the Governor's Office of Economic Development.

v. Other related programs in the System

Community College Workforce Development Programs and faculty system-wide with interest and skills appropriate to needs of the manufacturing, mining and construction industries.

E. Evaluation of need for the proposed change

System Administration is a policy-setting entity and is not designed nor charged with the effective management and utilization of an operating line unit such as NVIE. NVIE is successful in establishing and maintaining fee-for-service projects with Nevada's industrial community but has been less effective in connecting university faculty with industry and vice versa.

F. Procedures used to arrive at the decision to make the proposed change

Chancellor Klaich, Crystal Abba and Sandy Haslem interviews of stakeholders.
Review of compliance with NIST-MEP Federal Grantor via meetings and phone discussions.
Meetings with President's Office UNR, VP Finance & Admin, and Special Assistant to President.
Meetings with Deans of College of Business and College of Engineering, UNR.
Meetings with GOED
Meetings with GOED Manufacturing Sector Council
Meetings with Nevada Manufacturers' Association
Meetings with NVIE Advisory Board
Chancellor Klaich discussion with Institution Presidents.
(See attachment D for letters of support)

G. Capability within the following areas to make the proposed change –

i. Faculty strengths

NVIE would continue to retain current staff including 9 field staff representing the NSHE institutions in the field when meeting industrial companies. NVIE HQ office is available to share best practices when engaging businesses. (See Attachment E for NVIE Staff Bios)

ii. Organizational arrangements that must be made within the institution to accommodate the unit

A major advantage for NVIE to report through UNR is that the Center's organizational processes are already in place and are administered through Business Center North.

H. Resource Analysis – proposed source of funds necessary for the proposed change (enrollment-generated state funds, reallocation of existing funds, grants, other state funds)

NVIE's current budgeted funds will be transferred to Statewide Programs at UNR.

I. Estimated budgetary and financial ramifications that may result from the proposed change

No material ramifications are anticipated..

J. Impact of proposed change on institution's existing resources

No material impacts are anticipated.

Please attach any supporting documentation (i.e. support letters from community, industry).

Sample MEP Center - 999

Center Operations Reporting and Evaluation (CORE) Summary

| Current Quarter Performance | | | | | Achievement Level | From | To |
|-----------------------------|---------------|--|-------------------|--|------------------------|------|-----|
| | CENTER | | MEP System Median | | Performance Excellence | >100 | |
| | | | | | Very Good | 81 | 100 |
| Impact Metrics | 86 | | 41 | | Good | 61 | 80 |
| Center Diagnostics | 67 | | 64 | | Average | 41 | 60 |
| FINAL SCORE | 77 | | 51 | | Below Average | 0 | 40 |

Federal Funding - \$671,287.00 (Four Quarter Rolling Average)

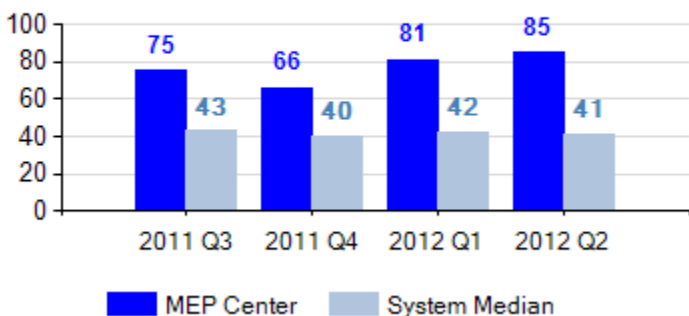
Impact Metrics

| Impact Metrics (For Calculations see " Scoring Methodology " in MEIS) | Center Impact Metrics Score | Center Reported Impact | Center Adjusted Performance (Normalized) | System Median Performance (Normalized) | System Threshold Performance | Center % of Threshold | Previous Center Adjusted Performance (3Y) | % Yes | Median Reported Client Impact |
|------------------------------------------------------------------------------------------|-----------------------------|------------------------|------------------------------------------|----------------------------------------|------------------------------|-----------------------|-------------------------------------------|-------|-------------------------------|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| New Sales (20) | 21 | \$63 M | 93 | 26 | 86 | 108 | 26 | 24 | 0 |
| Retained Sales (10) | 5 | \$58 M | 86 | 37 | 162 | 53 | 90 | 20 | 0 |
| New Jobs (10) | 6 | 219 | 326 | 188 | 559 | 58 | 396 | 23 | 0 |
| New Investment (20) | 15 | \$31 M | 46 | 21 | 61 | 75 | 27 | 58 | 15000 |
| Cost Savings (10) | 8 | \$18 M | 26 | 8 | 32 | 81 | 16 | 55 | 5000 |
| Mfg.Clients /\$M Fed (15) | 15 | 82 | 122 | 66 | 122 | 100 | 92 | | |
| New Mfg.Clients /\$M Fed (15) | 16 | 54 | 80 | 30 | 44 | 181 | 68 | | |
| Impact Metrics Score (Total) | 86 | | | | | | | | |

