The Council of Industry
Newsletter

December 2015 Volume 19 Issue 10

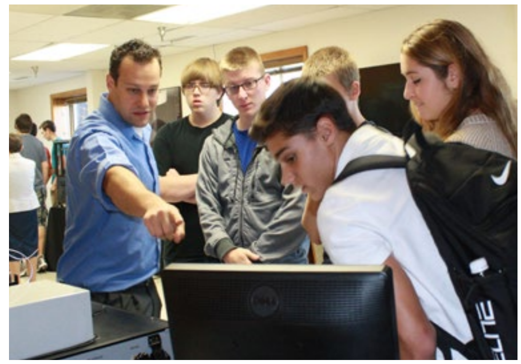
Tomorrow's Workforce and the Skills Gap

A thriving workforce has long been the fuel supply for our manufacturing's engine of growth. But today that fuel supply is in jeopardy as manufacturers and industrial operators around the world contend with the issue of workforce availability – a result of evolving job requirements and aging workers with deep process understanding leaving the workforce.

McKinsey Global Institute warns that workforce availability threatens to reduce economic growth by 40%, despite continuing productivity from automation and other elements of supply-chain optimization.

The problem is global. Deloitte estimates nearly 3.5 million manufacturing jobs will likely need to be filled in the U.S. from 2015 to 2025, and the skills gap will leave 2 million of them unfilled. Meanwhile, the U.N. reports that China's over-65 population will surge from 8% to 23% between 2010 and 2040. In Europe, citizens will need to work to a later age to support the Europe 2020 Strategy of increasing general employment to 75%.

Further complicating matters is the emergence of the Internet of Things and the convergence of information technology (IT) and operations technology (OT), which are creating additional skills gaps, and forcing manufacturers and industrial operators to reshape their workforces. Workers need new skills that are not easily found in today's workforce to enable this convergence and to take advantage of new technology.



There is no single or short-term fix for overcoming these profound demographic changes and technology skills gaps. But there are some key areas where manufacturers and industrial operators can better prepare their operations and empower their workers to adjust to the challenge ahead.

Attracting Tomorrow's Workforce

Manufacturers and industrial operators face a formidable challenge – they must nurture a new generation of tech-savvy production workers and managers who are ready to face the challenge ahead. This requires attracting students early, feeding

Continued on page 11

Registration for the Certificate in Manufacturing Leadership Classes at SUNY Dutchess is Open

The Certificate in Manufacturing Leadership has a variety of classes that can be taken as a complete program or ala carte. We have had everyone from team leaders, to supervisors and managers, to CEOs, attend classes in the Program.

The Council of Industry offers this leadership training at Dutchess Community College for a discounted rate to anyone the registers and pays before December 31st. These classes have filled to capacity the last few years by the end of December so reserve your spot soon.

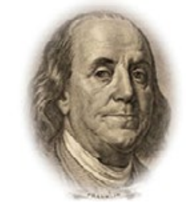
There are several ways to register including online, or by email to training@councilofindustry.org. Use the coupon code EarlyBird to receive your discount online. Email or call us with questions or call (845) 565-1355. ⁕

In This Issue

A Strategic Plan Should Also Include a Succession Plan

From The Bridge Newsletter by Vanacore DeBenedictus DiGovanni & Weddell, a Council of Industry Associate Member

Many small businesses prepare – and regularly update – a strategic plan, but many overlook this important task.



" If you fail to plan, you are planning to fail." - Benjamin Franklin

Whether your business falls into the "have" or a "have-not" category, a strategic plan can be an invaluable resource to help your company accomplish its ultimate objectives. And part of this process involves having a succession or exit plan.

The Anatomy of a Strategic Plan
First, let's review some basics about strategic planning. Fundamentally, it is an activity that helps:

- Set priorities;
- Focus energy and resources;
- Strengthen operations;
- Ensure that employees and management work toward common goals;
- Establish agreement around intended outcomes; and
- Adjust direction as the business environment changes.

The best way to start is to skip to the ultimate goal: What do you want your business to accomplish? This amounts to your company's mission statement. Once that is clear, flip the process around to the beginning and ask: What steps will help my company achieve its goal(s)?

You don't need a large number of goals in a strategic plan. You could have ten or more, but you also may have only four or five. For a strategic plan to have the most impact, the goals should be clear and concise. Setting goals outlines the course your business will take. If the goals miss the mark, other efforts will probably be useless.

