



Governor's Office of Economic Opportunity

Manufacturing Modernization Sunset Review

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Manufacturing Modernization

In the 2022 and 2023 General Sessions (FY23 and FY24), Governor's Office of Economic Opportunity was provided \$10 million each session or \$20 million total in one-time General Fund. Matching funds required.

Purpose:

Establishing, relocating, retaining, or developing the manufacturing industry in the state and lessen dependence on manufacturing overseas.



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MMG GOAL

- **Modernize Utah companies manufacturing**
- **Increase supply chain resilience**
- **Lessens American dependence on foreign manufacturing**

Grant Demand and Awards

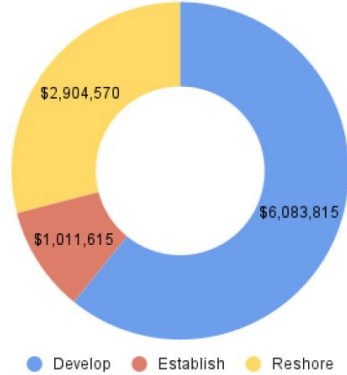
FY 2023 – Cohort 1

- \$145.6m in request
- \$10m issued
- 22 project awards
- 1 project cancelled
- Grants ranged from \$52K to \$750K (median \$500K)
- 43% to rural companies (median \$471,290)
- Median match was 71.1% – bringing total value of the projects to \$31.1M
- 17 projects completed

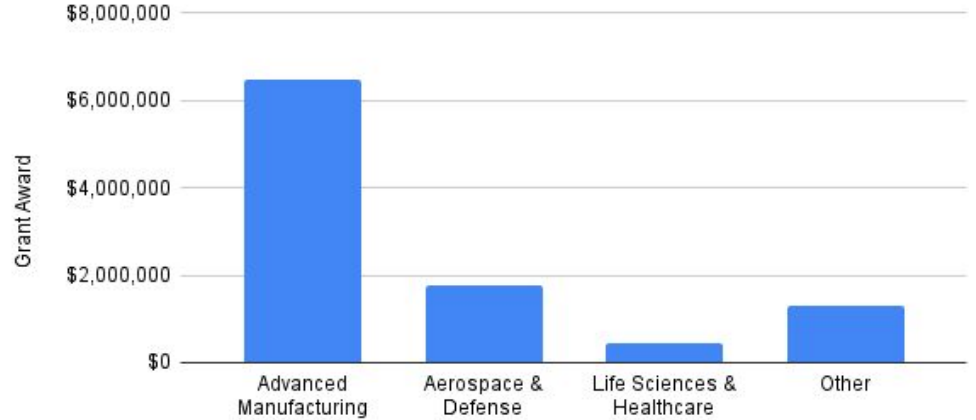


FY2023 Analytics

Manufacturing Modernization Grant
by Type



Manufacturing Modernization Grant
by Targeted Industry



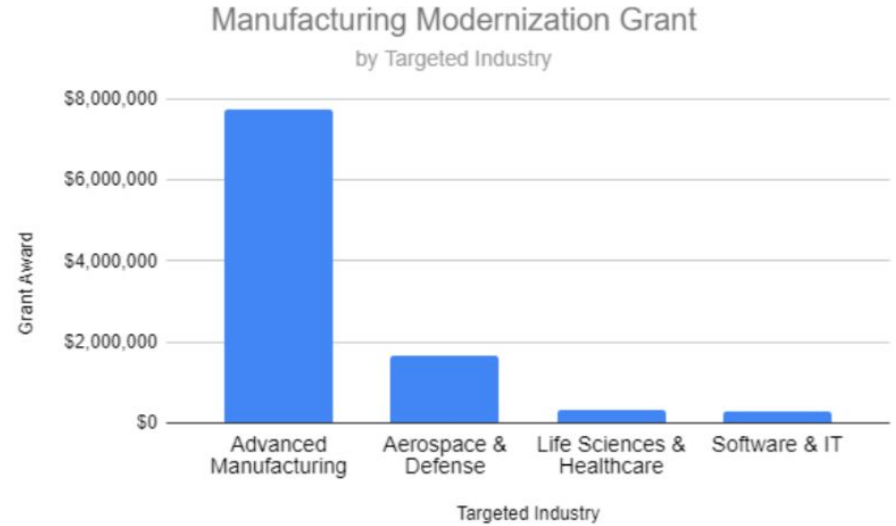
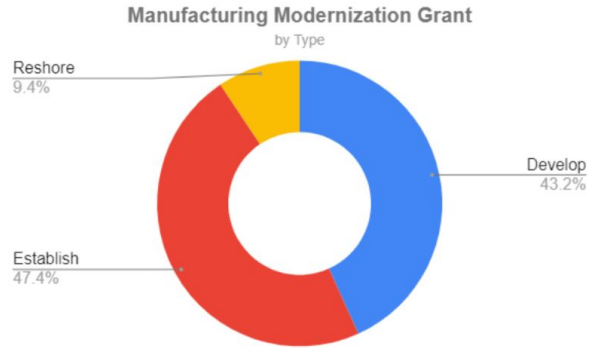
Grant Demand and Awards

FY 2024 – Cohort 2

- \$106.5m in request
- \$10m issued
- 21 projects awarded
- Grants range from \$37.8K to \$750K (median \$453K)
- 38% to rural companies (median \$543,371)
- Median match was 77.4% – bringing total value of the projects to \$41.7M
- 1 project completed
- 20 projects on track for completion schedule



FY2024 Analytics





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FY2023 – FY2024 Evaluation of MMG by 47G UAMMI Institute

Revenue Impact for Utah

— Based on the FY2023 recipient cohort



Estimated Annual Revenue Benefit:
\$1,080,252 (early stages)



Increase Annual Wages:
\$3.7M



Current Increased Annual Profit
\$7.7M



Annual Corporate Tax Revenue:
\$357,375



Increased Employment:
81 direct positions / 160 indirect



**Annual Payroll Taxes (New, Retained,
New/Retained Induced/Indirect) Employment:**
\$738,764





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FY2024 Grant Progress

- **Key Progress:**
 - Most recipients are in early stages (equipment installation/upgrades)
 - One recipient has already finalized its project with strong revenue gains
 - Several recipients have secured additional investments and contracts as a result of grant funding
- Tax revenue from FY2024 cohort is not yet calculable



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MMG: Conclusions

- MMG is unique in the U.S.
- Significant benefit both in Utah and nationally
- MMG has been successful in enhancing supply chain resilience for Utah manufactures
 - Replacing overseas supply
 - Producing intermediate and final products that replace foreign competition
- Program has helped establish significant projects in both rural and non-rural areas of the state that would not have happened without the grant



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THANK YOU