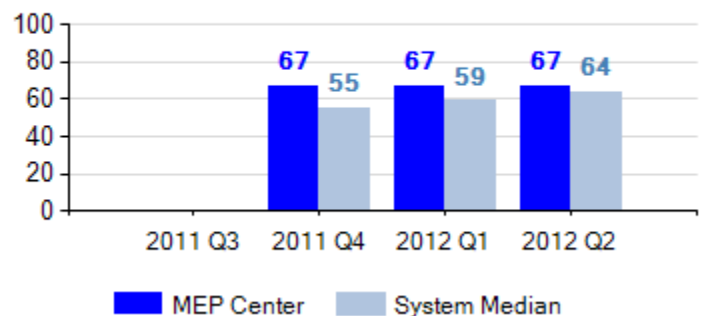
Center Diagnostics

| Diagnostic Area | Center Performance (% of Possible) | Score and Distribution | Possible | MEP System Median Performance |
|-------------------------------------------|------------------------------------|------------------------|----------|-------------------------------|
| Innovation Practice | 50 | 15 (3,2,2,2,2,4) | 30 | 56 |
| Next Generation Strategy | 72 | 18 (4,4,4,3,3) | 25 | 64 |
| Market Understanding | 60 | 6 (3,3) | 10 | 70 |
| Business Model | 74 | 26 (3,4,4,3,4,3,5) | 35 | 60 |
| Partnerships | 73 | 11 (4,4,3) | 15 | 60 |
| Financial Viability | 70 | 14 (3,5,4,2) | 20 | 60 |
| Center Diagnostics Score (Average) | 66 | | | 61 |

Impact Metrics



Center Diagnostics



Sample MEP Center - 999

| Center Diagnostics | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------|----------|
| Diagnostics Area | % | Score | Possible |
| Innovation Practice | 50 | 15 | 30 |
| a) Center has a plan and/or has shown progress on execution of the plan for transitioning from a focus on process improvement to development and implementation of an innovation practice. | | | 3 |
| b) Innovation projects in the pipeline resulting in the transformation of manufacturers. | | | 2 |
| c) Center has integrated NGS products/services into an Innovation Management System for manufacturers. | | | 2 |
| d) Center leadership and key sales and delivery staff have attended Innovation Black Belt training and are making the transition to coaching. | | | 2 |
| e) Center is using National Innovation Marketplace (NIM) or a similar technology acceleration portal to generate, respond to and connect buying requests, manufacturer capabilities, and available expertise. | | | 2 |
| f) Center uses an Innovation Management System (IMS) to manage internal projects and work with clients. | | | 4 |
| Next Generation Strategy | 72 | 18 | 25 |
| a) Center has an actionable and measurable strategy that is built with purposeful alignment to MEP NGS. | | | 4 |
| b) Center maintains an appropriately balanced portfolio of products and services that address all NGS. | | | 4 |
| c) Center is able and willing to experiment with and adopt new products and services. Center has adopted a culture of continuous learning and development. | | | 4 |
| d) Center works with proactive clients and restarts reactive clients. Center work includes creating a sense of urgency that transitions reactive clients to proactive. | | | 3 |
| e) Center is willing and able to write success stories that reflect a mix of the NGS regularly and on-time. | | | 3 |
| Market Understanding | 60 | 6 | 10 |
| a) Center strategy is aligned with industry targets of their service area as set by state or regional leaders. The Center is working with industries that are driving regional growth. | | | 3 |
| b) Center provides strategic coverage for diversity in the following client demographic categories: employee size, industry and geographic location. | | | 3 |
| Business Model | 74 | 26 | 35 |
| a) The center's business model is aligned with strategic intent that balances: (1) internal delivery, brokerage, and sub-recipients/contractors; (2) sales and service mix of key staff; and (3) long-term client engagement and the need to increase market penetration. | | | 3 |
| b) Center has a documented and measurable sales management system with active participation from the Center Director. | | | 4 |
| c) Center works with key decision makers within manufacturers at a strategic and transformational level on a continuous basis. | | | 4 |
| d) Center has revenue-generating projects scheduled for several quarters into the future. | | | 3 |
| e) Center staff is appropriately skilled, productive and efficient in coaching strategic transformation of manufacturers. | | | 4 |
| f) The center engages in leadership development and has documented succession plans. | | | 3 |
| g) Service-delivery sub-recipients and contractors are evaluated by their return on investment. | | | 5 |
| Partnerships | 73 | 11 | 15 |
| a) Center reports to NIST MEP partnerships that align with their strategic plan as well as federal / state/ local economic development strategies. The partnerships lead to an increase in market penetration and strategic financial and human capital resources. | | | 4 |
| b) Center has a documented process to identify, establish, and launch strategic partnerships. | | | 4 |
| c) Center has a documented process to manage, monitor and evaluate strategic partnerships and has the ability to evolve/ dissolve the partnership as necessary. | | | 3 |
| Financial Viability | 70 | 14 | 20 |
| a) Center has the financial flexibility to reinvest in itself aligned to the MEP mission. | | | 3 |
| b) Center has diverse and stable non-federal funds. | | | 5 |
| c) Center's client revenue is growing in the near and long term. | | | 4 |
| d) State funding for the Center is trending upward. | | | 2 |