Once you set the goals and management is on board, you must set objectives for reaching each goal. Objectives are rather broad in nature and should be concise. They guide employees toward making decisions that are in line with helping your business achieve its goals.

Under each objective list a series of action steps. These are more specific than the objectives they support and should note who is responsible for the action and when it should be completed.

The final step is to regularly evaluate the status of each action step, noting:

- When it is completed;
- Whether it resulted in reaching the objective; and
- If the cumulative completion of objectives resulted in reaching the goal.

There are many variations to this scheme, but this is a common format in strategic planning. Keep in mind that goals are likely to change over time to account for the economy, the industry and other factors involved with the business.

A Road Map for Succession
Developing a succession plan should be a part of your strategic plan. Successful succession is one of the most important goals for any business. Other goals might deal with profitability, expansion or operational issues, but none is more important than succession. Think about it -- is any other goal genuinely valid without a road map for succession?

A succession plan or exit strategy typically begins by establishing a team to focus on it. While the team will deal with the broad issues of the strategic plan, it will not be involved with how that plan is accomplished. Instead it focuses on the steps needed to position you and your partners for the ultimate succession. This may include assessing health issues -- especially related to senior managers.

In effect, the business will get its marching orders from the succession planning or exit strategy team. That is where the business and its managers take the ball and kick it across the goal line. All existing goals should be reviewed to ensure they support the overarching succession or exit goal.

It is often helpful to have a facilitator. Your CPA is likely to be on the succession planning team and is often a good choice to play this role. ✳

Hannover 2016-Connect to Global Opportunity with Help from US Commerce Dept. and NYS

The Department of Commerce is leading the United States Government's presence at the world's leading trade fair for industrial technology, Hannover Messe, April 25-29, 2016. For the first time since the show began, the United States will be featured as Partner Country which will spotlight the U.S. as a leader in innovative technologies. This brings tremendous opportunity to US exhibitors. Also supporting this effort is Empire State Development, they will be applying New York State's STEP funds to support companies wishing to attend. We want to make sure all Council members are aware of this opportunity.

Attracting over 100 buyer delegations and more than 200,000 attendees from more than 70 countries, Hannover Messe is five trade shows in one integrated event. The attached relevant industry sectors identify these and will give you a good idea of the type of companies best suited for Hannover.

U.S. companies exhibiting in U.S. Pavilions will benefit from:

- Unmatched international exposure including a featured page on the Hannover Messe 2016 website with enhanced search capabilities.
- Numerous networking events focused on the Partner Country
- Onsite customized support from U.S. Commercial Service industry specialists
- CS Executive Market Counseling with CS staff from among the top 25 markets present at Hannover Messe (B2G)
- CS International Partner Promotion Program (B2B)
- Booth tours
- Know Before You Go Webinars to maximize onsite opportunities and more

The price for a furnished, turnkey booth with all the on-site services is $7,560 and the State of New York is offering up to $5,000 towards the booth cost for eligible New York companies and additional reimbursement for travel expenses.

You can learn more about Hannover Messe on the Commerce Dept website. Register Your Interest at this link and they will reply with one-on-one guidance for assessing your firm's opportunities onsite at Hannover Messe 2016. If you have any questions or would like to learn more about the State of New York's funding contact Joan Kanlian (Joan.Kanlian@trade.gov), Michael Grossman (Michael.Grossman@trade.gov), or Harold King (hking@councilofindustry.org) ⁕

Attracting over 100 buyer delegations and more than 200,000 attendees from more than 70 countries, Hannover Messe is five trade shows in one integrated event.

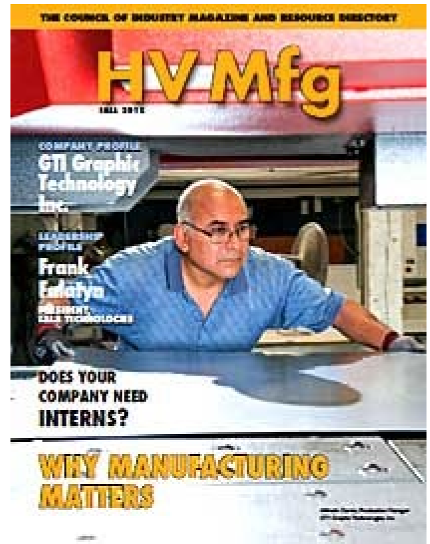
Consumer Price Index for October 2015

Wage Earners & Clerical	Oct-14	Oct-15	Sep-15	Point Increase	% Month	Point Increase	Increase Year
1967=100	694.72	692.17	693.03	-0.86	-0.1%	(2.5)	-0.4%
82 - 84 =100	233.23	232.37	232.37	0.00	0.0%	(0.9)	-0.4%
All Urban Consumers							
1967=100	713.04	712.46	712.78	-0.32	-0.0%	(0.6)	-0.1%
82 - 84 =100	237.43	237.84	237.95	-0.11	-0.0%	0.4	0.2%

