Statehouse Update

April 10, 2020

Monday, April 6, 2020
State Tax Revenue Down 10.5% In March; Agency Cut Plans Due Tuesday
The effects of the coronavirus pandemic and the resulting shutdown of many businesses are starting to show up in Ohio's tax receipts.

Overall tax receipts in March were down $159.4 million, or 10.5%, from what analysts projected, the Office of Budget and Management reported Monday.

That ate away much of a significant positive variance of tax revenue from the first eight months of the fiscal year, but the state is still on the positive side of the ledger for Fiscal Year 2020 so far by $89.5 million, or 0.5%.

The numbers from March are just the beginning of a downturn, Budget Director Kimberly Murnieks said.

"This data shows the first signs of the coming impact of the coronavirus pandemic on Ohio's tax revenues," she said in an interview.

The revenue category seeing the biggest impact is the non-auto sales and use tax, which was below projections by $66.58 million, or 9.7%, per OBM.

Director Murnieks said analysts are still digging into the details of what that underage means, but that they anticipate a significant drop-off in sales taxes remitted by restaurants and similar businesses.

"As we're able to dig more into the sales tax, we'll be able to then discern if there is any shift into any of the online sales categories," she said.

Language in the biennial budget (HB 166) regarding the remittance of sales taxes by online marketplace retailers will help, she said.

"We would be significantly worse off had it not been for that change," she said.

For the fiscal year-to-date, the non-auto sales tax remains above estimates by $32.49 million, or 0.5%, OBM said.

The auto sales and use tax was below estimates by $1.44 million, or 1.1%. For the fiscal year so far, it remains a top performer, beating estimates by $44.91 million, or 4%.

That could change in April as the revenue from that category lags by a week or two, the director said.

"The March auto sales tax is mostly looking back to the last few weeks of February and the first few weeks of March before the real impacts of COVID-19 hit," she said.

The personal income tax category was below estimates by $22.28 million, or 5.1%, for March. It dipped further under projections for the fiscal year so far, now down by $39.92 million, or 0.7%.

Director Murnieks said the variance continues a trend for the past few months driven by tax filing activity and that it is not yet showing the effects of the pandemic. That will change in April, which will also be affected by the movement of the tax filing deadline to July 15.
"We are expecting to see a pretty dramatic variance in the April income tax," she said.

While the state began to see the fiscal effects of the pandemic and business shutdowns in March, that will become more apparent in future months, the director said. The state is helped by positive numbers from the months before the coronavirus hit.

"Year-to-date we are still ahead of estimate by about half a percent," she said. "Prior to the pandemic, Ohio’s economy was moving along in a positive way. We had seen some upticks in our indicators, and we were running pretty significantly ahead of estimates through the end of February."

"We were in a strong position when the pandemic hit, so that is a better starting point than if we had already been in a downturn," she added.

OBM is also working with state agencies on potential budget cut scenarios if the fiscal effects become more apparent.

Anticipating severe reductions in state revenue, Gov. Mike DeWine announced in late March that the state would freeze hiring. He also ordered departments to freeze new contracts and identify cuts of up to 20% in their departments.

Director Murnieks in a memo instructed agencies to present those scenarios by the end of business April 7.

A separate memo indicated that some state positions, most of them in the health care field, are exempt from the hiring freeze.

**Hospital Overflow Sites Announced**

Like other states, Ohio is selecting large facilities with a significant amount of open space to serve as makeshift hospitals when the coming surge in coronavirus cases arrives.

Gov. Mike DeWine announced Monday the "alternative sites" that have been identified as temporary medical facilities as the state seeks to double its hospital capacity are:

- Case Western Reserve University's Health Education Campus in Cleveland.
- The Covelli Centre in Youngstown.
- The Dayton Convention Center.
- Duke Energy Convention Center in Cincinnati.
- The Greater Columbus Convention Center in Columbus.
- SeaGate Convention Center in Toledo.

The governor said officials with health care systems, local governments, county emergency management agencies, state agencies and the Ohio National Guard, among other entities, identified the sites. He said criteria considered included factors such as distance to existing hospitals and the amount of space inside.

"The assessment of other sites is going to continue as we look for additional space should that be needed," he said.

Gov. DeWine said officials in southern and southeast Ohio determined existing medical facilities can handle the coming surge with additional equipment.

State Health Director Dr. Amy Acton said while work on converting the convention centers into hospital spaces may begin soon, the state likely is "a ways away from needing to use them."

"We still have, thanks to all the steps that we've taken, and the policy moves, capacity, good capacity in our hospitals, which is exactly what we wanted," she said. "Hospitals have built out their capacity onsite."

