

MANUFACTURING MATTERS

Back in Full Swing!

We are so excited to announce that MACNY's Golf Tournament is back in full swing! After a modified tournament in 2020, we expect our 24th Annual Golf Tournament to look a lot more like what our members are used to.

Join us on July 19, 2021 at Bellevue Country Club in Syracuse for this year's tournament. We will begin with check-in and lunch, followed by a shotgun start, and rounding out the day with cocktails, hors d'oeuvres, and awards afterward.

We expect this event to sell out again this year! To reserve your sponsorship or team, email Cindy at cnave@macny.org.



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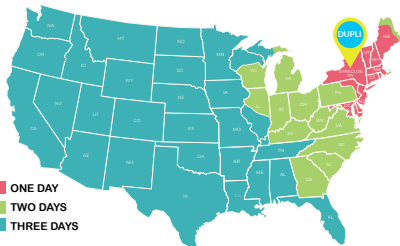
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Randy Wolken
President & CEO

Latest New York State Budget Impacts Manufacturers

In April, the 2021-22 New York State Budget was adopted. New York has just come through a challenging period with the double impact of the pandemic and the economic downturn. What we need most are efforts to spur economic growth. Like most budgets, it is a mixed bag. This budget does do essential things to help our recovery as a state. However, it also does damage to our economic competitiveness that may leave lasting impacts. We have much work to do over the next year. We will need to focus our efforts on growing jobs and recovering fully.

Items included in the budget that we supported and are excited about include the pass-through tax adjustment and another year of apprenticeship program funding for the New York State Manufacturers Intermediary Apprenticeship Program (NYS MIAP). Both are critical to manufacturers and businesses to encourage growth, hiring, upskilling, and investment as a part of our recovery. We are also pleased that the temporary corporate tax increases included in the budget did not include manufacturers. This was critical to preserving our competitiveness in a highly competitive, global manufacturing economy. The zero corporate tax rate for manufacturers, and its maintenance in the future, are vital to attracting and retaining top companies far into the future.

New York State also supported U.S. manufacturing in many crucial ways in this budget. With New York purchasing preferred where allowed, Buy American occurred with the Medical Supplies Act, and for our emerging green energy investments for structural steel and iron. This follows previous years' efforts that made Buy American permanent for structural steel and iron for state contracts over \$1 million for roads and bridges. In addition, the small business grant program and COVID-19 Recovery Workforce Development & Training Initiative will benefit manufacturers and the entire economy. These efforts are applauded and can help us regain our footing as a top manufacturing center.

The areas in the budget that will hurt our competitiveness are the personal and corporate tax increases. As we emerge from a deep recession and the impacts of the pandemic, these tax increases have the potential to have lasting negative consequences. The corporate tax increase is temporary and will elapse in three years. We must let this lapse so our businesses can compete in a highly competitive national and international economy. Also, personal income tax increases often encourage high earners to leave our state, robbing us of both talent and their spending that contributes to many essential community priorities, especially in fighting the impacts of poverty and other social challenges. Our tax climate matters significantly to economic activity, and we need to ensure it assists in our long-term success.

We will need the entire community to help us overcome the effects of the last year. The pandemic and its economic impacts will leave a profound mark on our future unless we pivot toward growth again. I am very hopeful we will shift to our recovery. We need to do so now. If we do, we will see manufacturers and technology companies invest and grow jobs. Reshoring of manufacturing and technology jobs is a genuine possibility for New York State. It's time to get New Yorkers back to work in great-paying jobs that our members have open – and will continue to open – in the months to come.



Tiffany Latino-Gerlock

Director of Government Relations & Communications

New York State Budget Update

New York State has a FY 2022 Enacted State Budget. Both Houses of the State Legislature finalized and passed the 2021-22 State Budget deal a few days past the April 1 budget deadline. Governor Cuomo then signed the budget bills into law. The \$212 billion spending plan includes \$5.5 billion in federal aid.

MACNY, and our Alliance Partners, thank the State Senate for restoring funding of our apprenticeship program (MIAP) in its one-house budget resolution, which was subsequently included in the final state budget. We also support the Medical Supplies Act to help incentivize manufacturers statewide that have pivoted production to meet the needs of the COVID-19 pandemic. The new measure took effect on April 1.

Despite the additional federal aid, the state budget included increased taxes on New York's highest earners— \$3.5 billion in FY 2022 rising to \$4.3 billion in FY 2023. While we oppose any tax increases that could eventually drive business out of the state, we were pleased that legislators acted to keep qualified manufacturers exempt from such increases.

This budget season was a challenging one as we did not know in the beginning how much federal aid was coming to New York State, and we held most of our advocacy meetings and presented testimony virtually. We will continue to hold virtual meetings with our state legislators as the 2021 Legislative Session continues. Below you will find a summary of some of the budget items that may have an impact on your business.