Hudson Valley Unemployment for October 2015 was 4.3%

COUNCIL NEWS

Update on HV Mfg - The Council of Industry's Magazine



Beginning with the next edition of HV Mfg – the Council of Industry's magazine by, for, and about manufacturing in the Hudson Valley – some changes will be taking place.

The Spring 2016 and future editions of the magazine will be published "in house" and we will no longer be using the services of Martinelli Custom Publishing. Martinelli has been a terrific partner, helping us get the publication off the ground, building a strong readership and advertising base in the process. After 3 years and 6 editions, we are now ready to take full control of HV Mfg giving us greater flexibility to integrate it with other publications, our website and social media platforms. We will also be able to slightly lower advertising rates and offer rate packages with other our publications and event sponsorships.

Look for information on ad rates and opportunities for 2016 in you inbox in the coming weeks. ✷

New Lower Rates to advertise in HV Mfg

AD SIZE	MEMBER RATE	DIMENSIONS (w x h)
Back cover	*$3000*	*7 1/2 x 8 1/2*
Inside Front Cover	*$2500*	*7 1/2 x 10*
Inside Back Cover	*$2200*	*7 1/2 x 10*
Full Page	*$1500*	*8 3/4 x 11 1/4*
Half page horizontal	*$850*	*7 1/2 x 5*
Half page vertical	*$850*	*3 5/8 x 10*
Quarter page	*$500*	*3 5/8 x 4 7/8*

We will also offer ad/ sponsorship packages. Call or email Harold King hking@councilofindustry.org or Alison Butler abutler@councilofindustry.org to find out more.

COUNCIL EVENTS

Human Resources Sub-council meeting: Wage & Benefit Survey Results

The Wage & Benefit Survey results are being tabulated and will be presented at Marist College on Friday, January 22nd, 2016. The Human Resource sub-council is invited to attend this presentation with Dr. Ken Sloan, Marist School of Management. In addition to Dr. Sloan, the students that prepared and summarized the survey will be on hand to analyze and discuss the data gathered. There will be a question and answer portion as well. Only companies that completed the survey will be provided with full results but all are invited to attend this presentation.

When: Friday, January 22, from 8:30 am - 10 am
Where: Marist College, Poughkeepsie, NY
Cost: No cost to attend for members

To register email Alison Butler at abutler@councilofindustry.org or call (845) 565- 1355 or use this link to register online: http://www.councilofindustry.org/council-networks/humanresources/

Being Absent From Work: Is That An Emerging Right Of Employment?

From Ethan Allen Workforce Solutions, a Council of Industry Associate Member

A woman sued her former employers, a collection of Midwest-based health care firms, for wrongful termination because she alleges she had a medical reason for her absenteeism. The employer terminated the 46-year-old woman, who worked with the organization as a caregiver for patients with dementia and Alzheimer's, for "excessive absenteeism" in 2014.

According to the lawsuit, the former employee's "assorted medical problems include[ed] anxiety and panic attacks" and caused her to miss work. The woman alleges she told her employer about her reason for missing work and that she was harassed for her health problems while other employees were allowed to be absent.

The lawsuit accuses the employer of violating the Family and Medical Leave Act (FMLA) and the Americans with Disabilities Act (ADA). The former employee alleges that her days off should have been designated as FMLA leave and were not; that the employer did not provide her with reasonable accommodations for her disability; and that she was harassed and terminated because she told management about her illnesses. "Woman says Arden Courts of Monroeville fired her because of anxiety, panic attacks," pennrecord.com (May 11, 2015).

Commentary

In this case, the former employee claims that a medical condition made her absent from work, so she should have been given a reasonable accommodation and allowed to be absent. However, depending on the required job duties, allowing absenteeism is not necessarily a reasonable accommodation. According to the Americans with Disabilities Act (ADA), employees with disabilities are entitled under federal law to reasonable accommodations, if the employee is still able to perform the essential functions of the job and the accommodation would not cause undue hardship to the employer.

