

House Economic and Workforce Development Committee
Chairman Jay Edwards

Proponent Testimony on SB105
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Chair Edwards, Vice Chair Powell, Ranking Member Upchurch and Members of the House Economic and Workforce Development Committee, thank you for this opportunity to submit testimony in support of Senate Bill 105.

The Toledo Regional Chamber of Commerce supports more than 2,000 businesses in northwest Ohio. More than 80 percent of these businesses are considered small business employing 50 or fewer people. Our Small Business Development Center staff assisted more than 750 clients last year, with more than 60 percent of those being minority- or woman-owned. We regularly hear about the barriers and burdensome processes that can get in the way of their success. SB105 is one effort that will help them succeed.

SB105 allows a person who has been certified as a Minority Business Enterprise (MBE), a Women-Owned Business Enterprise (WBE), or a Veteran-Friendly Business Enterprise (VBE) by the State of Ohio to present that state certification to a local government entity as evidence that the person qualifies for programs. Once a small business has been certified by the state as an MBE, WBE, or VBE, they should not have to start from scratch in each community they choose to seek business in.

Additionally, the Chamber respectfully asks for your consideration of amendments to streamline the certification process and provide certainty to the process in the future. Certification goes beyond the state goals and set asides for businesses. 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.

The application process could 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. And, as a matter of principal and good policy, it shouldn't be any more difficult to get certified as an MBE or WBE than it is to get certified as a VBE – which it currently is.

One example that illustrates this is data from the State of Ohio showing that there are fewer than 1,200 certified MBEs in Ohio. U.S. Small Business Administration data indicates more than 122,000 MBEs in Ohio. That means there is less than 1% of Ohio MBEs are registered. Ohio can and should do better in assisting these small businesses.

We look forward to working with you to support the small businesses that are the backbone of our communities and increase opportunities for them to succeed. Thank you for your time and consideration.