

**Testimony of
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Managing Partner, Ernst and Young Columbus Office**

To The

**Ohio Senate
Finance Committee**

The Honorable Chris Widener, Chairman

May 4, 2011

Chairman Widener and members of the Senate Finance Committee, it has been my honor to serve the people of Ohio for the past two years as a board member and officer of the Ohio Cultural Facilities Commission. As a CPA and a business person, I am always concerned about how public funds are spent. Each tax dollar must provide maximum benefit to the taxpayers, and the State must maintain a high bond rating in order to operate cost effectively. I am also concerned about over-regulation, and I can assure you that the Commission strikes the appropriate balance of proper oversight without creating unnecessary regulation.

As an auditor, I cannot place enough emphasis on the value of oversight, and the importance of checks and balances. The Commission works judiciously to protect public funds on behalf of the taxpayers of the State of Ohio.

During my tenure as an uncompensated member of the Commission, I have witnessed first-hand the critical role the Commission serves in ensuring that State bond funds are properly protected. The work of the Commission's staff is top notch, and they enable the Commission members to make well-thought-through business decisions about the bond-funded capital improvements dollars we oversee.

As an example, the Commission recently worked with a large museum in southwest Ohio that was seeking Commission approval for more than \$1 million. The museum faced financial challenges, due in part to the economic climate. The Commission worked with the museum toward a "win-win" solution that protects the taxpayers. In response to Commission concerns about the organization's sustainability, and at our suggestion, the museum lined up a financial guarantor so that the state bond funds would be protected in the event the museum is not successful over the full timeframe that the State bonds are outstanding. This solution allowed the museum to receive the State funds, while guaranteeing the taxpayers that the State's

investment would be repaid in the event the museum would be unable to continue to operate for the full timeframe the State bonds are outstanding.

The Ohio Cultural Facilities Commission protects public funds, supports economic development, expands educational opportunities, and enhances the quality of life for Ohioans by improving the State's cultural facilities. We are committed to helping local projects succeed, but we are equally committed to protecting the public's investment and the State's bond rating.

I ask you to sustain the amounts proposed by the Governor in the budget bill for operating funding for the Commission for FY 12 and 13.

Thank you for giving me the opportunity to meet with you today. Director Fox and I would be happy to address any questions you may have.