"Essential functions" means the "fundamental job duties" of the position; that is, job duties that are necessary, indispensable, basic and fundamental to the particular position.

Undue hardship is defined as an unreasonable, significant difficulty or expense for the employer. Therefore, if being present is an essential function of the job, or missing work would cause an undue hardship for the employer, the employer would be justified in denying a request for excessive days off.

The possibility of reasonable accommodation requests highlights the necessity of well-written job descriptions. Although it may seem obvious to employers, if being present is a requirement for a job, such as a front desk receptionist position, that must be stated in the job description.

Having a written job description outlining the essential functions of the job and distributing it to the employee can go a long way toward preventing an ADA lawsuit in the event that an employee can no longer perform reasonable, required duties because of an illness or disability ✴.

Proposed New Optional Practical Training (OPT) Rules

From JacksonLewis.com, Jackson Lewis PC is a Council of Industry Associate Member

The U.S. Department of Homeland Security has proposed amending its regulations on the optional practical training ("OPT") program to allow international F-1 students with U.S. degrees in the sciences, technology, engineering, or mathematics ("STEM") — attained from accredited institutions — to extend by 24 months the standard 12-month OPT period available to them to remain in the U.S. to pursue degree-related work experience. This proposal would supersede the 17-month extension currently available to STEM degree holders. In addition, F-1 students may qualify for the extension based on a previously attained U.S. STEM degree from an accredited institution of higher education.

The new proposal responds to a court decision vacating a similar 2008 DHS regulation based on procedural grounds.

The extension comes with some conditions, including increased oversight over the employment of STEM OPT beneficiaries. Employers must be enrolled in the E-Verify employment eligibility verification program. Employers also must implement formal mentoring and training plans, and make certain attestations, similar to those required of other employment-eligible visa categories. An employer must attest that:

(1) the duties, hours, and compensation are commensurate with those applicable to similarly situated U.S. workers;

(2) there are sufficient resources and equipped personnel available to provide appropriate mentoring and training;

(3) there will be no lay-offs or furloughs of any U.S. workers arising from the STEM student's training;

(4) the opportunity advances the student in attaining his or her training objectives; and

(5) ongoing reporting requirements will be observed.

Continued on page 9

New ACA Reporting: Frequently Asked Questions About

From IMA Update, By Stephanie A. Smithey, Timothy G. Verrall, Ogletree Deakins

For many employers, the employer mandate under the Affordable Care Act (ACA) is already a reality. Having now worked out some of the administrative kinks associated with providing the health plan coverage required by the mandate, employers face a new and daunting challenge: detailed reporting to the Internal Revenue Service (IRS) to document the terms on which their coverage is offered.

In light of the upcoming February 1, 2016 deadline for employers to provide their employees with the new Form 1095-C, we have compiled the following list of questions we most frequently receive about this complex new reporting regime under the ACA.

Q: Which form(s) do I need to complete: the 1095-C or the 1095-B?

A: The form or forms you will need to complete depends on whether your organization is an "Applicable Large Employer" (ALE) and how your health benefits are funded. If you are an ALE, you must provide your full-time employees with Form 1095-C regardless of whether you provide fully-insured or self-funded coverage to your employees. Furthermore, if you are an ALE that sponsors a self-funded plan, you will also provide Form 1095-C to any part-time employees who are enrolled in the plan.

If you are not an ALE and you sponsor a self-funded plan, you will report that coverage on Form 1095-B to any employees covered by that plan.

Regardless of whether you are an ALE, if you sponsor a fully-insured plan, the insurance carrier will report that coverage to your covered employees on a Form 1095-B.

Q: Which company's EIN do I use on Line 8 of Form 1095-C: the employer's or the plan sponsor's?

A: The ACA's reporting obligations fall on the common law employer. That means that each employer should report its employees under its own employer identification number (EIN), regardless of which company is the sponsor of the plan covering those employees. For example, an employer that is a subsidiary of a parent company that sponsors the health plan should report for its own employees under its own EIN, not under the parent company's EIN.

Q: How do I know whether I am an ALE for 2015?

A: For 2015, the ALE determination is based on the organization's employee count for any consecutive six-month period in 2014. If the organization had 50 or more full-time employees (including full-time equivalents) for any consecutive 6-month period in 2014, it is an ALE for 2015. To determine the number of full-time employees you have, you must aggregate the employees of all companies that are considered to be a controlled group or otherwise under common control under the Internal Revenue Code.

Q: How do I count my full-time equivalent employees for purposes of determining whether I am an ALE in 2015?

