



BEFORE THE HOUSE FINANCE COMMITTEE  
REPRESENTATIVE JAY EDWARDS, CHAIRMAN

TESTIMONY OF  
ETHAN KARP, MAGNET  
OMA PARTNER

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## HB 435 - Proponent Testimony

Chairman Edwards, Ranking Minority Member Bride Sweeney and members of the House Finance Committee, thank you for the opportunity to testify in support of House Bill 435, sponsored by Representatives Santucci and Demetriou, which would create the Manufacturing Technology Assistance Grant Program (MTAP).

My name is Ethan Karp and I am representing MAGNET as a proud partner of the Ohio Manufacturers Association. MAGNET is both a Manufacturing Extension Partnership (MEP) and an Industry Sector Partnership (ISP). We support an important piece of Ohio's manufacturing ecosystem.

MEPs help Ohio's small and medium-sized manufacturers to increase sales, create jobs and generate cost savings through technological innovation, workforce training and improved management practices.

ISPs help fund collaboration between businesses, education and training providers, and other community leaders who are invested in improving their region's workforce. These collaborations create a more skilled workforce and benefit both Ohioans and Ohio's job creators.

As you know, small and medium-sized manufacturing companies are critical to Ohio, representing 90% of job growth for high-paying jobs. For every new manufacturing job that is created or retained, three to five supporting jobs are also created. This is why investing in this space is so important to Ohio's future.

House Bill 435 creates the **Manufacturing Technology Assistance Grant Program (MTAP)** that will provide an opportunity for manufacturers with under 500 employees to apply for \$150,000 in grant funding for equipment upgrades and smart technology integration.

Through collaboration with Manufacturing Extension Partnerships (MEPs) like ours in Northeast Ohio, MTAP will offer manufacturers access to expert guidance, further bolstering their ability to navigate the complexities of technology integration. In the past five years, MAGNET has served 442 manufacturers in Northeast Ohio, helping those companies achieve the following results:

- \$785.7 million in increased/retained sales
- \$100.2 million in cost savings
- \$329.7 million of investment in their operations
- Create or retain 4,596 manufacturing jobs

Much of MAGNET's work is focused on helping manufacturers implement Industry 4.0 and advanced technologies. A few examples include:

- **M-7 Technologies** (Youngstown, OH) provides precision measurement solutions to a wide range of industries through metrology inspection, laser scanning, and reverse engineering services. M-7 has reported \$30M in increased or retained sales, 40 new and retained jobs, and \$5M in new investments thanks to MAGNET. M-7 CEO Michael Garvey says: "MAGNET is our go-to resource for growth and technology implementation. They supported integration of our best-in-class software and hardware, which resulted in production increases of more than 75%."
- **Haltec Corporation** (Leetonia, OH), a leading manufacturer of specialty tire valve systems and pressure inflation solutions, needed to automate the assembly of valves to keep up with demand. MAGNET designed, built, and installed two tire inflation valve automated machines with Industry 4.0 technologies, including cobots and digital data. These custom machines have allowed Haltec to keep up with business growth and increase revenue. Haltec now produces 80 percent of its high-volume products through automatic valve assembly; more than 250,000 pieces were processed during the first year of the machines' operation. Haltec vice president of IT Jeff Kovacich says: "Automation is vital for the company, particularly the use of a valve assembly machine for parts previously produced entirely by hand. Though handcrafting is still central to operations, technology is key to production improvements."
- **Alloy Precision Technologies** (Mentor, OH) specializes in custom and standard manufacturing. MAGNET has completed multiple Industry 4.0 products with Alloy, with a reported impact of \$10 million increased and retained sales, 28 new and retained jobs, and \$4.5 million in new investment. Alloy President & CEO Michael Canty says: "MAGNET is our innovation and technology partner driving growth and bottom line results. Over the past five years, we have implemented advanced technologies including cobot machine tending, real-time machine monitoring and part inspection, proprietary process equipment, and cybersecurity."

Drawing inspiration from successful initiatives in neighboring states like Iowa and Indiana, MTAP has the potential to catalyze transformative growth and innovation across Ohio's manufacturing landscape.

We urge your support for this proposal, recognizing its significance in driving economic competitiveness, fostering innovation, and ensuring the continued success of Ohio's largest industry - manufacturing.

Thank you for your consideration of this program. I am happy to answer any questions you may have about this proposal or our organization.