



May 16, 2023

The Honorable Matt Dolan
Chairman
Senate Finance Committee
Ohio Statehouse
1 Capitol Square
Columbus, OH 43215

RE: House Bill 33 – Written Proponent Testimony (Workforce/Higher Education)

Dear Chairman Dolan:

The Ohio Manufacturers' Association (OMA) appreciates the opportunity to provide this written testimony in support of House Bill 33.

The OMA was created in 1910 to advocate for Ohio's manufacturers; today, it has nearly 1,300 members. Its mission is to protect and grow Ohio manufacturing. Manufacturing is the largest of the state's industry sectors. In 2022, manufacturing contributed more than \$130 billion to Ohio's economy. According to the most recent data, more than 665,000 Ohioans work in manufacturing, and manufacturing has the largest payroll of any Ohio economic sector.

In recent years, Ohio manufacturers and their partners have devoted tremendous resources to modernize workforce development. From establishing a statewide system of industry-led sector partnerships, to advocating for improved training and funding, to promoting "earn-and-learn" models, manufacturers have transformed the way that Ohio is forging the next generation of manufacturing talent. However, there is still work to be done and there are opportunities proposed in the state's operating budget that will make significant investments into our state's workforce to address lingering workforce challenges.

The investment into career technical education is critical to maintain in the state's operating budget. As we continue to look for ways to address the labor shortage in our state, it is more important than ever to build up Ohio's career technical education programs. HB 33 proposes to invest \$200 million into upgrades for career technical facilities and \$100 million into purchases of new equipment for students to train on. To complement this provision, the OMA is requesting the establishment of a program, the Smart Technologies Assistance Program, to create competitive manufacturing grants that would enable small to medium sized manufacturers to invest in equipment to help modernize and innovate production processes (amendment attached below).

Another program that is currently included in the budget is the state's continued investment into Industry Sector Partnership grants through the Ohio Department of Development. These grants enable manufacturers within a regional labor market to work together to influence alignment around common solutions with education and training, economic and workforce development, and community organizations. It is important to maintain the funding proposed in House Bill 33 so that manufacturers at the local level are able to influence training programs, maximize resources and services, and create a pipeline of future workers.

The budget also contains over \$50 million in funding for the TechCred program. Manufacturers across the state participate in TechCred and it is crucial to help employers across the state upskill their employees. As the manufacturing industry continues to see improvements in modernization, employers must have resources available to help their employees gain technology-focused credentials.

The OMA is additionally supportive of WorkFORCE Ohio, a program proposed by the DeWine-Husted administration. WorkFORCE Ohio is a proposed \$60 million investment to support economic development across the state through a skilled and purposeful workforce. This program would provide institutions of higher education and career centers with a clear roadmap to identify skill gaps that are not currently being filled to address the workforce needs of our state. WorkFORCE Ohio has been removed from the current version of HB 33 and OMA urges the committee to restore the funding.

Lastly, the OMA requests the full amount of proposed funding to be restored to the Super RAPIDS program. Our state has recently seen an unprecedented amount of investment into the manufacturing sector and this proposed \$200 million investment to prepare Ohio's workforce for the amount of available jobs coming into our state is crucial.

Thank you for the opportunity to provide written proponent testimony on HB 33 and for your consideration of these critically important programs.

Sincerely,

A handwritten signature in blue ink that reads "Lindsey Short". The signature is written in a cursive, flowing style.

Lindsey Short
Director, Public Policy Services
The Ohio Manufacturers' Association

_____ moved to amend as follows:

1 In line 178 of the title, after "121.376," insert
2 "122.162,"

3 In line 621, after "121.376," insert "122.162,"

4 After line 5921, insert:

5 "Sec. 122.162. (A) As used in this section:

6 (1) "Eligible project" means a project that is intended to
7 lead to the adoption and integration of smart technologies into
8 existing manufacturing operations located in the state and that
9 involves an investment in industrial internet of things
10 infrastructure, including hardware, software, or other
11 equipment, that increases productivity, efficiency, and
12 competitiveness.