A: First, count each employee who averaged 130 hours or more of work per month in 2014 (or during the 6-month period in 2014 that you are using). Those are your full-time employees. For any employee who averaged less than 130 hours, count his or her actual monthly hours up to a cap of 120. Then, total all the hours of your non-full-time employees and divide the result by 120 (or 60 if you are using a one-month period for your calculations). The resulting number is the number of full-time equivalent employees you have. Add the number of full-time equivalent employees to your full-time employee count to determine whether you have reached the ALE threshold.

Q: How do I count my seasonal workers for purposes of determining whether I am an ALE in 2015?

A: For this purpose, "seasonal workers" are those individuals who perform services on a seasonal basis as defined by the Secretary of Labor. "Seasonal workers" also includes retail workers employed only during the holidays. Employers that have 50 or more full-time employees (including full-time equivalents) employed for 120 or fewer days during the prior calendar year can disregard those seasonal workers who were employed for 120 or fewer days when determining whether they meet the ALE threshold.

Q: I thought I did not have to comply with the ACA employer mandate in 2015 if I had fewer than 100 employees! What is the rule?

A: For 2015 only, employers with 50 to 99 full-time employees (plus full-time equivalents) are exempt from complying with the employer mandate. However, these employers still must comply with the law's reporting obligations and complete Forms 1095-C and 1094-C.

Q: Why don't the instructions for Line 14 and Line 16 on Form 1095-C match?

A: The lines are used to report different information. Line 14 tracks whether an ALE has made a sufficient offer of coverage to meet the ACA's Shared Responsibility provisions, commonly known as the "employer mandate." An employer must offer coverage for every day of the month in order for it to count as an "offer" on Line 14. For any month in which you have not made an offer, you will use the 1H "No Offer" code.

By contrast, Line 16 reports whether the employee was covered for at least one day of the month. If so, you will use the Code 2C. This information, along with the information in Part III of the form, allows the IRS to determine whether the individual met the individual mandate under the ACA. If the employee is not covered, these are the months when a penalty assessment might be triggered against the employer if the employee instead purchases subsidized coverage through an Exchange. For this reason, ALEs use Line 16 to report their defense to any penalty, most commonly using one of the affordability codes, that—in

Form 1095-C

Continued from page 6

conjunction with the dollar amount on Line 15 and the offer code on Line 14—tells the IRS that the employer offered sufficient coverage to meet the employer mandate and that the individual should not have been eligible for subsidized coverage on an Exchange. Be sure to complete Line 16 carefully.

Q: How do I report for new hires?

A: Prior to hire, use Code 1H on Line 14 and Code 2A on Line 16. After the hire date, you will continue to use Code 1H on Line 14 during any waiting or stability period, and use Code 2D on Line 16 to reflect that you have no obligation to offer coverage during any limited non-assessment period. Once coverage is offered, you will use the appropriate offer code on Line 14 (depending upon the type of coverage you have offered and whether your offer includes a spouse and any dependents) and Code 2C on Line 16 if the employee enrolls in coverage. If the employee does not enroll in coverage, you generally should use one of the affordability codes on Line 16, assuming you have offered affordable coverage.

Q: What do I report if someone's employment is terminated during the year?

A: You must complete Line 14 for all months of the year. You will use Code IH ("no offer") for any month after the termination of employment if coverage is not offered to the employee for the entire month. On Line 16, you should generally use Code 2B for the month in which the former employee's employment was terminated and Code 2A for any month when the individual was not employed at all.

Q: Do I still have to report for employees who are offered COBRA and decline coverage?

A: Yes. For months in which an employee is offered and declines health benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA), you should generally use 1H on Line 14. On Line 16, you should report using Code 2B in any month in which the employee was employed at least one day of the month (e.g., the month employment terminates), and Code 2A for any month in which the employee was not employed at all.

Q: How do I report for employees who have elected COBRA coverage?

A: For the months in which COBRA is offered, instead of reporting the employee's lowest cost of employee-only coverage on Line 15, report the COBRA premium for the lowest cost self-only coverage. If the employee enrolls in COBRA coverage, you will continue to use Code 2C on Line 16 for the months the employee is enrolled.

Q: Must I report for my union employees?

A: Yes, if your union employees are covered under a plan that you sponsor, you must report for them just as you would for any other employee. If they are offered coverage by a separate plan that is administered by a board of trustees comprised of representatives from the union and participating employers to which you contribute, then special reporting rules may apply. Commonly known as "Taft-Hartley funds" or "multiemployer plans," health plans that you cosponsor with the union will require you to report coverage to your union employees on the Form 1095-B. However, if you are an ALE, you must still file a Form 1095-C for your union employees.

