**Section 545.350 Manufacturing Extension Program**

a) Purpose – The Purpose of the Manufacturing Extension Program is defined at Section 3520(a) of the Act. *The Department may establish, subject to available appropriated funds, a program of statewide manufacturing extension centers serving the geographic needs of the State's manufacturers, whose mission is to assist small or medium-sized manufacturers with technological advancement, for continuous improvement of business practices for these firms to be better positioned to succeed against global competition.*

b) Allowable Costs – Per Section 3520(b) of the Act, *the Department may provide grants or may provide cost share or reimbursements under this Section to support the operation of manufacturing extension deliverers.*

c) Eligible Applicants – Per Section 3520(b), *manufacturing extension deliverers can include universities and colleges, regional or sectorial based organizations, technical societies, or other similar groups, including organizations financed through a federal manufacturing extension partnership program.*

d) Procedures for establishment of regionally based or functionally based Manufacturing Extension Centers

1) Service Regions: Regionally based Manufacturing Extension Centers (MECs) must serve a specific geographic region of the State. Two regions are defined as follows:

A) Chicago Metropolitan Area:

i) Cook County;

ii) DuPage and Kane Counties;

iii) Kendall and Will Counties; and

iv) Lake and McHenry Counties.

B) Remainder of Illinois.

2) Service Specialties – Functionally based Manufacturing Extension Centers must serve a single industry, a limited number of related industries, or a specific manufacturing function.

3) Application for Financial Assistance – The Department shall issue instructions and formats for the submittal of applications for financial assistance to support MECs. Such applications shall be solicited on a competitive basis within each service specialty or specific region of the State targeted for the creation of a center. Applications shall include information such as:

A) a description of the related experience of the applicant agency, including a discussion of performance against goals for projects funded by the Department in the past;

B) a description of the qualifications of MEC staff, consultants, firms, and other organizations delivering MEC services;

C) a discussion of the market niches and customers to be targeted, including technological opportunities and the specific needs of the region's industries;

D) a description of MEC services to be provided, including:

i) marketing activities;

ii) educational events;

iii) enrollment of firms for modernization services;

iv) informal and structured assessments;

v) technical services to improve productivity; and

vi) specialized services;

E) a listing of performance objectives, including the number or amount of:

i) companies served;

ii) companies served for the first time;

iii) events;

iv) event attendees;

v) informal assistance;

vi) formal assistance;

vii) categories of formal and informal assistance;

viii) group projects; and

ix) evaluations;

F) an implementation schedule;

G) a proposed line item budget, including a description of matching funds by source and amount; and

H) for federally designated MECs, a copy of the federal operating plan.

3) Application Review Criteria – As required by Section 3520(d) of the Act, *in determining which applicants shall be awarded a grant, the Department shall* examine:

A) *prior compliance with awards programs;*

B) *the relationship of a proposed project to the State's future economic growth;*

C) *the qualifications and expertise of organizations undertaking the effort;*

D) *the applicant's understanding of the requirements and needs of the target groups served;*

E) *the potential of the applicant's project to provide an economic benefit to the State;*

F) *the methods engaged to measure and track performance; and*

G) *the likelihood that the project has a potential for improving the competitiveness of small and mid-sized manufacturers.*

4) Renewal of Awards – The Department may renew a grant award for a subsequent year for any MEC judged to be meeting performance objectives during the current grant performance period. In making determinations regarding the renewal of grant awards, the Department shall consider evaluative criteria, including but not limited to the number or amount of:

A) companies served;

B) companies served for the first time;

C) events;

D) event attendees;

E) informal assistance;

F) formal assistance;

G) categories of formal and informal assistance;

H) group projects; and

I) evaluations.

e) Professional Development – Per Section 3520(c) of the Act, *the Department may provide grant funds made available under the Act to support professional development and capacity building of the manufacturing extension system within the State as may be required for the administration, operations, research, analysis, promotion, or training of geographic based manufacturing extension centers.*