ATTACHMENT B : THIRD PARTY SURVEY OF CLIENTS COMPLETING PROJECTS WITH NVIE

Our organization is committed to evaluating success based on the effect we have on our clients. Please help us provide you with more effective services in the future by sharing your feedback with us.

Your participation is greatly appreciated. Thank you for your time.

As you respond, please keep these projects in mind. Ongoing or recently closed projects may not be listed. Please keep those in mind as well.

| <i>Project</i> | <i>Our Project Manager(s)</i> | <i>Other Service Provider (if any)</i> | <i>Dates</i> |
|-----------------------|--------------------------------------|-----------------------------------------------|---------------------|
| | | | |
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To better assist you and other clients in the future, we need your feedback to evaluate the effectiveness and impact of the services we provided to your company. Your participation is voluntary and your responses are held entirely in confidence.

This survey is underwritten by the Manufacturing Extension Partnership at the National Institute of Standards and Technology (NIST), which provides funding for local manufacturing extension programs throughout the United States and Puerto Rico. Your comments provide us with important information to judge the quality and usefulness of our services.

This questionnaire contains collection of information requirements subject to the Paperwork Reduction Act (PRA). Notwithstanding any other provisions of the law, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB Control Number. The estimated response time for this questionnaire is 8 minutes. The response time includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***The OMB Control No. is***

1. What were the **two** most important factors for your firm choosing to work with the Center X?

- Center/staff Expertise
- Cost/price of services
- Fair and unbiased advice/services
- Reputation for results
- Knowledge of your industry
- Specific services not available from other providers
- Lack of other providers nearby
- Other (specify) _____
- Don't know
- Refused to answer

2. In addition to Center X, has your company used any other external resources/providers to address business performance issues over the past 12 months?

1 Yes 2 No 8 Don't know 9 Refused to answer

3. As you look forward over the next 3 years, what do you see as your company's three most important strategic challenges?

- Product innovation/development
- Identifying growth opportunities
- Ongoing continuous improvement/cost reduction strategies
- Employee recruitment and retention
- Financing
- Exporting/Global engagement
- Sustainability in products and processes
- Managing partners and suppliers
- Technology needs
- Other (specify) _____
- Don't know
- Refused to answer

4. Did the services you received directly lead to an increase in sales at your establishment over the past 12 months?

1 Yes How much? \$ _____

2 No 8 Don't know 9 Refused to answer

5. Did the services you received directly help your establishment (check all that apply)?

- Get new customers
- Enter new markets
- Create new products
- Create new services

6. What percentage of the [FILL: NewSales_AMT] in new sales you indicated in question 4 is attributable to new customers, new markets, new products, or new services? _____%

- 7 Over the past 12 months, did the services you received directly lead you to retain sales that would have otherwise been lost?
- 1 Yes How much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- 8 What percentage of the [FILL: RtnSales_AMT] in retained sales you indicated in question 7 is attributable to new customers, new markets, new products, or new services? _____%
- 9 Did the services you received directly lead you to create any jobs over the past 12 months?
- 1 Yes How many? _____
 2 No 8 Don't know 9 Refused to answer
- 10 Did the services you received lead you to retain any jobs over the past 12 months?
- 1 Yes How many? _____
 2 No 8 Don't know 9 Refused to answer
- 11 Did the services you received directly result in cost savings in labor, materials, energy, overhead, or other areas over what would otherwise have been spent in the past 12 months?
- 1 Yes How much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- 12 As a result of the services you received, has your establishment increased its investment over the past 12 months in:
- a. New products or processes?
- 1 Yes How Much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- b. Plant or equipment?
- 1 Yes How Much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- c. Information systems or software?
- 1 Yes How much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- d. Workforce practices or employee skills?
- 1 Yes How much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- e. Other areas of business?
- 1 Yes How much? \$ _____
 2 No 8 Don't know 9 Refused to answer
- 13 As a result of the services you received, did your establishment avoid any unnecessary investments or save on any investments in the past 12 months?
1. Yes How much was saved/avoided? \$ _____
 2. No 8 Don't know 9 Refused to answer

14 Based on the benefits that resulted from the services provided, how likely would you be to recommend this MEP Center to other companies, assuming **they** are not direct competitors?

