



**BEFORE THE FINANCE AGRICULTURE, DEVELOPMENT AND NATURAL
RESOURCES COMMITTEE
THE OHIO HOUSE OF REPRESENTATIVES
REPRESENTATIVE DON JONES, CHAIR**

**HOUSE BILL
TESTIMONY OF ANN AQUILLO
THE OHIO MANUFACTURERS' ASSOCIATION**

MARCH 21, 2023

Chairman Jones, Ranking Member Troy, and members of the Committee, thank you for the opportunity to provide testimony on House Bill 33, the proposed operating budget for the State of Ohio.

My name is Ann Aquillo, and I am here today representing The Ohio Manufacturers' Association (OMA). Created in 1910 to advocate for Ohio's manufacturers, the OMA today has approximately 1,300 members statewide. Its mission is to protect and grow Ohio manufacturing.

As you may know, manufacturing is the largest of the state's 20 major industry sectors. As of Q3 2022, manufacturing contributed more than \$130 billion annually to Ohio's economy, accounting for nearly one-fifth of Ohio's private industry GDP.

Manufacturing also pays the highest total wages of any Ohio industry sector, with an annual payroll of \$42 billion, employing more than 690,000 Ohio workers.

Needless to say, Ohio's economy is directly tied to manufacturing. To continue Ohio's legacy as a manufacturing powerhouse, we need creative public policies that grow and retain a capable workforce.

And that is why I am here today to thank Governor DeWine and Lieutenant Governor Husted for their leadership in supporting the manufacturing industry in the provisions proposed in HB 33, all while maintaining fiscal responsibility.

This proposal recommends many investments that will allow manufacturing's momentum to continue in the coming years. Many of these items are housed under the Department of Development, which many of you will recognize following Director Mihalik's testimony before this committee.

Some of the specific provisions supported by the OMA include:

- **ISP Grants (Development)** – The OMA has overseen the development of a statewide network of industry sector partnerships (ISPs), led by manufacturers at the local level. This budget would increase funding for ISPs by \$10 million over current levels (from \$2.5 million per fiscal year to \$7.5 million per fiscal year), the budget would help manufacturers implement regional talent strategies.
- **TechCred Funding (Development)** – Ohio’s unique TechCred program has truly modernized manufacturing workforce development. This innovative training program reimburses employers that help employees earn industry-recognized, technology-focused credentials. The budget would provide \$25.2 million per fiscal year (a total of \$50.4 over the biennium) for TechCred – an increase of about \$20 million a year from current funding levels.
- **All Ohio Future Fund (Development)** – This provision allocates \$2.5 billion in available funds to support site infrastructure, attract new businesses, and encourage workforce development across the state. Committing to this development plan will support Ohio’s position as a go-to state for companies considering relocation or expansion, especially for manufacturers.
- **Career Tech Equipment (Higher Ed)** – The governor’s budget proposes an unprecedented \$300 million investment in our state’s career technical centers for upgrades to facilities and purchases of new equipment.

To fully complement the existing provisions mentioned above, the OMA is requesting the committee’s support of an amendment to establish the

Smart Technology Assistance Program (STAP).

- This program would create competitive manufacturing grants that would encourage manufacturers to invest in equipment to modernize and innovate production processes, thereby providing yet another competitive advantage for Ohio
- The program would target small to mid-size manufacturers that have not implemented Industry 4.0 technologies to date. Grants would be capped at \$75,000 per applicant.
- In addition to requiring a 1-to-1 match for dollars, companies would complete a readiness assessment by a Manufacturing Sector Partnership (MSP) to ensure that they have fully considered how to maximize the improvements into existing processes. This would ensure that taxpayers are getting the best bang for their buck.

I have attached a one-page summary of the STAP program with my testimony. It is the right program at the right time for our state – and similar models have been used in nearby states with great success. Ohio must keep pace in the national and global competition for manufacturing.

We have language drafted as an amendment to HB 33 to include this provision and we respectfully ask the committee to consider including it in the budget bill.

Despite manufacturing's recent successes, challenges still remain. House Bill 33's provisions related to our industry seize on our state's spirit of innovation and cooperation to make the most of these opportunities. We ask for your continued support of the existing budget provisions and for your support of the Smart Technologies Assistance Program (STAP) amendment mentioned earlier in this testimony.

Thank you, Chairman, and members of the committee for the opportunity to provide testimony on House Bill 33. I am happy to answer any questions.