New York Medical Supplies Act

All contracts over \$50,000 in value made and awarded by a state department or agency for the purchase of personal protective equipment (PPE) or medical supplies will require that these items be produced or made in the United States. However, the agency or department head has the discretion to waive this provision if it would unreasonably increase costs, PPE or supplies cannot be adequately located in the U.S., or if it could result in a delay of delivering critical services.

Small Business and Arts Relief and Recovery Assistance

The new State Budget includes a \$1 Billion small business, arts, entertainment, and restaurant relief package to help businesses and other organizations recover from the pandemic.

Small Business Recovery Grant Program

The program will provide more than \$800 million in grants for small businesses and not for profits impacted by the COVID-19 pandemic. Grants awarded from this program shall be available to eligible micro-businesses, small businesses, and certain independent arts and cultural organizations that do not qualify for business assistance grant programs under the federal American Rescue Plan Act of 2021, or any other available federal COVID-19 economic recovery or business assistance grant programs. Empire State Development will create an application for this program.

COVID-19 Recovery Workforce Development & Training Initiative

This funding will provide training in high-growth industries, employer-driven training for low-income workers and funding for small businesses to re-train and hire furloughed or laid-off employees or to hire new employees.

New York State Manufacturers Intermediary Apprenticeship Program (NYS MIAP)

The state budget includes \$750,000 for the Manufacturers Intermediary Apprenticeship Program.

Regional Economic Development Council

The state budget includes \$750 million in continued funding for Regional Economic Development Councils.

Pass-Through Entity Tax

The tax law has been amended to create a new elective state Pass-Through Entity Tax by expanding the number of eligible pass-through entities.

Child Care Tax Credit

The existing tax credit program will be expanded to incentivize more employers to provide childcare to their employees and expands the number of Excelsior Job participants who are eligible to utilize the new Excelsior Job credits for childcare.

Middle Class Property Tax Relief

The new State Budget will provide a personal income tax credit for homeowners with incomes up to \$250,000, and who pay a higher percentage of their income on property taxes. The income tax credits will range between \$250 and \$350. It also continues the middle-class personal income tax cut program valued at about \$400 million.

NYSERDA Renewable Energy RFPs

For RFPs, contracts, etc. issued after October 1, 2021, certain renewable energy projects may have Buy American requirements. NYSERDA also can include a preference for New York equipment and supplies in RFPs.

Corporate Franchise Tax

A temporary surcharge will be enacted on the corporate tax rate from 6.5% to 7.25% for three years through tax year 2023 for taxpayers with business income greater than \$5 million. The rate is unchanged for companies that have income under \$5 million. The capital base method increase continues to exempt qualified manufacturers, emerging technology companies, and cooperative housing corporations.

Personal Income Tax Increase

For individual filers, whose income is more than \$1 million and joint filers over \$2 million, the income tax rate will increase from 8.82 percent to 9.65 percent. For filers whose income is between \$5 million and \$25 million, a new bracket is created at a rate of 10.30 percent, and for those over \$25 million the rate will be 10.90 percent.

To review the highlights from the FY 2022 budget, visit <https://www.governor.ny.gov/news/governor-cuomo-announces-highlights-fy-2022-budget-reimagine-rebuild-and-renew-new-york>.



Cindy Oehmigen
Director of Energy & Corporate Services

Could Two Wrongs Make a Right?

Cyanobacteria (blue-green algae) has garnered headlines in the past few years. Blue-green algae exists naturally in water everywhere. While not all blue-green algae are poisonous, about 10% can kill dogs and make people very sick. “Cyanotoxins can cause allergic reactions, skin irritation, fever, diarrhea, vomiting, joint pain, liver damage and even cancer.”¹ It would be hard to miss the beach closings across the country because of high levels of this algae. Warming waters encourage this proliferation. We have not yet developed an effective, economical combat plan for this increasingly challenging toxin in our water supply.

The direction of the Coronavirus metrics is encouraging. As we have seen the impact of COVID wax and wane, there is reason to be optimistic as more vaccines find their way into arms. It is understandable that some people are leery of the vaccine as it is a new approach to fighting a virus. Unlike previous vaccines, Moderna’s and Pfizer’s COVID vaccines do not use dead virus to activate the body’s natural defenses. Instead, it introduces a special messenger RNA (mRNA) that provides instructions into the system rather than inciting the body to create the instructions to fight the virus. Once the mRNA has delivered the message, the body destroys it, leaving behind a natural defense mechanism. This approach to fighting viruses has been in development for several years. However, the urgency of the pandemic drove the development into hyper-gear. We can only guess how long it would have taken to get to success without COVID providing the necessity for invention.

These are descriptions of two wrongs, Cyanobacteria and COVID, that may just provide a ‘right’ we have been seeking for a very long time. Many of us have been affected by the existence of each. What could possibly be the good news about these? I was excited to learn that while on the path to solving each, scientists have stumbled on potential paths to curing cancer.