1 (Not at all Likely) ←-----→ 5 ←-----→ (Very Likely) 10

15 Do you have any suggestions or comments for the Center?

16 For analytical purposes, we would like to verify who completed this survey.

What is your job title?

What is your name?

ATTACHMENT C: NVIE Strategic Plan

NVIE's strategic plan is derived from a process that includes input from our major funding partners – the State of Nevada, NSHE, NIST-MEP, and “other funders” that are private clients (including the utility NV Energy).

NVIE's strategic plan goals (and selected tactics) are included below:

Goal 1: Strengthen and solidify NVIE's reputation as a crucial component of Nevada's successful initiative to ensure economic vitality of the State's industrial sector.

Tactics: Conduct a manufacturers' conference in FY 14. Actively share success statewide - include Governor's Office staff in ExporTech sessions; serve on Business and Industry task forces, participate with Governor's staff in their implementation of the state plan for economic development which includes advanced manufacturing and sustainability. Fully access funds made available from the WIBs in Nevada. Train NVIE personnel in growth strategy tools provided through NIST-MEP, introduce NIST-MEP growth services tools to the Universities. Repetitively present NIST-MEP Next Generation Strategies to the manufacturing, and state agency arenas, expand contact base with NV Energy utility. Include NSHE and Advisory Board Members in Center Panel Reviews.

Goal 2: Increase statewide market penetration by 5% per year above previous year's number of clients with fee-for-service.

Tactics: Continue aggressive use of individual and statewide sales funnel to foster increased market penetration and revenues; increase marketing efforts with electronic newsletter; engage advisory board and partners for referrals, explore incentives for staff for new clients. Be proactive in support of the Governor's Office of Economic Development to be included in early conversations with new companies. Orient three new project managers in client visits and sales.

Goal 3: Deliver documented positive impacts for Nevada businesses resulting in surveyable impacts comfortably exceeding NIST-MEP Performance Metrics. Support NIST-MEP in achieving the Next Generation Strategies and MEP System goals.

Tactics: Continue to contract with coaches for CEO level discussions and coaching. Conduct annual ExporTechs in both Northern and Southern Nevada, host a Lean Product Development initiative in Southern Nevada, continue to execute Innovation Practice Plan. Train a minimum of 2 Project Managers from North and South in Innovation College. Implement new Advisory Board Operational Committee recommendations for contracting and structured survey process for capturing increased client impacts; repetitively train staff regarding new CORE metrics; continue proactive process for effectively managing to CORE including client discussions, management of ADL to balance metrics over time.

Goal 4: Maintain Robust Financial Health of Nevada NVIE.

Tactics: Maintain recovered F&A, maintain options for in-kind and direct match, maintain key relationships with state utility, and with Governor's Office of Economic

Development stakeholder for Train-Employees-Now TEN administration, continue working relations with Northern and Southern workforce investment boards, prepare value stream accounting, commit to continued transparency of financials for all staff, and increase average contribution margin for projects. Continue gradual increase of contribution margin for brokered projects. Allow increased direct delivery work as it becomes available and is balanced by market penetration.

Goal 5: Maintain a Positive Work Environment.

Tactics: Engage all staff in approach to financial health; propose to NSHE new hiring and incentive plans based on best practices learned from other MEPs, complete the hiring and orientation of replacement staff filling recent vacancies. Support staff through coaching and tools for more engagement at CEO level that will result in expanded meaningful work. Reduce sales goal for CY 2013 as investment in and orientation in new staff is completed

Goal 6: Increase Operational/Managerial Effectiveness

Tactics: Continue to contract some of the administrative/reporting duties formerly being done by Director, transition from CIS to Salesforce.com for sales forecasting, project management and financial databases, and engage coaches for staff transformation to growth strategies coaching of clients. Continue statewide communications plan.

ATTACHMENT D: Letters of Support

Department of Commerce National Institute of Standards and
Technology Manufacturing Extension Partnership, NIST-MEP

Governor's Office for Economic Development, GOED

Nevada Manufacturers Association, NMA

GOED Manufacturing Sector Council

NVIE Advisory Board

Economic Development Authority of Western Nevada, EDAWN

Northern Nevada Development Authority, NNDA

Las Vegas Global Economic Alliance, LVGEA



UNITED STATES DEPARTMENT OF COMMERCE
National Institute of Standards and Technology
Gaithersburg, Maryland 20899

Sandra Haslem
Director, Nevada Industry Excellence
UNR Mail Stop 406
Reno NV 89557-0406

Dear Ms. Haslem

The National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) has supported Nevada Industry Excellence (NVIE) for over 10 years as a means of providing technical assistance to manufacturers in Nevada.

