



**Sponsor Testimony: House Bill 435**

**Representative Nick Santucci, 64<sup>th</sup> House District**

**House Finance Committee**

Chairman Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, thank you for allowing me to testify today on House Bill 435, which would create the Manufacturing Technologies Assistance Grant Program.

One of the most vital industries in Ohio is manufacturing. In recent years, manufacturing has ranked as the largest of Ohio's 20 economic sectors, and Ohio has ranked among the top three states in the nation for manufacturing employment.<sup>1</sup> Ohio has both a great history and a great future in the manufacturing industry, which we must work to protect and encourage as the industry continues to develop. We can do this by welcoming new businesses, but we must also protect our legacy companies that have proven their value over time.

As the world modernizes and technology becomes increasingly more essential, Ohio manufacturers need to invest in new equipment that will allow them to modernize their production processes. Some smaller manufacturing companies may struggle to fund the purchase of the new or more advanced manufacturing technology that would allow them to continue to be competitive in the industry. House Bill 435 would provide support to these companies by creating the Manufacturing Technologies Assistance Grant Program.

Under this program, eligible small- and medium-sized manufacturing companies would be able to apply to the Director of Development for a grant of up to \$150,000. This money would be used to fund projects that would increase the productivity, efficiency, and competitiveness of a manufacturing operation through the adoption and integration of manufacturing technologies. Projects might include the purchase of machinery or equipment, or the implementation of training to improve operations. These grants would enable Ohio's manufacturers to increase their productivity, improve safety, and safeguard their success for future generations.

This is especially significant in a time when Ohioans are struggling with persisting workforce shortages. These grants provide essential support to manufacturers by enabling them to automate

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<sup>1</sup> The Ohio Manufacturers' Association, *2024 Ohio Manufacturing Counts*, <https://www.ohiomfg.com/wp-content/uploads/OMA-Manufacturing-Counts-2024-Final-Version.pdf>

repetitive tasks and upskill employees so they can adapt to evolving demands and circumstances. This program would also catalyze economic growth and innovation by providing smaller companies with the means to facilitate upgrades, including robot integration and Enterprise Resource Planning system modernization, allowing them to expand operations and meet increased demand.

Additionally, this program would incentivize the adoption of emerging technologies, including automation, robotics, 3D printing, and data analytics, giving Ohio's manufacturers the resources necessary to continue to grow and remain competitive with both domestic and foreign competitors in a rapidly evolving global market.

Indiana has implemented a similar program, the Manufacturing Readiness Grant, which has already seen positive results. 72% of the projects funded by this program have supported businesses with fewer than 100 employees,<sup>2</sup> supporting growth and success of companies that are in the greatest need. 79% of grant recipients are businesses that have been operating for over a decade,<sup>3</sup> ensuring that established manufacturing companies are able to continue their legacy. The workforce in Indiana has also benefitted, as companies that have taken advantage of the program to implement manufacturing technologies in their businesses have added an average of five new jobs each.<sup>4</sup>

Indiana's success with the Manufacturing Readiness Grant demonstrates the possibility for increased growth and success for Ohio's manufacturers, as well as for the state as a whole, through the adoption of the Manufacturing Technologies Assistance Grant Program. I encourage the committee to look at the data and consider the positive implications that it carries for the future of our state.

Chairman Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, thank you again for giving me the opportunity to provide sponsor testimony on House Bill 435. I would be happy to answer any questions you may have.

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<sup>2</sup> Indiana Economic Development Corporation (IEDC), "Indiana, Manufacturers Invest \$329M+ to Accelerate Advanced Manufacturing Across Hoosier Communities," November 8, 2023, <https://www.iedc.in.gov/events/news/details/2023/11/08/indiana-manufacturers-invest-329m-to-accelerate-advanced-manufacturing-across-hoosier-communities>.

<sup>3</sup> IEDC, <https://www.iedc.in.gov/events/news/details/2023/11/08/indiana-manufacturers-invest-329m-to-accelerate-advanced-manufacturing-across-hoosier-communities>.

<sup>4</sup> IEDC, <https://www.iedc.in.gov/events/news/details/2023/11/08/indiana-manufacturers-invest-329m-to-accelerate-advanced-manufacturing-across-hoosier-communities>.