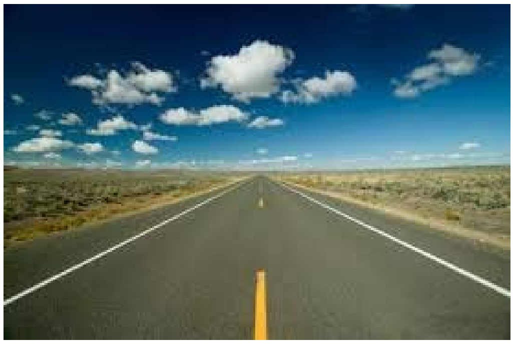
Q: How do I report multiemployer plan coverage for my union employees?

A: For 2015, you may qualify for special transition relief if you are required by a collective bargaining agreement or other written agreement to contribute to a multiemployer plan for your union employees. If that plan provides "minimum essential coverage" that is "minimum value," and if any premium charged to the union employee for coverage is "affordable" under the employer mandate provisions, then you may use Code 1H on Line 14 and Code 2E on Line 16 to report the offer of coverage on the Form 1095-C. ✴

In light of the upcoming February 1, 2016 deadline for employers to provide their employees with the new Form 1095-C, here is a list of questions frequently asked about this complex new reporting regime under the ACA.

Highways and Ex-Im Move to the President's Desk

From NAM, The National Association of Manufacturers



The House and Senate took action within hours of each other to pass two top NAM, and manufacturing, priorities: robust funding in our nation's infrastructure and a long-term reauthorization of the U.S. Export-Import (Ex-Im) Bank. With congressional passage secured, the legislative package now proceeds to President Obama for his signature into law.

To reach this point, a congressional conference committee negotiated an agreement based on H.R. 22, the transportation bill previously passed by the House and Senate. Negotiators included the Ex-Im reauthorization in this final bill, now known as the Fixing America's Surface Transportation (FAST) Act. House lawmakers voted 359–65 and Senate lawmakers 83–16.

The $305 billion FAST Act is a five-year, fully funded investment in surface transportation systems and programs that maintains a strong focus on highway and transit infrastructure. "This bill is a big step forward and a desperately needed long-term investment in our nation's infrastructure," NAM President and CEO Jay Timmons said.

The NAM drove the process, urging House and Senate support and indicating that final passage of the H.R. 22 conference agreement may be considered for designation as a Key Manufacturing Vote in the 114th Congress. This is the first long-term transportation bill in years and comes after dozens of short-term spending measures and extensions.

The FAST Act ends months of anticipation and years of work by lawmakers to achieve a well-funded, multiyear transportation authorization following the expiration of the long-term funding measures SAFETEA-LU in 2009 and MAP-21 in 2014. The NAM's commitment to infrastructure will continue as manufacturers press for a new Federal Aviation Administration authorization and a renewed Water Resources Development Act in 2016.

The Ex-Im reauthorization included in the bill is identical to the versions passed previously by the House and Senate. Timmons praised the reauthorization, which occurred after months of pointless and harmful delays. "This is a victory for manufacturers of all sizes as well as for workers here in the United States," he said. "The Ex-Im Bank is critical to keeping America competitive in the global economy. Unfortunately, a small but vocal minority of House members let the bank lapse in the first place. Today we move forward, and for the sake of American jobs and the health of our economy, we hope we're never faced with such a difficult situation again." ✴

Tax Extender Update

All year long, the NAM and members of the Broad Tax Extenders Coalition have been urging Congress to act immediately to extend a package of expired tax provisions known as "tax extenders," forcing this issue to the top of their priority list before the end of the year. Unfortunately, there has not yet been agreement on how to extend the provisions. Manufacturers, farmers, teachers, charitable organizations, working families and businesses of all sizes need action on tax extenders before the end of the year, or else they may face negative consequences of higher tax bills, less investments, and slumping economic growth.

Since their expiration at the end of 2014, the NAM has been a leading voice calling for tax extenders to be seamlessly revived and reinstated as soon as possible for as long as possible. In letters to Jason Furman, Chairman of the White House Council of Economic Advisers, Mark Mazur, Assistant Secretary for Tax Policy at the Department of Treasury, and congressional leadership, the NAM urged the Administration and Congress to work together on a permanent or, at a minimum, a multi-year extension of the tax extenders important to manufacturers, including: the R&D tax credit, enhanced Section 179 expensing, first year 50% expensing, the look through rule for controlled foreign corporations, and deferral for active financing income.