NVIE has been a very strong center within our NIST MEP system regularly performing well by our rigorous impact measurement system standards, currently titled Center Operations and Reporting and Evaluation (CORE). The Center has been a national leader in utilizing ExportTech to help many Nevada companies learn how to expand their exporting activities and at any given time they are typically working with over 3%% of the state's manufacturers annually, well above our national average of 2%.

We understand that NVIE may be moving from under the Direction of the Nevada System of Higher Education Chancellor's Office to a reporting relationship to the University of Nevada Reno campus, specifically to the Vice President for Research and Innovation. This move appears to partner NVIE with other state-wide initiatives aimed at providing manufacturing and technology-based companies with technical support from the University community.

NVIE has enjoyed strong support from the Chancellor's Office and with the understanding that they will continue to receive strong stakeholder support from the University we support the proposed re-alignment of the NVIE reporting relationship. NVIE will continue to be held to our impact standards and to providing services across the state to all manufacturers.

Please let us know if there are any questions we can answer in terms of NIST-MEP's support.

Sincerely

Tab Wilkins
Regional Manager for Strategic Transition – Pacific Northwest

August 16, 2013

Sandra Haslem
NVIE Director
Mail Stop 406
University of Nevada, Reno – UNR
Reno NV 89557

Dear Sandy,

The Chancellor of the Nevada System of Higher Education (NSHE) is proposing that Nevada Industry Excellence (NVIE) be returned from its current reporting structure of the NSHE System Administration Office to the University of Nevada, Reno, Statewide Programs.

This letter should serve to support this move.

One overarching priority of the Governor's Office of Economic Development (GOED) through the efforts of its Technology Commercialization team has been to foster the connection of NSHE faculty with industry and vice versa. Our vision is for faculty at the universities and DRI to pursue contract based research for Nevada industry such as to turn advanced technologies into production processes and commercial products by working collaboratively with companies, and for institutional departments to offer fee-for-service project support as well as to contribute to workforce development.

Workforce development has been a priority for GOED and we see NVIE playing a major role in assisting new and expanding employers to define and train new employees that they require.

Nevada Industry Excellence through close collaboration with the University of Nevada, Las Vegas, the University of Nevada, Reno, the Desert Research Institute and the community colleges will be highly effective in serving as a model for engaging businesses in fee-for-service transactions for entities across the entire state.

It is GOED's understanding that this return to UNR and placement within the university's Statewide Programs will ensure not only continuity of NVIE's independence in pursuing such transactions by utilizing its highly qualified project managers as well as its statewide field agents, but also to strengthen its ability of outreach to Nevada businesses and to connect them with institutional departments and faculty.

In addition, GOED regards the return to UNR as a move that will strengthen the university's ability to perform fee-for-service- and contract based R&D projects as well as workforce development for Nevada industry statewide. It will reinforce NVIE's role to act as a conduit to leverage a substantial increase in NSHE institution engagement with Nevada industry.

As the Governor's Office of Economic Development is concerned to protect NVIE's operational independence and statewide role we will look forward to working closely with UNR and NVIE and assist to ensure that there will be no functional changes that will impinge upon NVIE's mission and support the successful implementation including the achievement of the above outlined objectives.

Sincerely yours,



Karsten Heise
Director | Technology Commercialization



August 23, 2013

TO: Sandy Haslem, Nevada Industry Excellence

The Nevada Manufacturers Association was deeply involved in the creation of what started as MAP and is now NVIE. We were and remain rather protective of the program; we believe it adds value to industry and should improve the industry to academia communications and that has value to both. The purpose from the start was to bridge the communication gaps between the industrial sector and higher education. The path has been far from smooth, but in my view today NVIE is widely viewed by the industry sector as bringing value to the companies in terms of assisting companies with productivity gains, both product and business process improvements and increased flexibility and adaptability. Those are all key factors in making Nevada companies more competitive.

The action taken by the NVIE advisory board in the August 22 meeting will increase the board scope and oversight as well as increase the responsibility of the industry to be the program advocates. That is appropriate as we should not burden you as a system employee to be the lead when the process and procedures are changing. The changes proposed by the system will be a new challenge and are not without some risk; however the communication channels are better than they have been in sometime and speaking for our membership, I am comfortable that we can make this work and actually get the engagement we failed to get during the infancy stages of the creation of MAP.

We are comfortable the change to the UNR Statewide systems will not hamper the relationships with customers anywhere within the state. It likewise will not impede the connections to the community colleges which tend to have more credibility with industry. It will be managed to have no adverse budget impact and will likely improve the connections between higher education and industry. We are comfortable that should the advisory board have strong reasons to believe the proposed path is not moving in an acceptable direction that the system will listen and make corrections as appropriate.