Dr. Acton said the plan is for the sickest patients to remain at traditional hospitals, with patients with milder illnesses eventually being shifted to overflow sites as coronavirus cases surge.
By Monday afternoon, the number of confirmed coronavirus cases in the state sat at 4,450, with deaths at 142. Hospitalizations hit 1,214, with ICU admissions at 371.

Dr. Acton said she expects the peak in cases to arrive in late April or early May. She praised the state’s residents for the sacrifices they have made to slow the spread of the virus by limiting their movements.

"People at home, you are moving mountains. You are saving lives," she said. "Again, I get emotional talking about this because this is no small thing that we are doing together."

Monday's news conference was the final one before an updated "stay-at-home" order takes effect at midnight.

The governor and Director Jack Marchbanks of the Department of Transportation used the occasion to clarify who is required to self-quarantine for 14 days when returning to the state under the order, which lasts until May.

Gov. DeWine said "snowbirds" returning from winter trips to Arizona, Florida or other states must adhere to the quarantine requirements.

"We welcome you back, we want you to come back, but we would, again, remind you that you need to quarantine when you come back," he said.

Director Marchbanks said the requirement does not apply to truck drivers, medical professionals or other workers coming into the state to perform "essential" jobs.

"We are also not talking about those people who live near our borders and travel across state lines to go to the store or to the doctor's office or to work at an essential job," he said.

The governor also announced he would be deploying the Ohio National Guard to a federal prison in Columbiana County where three inmates have died as the coronavirus continues to spread. Cases have also ticked up in Ohio prisons, he said.

House Economic Recovery Task Force Kicks Off
A new House task force created to get Ohio's economy back on track held its first meeting Monday, an organizational affair that members said was not subject to open meetings laws.

The House 2020 Economic Recovery Task Force is a 24-member panel appointed by Speaker Larry Householder (R-Glenford) to facilitate the restoration of an Ohio economy derailed by the ongoing coronavirus pandemic.

Members of the panel were announced Monday morning along with group's first meeting: a video- and teleconference call that took about an hour that afternoon.

"Today's meeting is organizational in nature and the task force isn't a decision-making body subject to open meetings laws," Chair Rep. Paul Zeltwanger said. "Today's meeting will not be open to the public."

Rep. Terrence Upchurch (D-Cleveland), the panel's vice chair, said he'll push for more public access moving forward.

"I'm all for opening our discussions for the public as well as the business community because this is who we're here for and this is who our decisions are going to be impacting," Rep. Upchurch said. "What good is a task force if everything's done behind closed doors?"

Elected officials have been forced to rethink open meeting laws thanks to COVID-19, with lawmakers loosening those requirements to facilitate virtual meetings (HB 197). But even if the task force doesn't fall under those requirements, blocking public access is a departure from precedent; prior House administrations have convened an array of task forces with meetings open to stakeholders and the public.

The task force consists of 17 Republicans and seven Democrats. Members present for the meeting said the chair is eying an aggressive schedule, with a second meeting planned for Wednesday.
Rep. Zeltwanger said in an interview he’d like to begin to pull a framework for recommendations together by the end of next week. He said he wants to identify a "data-driven, phased approach" to resuming business as usual.

"I think this initial focus, because we are in my opinion moving into a critical stage here, will be recommendations, framework, hearing from all parts of Ohio," he said. "Then I think as we move on beyond that it could become legislative."

Rep. Upchurch said members are still searching for clarification on what the panel's end product may look like. He said he was encouraged by the meeting, but that some members in both caucuses said they were surprised by the aggressive timetable.

"There is some concern, yeah, we want to move quickly, but we want to get it right," Rep. Upchurch said.

Rep. Tavia Galonski (D-Akron) said she was initially surprised, but said the timeline makes sense given the group's mission.

"What I took away from the meeting is we've got to figure out a way to transition out of this," she added. "The other thing I liked about this was discussed was the idea we as leaders have to give Ohioans something to hope for, something to plan for."

Rep. Zeltwanger said the group at its next meeting will begin "high-level brainstorming" on ways to support efforts of the DeWine Administration. He praised the governor for his leadership during the unfolding crisis.

Rep. David Leland (D-Columbus) said it appears the group will cast a "wide net" in gathering feedback.

"You can't make decisions based on no information, so right now it's a matter of gathering information," Rep. Leland said.

Speaker Householder first announced his plan to appoint a task force last month. In appointing members, Speaker Householder said members represent a geographically diverse cross section of Ohio.