13 (2) "Eligible manufacturer" means a person that:

14 (a) Manufactures goods at a facility located in this state;

15 (b) Has a north American industry classification system
16 code within the manufacturing sector range of 31-33;

17 (c) Has operated as a manufacturer for at least three years
18 before the date the person submits a grant application under
19 this section;

20 (d) In those three preceding years, derives at least fifty-
21 one per cent of the manufacturer's gross revenue from the sale
22 of manufactured goods;

23 (e) On the date a grant application is submitted, employs
24 not more than three hundred full-time employees at one or more
25 locations;

26 (f) Demonstrates an ability to provide matching funds, from
27 private sources, equal to one hundred per cent of the grant
28 amount requested under this section.

29 (3) "Full-time employee" means an individual who is
30 employed by an eligible manufacturer for consideration for
31 thirty-five or more hours per week, or who renders any other
32 standard of service generally accepted by custom or specified by
33 contract as full-time employment.

34 (4) "Manufacturing industry partner" means either of the
35 following:

36 (a) An industry sector partnership, as defined in section
37 122.179 of the Revised Code, organized to support the
38 manufacturing sector;

39 (b) A regional partner of the manufacturing extension
40 partnership administered by the department of development and
41 the United States department of commerce national institute of
42 standards and technology.

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43 (B) There is hereby created the smart technologies
44 assistance program, under which an eligible manufacturer may
45 apply to the director of development, on forms prescribed by the
46 director, for a grant to fund eligible projects.

47 Before submitting an application for a grant under this
48 section, an eligible manufacturer shall obtain an assessment of
49 each proposed eligible project from a manufacturing industry
50 partner. The director shall evaluate grant applications
51 according to the competitive process prescribed under division
52 (D) of this section. The director may request that one or more
53 manufacturing industry partners complete a technical review of
54 applications and make recommendations to approve or deny
55 applications.

56 (C) The director may award grants under this section only
57 for eligible projects initiated on or after the effective date
58 of this section. The total amount awarded to an eligible
59 manufacturer under this section shall not exceed seventy-five
60 thousand dollars. An eligible manufacturer receiving a grant
61 under this section shall use the grant solely to fund eligible
62 projects.

63 (D) The director of development shall adopt rules in
64 accordance with Chapter 119. of the Revised Code prescribing all
65 of the following:

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66 (1) An application process for the grant program, including
67 the designation of one or more periods each year during which
68 applications will be accepted;

69 (2) A competitive process to review and score applications.
70 Under the rules, the director shall take into account the
71 percentage of the manufacturer's gross revenue that is derived
72 from the sale of manufactured goods and the manufacturing
73 industry partner assessment included with the application. The
74 director shall also give preference to an application if the
75 eligible manufacturer has never previously deployed the smart
76 technology to be funded and has a solid business case that the
77 technology will increase productivity, efficiency, and
78 competitiveness.

79 (E) There is hereby created in the state treasury the smart
80 technologies assistance fund, which shall consist of money
81 appropriated to the fund by the general assembly. Money in the
82 fund shall be used by the director of development to award
83 grants under the smart technologies assistance program and to
84 administer this section. Interest earned on money in the fund
85 shall be credited to the fund."

86 After line 155980a, insert:

87 "5CV3 1956XX Smart Technologies Assistance \$12,000,000
88 \$12,000,000"

89 In line 156005, add \$12,000,000 to each fiscal year

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90 In line 156051, add \$12,000,000 to each fiscal year

91 After line 156382, insert:

92 "SMART TECHNOLOGIES ASSISTANCE

93 The foregoing appropriation item 1956XX, Smart Technologies
94 Assistance, shall be used to award grants under the Smart
95 Technologies Assistance Program established in section 122.162
96 of the Revised Code."

97 The motion was _____ agreed to.

98 SYNOPSIS

99 **Smart technologies assistance program**

100 **R.C. 122.162**

101 Establishes a smart technologies assistance program, under
102 which the Department of Development may award grants of up to
103 \$75,000 to established manufacturers in this state to fund
104 investments in smart technology.

105 **Department of Development**

106 **Sections 259.10 and 259.30**

107 Establishes Fund 5CV3 ALI 1956XX, Smart Technologies
108 Assistance, with appropriations of \$12,000,000 in each fiscal
109 year and requires those amounts to be used for grants under the
110 Smart Technologies Assistance Program.