New research in the journal *Proceedings of the National Academy of Sciences* explains how the compound, gatorbulin-1 (GB1), from a cyanobacteria species in south Florida, may have significant anti-cancer activity. This discovery by scientists at the Smithsonian’s National Museum of Natural History and University of Florida (UF) shows how studying marine biodiversity can enhance biomedical research.

According to Smithsonian Magazine, “Gatorbulin-1 is shown to have significant anti-cancer activity with potential to be developed into a new drug. Luesch and Paul understand how GB1 could be important to humans, but it is less clear how the cyanobacterium uses it.”²

We are a longways from having an actual cancer solution from green-blue algae, but the potential is most certainly there.

What role could COVID-19 play in this battle to defeat cancer? It has the potential to be a game changer.

“The Pfizer and the Moderna vaccines caused a lot of conversation. This was not because they were two of the first to show promising results in clinical trials, but because of the way they work. As the first mRNA vaccines to be approved for use in humans, they are a breakthrough in medicine. COVID brought the idea of mRNA vaccines to the attention of the world – now, cancer researchers are investigating how a similar vaccine could stop tumors in a single treatment.”³

One of the characteristics of the new approach that seems to be a plus is the body naturally destroys the mRNA soon after inoculation. This poses the challenge for use in battling cancer. We think the body needs more time to learn how to recognize and develop defenses against cancer cells. The focus of appropriate mRNA delivery is finding a slow-release delivery system.

According to The American Chemical Society, “Researchers have created a gel, that can be injected into mice with melanoma. This hydrogel slowly releases RNA nannovaccines, which actually shrunk cancer tumors and stopped them from growing.”⁴

The same mechanism as a COVID-19 mRNA vaccine is there – except instead of attacking the virus, the body is taught to attack tumor cells. The only problem is that mRNA is easily degraded by enzymes found in the body. This is how the ‘instructions’ are organically destroyed when it comes to COVID vaccines. So, the researchers tried to protect the mRNA from the body until it could really target the cancer.

The hydrogel that the research team created could be injected under the skin of mice and then slowly release mRNA (and adjuvant nanoparticles) over a 30-day period. The mRNA vaccine activated T cells and stimulated antibody production. Incredibly, this caused tumors to shrink in the treated mice. In contrast to untreated mice, the vaccinated mice did not show any metastasis to their lungs.

Both areas of research are reasons to have hope in the cancer fighting arena. Perhaps we will also benefit from a faster process to approval, which also came as a result of the urgency created by the pandemic.

¹ <https://www.pe.com/2016/07/05/environment-how-blue-green-algae-can-make-you-sick-8212-or-kill-your-pet/>

² https://www.smithsonianmag.com/blogs/national-museum-of-natural-history/2021/03/04/scientists-find-blue-green-algae-chemical-cancer-fighting-potential/?utm_source=smithsonianmag&utm_medium=email&utm_campaign=20210304-daily-responsiv&spMailingID=44561470&spUserID=NzU3NjYzODgzMDUS1&spJobID=1960341995&spReportId=MTk2MDM0MTk5NQs2

^{3,4} <https://www.openaccessgovernment.org/mrna-vaccine/104102/>

Healthcare Consortium

SPONSORED BY MACNY



A NEW APPROACH TO CONTROL THE COST OF HEALTH INSURANCE

Healthcare costs continue to be a financial challenge for MACNY members. In response, we are very excited to offer the manufacturing community the opportunity to participate in this money saving program. The Healthcare Consortium is available to manufacturers with over 100 full time equivalents.

- A fully-insured solution operated by participating members
- Members pool their health insurance programs together for long-term cost control
- Through the “law of large numbers” participating members can receive greater predictability, less risk, and less fluctuation from year-to-year
- Estimated premium savings over the past three years of \$1.8 million

**CONTACT PATTY CLARK TO GET STARTED:
PCLARK@MACNY.ORG | 315.474.4201 EXT. 10**

Applications are currently being accepted for the 2022 plan year with a deadline for submission of May 15, 2021.



Eileen Donovan
Workforce Development Specialist

A Career in STEM Starts Early

Lately I've been talking to MACNY-registered apprentices about their unique pathways to apprenticeship. None of them describes the same journey. However, this is what they all say: I wish I'd known about this in high school.

I can say the same about my own high school experience, which featured over-loaded guidance professionals, an emphasis on a four-year degree as the gold star, and a general lack of respect for the trades. In my current capacity as an advocate for apprenticeship programs, I work with my colleagues to upend this narrative, which apparently hasn't really changed since my long-gone teen years.

