



May 18th, 2023

The Honorable George Lang
Chair
Senate Small Business and Economic Opportunity Committee

Re: Statewide Business Community Opposition to AM0481-1

On behalf of the Ohio Metro Chambers Coalition and our collective 40,000 employers, we write to express our strong opposition to the proposed amendment to Senate Bill 12, AM0481-1. We agree with and share in the desire to find ways to better support certified women- and veteran-owned businesses but feel this amendment creates more problems than it solves and should not be adopted at this time.

While we understand this effort is well intentioned and meant to create economic opportunity for women- and veteran-owned firms, we do not feel that wrapping WBEs and VBEs into the existing 15% MBE set-aside program, as proposed by AM0481-1, is the right policy solution. This would be detrimental to MBEs and pit them against other certified businesses at a time when they already struggle to realize the full benefit(s) of the existing program. Recent changes made by the Department of Development have improved the ability of minority-owned firms to get certified and realize the benefits of the existing 15% set-aside program, but injecting WBEs and VBEs into it will hinder its overall ability to satisfy the goals and objectives for which it was originally created over forty years ago.

AM0481-1 may also be legally problematic. Affirmative action programs that discriminate between racial, gender, or ethnic groups of people or on the basis of professional status must either be narrowly tailored to remedy proven injuries committed in the past or be designed to further an important government interest. The existing 15% set-aside program for MBEs is supported by multiple studies conducted by the State of Ohio which showed a need to proactively provide these kinds of opportunities for minority-owned firms. To date, the State of Ohio has done no such studies for WBEs and VBEs, however, the House-passed version of the budget does include \$1,000,000 to contract with an Ohio-based MBE, WBE, or VBE to conduct a disparities study to assess what barriers to contracting with the state for goods and services exist for these firms. We support this effort and hope it will remain in the budget because it would provide the state with an updated view on set-aside programs and provides insights on where we need to make changes. With that said, we strongly recommend that the Ohio Legislature wait until this study concludes and its results are fully considered before fundamentally altering the existing state set-aside programs – especially when premature changes could be detrimental to one of the groups these programs were originally created to benefit.

As the legislature considers how to best move forward, we respectfully request there be no fundamental changes to these programs without first conducting and examining the results of the disparities study. Doing so will provide the legislature with the necessary research and data it needs to best move forward and help avoid any potential legal issues associated with making these changes without the required proof. As a statewide business community, we look forward to continuing to work with the State of Ohio on finding ways to better support MBEs, WBEs, and VBEs and would be happy to discuss any of this in greater detail if there are questions.

Sincerely,

Steve Millard
President & CEO
Greater Akron Chamber

Denny Saunier
President & CEO
Canton Regional Chamber

Brendon J. Cull
President & CEO
Cincinnati USA Regional Chamber

Bajju Shah
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Guy Coviello
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