Finally, we believe the system has increased its understanding of what NVIE brings in terms of value to the state, GOED, NSHE and industry. It is a tool and a team the state can and should be proud to support and develop.

Regards,

A handwritten signature in black ink, appearing to read 'Ray Baur', is written over a light blue horizontal line.

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September 9, 2013

Ms. Sandy Haslem
Director, Nevada Industry Excellence
Sarah H. Fleischmann Building
Suite 212, UNR Mail Stop 406
Reno, NV 89557

Dear Ms. Haslem:

Nevada Industry Excellence (NVIE) assists the manufacturing community across the state by providing robust training that improves processes, increases efficiencies, and drives productivity. The organization's expertise in lean solutions, energy services, growth services, and quality systems enable our companies to be more adaptable, flexible, and competitive in an ever-changing global economy.

You recently requested a letter of endorsement from the Manufacturing Sector Council for NVIE's administrative move from reporting to the Chancellor's Office of the Nevada System of Higher Education (NSHE) to Statewide Programs at the University of Nevada, Reno (UNR).

The NVIE advisory board met to address multiple questions and concerns posed by members of the manufacturing community across the state:

- Will moving NVIE from NSHE to UNR hinder its ability to maintain a legitimate statewide reach?
- Will moving NVIE to UNR result in any changes in services to manufacturers?
- Will moving NVIE to UNR create any disruptions in funding streams that could negatively impact the level of service and engagement provided?
- If services, quality, or funding are disrupted, how can those issues be mitigated?


In response to these concerns, the NVIE advisory board developed a mechanism to effectively monitor the transition. The advisory board agreed to several key provisions that will ensure that NVIE's funding streams are not disrupted, a statewide presence and customer base will be maintained, and customers will not experience any disturbances in the high quality training and programming that is currently provided:

- The NVIE advisory board will be expanded to include additional manufacturers and industry representation, particularly from Clark County. The expansion of the advisory board will also include additional representation from southern institutions of higher education. All of this is meant to enhance the focus and responsiveness of the already-strong organization.
- The NVIE advisory board will convene three times per annum, where it will review key performance indicators that align to the success of the statewide mission, funding, and quality of training and programs.

Should the advisory board have strong reasons to believe this new move is not on an acceptable trajectory, I am confident they are prepared to identify and remedy those situations as appropriate.

Provided that the NVIE advisory board convenes and provides oversight as described in this letter, on behalf of the Manufacturing Sector Council of the State of Nevada, I hereby express our support for NVIE's administrative move from NSHE to UNR Statewide Programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan D. Costella". The signature is fluid and cursive, with a large initial "R" and "C".

Ryan D. Costella
Chairman
Manufacturing Sector Council



Nevada Heat Treating, Inc.
12 Industrial Parkway, Unit C
Carson City, NV 89706

Tel: (775) 246-1040
Fax: (775) 246-1050
www.nevadaheattreating.com

8/27/13

Sandra Haslem
Director, Nevada Industry Excellence
UNR Mail Stop 406
Reno NV 89557

Dear Ms. Haslem,

As you know, during our board meeting on August 22, 2013, the Nevada Industry Excellence (NVIE) Advisory Board agreed to support the movement of NVIE's reporting structure from the Nevada System of Higher Education Chancellor's Office to UNR Statewide Programs. This was done with the recognition that this move needs to remain transparent to the NVIE statewide customer base.

The Board anticipates that NSHE's ability to support economic development in the State will be enhanced by having this successful program report through a line institution which is expected to promote more and higher level engagements with the State's economic decision makers. More importantly, Nevada's manufacturers are looking to NVIE to provide them with business growth services and this move should foster technology commercialization opportunities for NVIE's clients.

For reference, I have attached the listing of current NVIE Advisory Board members.

If there are questions or need for discussion please contact me at (775)246-1041 or harveyh@nevadaheattreating.com.

Sincerely,

Harvey Hornung

Chairman, Nevada Industry Excellence Advisory Board
General Manager, Nevada Heat Treating

August 20, 2013

Ms. Sandra Haslem
NVIE Director
University of Nevada, Reno
Mail Stop/406
Reno, Nevada 89557

Dear Ms. Haslem:

I am writing on behalf of the Economic Development Authority of Western Nevada (EDAWN) to lend EDAWN's support for the administrative relocation of the Nevada Industry Excellence (NVIE) Program. NVIE will relocate from its current reporting structure of the Nevada System of Higher Education (NSHE) administration office to the University of Nevada, Reno, Statewide Programs.

