



**Sponsor Testimony**  
**Senate Bill 166**  
**Ohio Senate Financial Institutions and Technology Committee**  
**December 5, 2023**

Chair Wilson, Vice Chair Hackett, Ranking Member Smith, and members of the Senate Financial Institutions and Technology Committee, thank you for the opportunity to speak with Senator Reynolds and I on Senate Bill 166.

Senate Bill 166 will allow a portion of existing funds from the Ohio Department of Development's Minority Business Direct Loan Program to be used for working capital expenses. The Minority Business Direct Loan Program, created in 2013 under the state operating budget of the 130th General Assembly, provides fixed, low-interest rate loans to certified minority business enterprises (MBEs) that are attempting to expand operations or improve fixed assets. Currently, the program does not provide funding for working capital expenses.

In the 134th General Assembly, I engaged small business owners from around the state through my work on Senate Bill 105, which required political subdivisions to recognize state certifications for minority, women, and veteran-owned businesses. My biggest takeaway from these conversations was that the lack of access to working capital was the biggest obstacle to business growth. This bill seeks to remove that obstacle by adding working capital to the list of allowable expenses under the Minority Direct Business Loan.

I now invite my joint sponsor to speak more on Senate Bill 166.

As a third generation, minority business owner, I have direct experience with the difficulties that minority businesses encounter when trying to navigate the hurdles associated with accessing capital and making the most of the limited funding opportunities that exist. Senate Bill 166 solves this problem by allowing greater flexibility in funding minority businesses and underscores our commitment as a State to boost economic development and job creation.

This bill is intended to strengthen Ohio's economy by giving our minority businesses room to grow and thrive. By authorizing money already allocated to the Ohio Department of Development, the Bill sets a limit of \$500,000, or one-third of the maximum amount allotted under the Minority Direct Business Loan, to fund working capital for minority businesses. This flexibility will allow these businesses to hire more employees and improve their daily operations, enhancing their success and further growing Ohio's booming economy.

SB 166 also makes a technical change to clarify that the Department of Development may loan funds to MBEs or Community Improvement Corporations (CICs) only with Controlling Board approval.

Ohio is facing a workforce shortage. Among the business community, the consensus is clear: providing access to working capital is not only smart for business, it's smart for Ohio, because it maximizes business potential and boosts the state economy.

Senator Sykes and I look forward to working with this committee as this bill continues through the committee process, and we look forward to soliciting feedback from the public on this bill.

Thank you for allowing us to testify on SB 166. We welcome any questions you may have.