

Alaska Manufacturing Extension Partnership - State Matching Support

FY2013 Request: \$400,000
Reference No: 49915

AP/AL: Appropriation
Category: Development

Project Type: Economic Assistance
Recipient: Alaska Manufacturing Extension Partnership, Inc.

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Jo Ellen Hanrahan

Estimated Project Dates: 07/01/2012 - 06/30/2017

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Brief Summary and Statement of Need:

The Alaska Manufacturing Extension Partnership, Inc. (AMEP) creates an economic impact by working with individual manufacturers on business improvement projects. Since 2005, AMEP has worked on 234 client projects, generating the following economic contributions: \$34.3 million in cost savings, \$37.2 million in new or saved investment, 72 jobs created, and 109 jobs retained.

| Funding: | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | Total |
|-----------------|------------------|---------------|---------------|---------------|---------------|---------------|------------------|
| G/F Match | \$400,000 | | | | | | \$400,000 |
| Total: | \$400,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$400,000 |

| | | | | |
|---|---|---------------------------------------|---|--|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway | <input checked="" type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|----------------|--------------|
| Project Development: | 400,000 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | |
| Totals: | 400,000 | 0 |

Additional Information / Prior Funding History:

See funding matrix.

Project Description/Justification:

Alaska Manufacturing Extension Partnership (AMEP) provides technical assistance to individual companies to: 1) add value to Alaska's natural resources; 2) substitute imports with locally made goods; 3) profit from Arctic technologies developed by Alaskans; and 4) help companies make things faster, better, cheaper, and greener by doing organizational training and process improvement.

The AMEP mission is developing the state's economy through the provision of technical, business and economic training and assistance to Alaska's small manufacturers. AMEP is one of 59 centers located in all 50 states and Puerto Rico. Each of the centers were created by the US Department of Commerce, National Institute of Standards and Technology Manufacturing Extension Partnership (NIST/MEP).

The FY2013 funding will allow AMEP to focus on core programs that enhance small and mid-size manufacturers in Alaska including: elimination of waste in production cycles, increased energy efficiency, business development and marketing assistance, and increased labor efficiency.

This program aligns with business retention and expansion strategies to be implemented by the Department of Commerce, Community, and Economic Development.

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AMEP serves as the Alaska center of the US Department of Commerce NIST/MEP, which improves the competitiveness of American manufacturers through affiliates in all 50 states. AMEP is an independent nonprofit organization per the IRS Code, Section 501(c)(3). AMEP's state funding is used to secure a one-to-one investment from the federal government. Clients are typically charged fees to ensure the services are needed and generate a return.

AMEP must meet a set of performance metrics to maintain its federal funding. The US Department of Commerce NIST/MEP uses a third party independent research firm to verify those metrics. Every year, more than 39 clients must respond to a survey. Those clients must report that AMEP helped to generate a minimum of \$5.1 million in new investment activity, plus reduce the costs by \$6.6 million.

AMEP meets and exceeds these metrics by helping companies improve the processes, assist with capital acquisition, do marketing work, prepare business plans, develop and test new products, conduct energy efficiency and green business measures, and other value-added work that reduces costs and increases investment. The work is delivered by AMEP staff, local contractors, and with support from the MEP national network of over 1,000 industrial engineers and consultants.

This request will be awarded as a grant to Alaska Manufacturing Extension Partnership, Inc. The federal funding, while not awarded as a matching grant, will only be awarded if Alaska Manufacturing Extension Partnership, Inc. can demonstrate sufficient non-federal support (local, state and private). This grant is part of that support and is considered essential to receipt of the federal funding.

Funding History: (State funds and federal funds sent directly to AMEP)

| | | Fed Direct | State | |
|--------|-------------|-------------|-------------|-----------------------------|
| YEAR | AMOUNT | To AMEP | Funds | LEGISLATION |
| FY2012 | \$400,000 | \$400,000 | \$400,000 | SLA 11, Ch 5, Pg 46, Ln 25 |
| FY2011 | \$1,100,000 | \$400,000 | \$400,000 | SLA 10, Ch 43, Pg 117, Ln 3 |
| FY2010 | \$1,612,802 | \$806,400 | \$806,400 | SLA 09, Ch 15, Pg 3, Ln 11 |
| FY2009 | \$1,612,802 | \$806,400 | \$806,400 | SLA 08, Ch 29, Pg 34, Ln 18 |
| FY2008 | \$1,612,802 | \$806,400 | \$806,400 | SLA 07, Ch 30, Pg 84, Ln 33 |
| FY2007 | \$2,681,612 | \$1,340,800 | \$1,340,800 | SLA 06, Ch 82, Pg 3, Ln 32 |
| FY2006 | \$1,600,000 | \$800,000 | \$800,000 | SLA 05, Ch 3, Pg 103, Ln 20 |