

**Testimony of William P. Scott, State Director of Ohio Convention of States, in  
support of SJR No. 4  
May 17, 2022**

Chairman Peterson, Vice Chairman Cirino, Ranking Member Craig, and members of the Committee:

As the Ohio State Director for Convention of States, I'm pleased to be here today representing the more than 100,000 Ohioans who have signed our petition to you, our state legislators, requesting that you pass SJR 4. By way of background, I'm a retired financial executive, having been a partner with an international accounting firm doing corporate and forensic auditing, consulting for bankrupt companies, and financial consulting in litigation matters. I've also been the Chief Financial Officer of several insurance-related companies.

With my financial background, it should come as no surprise that of the 3 amendment areas in the resolution, the plank calling for fiscal restraints on the Federal Government is the one that concerns and motivates me the most. In my business life, I saw firsthand how good-intentioned companies failed to survive due to a lack of fiscal discipline, while pushing their lenders into giving them increased lines of credit and more debt than their business warranted. However, there's a well-established process for dealing with failed companies via the bankruptcy courts. The patient is either rehabilitated, with creditors taking agreed haircuts and the business putting new financial controls in place, OR... the patient is declared dead and gets buried, with lenders and creditors losing their interests in the failed business.

None of these rules or limitations apply to our Federal Government because they can simply print more digital money and saddle our kids and grandkids with crushing debt that can never be repaid. With this ability to use a digital money printing press, there is no date certain when the creditors of the US would force our Federal Government to make hard choices or face potential liquidation. Why can the Feds do this? Because historically, the US has been the bedrock of world strength and stability, which allowed our debts to be backed by nothing more than "the full faith and credit of the United States Government". That means you, me, our kids, and many future generations are the ones who are expected to be productive enough to pay our debts with a perpetually strong and growing economy. That historical position of strength also allows us to be the primary World Reserve Currency. If we lose that status, the ability to run the digital money printing presses will be severely curtailed and we could end up like Venezuela in short order.

The current National debt you often hear about is now around \$30 Trillion dollars and growing, but as an accountant, I can tell you an additional REAL unrecorded liability number is more than 5 times that—a staggering \$162 Trillion when you add in something called "unfunded liabilities". These are future obligations mainly consisting of Social Security, Medicare, and Medicaid for benefits already earned by or promised to citizens, but not yet payable to them in cash. This is known as accrual accounting under Generally Accepted Accounting Principles (GAAP), which most larger businesses follow and investors need. BUT, our Federal Government accounts for its revenues and expenses mostly on a cash basis, like a small family business or the corner dry cleaner might do. They do not include those enormously real unfunded liabilities in our "official" National debt amounts. In the last 65 years, our Federal budget has been balanced only a few times, and not in the last decade. Instead, our "go along to get along" leaders in Washington fool themselves (and us) with Continuing Resolutions that allow Congress to simply keep spending at the same levels as in the prior year, thus kicking the debt and deficit can down the road with no budget, let alone one that is balanced.

These fiscal problems cannot be solved by electing more responsible or good people, because if you put those good people into a broken system, they will (and have) fail to be fiscally prudent. This is a structural problem caused by a tyrannical Federal Government that has grown too big and too unaccountable. That is why I strongly support a series of common-sense amendments to the US Constitution that would restore fiscal responsibility and allow Federalism to once again be the way we govern by returning powers to the people and the States--and as you all know, states must balance their own budgets.

In closing, I would like to ask you to consider two things when you listen to the next hearing testimony from those who oppose a Convention of States and SJR4:

1. Do the opponents have unstated reasons for wanting the status quo, such as protecting pet projects or programs that depend on grants or other types of Federal Government handouts? Is their organization fundraising by keeping their members continually in fear of so-called “risky” Article V changes?
2. Do the opponents offer any solutions to the problems of a Runaway Federal Government, and if so, are those solutions actually in the Constitution, like Article V clearly is, or are they merely ideas cobbled together and selectively interpreted from other documents and writings of a few Founders found outside of the Constitution?

You should come to realize that the opponents of a Convention of States do not offer Constitutional solutions, but mainly something called FUD—Fear, Uncertainty, and Doubt. I ask you please do not fall for FUD; it is an emotional marketing strategy that businesses have used rather successfully since the 1960's to sell against their competitors. In these difficult times, we need constitutional actions with the courage of conviction, not fear.

Please pass SJR4 on to the full Senate for a vote, and let's get Ohio to become the 20<sup>th</sup> state to join the Convention of States movement!

Thank you for your service to the great state of Ohio, and thanks for this opportunity to speak before the Committee.

Respectfully submitted,  
Bill Scott