"Prior to COVID-19 coming to our shores, our nation was experiencing perhaps the best economic time in its history," the speaker said in a statement. "The policies that needed to be put in place have flattened two curses – one regarding the spread of the virus, the other regarding our economy. Ohio needs to get healthy and back to work as soon as possible."

A few of the key questions posted by the speaker include what barriers stand in the way of economic recovery and how legislators can best assist Ohio families and employers in their recovery.

"This is a critical time for Ohio's future," he said. "I believe we can rebound from this challenge in a better position than anyone in the nation if we plan ahead and implement well."

House Minority Leader Emilia Sykes (D-Akron), whose caucus has already called for the General Assembly to reconvene to tackle several priority Democratic bills, said she looks forward to the discussion.

"We welcome dialogue with our colleagues across the aisle and encourage the speaker and Senate president to not sit idly by while the coronavirus ravages our bodies and economy," she said. "Ohioans struggling to get by cannot afford to wait for us to act in this time of crisis."

"The reality is that right now, too many Ohio families are struggling to pay the bills, put food on the table and access the essential services they need – including healthcare – through no fault of their own," she continued. "The work of the legislature remains unfinished and we continue to fight for our constituents who need us more than ever during this uncertain time."


Tuesday, April 7, 2020

**H2Ohio Could Be In Line For Cuts; New Legislation Focuses On Pandemic Aid...**

One of Gov. Mike DeWine's main priorities could be a casualty of the COVID-19 pandemic.

Department of Agriculture Director Dorothy Pelanda on Tuesday announced that the economic impact of the public health crisis will force the reevaluation of the H2Ohio program.

"While the rollout of the program was very thoughtfully executed, the economic impact of the COVID-19 pandemic has caused a necessary reevaluation of ODA's budget for the H2Ohio Initiative," she said in a statement. "ODA is committed to working within the Administration's budgetary guidelines and will communicate with farmers the status of H2Ohio going forward based upon those guidelines once they are known."

Director Pelanda said nearly 2,000 farmers submitted applications for the program to enroll more than 1.1 million acres.

"This far exceeded expectations for the agricultural portion of the H2Ohio program," she added.

Anticipating that the coronavirus pandemic would hamper state revenue, Gov. Mike DeWine said in March he directed state agencies to freeze new contracts and identify possible budget cuts of up to 20%.

Those possible budget reduction scenarios were due to the Office of Budget and Management by the end of business Tuesday.

State tax receipts came in 10.5% below estimates in March as OBM began to see the first hints of the revenue cut from the pandemic and subsequent business closures. For Fiscal Year 2020 so far, the state is still exceeding estimates.

**Bill Intros:** A slew of legislation has already been introduced this week to deal with the ongoing COVID-19 pandemic, including three jointly sponsored by Rep. Gil Blair (D-Weathersfield) and Rep. Michael O’Brien (D-Warren).

One measure (HB 598) would authorize emergency medical technicians to perform certain medical services in hospitals.

Another (HB 599) would require notification to an emergency medical services worker or funeral services worker who has treated, handled, or transported a patient who tested positive for COVID-19.

Their final bill (HB 600) would allow an individual with a commercial driver's license to drive an ambulance during the public health crisis.

Legislation (HB 603) jointly introduced by Rep. Catherine Ingram (D-Cincinnati) and Rep. Mary Lightbody (D-Westerville) would require the Chancellor of Higher Education to waive interest rates and suspend payments on state student loan programs for up to 60 days.

**Speaker Says Rainy Day Fund To Be Tapped**

House Speaker Larry Householder said Tuesday that lawmakers will likely tap the rainy day fund to close an expected budget gap due to the coronavirus public health crisis.

The move was expected as the state's economy has largely come to a standstill due to COVID-19. Overall tax receipts in March were down $159.4 million, or 10.5%, from what analysts projected, the Office of Budget and Management reported Monday.

"We're sitting on a $2.7 billion fund, and we're looking at some significant shortfalls in our budget. That budget stabilization fund is going to literally help stabilize our budget," the Glenford Republican said during an appearance on WOSU's All Sides with Ann Fisher.

Gov. Mike DeWine has also signaled he may seek to utilize the fund as Ohio emerges from the pandemic.

Wednesday, April 8, 2020

**House Task Force Takes Data Dive Into Coronavirus Impact**
A data expert on Wednesday advocated a phased approach to House lawmakers mulling how best to return Ohio's shuttered businesses back to action.

But CincyTech CEO Mike Venerable declined to offer specifics on when exactly state leaders should pull the trigger in bringing Ohio's economy back full force.