Informal reports have indicated that there are ongoing discussions between Congress and the Administration on extending the expired tax provisions for two or more years, with the potential to make some provisions permanent. However, a final deal is far from secured. ✴

Occupational Safety and Health Law: OSHA Penalties Soon Getting a Boost

By Michael D. Billok, Bond, Schoeneck & King PLLC, a Council of Industry Associate Member

Michael Kinsley once said "A gaffe is when a politician tells the truth." And one gaffe that has often been repeated is Speaker Pelosi's statement from 2010, saying about the Affordable Care Act, "we have to pass the bill so that you can find out what is in it." There was great truth to that statement, as we are now in an age where the public only finds out what was contained in legislation after it has already been passed.

Such as the new 144-page budget deal signed into law last week. It was made public just before midnight on October 26, and with little debate, passed the House on October 28, the Senate on October 30, and was signed into law by the President on November 2. And we are now coming to "find out what is in it."

Such as a provision allowing OSHA to increase its penalties by up to 82%, to account for inflation since 1990. OSHA's penalty amounts were previously fixed and not indexed to inflation. However, the "Federal Civil Penalties Inflation Adjustment Act" tucked into the budget deal not only allows OSHA to begin increasing its penalties annually to account for inflation, but also allows it to implement a "catch up" increase for not raising its penalties for the past quarter century. If OSHA elects to do so — and as the sun rises in the east, OSHA will elect to do so — it must implement an interim final rule by July 1 that will go into effect by August 1.

OSHA's current maximum penalties are $7,000 (for other-than-serious and serious violations), and $70,000 (for repeat and willful violations). Those amounts will likely increase to about $12,500 and $125,000 — and then increase annually thereafter.

For any employer subject to an inspection, whether due to a complaint, referral, emphasis program, or the site-specific-targeting program, the stakes are about to increase.

To learn more, contact Michael D. Billok at 518.533.3236 or mbillok@bsk.com ✶.

The "Federal Civil Penalties Inflation Adjustment Act" not only allows OSHA to begin increasing its penalties annually to account for inflation, but also allows it to implement a "catch up" increase for not raising its penalties for the past quarter century.

Continued from page 5
OPT Rules

Additionally, the proposal provides continued Cap-Gap relief. Where an F-1 student is named the beneficiary in a timely filed H-1B cap petition, his or her duration of status ("D/S") and any current employment authorization/OPT would be extended until October 1st of the fiscal year for which the H-1B visa is being requested.

DHS's proposed regulations improve the integrity of the STEM OPT program by encouraging students to gain valuable, practical STEM experience, while preventing adverse effects to U.S. workers. By enhancing their functional understanding of how to apply academic knowledge in a work setting, students will be better qualified to embark on careers in their respective fields of study. These on-the-job experiences would be obtainable only with employers committed to developing students' knowledge and skills through practical application. Moreover, the proposed rules aim to maintain our competitive edge in attracting international STEM students to study and lawfully remain in the United States.

The U.S. Chamber of Commerce is preparing comments to DHS on this proposed rule. It has helped organize a confidential survey intended to gauge the importance of the proposed rule on companies that hire individuals who are international F-1 graduates of U.S. universities with STEM degrees and has invited employers to participate in the survey. ✶.