These workers tell me that they'd have spent their high school years differently had they known that apprenticeship might be an option for them upon graduation. There may have been more effort to speak with people in STEM-related jobs, and better attention to STEM-related activities, such as science clubs and participation in STEM career exploration events. I believe that we all bear responsibility to help strengthen the talent pipeline from school to the good jobs right here in Central New York.

MACNY's Workforce Development Team spends a lot of time and energy discussing the ways in which we might enjoin local employers to get involved, to engage them with our youth. High school students may not seek employment with companies with whom they're unfamiliar. Our mantra is "**open your doors;**" do it virtually if you can.

MACNY affiliate, Partners for Education and Business (PEB), has been hard at work with local school districts for over 25 years, conducting career exploration activities that connect local graduates with manufacturers seeking to strengthen their workforces and to replace retiring workers. In 2019, PEB engaged nearly 5,000 students/adults and 55 teachers with 100 local businesses. Since then, PEB has successfully transitioned to virtual offerings. To get involved with PEB, contact Martha Ponge, Chief Operating Officer, at mponge@macny.org.

Through our association with the Central New York School Boards Association, we strive to amplify the message that a New York State high school graduate need not leave the region to find a great career. Through this partnership, we present *Pathways to Careers* events bringing key stakeholders, parents, and student to the table for career-related information sharing.

We're proud of our efforts on the Registered Apprenticeship front as well, sponsoring nearly 20 trades as the first manufacturers trade association to be approved as group sponsors in New York State. The program has expanded since 2017 with new trades added since the original six. Contact Laury Ferguson at lferguson@macny.org to launch your apprenticeship program and to expand the list of viable career options for today's graduates. We'll make sure they know about it!



David Freund
Chief Leadership Officer

Get Connected

Can you believe it's already May? It seems like we were just planning for the New Year, and now the flowers are blooming, the trees have fresh leaves, and we can enjoy the smell of fresh-cut grass. So, if it's already May, summer vacation is right around the corner, and you will soon be enjoying our region's amazing landscapes with family and friends. What will those outings be like? Will you be making the most of them? Will you be enjoying meaningful connections?

Everyone communicates but few people truly connect. Few people will take the conversations to a level where there is an exchange of knowledge and emotion—a conversation where each person feels valued and heard. You may think that connecting is a gift that some people have, and some don't, and that may be true, but it also involves skills that all of us can learn and master. In his book, *Everyone Communicates, Few Connect*, John Maxwell identifies five principles and five practices that increase our ability to connect with others. For this article, I would like to look into one principle and one practice.

Connecting is all about others. What I love about this principle is that it flows naturally with my leadership philosophy that it's never about you; it's always about the other person. When you are planning your summer, think about activities that would be meaningful for your family or friends. You may need to ask. Where would they like to go? What would they like to do? What are some of their fondest memories of summer? Once you have made plans, ask them what they are looking forward to the most. By gathering this summertime intel, you can create outings that will be very personal.

Create memorable experiences. I mentioned earlier that we were gathering summertime intel. Now we get to use the intel to create experiences that are truly meaningful. Perhaps it's a favorite spot that a loved one went to as a child or a favorite meal they ate. By working these details into the plans, you are showing the person you truly listened to them and valued them for who they are.

After a long day of activities, take some time to sit around and ask each person to share their favorite part of the day. What did you like best and why? Sharing memories helps you connect better with others and also allows them to take that experience to a higher level of enjoyment. They will also be cultivating a more vivid memory of the experience as they re-live it with you.

Don't forget to take pictures and review them at the end of the day. For some reason, we have gotten away from treasuring our best pictures. We can take so many that we almost take them for granted. This summer, take the best pictures and add them to your favorites. After your vacation, or at the end of summer, go back into your favorites and print out the best. Maybe even have a book or calendar made to celebrate the season.

Summertime can be the season for establishing wonderful connections and creating memories that will last a lifetime. The key is to remember that it doesn't just happen; we need to be highly intentional about it. Practice the skill of connecting this summer, and then start using this new skill to take your leadership to the next level.

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Maximize Your Membership

Do you want to...

- Learn more about MACNY's services and how to better utilize your membership?
- Meet our staff and, more importantly, have an opportunity to meet other MACNY members and learn more about what they do in our community?

We are excited to be holding virtual **Maximize Your Membership** sessions on the second Thursday of each month from 9 - 10 AM.

Mark your calendars for our next three meetings...

May 13 June 10 July 8

Register online at macny.org/events or contact Stephanie Adams at sadams@macny.org.

Compensation and Benefits Survey

It's survey time!

Data collection for the 2021 MACNY/CNY SHRM Compensation and Benefits Survey will begin the week of May 3rd with a deadline of June 4th.

Help make the survey a success! Participating companies will receive a copy of the results at no charge.

If you have not received the link to participate, please contact Patty Clark, Accounting & Benefits Manager at pclark@macny.org or 315-474-4201 ext. 10.



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