NVIE assists businesses in the manufacturing, construction and mining industries to become the premier industry leaders in the Nevada market. Their expertise, access to grants, and established relationships provides invaluable support and the competitive edge that Nevada industries need to be successful.

NVIE's continued success in connecting statewide with the private sector can be leveraged more effectively with the additional support and attention it can receive from a line institution. Currently, NVIE is the only Manufacturing Extension Partnership Center (MEP) in the country reporting to a system office. It is far more common for centers to have a direct affiliation with a university. It is anticipated that reporting through a line institution would promote more and higher level engagements with the State's economic decision makers.

As the Industrial Extension Program for the NSHE and MEP, NVIE will continue its statewide mission and focus of supporting manufacturers across Nevada. EDAWN strongly supports the move of the NVIE from the Chancellors office to Statewide Programs at the University of Nevada, Reno.

We appreciate your careful consideration of this request. If you have any further questions please contact me at (775) 829-3711 or kazmierski@edawn.org.

Sincerely,

Mike Kazmierski
President and CEO





**LAS VEGAS
GLOBAL ECONOMIC ALLIANCE**

August 28, 2013

Ms. Sandra Haslem
Nevada Industry Excellence
UNR Mail Stop 406
Reno, NV 89557

Dear Ms. Haslem:

I am writing on behalf of the Las Vegas Global Economic Alliance to offer our support for the administrative relocation of the Nevada Industry Excellence (NVIE) Program. NVIE will relocate from its current reporting structure of the Nevada System of Higher Education (NSHE) administration office to the University of Nevada, Reno, Statewide Programs.

NVIE assists businesses in the manufacturing, construction and mining industries to become the premier industry leaders in the Nevada market. Their expertise, access to grants, and established relationships provides invaluable support and the competitive edge that Nevada industries need to be successful.

NVIE's continued success in connecting statewide with the private sector can be leveraged more effectively with the additional support and attention it can receive from a line institution. Currently, NVIE is only one of two Manufacturing Extension Partnership Centers (MEP) in the country reporting to a system office. It is far more common for Centers to have a direct affiliation with a university. It is anticipated that reporting through a line institution would promote more and higher level engagements with the state's economic decision makers.

As the Industrial Extension Program for the NSHE and MEP, NVIE will continue its statewide mission and focus of supporting manufacturers across Nevada. NVIE's Advisory Board will extend invitations for Board memberships to additional Southern Nevada Manufacturers and to the College of Southern Nevada and the University of Nevada Las Vegas.

LVGEA is pleased to support the move of the NVIE from the Chancellor's office to Statewide Programs at the University of Nevada, Reno.

Sincerely,

Jonas R. Peterson
Chief Operating Officer






JRP:kp






702.791.0000
800.634.6858




6795 EDMOND ST. STE. 260 · LAS VEGAS, NV 89118
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ATTACHMENT E: NVIE Staff Bios

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|  | <p>Sandy Haslem P.E. Director</p> <p>MS in Metallurgical Engineering; BS in Chemical Engineering</p> <p>Twenty years in a leadership role in the industrial sector of Nevada. Technical experience includes engineering, research and development and environmental compliance. Special expertise in chemistry, chemical processing, mineral processing unit operations, laboratory operations and quality control, extractive metallurgy, waste treatment and technical writing.</p> |
|  | <p>Terry Culp Deputy Director</p> <p>BS in Mechanical Engineering, Purdue University; Pi Tau Sigma Mechanical Engineering Honorary Society.</p> <p>Terry previously owned and operated several manufacturing operations with a diverse client base of industrial, governmental and educational customers including the federal government, New York state, General Motors, Proctor & Gamble, International Paper and Cornell University. He is particularly adept in sales, production, purchasing and engineering design.</p> |
|  | <p>Rhonda Hohenstein Financial Manager</p> <p>MBA and BS in Business Administration, University of Nevada, Reno</p> <p>With over ten years of office experience, including four years of accounting and bookkeeping experience in a CPA practice, Rhonda provides accounting expertise, performance metrics and documentation for grant support for the Nevada Industry Excellence program. Her business experience and background assists coordination of administration of management initiatives with the field activities.</p> |
|  | <p>Mary Arbutina Project Manager</p> <p>BSE, Industrial Engineering, Arizona State University</p> <p>Mary has over 20 years experience in manufacturing engineering, supplier quality engineering, and manufacturing management. She specializes in Lean Manufacturing, leading 5S programs and implementing Lean for the Office. Mary is implementing Lean product development and growth innovation projects.</p> |
|  | <p>Jeff Englehart Project Manager</p> <p>BS in Chemistry, USAF Academy MBA, University of Phoenix</p> <p>Jeff has over 22 years of experience in manufacturing and industrial operations as a consultant, manager and leader. He was an officer in the USAF and supervised numerous large aircraft repair facilities. He directed numerous quality and process improvement initiatives in the USAF. As a manufacturing manager for concrete products he had P&L responsibilities and directed all manufacturing operations. He supported innovation of new concrete products and processes. He led dynamic process, quality and safety procedures that greatly improved profitability. As a Project Manager he has supported numerous manufacturing companies with implementation of lean manufacturing systems, quality management systems and various other training services. He has helped companies grow their business by opening up new markets by improving their innovation, sales, marketing and export initiatives.</p> |

