

Proponent Testimony – HB 320
By John Venturella, CPA, JD on behalf of
The Ohio Society of CPAs
November 28, 2017

Chair Dever, Vice Chair Sprague, Ranking Member Smith and members of the committee, on behalf of the more than 25,000 members of The Ohio Society of CPAs, I appreciate the opportunity to testify in favor of House Bill 320, the Long Range Financial Outlook legislation.

I am John Venturella, a CPA and Chair-Elect of The Ohio Society of CPAs. I am also a shareholder and lead the tax group of Clark Schaefer Hackett & Co., a regional CPA firm with more than 400 employees located in seven offices throughout Ohio and Kentucky. CSH is among the 100 largest CPA firm in the U.S. and the 4th largest Ohio based CPA firm.

I was first licensed as a CPA in 1985 and worked in a national firm before joining CSH. Throughout that time, I have consistently advised my clients about the importance of planning for the future, which requires looking several years out at projections for a variety of key issues that are likely to impact their bottom line. Since long-term projections will change based on events that occur, it's critical that long range financial planning be an evergreen process with at least annual updating. Are my clients able to completely rely on the projected numbers? No. But a forecast based on good, current data will give them a roadmap to plot out future growth and to identify looming problem areas that may impact them. The same holds true with government.

House Bill 320 would be a positive step for the state of Ohio and its citizens. Having a regularly updated Long Range Financial Outlook report that projects out over the coming four years, is prepared by an impartial group of government and private sector experts and is available to anyone who wants to take advantage of the information makes good sense for policymakers and the public alike.

The Ohio Society of CPAs first recommended such an approach in 2009 with its Ohio Budget Advisory Task Force Report. OSCPA's task force of a dozen or so veteran CPAs met during the depth of the Great Recession to identify ways for government at all levels to improve by utilizing best practices already in place in business and in other states. We found Florida's Long Range Financial Outlook as a laudable program that should be emulated in some format here in our own state, and are pleased to see Representatives Roegner and Hagan, as well as numerous cosponsors, working toward that goal.

Some of you who were in the House in 2012 may recall that we brought in Amy Baker, the head of Florida's Long Range Financial Outlook efforts, via videotape to help educate legislators and other interested parties about the benefits Floridians now receive and that Ohioans should have access to. In a nutshell, Ms. Baker explained how Florida residents, along with Florida legislators and businesses, are reaping the rewards of having a better sense of what is or may be coming at them, pro or con, so they can adjust accordingly. If Ohio had such a program in place during the Recession, perhaps legislators could have all been on the same page in terms of the projected budget shortfall and been able to focus more quickly on tackling solutions.

While a long-range financial outlook approach is not a substitute for the traditional budget process, it does allow government leaders to examine the causes of funding pressures beyond the sources of revenue that fund them. In Ohio, much of the work to produce such a plan is already being done to some degree. Unfortunately, it doesn't come together in one comprehensive document that is produced annually, allowing for serious study and application – and for review by the public.

As you consider House Bill 320 and make any changes you deem necessary, I encourage you to maintain the end goals of a bipartisan process with input from private-sector financial experts. Having a final product that one party or the other automatically dismisses out of hand as biased would not be in the best interests of Ohioans.

Will Ohio's adoption of a Long Range Financial Outlook stop recessions from happening? No. Will it keep us from having budget shortfalls? No. But what it will do is help to ensure that everyone is on the same page in terms of awareness of potential problems and opportunities on the horizon, and allow government and business leaders to examine and better prepare for challenges and opportunities alike, all of which can only be good for our state.

I appreciate this opportunity to share the views of Ohio CPAs. While I can't join you in person, a representative of OSCPA is present at today's hearing to respond to any questions you might have.