"I'm not going give you a date," he said. "That's not my decision to make…. I would just say starting to loosen restrictions is a rational thing to do because what I worry about is, the absence of demand in the economy is a hard thing to replace."

Mr. Venerable was the first witness before the House 2020 Economic Recovery Task Force, which was appointed and began meeting this week.

The group is expected to next meet Monday, with Chair Rep. Paul Zeltwanger (R-Mason) hoping to begin crafting a draft framework for a "data-driven, phased-approach" by the end of next week. That document would be given to the DeWine Administration to help guide recovery efforts but could also result in potential legislation.

"You can't get into the what I call armchair quarterbacking. It's April 8; we're all in this together," Rep. Zeltwanger said in an interview. "How do we look forward? How do we listen and understand all Ohioans are suffering?"

The chair told Mr. Venerable he wants to make sure "we're ready to go and not scrambling from behind" once healthcare trends suggest it's safe to inch back toward normal operations.

Mr. Venerable said several pieces of missing data will be "critically important" to recovery, including information on the number of cases progressing to intensive care and ventilation, the prevalence of comorbidities in cases, and observational studies on immunity.

"But I think the most critical piece of information we're missing at this point is protocols – what works," he said.

He outlined a survey of 500 people across the nation conducted between March 28-29 aimed at determining how consumers are viewing the crisis and the potential to return to normal life.

Of the respondents, 32% said they had an employer close, 30% said a household member had been laid off and 39% said a household member's work hours were cut.

"That was really a wake-up call for me to say, wow, this is a big economic impact," Mr. Venerable said. "Getting back to understanding how we create demand and restart the economy and all its pieces is going to be critical."

Respondents also shared views on what they envision the new normal to be after the nation emerges from the virus, with 60% expressing the belief they won't return to normal routines post COVID-19.

Mr. Venerable said in his view, state governments won't be able to facilitate resumption of normalcy alone. He instead urged stakeholder and business groups to bring their own recommendations to government leaders, who can then modify those plans as necessary.

"We need to engage together all of us…to say this is what we need to do to protect our workforce and our customers," he said. "I think it's impossible for all these states to write regulations or guidelines in the timeframe we have."

In adopting a gradual approach, the witness said a transition to the next phase of recovery could be as soon as between May and July in advance of a hopeful return of K-12 schools in August. That latter milestone would be the biggest in terms of risk and impact, he said.

Rep. Jon Cross (R-Kenton) questioned at what point policymakers should retake leadership from healthcare officials whose recommendations drove the closure of non-essential businesses.

"If we left it up to healthcare officials to determine our economy or fate, would we ever get back to normal?" Rep. Cross asked.
Mr. Venerable replied that healthcare officials' leadership made sense, although he agreed policymakers are the ones who will have to make the final decision. He likened it to a hypothetical asteroid hurtling toward the earth. In that case, he said, elected officials would turn to scientists who could destroy asteroids and say, "What do you need?"

Among other questions, Rep. Nino Vitale (R-Urbana) expressed concern the healthcare sector may emerge with long term damage that could hamper efforts to combat future challenges.

"I think that's a good and compelling case for why that planning is happening now," Mr. Venerable replied.

Rep. Zeltwanger asked what data officials should be monitoring to know when the time has come to implement a phased reopening.

"I do think the declining case count is good," Mr. Venerable said, adding that testing limitations can distort that data. "The second one is indications that even with positive cases your ICU admissions are lower."

**DeWine Directs BWC To Send Dividend Payments To Employers**

Gov. Mike DeWine on Wednesday announced an effort to provide some relief to the state's businesses, many of which have closed due to the COVID-19 pandemic.

The governor has directed the Bureau of Workers' Compensation to send up to $1.6 billion in dividends to Ohio employers to ease the impact of the public health crisis.

The payments will first be applied to any outstanding balance. Anything exceeding that amount will be sent directly to employers.

"For those employers, it means one less bill to worry about," the governor said during his daily press briefing on the coronavirus.

The governor said the dividend payments are possible due to strong return on investment, a declining number of cases each year and prudent fiscal management.

The dividend equals approximately 100% of premiums employers paid in policy year 2018, according to Gov. DeWine.

If approved by the BWC's board, $1.4 billion will go to private employers, while another $200 million will be directed at local governments. The money would be distributed later this month.

The governor also implored hospitals and other facilities not to throw away N95 masks, noting that Battelle has the technology to disinfect as many as 160,000 per day.

"Every mask is precious," he said. "Do not throw one away."

