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## Witness Information

Hearing: “Regulatory Impediments to Job Creation in the Northeast”

Optimax is celebrating its 20<sup>th</sup> year in business. We are the classic boot-strap startup story for a high-tech precision manufacture. We currently employ 150 and have plans to increase headcount to at least 180 over the next year. Growing a domestic manufacturing business in the era of global competition and outsourcing is truly a challenge, but it can be done. One of the key success strategies for any manufacture is building a culture of continuous improvement. It requires an unrelenting mission to eliminate waste enabling a sustainable business model and growth.

In order to build a culture of continuous improvement old habits must be broken. Some of the fundamentals of how business is conducted need to change. I believe much of the solution to removing regulatory impediments to job creation is built into the “Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act” (S777/HR 1855).

I have attached a piece I wrote last November after a visit to Washington to promote the Act. Without repeating all the content in the next 4 pages, let me summarize by stating that leveraging existing government channels to build wealth creation opportunities around existing core regional competencies will drive job creation. That is what the SECTORS Act enables.

Because of the inclusionary nature of the Act, stakeholders will surface issues like “regulatory impediments” out of the process increasing the likelihood they can be effectively be dealt with.

Mike Mandina  
President  
Optimax Systems, Inc.

11/23/10  
Mike Mandina  
President

FAME, RRPC and RTMA representation in Washington in support of the SECTORS Act

Last month I was invited by Bruce Hermann, (Deputy Commissioner of Labor for Workforce Development , NYSDOL) to attend an employer Fly-In Event hosted by the National Skills Coalition. I was one of 17 business people from around the country representing employers in manufacturing, health care, construction, and clean energy. The purpose of this event was to meet with high level policymakers to discuss skill gaps, and how an industry driven training approach known as sector partnerships can help fill those gaps. The details of the sectors partnership is contained in [The SECTORS Act](#). This is a bill that has bi-partisan support and was unanimously passed by the House of Representatives and is awaiting Senate approval. The bill dedicates federal support to sector partnerships.

Those of us who work in industry clusters understand the power they generate. They are especially useful for bringing small and mid-sized firms together around the issue of workforce. The cluster is the focal point for a common voice, creating a hot spot that other stakeholders can find and join. Government agencies (often WIBs), academia and suppliers are some of the key stakeholders who participate in industry led clusters (sector partnerships).

There are three clusters that I actively work with: FAME (Finger Lakes Advanced Manufacturers' Enterprise), RRPC (Rochester Regional Photonics Cluster) and the RTMA (Rochester Tooling and Machining Association). All three clusters have had or are currently receiving some form of governmental support. The funding has been important since the notion of using sector partnerships to drive coursework development at community colleges and for directing DOL training funds is a relatively new concept. Ultimately one might consider is a paradigm shifting phenomena that will require time and sustaining support in order to reach full potential.

Andy Van Kleunen, Executive Director for National Skills Coalition, which hosted the employers and facilitated the meetings said,. "We applaud these business leaders for their efforts to build support for public-private partnerships that will enable our education and training institutions to better meet the needs of regional industries and provide new pathways to good jobs. Newly skilled workers, trained in collaboration with employers will be vital to economic recovery."

We met with officials from the White House Domestic Policy Council and Office of Management and Budget as well as Senate committee offices. Secretary of Labor Hilda Solis welcomed our group at the Department of Labor, where we met with Assistant Secretary Jane Oates, Employment and Training Administration. We delivered the message that we have record unemployment and skilled jobs going unfilled and that we should never have these two problems at the same time. We delivered the message to

these national policymakers that the skill gap is real; it's keeping people unemployed, making it very difficult for companies like Optimax to grow and add jobs. Research supports what employers are experiencing on the ground and suggests that the skill gap could be stifling efforts to lower the unemployment rate.

According to a [recent International Monetary Fund study](#), the skills gap is at a historical high in many states, especially in those with large manufacturing sectors. The skills gap accounts for 50 basis points of the increase in unemployment since 2007. Together we represented employers from twelve states delivered a strong message to policymakers in Washington that Sector Partnerships are a proven strategy in need of federal support.

A member of our group, Jennifer Hermann of UCSF Medical Center in San Francisco, California said, "Sector Partnerships offer distinct capacity to bring employers together across an industry to figure out their common skill needs and work with education providers, labor, and community organizations to shape training accordingly. That means my organization can focus on the business of patient care. It means people in my community can train for a job and advance in my organization. It's that simple."

A recent, [multi-year study by Public / Private Ventures](#) on the effectiveness of sector-focused training programs found positive outcomes for workers including, steadier employment with increased earnings and better access to benefits. We called on members of the Administration and Congress to act swiftly in moving the SECTORS Act through the Senate and to build on that momentum to reauthorize the Workforce Investment Act.

Scott Ellsworth of Tipco Punch, Inc. in Hamilton, Ohio added, "The single biggest issue facing our country is jobs. Despite all the talk of political polarization in our country, the House of Representatives passed the SECTORS Act on a unanimous bi-partisan vote, That's because this issue of skills rises above politics. It's something we can all agree on. It's time for the Senate to rise above partisan politics and do what's right for America's business owners and America's workers."

During the visit Jane Oates openly acknowledged that she supports the Sectors Act. This was the first time she had made this statement further enhancing the likelihood of imminent passage. She also made reference to the \$2 billion award being offered to the 1,100 community colleges.

