

House Bill 332 Written Proponent Testimony
House Small Business Committee
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Chair, Central Ohio Defense Group

Chair Ghanbari, Vice Chair Dean, Ranking Member Upchurch, and members of the House Small Business Committee, thank you for the opportunity to present proponent testimony on House Bill 332.

My name is Steve Tugend. I chair the Central Ohio Defense Group and am an attorney at Kegler Brown Hill + Ritter. In my capacity as the Chair of the Defense Group, I offer this testimony as a proponent of House Bill 332 sponsored by Representatives Ty Mathews and Mark Hiner.

Central Ohio Defense Group Mission

The Central Ohio Defense Group is an organization comprised of government, nonprofit and corporate members that is concerned about preserving and growing defense-related jobs in the Central Ohio Region, including jobs in the area of aerospace. The members of the group include One Columbus, the Mid-Ohio Regional Planning Commission, the City of Whitehall, the City of Columbus, the Columbus Partnership, One Columbus, the Columbus Regional Airport Authority, the City of Canal Winchester, Battelle, the Columbus Chamber of Commerce, The Ohio State University, Franklin County, the Heath-Newark-Licking County Port Authority, and Kegler, Brown, Hill + Ritter. Together, we advocate for policies that strengthen Ohio's role in our nation's defense supply chain.

Why HB 332 Matters

Ohio's defense sector is vital to both national security and our state economy. Small defense businesses are often the backbone of innovation, yet they face real challenges accessing affordable financing. Rising interest rates, tightening credit, and the upfront costs of equipment and compliance put many at a disadvantage when competing for federal contracts.

House Bill 332 addresses this need directly by creating the Small Defense Business Linked Deposit Program. The program would:

- Partner with local lending institutions to provide reduced-rate loans to qualifying small defense businesses.
- Target Ohio companies with fewer than \$25 million in annual receipts, headquartered here for at least five years, and with active defense contracts.
- Require that loan proceeds be invested exclusively in Ohio to create jobs, preserve existing employment, and strengthen operations.

Strategic Benefits

This program is a smart, targeted investment in Ohio's future. It will:

- **Modernize and grow Ohio's defense businesses**, allowing them to compete more effectively for federal contracts.
- **Support job creation and retention**, ensuring that high-skilled defense positions remain in Ohio communities.
- **Promote innovation and stability**, reinforcing Ohio's position as a national leader in aerospace, defense technology, and advanced manufacturing.

For many companies, HB 332 could be the difference between standing still and moving forward. Affordable access to capital means the ability to expand facilities, purchase advanced equipment, hire and train workers, and build a stronger supply chain for the Department of Defense and our allied partners.

Conclusion

On behalf of the Central Ohio Defense Group, I respectfully urge the committee to support HB 332. This legislation will strengthen Ohio's small defense businesses, safeguard jobs, and ensure our state continues to play a critical role in our nation's defense readiness.

Chair Ghanbari and members of the committee, thank you for the opportunity to provide this proponent testimony.