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|  | <p>Gary Conner Project Manager</p> <p>One of the newest additions to the Project Managers' role within Nevada Industry Excellence' organization is not new at all. Gary Conner has been a frequent contributor to the many and varied NVIE client companies since 2001. Gary's background is in precision sheet metal technology, both as a machine operator, quality assurance manager, lean manufacturing cell team leader and finally as lead instructor for the Associate Degree program in Metals Technology at Clackamas Community College in Oregon City, Oregon.</p> <p>Since the late 1990's Gary has worked with over 160 companies and conducted over 600 kaizen (continuous improvement) events; working in 47 of 50 States and two Canadian Provinces. His diverse background and experience in dozens of industries includes furniture manufacturing, aerospace, injection molding, precision machining, mechanical-electrical assembly, medical product and equipment design and manufacturing, high speed printing as well as service organizations such as non-profits, healthcare and even governmental agencies. Specializing in adapting the Toyota Production System to high mix-low volume environments, Gary will contribute innovative and positive solutions along with the rest of the NVIE team.</p> |
|  | <p>Rhea Gustafson Project Manager</p> <p>MBA in Business Administration, St. Louis University; BE in Electrical Engineering, Vanderbilt University</p> <p>More than 20 years of marketing and management experience in commercial and industrial manufacturing. Former President of Astromec, Inc. (Carson City, NV) and former Director of Marketing and Planning for Emerson Electric (St. Louis, MO). One of the founding members of the Carson City Manufacturers forum. Experience in new Product Development, cost effective technical design, and Lean Process implementation. Special expertise in electrical design, manufacturing flow, cost management, engineering management, and technical product marketing.</p> |
|  | <p>Kathy Halbardier Project Manager</p> |
|  | <p>Stacy Mueller Project Manager</p> <p>BS in Human Development, University of Nevada, Reno</p> <p>Stacy has over 8 years of experience delivering employee and client solutions internally and externally with distinguished results. Her experience includes visual business operations and value stream mapping, management and leadership, audit and compliance practice, employee development and operational analysis. Stacy has special expertise in Lean Process Improvement.</p> |
|  | <p>Lorraine O'Neill Program Coordinator</p> <p>Lorraine has worked in office administration for government and industry and specializes in office process automation. With years of experience, she provides marketing and administrative support and coordination for Nevada Industry Excellence projects and professionals in southern Nevada.</p> |

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|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Martin Potnick Project Manager</p> <p>Bachelor of Science, Agriculture / Horticulture-Food Processing / Department of Food Technology The Ohio State University</p> <p>Over thirty years of experience in industrial sales and project management within the food manufacturing and processing industries representing leading suppliers such as Cargill, ConAgra, Tones/Burns Philp, Martin Bauer, and Fuchs North America/Baltimore Spice. Martin's growth success with regional, national and international companies includes strategic sales development, supply chain and compliance management, and creative product applications within the food industry. Mr. Potnick uses innovative problem solving techniques to improve products, processes, and performance. Martin has a long standing association with The Institute of Food Technologists.</p> |
|  | <p>Ed Sarmast Project Manager</p> <p>BS Mechanical Engineering, University of Nebraska Post Graduate Studies in Mechanical Engineering, University of New York, Rochester HVAC engineering certificate, Michigan State University</p> <p>Ed has over 30 years of technical experience in design engineering, research and development, and project management. Over the years he has been very active in facility organizations, equipment development and implementation. As a Project Manager with NVIE, his primary role has been to manage the Facility Operators Certification for Utility Systems (FOCUS) program. He provides technical/manufacturing resources to Southern Nevada manufacturing and to hotel/casino engineering.</p> |
|  | <p>Angela Scissom Project Manager</p> <p>MBA in Technology Management, University of Phoenix; BS in Production Management, Cal Poly San Luis Obispo</p> <p>Angela has owned and operated a Business Management Consulting Firm and Electrical Contracting Company with a diverse client base of aerospace, industrial, marketing management, healthcare, facility management, waste management, governmental and educational customers including the federal government, Nevada state government, and Clark County. She is certified as a six sigma belt & master electrician and also has special expertise in lean manufacturing, industrial engineering, quality engineering, production, lighting, and business development.</p> |