

March 23, 2021

Before the Local Government, Public Safety and Veterans Affairs Committee
Proponent Testimony Senate Bill 105
The Honorable Zack Reed

Chairman Rulli, Vice Chair Lang, and Ranking Member Sykes, and members of the Senate Local Government, Senate Small Business and Economic Opportunity Committee. Thank you for the opportunity to submit testimony today in support of S.B. 105, the bill to expand opportunities for Ohio's budding minority-owned small businesses by requiring political subdivisions to recognize MBE status.

Small and mid-size businesses across the state are facing unprecedented challenges, never has this been more true than for minority and women owned businesses. These entrepreneurial companies are our future. They create jobs that instill pride in the people that work for them. They put food on the table and strengthen neighborhoods and communities across the state.

What is more troubling is that our local governments are making it even more difficult to recover from this hard-hit economy. In many cases, it's no longer about how well qualified a company is to bid on a specific project. It's about how resilient and how much capital they have to jump through the hoops and hurdles required to do business with our local governments.

This is a failed approach and S.B. 105 is our chance to fix it, giving our struggling small and medium sized businesses a hand-up.

As Minority Affairs Coordinator for Secretary of State Frank LaRose, I traveled across the state and time and time again heard that the two main obstacles to growing minority and women owned businesses are capital and the current certification program.

The time and money it took to complete the paperwork for certification was onerous, time consuming and too much for all too many. Those that could expend the resources needed just to submit a bid, risked going through all the hoops only to face the possibility of not being awarded the job.

There are reciprocity agreements in certain regions of the state between the city, county, and sewer district, which are doing well. However, are no municipalities that have reciprocity agreements that extend beyond their regions.

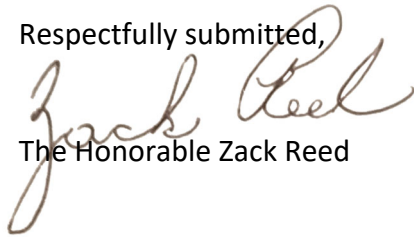
As respected leaders, you need to know that many minority and women owned businesses are made up of two or maybe three employees. They don't have the staff or resources to risk the cost of completing onerous requirements that have lack consistency from one municipality to another.

I have seen firsthand how this prevented these businesses from growing, expanding and ultimately renewing and reinvigorating Ohio's economy.

We must do everything we can to help minority and women owned businesses succeed. Because when they do our people, neighborhoods and communities with thrive — helping our entire state to grow and become successful.

For these reasons and others I thank you for your consideration and support of SB 105.

Respectfully submitted,

A handwritten signature in cursive script that reads "Zack Reed". The signature is written in a dark ink and is positioned above the printed name.

The Honorable Zack Reed