



October 2, 2019

The Honorable Stephanie Kunze
Chairman
Senate Higher Education Committee
Ohio Senate
1 Capitol Square
Columbus, OH 43215

RE: Senate Bill 181 – Written Proponent Testimony

Dear Chairman Kunze:

Manufacturing is the largest of the state's 20 industry sectors. Manufacturing contributed more than \$112 billion in GDP in 2018. This amounts to nearly 17% of the state's economy. Ohio is the third largest manufacturing state in the U.S. following only California and Texas.

Around 700,000 Ohioans work in manufacturing and these workers earn an average \$60,000 per year.

Looking at these facts, it is evident that Ohio's economic growth is tied largely to manufacturers' ability to recruit and train enough workers. The biggest constraint to this growth, as you know, is the significant disparity between the number of jobs in manufacturing and the number of qualified applicants. The talent gap is driven by at least these factors: 1) shrinking labor pool, including the increasing baby boomer retirements; 2) rapid technology change that requires ongoing training for sophisticated systems; and 3) competing recruitment demand from other sectors, all vying for the same population of workers.

In addition, there is a misconception among young people, and the people who influence them, including their parents and educators, that manufacturing is not a thriving industry with challenging career opportunities and competitive pay. Further severing the connection between workforce and the manufacturing industry is the absence of an efficient statewide training and recruiting system that bring together manufacturers, educators, community leaders and the public workforce system.

While there are inroads in some communities, many industry leaders, post-secondary and K-12 institutions are working in isolation, focusing on their individual niches rather than in a larger collective system. Regionally, manufacturers are missing opportunities to collaborate – within a system -- with each other and training providers to close the skill and talent gap. In order to meet the demands of the manufacturing sector and skill

up the workforce, industry leaders must work with service and training providers to align local, regional and statewide assets to manufacturers' requirements and needs.

OMA has embraced Industry Sector Partnerships as a model for addressing workforce development challenges. Sector partnerships put employers in the driver's seat and have demonstrated effectiveness across the country. Manufacturers within a regional labor market work together to influence alignment around common solutions with education and training, economic and workforce development and community organizations.

For the past three years the OMA has worked to create a network of regional manufacturing sector partnerships. Through these efforts, the network of sector partnerships is becoming a collective voice for – and system of – the manufacturing industry's workforce development priorities and solutions.

Senate Bill 181 could play an important role in solving the workforce challenge, and particularly in supporting the regional sector partnership network. An obstacle in developing workforce is getting potential employees not only manufacturing-specific education but also practical, real-life work experiences. Senate 181 would direct the Chancellor of the Ohio Department of Higher Education to create a template for workforce-education partnership programs. These partnerships would allow a student to work part time and experience modern day manufacturing while pursuing a degree. Butler County has already launched a pilot workforce-education program. That program has more than 20 students working for area businesses while they are attending Miami University regional campuses in Butler County.

This bill can create the blueprint to replicate the Butler County program across the state. It would allow our regional manufacturing sector partnerships to work with their local/regional universities and education providers to build the manufacturing pipeline.

Senate Bill 181 is a thoughtful piece of legislation that can be one piece of the puzzle as Ohio continues to solve the manufacturing workforce crisis.

The OMA appreciates Senator Coley's passion for workforce and his commitment to Senate Bill 181. The OMA would encourage the committee to quickly vote in support of Senate Bill 181.

Thank you very much for the opportunity to submit this written testimony. I'd be pleased to try to answer any questions that you might have; contact me at rbrundrett@ohiomfg.com or (614) 629-6814.

Sincerely,



Rob Brundrett

Director, Public Policy Services