The Education Affordability Reconciliation Act was signed into law in March 2010. The Act provides \$2 billion for the Community College and Career Training Grant Program, a new Trade Adjustment Assistance (TAA) program that was created in last year's American Recovery and Reinvestment Act but never funded. The reconciliation bill provides \$500 million per year for fiscal years 2011 – 14 for this program, to fund training and education programs at community colleges and other institutions that serve the needs of TAA-eligible workers. These grants will be awarded competitively, but one or more institutions in each state will receive at least .5% of the grant funds, or \$2.5 million per state. The program should fund a wide range of training initiatives.

Through our current clusters: FAME, RRPC and RTMA, and others our region is well positioned to apply for and win significant funds to further develop our skilled worker pipeline.

Here are my take-aways:

- The good work going on in FAME, RRPC and RTMA is indicative of the “best-in-class” sector partnership models anywhere in the country.
- Smart people with influence recognize that the old *push* model of funding resource to build workforce is wasteful and that a collaborative *pull* model led by industry will direct resources so that there is a ready supply of skilled workers who can now earn livable wages.
- What we are attempting is so radically different to what has been done, that it is a paradigm shift for most stakeholders, and as such, will take a sustained commitment over a long period of time.
- Support the SECTORS Act. It is waiting Senate Approval.
- Prepare FLCC, MCC and GCC to win funds from the available \$2 billion Education Affordability Reconciliation Act. There is a requirement for industry collaboration in order to be eligible.
  - FAME is scheduling roundtables with each of the area community colleges to develop an action plan.
- The National Skills Coalition [www.nationalskillscoalition.org](http://www.nationalskillscoalition.org) is doing good work.
- The WIBs, BOCES and Community Colleges and HTR-MEPs (Manufacturing Extension Partnerships) are key stakeholders in our advanced manufacturing industry lead partnership.
- Small and mid-sized business must step-up, get together and lead or we will get what we deserve.

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*[National Skills Coalition](http://www.nationalskillscoalition.org) is a broad-based coalition of employers, unions, education and training providers, and public officials working toward a vision of an America that grows its economy by investing in its people so that every worker and every industry has the skills to compete and prosper.*

***Employers participating in the two-day fly-in included:*** Erick Ajax, E.J. Ajax and Sons, Minneapolis, MN; Richard Berkowitz, Transportation Institute, Seattle, WA; Michael DiMarino, Linda Tool, Brooklyn, NY; Scott Ellsworth, Tipco Punch, Inc., Hamilton, OH; Michael Galiazzo, Regional Manufacturing Institute, Sparks Glencoe, MD; Jennifer Hermann, UCSF Medical Center, San Francisco, CA; Paul Hoffman, Orange Research, Inc., Milford, CT; Pamela Lenzion, Marinas International, Dallas, TX; Michael Mandina, Optimax Systems, Inc., Ontario, NY; Carl Moyer, Yahoo, Hillsboro, OR; Diana Parr, Uniloy Milacron, Inc., Tecumseh, MI; James Paulson, Shepard-Interactive, Portland, OR; Douglas Rose, Aero Gear, Inc., Windsor, CT; Gabe Shapiro, Next Step Living, Inc., Boston, MA; Liza Smitherman, JostinContstruction, Inc., Cincinnati, OH; Michael Tamasi, AccuRounds, Avon, MA; Richard Winsman, Kelso Longview Chamber of Commerce, Longview, WA.

***Partner organizations included:*** Brooklyn Chamber of Commerce, Connecticut Center for Advanced Technology, Greater Cincinnati Workforce Network, Jackson Area Manufacturers Association, JVS Boston, JVS San Francisco, Maine Marine Trades Association, National Fund for Workforce Solutions, SkillWorks, Workforce Development Council of Seattle King County, Southwest Washington Workforce Development Council, Worksystems, Inc.

**Mike Mandina**  
President  
Optimax Systems, Inc.

Mike is President of Optimax Systems Inc., Ontario NY. A master optician with Associate Degrees in Optical Engineering Technology and Engineering Science from MCC and RIT respectively, a B.S. in Applied Physics from Empire State College and EMBA from RIT.

Founded Cormac Industries in 1974 and sold it in 1981, currently the CVI/Melles Griot Optical Systems Division. Mike joined the Optimax Systems, Inc. start-up team in 1991. Optimax manufactures precision optics using state of the art manufacturing technology and promotes a continuous improvement culture. Optimax employees 150 workers, 100 are highly skilled technicians.

Mike has authored numerous manufacturing articles for the optics industry trade journals and recently completed the chapter on optics manufacturing in the Optical Society of Americas *Optics Handbook*. He is the inventor of the VIBE polishing process patent #061502.

A finalist for Rochester's Small business person of the year in 1999 and a 2007 NYS Business Hall of Fame inductee. Most recently Mike was awarded the 2010 RRPC Entrepreneurship Award. Additionally, Optimax was recently recognized as one of the "2010 Top Small Company Workplaces" by Inc. Magazine in June 2010.

Mike is regularly sited in local business articles, especially in the area of employment and skilled workforce. He is an active member in a number of professional organizations and clusters. He currently serves on the board of the following organizations:

- RRPC (Rochester Regional Photonics Cluster)
- RTMA (Rochester Tooling and Machining Association),
- FLWIB (NYS Finger Lakes Workforce Investment Board),
- HTR MEP (High Tech of Rochester's Manufacturers Extension Partnership),
- FAME (Finger Lakes Advanced Manufacturers' Enterprise), Chairperson for FAME

And is the FAME representative on the TCUNY (Technology Council of Upstate New York), MACNY (Manufacturing Association of Central New York) the industry representative on Monroe Community College Optics Department Industrial Advisory Committee, member of the Rochester Section of the Optical Society of America and member of the SPIE (International Society for Light Based Research).