



May 17, 2022

The Honorable Laura Lanese  
Chairwoman  
House Higher Education and Career Readiness Committee  
Ohio House of Representatives  
77 S. High Street, 11<sup>th</sup> floor  
Columbus, OH 43215

**RE: House Bill 514 – Written Proponent Testimony**

Dear Chairwoman Lanese:

Contributing 18% of Ohio's private industry GDP (2021), manufacturing is the largest of the state's 20 industry sectors. In 2021, manufacturing contributed \$118 billion to the Ohio economy.

Moreover, Ohio manufacturing has an annual payroll of \$42 billion, the highest total wages of any Ohio industry sector. Manufacturers are employing more than 650,000 Ohio workers with average annual earnings of \$65,000.

It is evident that Ohio's economic growth is tied to manufacturing. The biggest constraint to this growth is the disparity between the number of available jobs in manufacturing and the number of qualified applicants. The talent gap is driven by at least three key factors: 1.) shrinking labor pool, including baby boomer retirements; 2.) rapid technology change that requires ongoing training for Industry 4.0 technology and systems; and 3.) competing demand from other sectors, all vying for the same population of workers.

In addition, there is still a misconception among some young people, and the people who influence them, including parents and educators, that manufacturing is not a thriving industry – or that it does not offer career advancement or competitive pay.

Despite these challenges, The Ohio Manufacturers' Association (OMA) has devoted significant resources to improving workforce development. To help ensure an adequate talent pipeline, manufacturers have embraced forward-thinking strategies, including industry sector partnerships, workforce credentialing programs like TechCred, adoption of next-generation technology, new opportunities in career-technical education, and earn-and-learn programs.

House Bill 514 would add an additional tool to Ohio's workforce toolbelt. To recruit and retain graduating students, House Bill 514 would provide college students who take a full-time job in Ohio with a 100% refundable state income tax credit for up to three

years. Additionally, it would expand the Choose Ohio First program to award \$100,000 scholarships to 100 out-of-state students who are in the top 5% of their high school graduating classes and who are seeking a STEM degree at an Ohio four-year institution.

House Bill 514 would also help incentivize earn-and-learn programs by authorizing a refundable tax credit to employers for 30% of wages paid to students in their internships, apprenticeships, and co-ops.

Manufacturers and their stakeholders have led the way in innovation to solve their talent challenges. Retaining our legacy as a manufacturing powerhouse means Ohio must continually innovate to grow a capable workforce. House Bill 514 is a creative way to help attract new talent.

The OMA appreciates Representatives Cross and Denson's passion for workforce, and we would encourage the committee to support House Bill 514.

Thank you for the opportunity to submit this written testimony.

Sincerely,



Rachael Carl  
Managing Director, Public Policy Services