



State Representatives

Jay Goyal and Sandra Williams

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House Dems Announce Expansion of Ohio Venture Capital Fund

Expanding investment capacity will create jobs and position Ohio for success

COLUMBUS – State Reps. Jay Goyal (D-Mansfield) and Sandra Williams (D-Cleveland) announced today new legislation that would expand the investment capacity of the Ohio Venture Capital Authority by at least \$100 million. The expansion will build on successful efforts to foster innovation in high-growth industries such as healthcare, advanced energy and information technology.

“The challenges of these economic times require strategic investment in our economy and our future,” said Rep. Goyal. “Investing in Ohio’s entrepreneurs and supporting emerging businesses through the Ohio Venture Capital Fund will help create good-paying jobs and position Ohio’s economy for success as the national recession lifts.”

The Ohio Venture Capital Authority (OVCA) was established to help increase private investment in Ohio companies in the early stage of business development. Through allocations made by the Ohio Capital Fund, 35 Ohio companies have received investments; those companies have over \$90 million in annual payroll. OVCA is an integral element of Ohio’s broader technology programs which have created 42,000 jobs in recent years, according to an independent analysis by SRI. In addition, Ohio was recently ranked the fourth best state for biotechnology business by *Business Facilities* magazine in part due to venture capital programs in the state.

“We cannot move Ohio forward without a keen focus on making sure our economy is growing,” said Rep. Williams. “An important component of that growth is the expansion of the Ohio Capital Fund, which provides private investment capital for innovative Ohio companies in the seed or early stages of their business development.”

The expansion proposed today will increase the investment capacity of the Ohio Venture Capital Authority, which oversees the Ohio Capital Fund, by \$100 million. The Ohio Capital Fund does not use state tax dollars or General Revenue Funds, and the bonds issued do not count towards the State’s debt ceiling. The Fund is capitalized by the issuance of bonds supported primarily by the investments of the Fund and secondarily by contingent tax credits.

“In Ohio, investments in early-stage companies are outpacing the national average,” said Dr. S. Michael Camp of the Ohio State University’s Fisher College of Business. “The data indicates that in Ohio, 67 percent of all investment dollars went to seed and early stage companies compared to national averages that are closer to 24 percent.”

TechColumbus CEO Ted Ford also spoke in favor of the expansion, noting that "the availability of early-stage capital in Ohio has been critical to the development of numerous firms supported by TechColumbus. We support the renewal and expansion of Ohio's Third Frontier and the expansion of the Ohio Capital Fund."

Today’s announcement precedes the Ohio Venture Capital Fund Early-Stage Summit in Columbus on Wednesday and Thursday. For more information on the Ohio Venture Capital Fund, please visit: www.theohiocapitalfund.com.