The CI Calendar of Training & Events

Date	Class/Event
Dec 2	**Best Practices & Continuous Improvement** -9:00 am—4:30 p.m. at Rockland Community College Haverstraw, NY. Instructor: Paul Campanella, Action Plus Project Management. Cost: $200 single Council members, $175 each for two or more from the same company, $375
Dec 16	**Positive Motivation & Discipline** - 9:00 am—4:30 p.m. at Rockland Community College Haverstraw, NY. Instructor: Rebecca Mazin, Recruit Right. Cost: $200 single Council members, $175 each for two or more from the same company, $375 non-members.
Dec. 31	**Deadline for Early Bird Discount** - Register and pay for individual Certificate in Manufacturing Leadership classes or the entire program by December 31st, 2015. For companies with more than one employee in the program or attending the same class the savin
Jan 13, 20	**Fundamentals Of Leadership** - Two day course, 9:00 am—4:30 p.m. at Bowne Hall, SUNY Dutchess, Poughkeepsie, NY. Instructor: Rebecca Mazin, Recruit Right. Cost: $400 single Council members, $350 each for two or more from the same company, $700 non-members.
Feb 3	**Best Practices & Continuous Improvement** - 9:00 am—4:30 p.m. at Bowne Hall, SUNY Dutchess, Poughkeepsie, NY. Instructor: Paul Campanella, Action Plus Project Management. Cost: $200 single Council members, $175 each for two or more from the same company, $3
Feb 17	**Human Resources Management Issues** - 9:00 am—4:30 p.m. at Bowne Hall, SUNY Dutchess, Poughkeepsie, NY. Instructor: Tom Mc Donough, Jackson Lewis, PC. Cost: $200 single Council members, $175 each for two or more from the same company, $375 non-members. See
Mar 2	**Problem Solving & Decision Making** - 9:00 am—4:30 p.m. at Bowne Hall, SUNY Dutchess, Poughkeepsie, NY. Instructor: Glen Tanzman, Tanzco Management. Cost: $200 single Council members, $175 each for two or more from the same company, $375 non-members. See Early Bird Discount.
Mar 9	**Positive Motivation & Discipline** - 9:00 am—4:30 p.m. at Bowne Hall, SUNY Dutchess, Poughkeepsie, NY. Instructor: Rebecca Mazin, Recruit Right. Cost: $200 single Council members, $175 each for two or more from the same company, $375 non-members. See Early Bird Discount.

To register for these and other Council of Industry classes and events go to our website www.councilofindustry.org and select the calendar page. All entries are links to more information and registration forms. You may also e-mail us at training@councilofindustry.org or call (845) 565-1355 for questions or more information.

Continued from front page
Tomorrow's Workforce

their interest in manufacturing, and showing the benefits of a career in manufacturing.

Events such as "Manufacturing Day" give students, parents and teachers a firsthand view of the wide array of interesting and rewarding manufacturing jobs. In addition, programs such as the FIRST Robotics Competition and Project Lead the Way complement STEM academic programs to reinforce problem-solving skills and provide hands-on experience.

Developing the Workforce

Manufacturers and industrial operators traditionally value employees with long-term, practical experience. These employees can identify potential problems using their familiarity with certain machines. However, as machinery becomes more connected in the plant and across facilities, companies increasingly need workers who are familiar with diverse control and information technologies. To keep experienced workers at the top of their game, companies need to get serious about lifelong learning.

The best trained workers have continuous learning opportunities throughout their adult lives. Advancing technologies and evolving company processes require a highly-trained, agile workforce. As the Industrial Internet of Things expands and IT and OT systems converge, companies need to equip workers with new skills to enable this convergence and take advantage of newly available information that can drive better decisions.

To be successful, manufacturers and industrial operators must view training as a competitive differentiator rather than an expense. They must incorporate the need for lifelong learning into their business plans, right down to utilization targets for direct labor and provision for initial on-the-job education for new hires. In addition, private and federally funded job training programs must target industry-needed skills and competencies.

Equipping the workforce for smart factories of the future is difficult, and most companies express concern about their current workforce's ability to meet the demands. To keep up, workers need to be problem-solvers, creative thinkers and self-directed learners. Traditional one-size-fits-all classroom instruction won't be enough, especially for younger students and employees. The most effective education will include competency-based, multimedia instruction using cooperative work/learning assignments and courseware with simulations of real-life manufacturing situations.

To make this happen, companies and educational institutions must establish more sustainable partnerships to align current and future human resource needs with diverse educators, including community colleges, universities and industry-sponsored continuing educational programs.

Embracing the Change

As manufacturers and industrial operators converge their IT and OT systems and build a connected enterprise to be more productive, job requirements will continue to evolve to maximize the benefits. In a connected enterprise, workers have real-time access to production information that can be communicated via alarms to the right people at the right time. They can more easily engage with aggregate data from multiple sources and across plants. They also can share scarce subject-matter expertise with workers located around the world via remote monitoring and other data-driven services.

Companies that adopt progressive employee development practices while embracing the connected enterprise will be more competitive in the future. They'll gain a long-term competitive advantage through a more engaged workforce that has the tools and training to succeed in smart factories of the future. ✴

Council of Industry

The Manufacturers Association of the Hudson Valley

6 Albany Post Road
Newburgh, NY 12550

Visit us online for more information about the Council of Industry and Hudson Valley Manufacturing.

Manufacturing is Vital.
The Council of Industry is
Vital to Manufacturing.