



Proponent Testimony for Sub. Senate Bill 105
House Economic and Workforce Development Committee
Wednesday, October 27th

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Greater Akron Chamber

Chair Edwards, Vice Chair Powell, Ranking Member Upchurch, and members of the House Economic and Workforce Development Committee, thank you for the opportunity to lend my support to Senate Bill 105, which would require political subdivisions to recognize state certifications of MBEs, WBEs and VBEs.

I would first like to recognize Senators Vernon Sykes and Kirk Schuring for their leadership on this important legislation and Secretary of State Frank LaRose for being a longtime advocate of increasing the visibility, utilization, and reciprocity of state-issued MBE certifications. We have genuinely appreciated their collaboration on this issue and look forward to continuing our collective dialogue on how we can further support minority, women, and veteran-owned businesses.

As a regional chamber of commerce and economic development organization who represents over 1,900 businesses, we are cognizant of the economic imperatives associated with supporting MBEs, WBEs and VBEs. Within our broader work to support these firms, certification programs have been a common topic of discussion and multiple policy improvements have been advocated for by our local businesses. Senate Bill 105 speaks to certification reciprocity, which is a huge step in the right direction and will help business cut the red tape currently involved with accessing local business opportunities. This bill represents good policy and passed the Senate unanimously, and so we urge you to consider supporting its passage in the House.

In addition to the provisions currently found within Senate Bill 105, the Greater Akron Chamber respectfully request you consider amendments to explicitly define the scope of the MBE and WBE application process and create accountability around their procedural requirements. The benefits of being certified with the State of Ohio are becoming more and more prevalent and go beyond the state set asides. A small business holding the MBE, WBE, or VBE certification is better positioned to seek private sector procurement, public and private access to capital programs, exclusive consulting and coaching opportunities, and other opportunities. We feel that through additional amendments currently being discussed with the bill's sponsors, the State of Ohio can provide for greater engagement in these programs – which is currently lacking.

For example, [according to the Ohio Department of Development](#), there are 1145 certified MBEs in Ohio. [According to the U.S. Small Business Administration](#), there are 122,602 MBEs in Ohio. This means that less than 1% of Ohio MBEs are registered. With that said, we view the MBE certification as a prime opportunity to encourage and promote increased business opportunities for minority entrepreneurs. If we can improve the application process and achieve greater utilization of these kinds of programs, we can broaden the ability of MBEs (and similarly, WBEs!) to seek out business opportunities and realize the benefits of being certified.

As these certifications become more and more relevant to programs and benefits beyond that of state set asides, we believe the application process should more effectively serve the core purpose of certifying *only* relevant facts that specifically and directly prove 1) the identity, residency, and disadvantaged status of the principals of the business, 2) ownership and control of the business, and 3) that the business is operational. Currently, depending on how a business is incorporated, the certification application for MBEs and WBEs requires 37+ documents as part of its review. Some of these requirements require years of receipts, service agreements, invoices, etc. Simply put, it is blatantly onerous to navigate. Our collective belief, based on existing Ohio Revised Code and conversations with state employees, is that these certification programs serve to verify various facts that speak to the items listed above and are not meant to make any determinations beyond that. We feel strongly that providing this additional structure to the certification program(s) will support long-term consistency and integrity for years to come and enable efforts to ensure the program is focused solely on verifying the *necessary facts* for certification.

We appreciate your consideration of this important legislation and urge you to support Senate Bill 105. Furthermore, we encourage you to continue working with key stakeholders on additional ways we can improve the State of Ohio's certification programs in ways that stand to increase business opportunities for MBEs, WBEs and VBEs. We look forward to helping continue dialogs about accelerating the growth and success of Ohio's small businesses and supporting the ability of these firms to increase their growth, investment, and employment in Ohio.

Thank you for your consideration.