Gov. DeWine also announced that Apple has donated 100,000 masks to the state. Nonetheless, he said Ohio still faces a shortage of those and other personal protection equipment.

"One of our great challenges in Ohio, and it's something I think about in the morning, I think about at night, is that we do not have personal protection equipment for every Ohioan that needs it," he said.

Lt. Gov. Jon Husted said having enough PPE will be one of the key factors that will allow the state to slowly ease out of the measures designed to slow the spread of COVID-19.

"We don't have enough yet," he said. "We have to conserve what we have, because there are many people out there on the front lines who need it and deserve it."

However, Mr. Husted said that once things slowly begin to return to normal, not everything will go back to the pre-coronavirus days.
For instance, he said the emphasis on hygiene will remain and people will continue to be encouraged to wear masks.

"Don't be offended if you don't get handshakes or hugs for quite a while," he said.

The Ohio death toll from COVID-19 rose to 193 by Wednesday afternoon, Health Director Dr. Amy Acton announced. The state also reported 5,148 confirmed cases and 1,495 hospitalizations.

The governor announced that one of those deaths was John Dawson, a staff member at Marion Correctional Institution.

"Our hearts go out to his family, his friends and his co-workers," he said.

Thursday, April 9, 2020

DeWine Notes Progress 'Flattening The Curve' But Warns Against Lifting Restrictions Too Soon

Ohio's efforts to slow the spread of the novel coronavirus and minimize its effect on the state's health care system appear to be working, Gov. Mike DeWine said Thursday.

That doesn't mean it's time to let up just yet, he said.

The state's progress in "flattening the curve" and reducing the expected peak of cases is becoming more apparent, the governor said at his daily news briefing. New models indicate that peak could be much lower than the several thousand new cases a day predicted just a week or so ago.

"It's good news. Things are not as bad as they might have been. Things are turning out, so far, better. That is very, very good news," he said.

He attributed the changes to Ohioans' efforts at social distancing and reducing contact.

"Ultimately, it's what each and every one of you does and does not do," he said. "By and large, Ohioans have done a bang-up job. We're Ohioans. We get the job done."

The governor said new models don't indicate the prior ones were wrong, but mostly that the state has been more effective than anticipated at slowing the spread of COVID-19.

"When these models were put together, no one knew for sure, because it hadn't happened, what Ohioans would do in regard to social distancing and keeping apart and staying at home," he said. "Quite candidly, the modelers didn't think we were going to do as good a job as we did."

"We did a lot better," he added.

But new models indicating a lower caseload depend on the state continuing to follow through with strict social distancing, he said.

"The optimistic projections that you've seen in the last several days are based upon a belief and a calculation that we will continue to do the social distancing in the immediate future at the same level and do the same good job we've done up until now," he said.

In the meantime, state leaders are developing plans for eventually and gradually lifting those restrictions, he said. That plan will be revealed in the coming week or so, he said.

"As we get closer to May 1, we are going to evaluate it," he said. "We're going to be open as soon as we can get open. But that will be a gradual reopening. We will not turn the switch on and everything will go back to the way that it was."

Lt. Gov. Jon Husted pointed to Singapore, where strict social distancing was relaxed and the country saw a second spike in cases. He said the state's plan will be designed to prevent or minimize that.
"I am optimistic about what we're doing," he said. "I know the people who are working on the things that the governor outlined have a great strategy about what to do moving forward."

The Department of Health on Thursday reported 5,512 confirmed cases, including 1,612 hospitalizations and 497 intensive care unit admissions. A total of 213 Ohioans have died from confirmed cases of the virus.

Health Director Dr. Amy Acton said 55,000 Ohioans have been tested but that testing is still insufficient. In order for the state to be able to start lifting restrictions, more widespread testing will be used to identify how many Ohioans have had the illness and recovered.

"The fact is most of our population is still susceptible and we have no idea still of the prevalence," she said.

The state will also likely see spikes in different areas as the virus spreads, she said. "This isn't going to end, even when much of our population is back to work."

While the governor and other officials spoke, protesters outside the Statehouse voiced their displeasure with the administration's orders and policies during the crisis.

Gov. DeWine said he respected their right to protest and that the mass gatherings orders exempted constitutionally protected speech.

"We're not going to keep these orders on one day longer than we have to," he said. "What I'm asking Ohioans to do is hang in there. All the evidence that we have indicates that if we don't hang in there, if we don't continue to do what we're doing, it's going to cost a lot of lives and it's going to delay our ability to economically recover."

Dr. Acton responded to the protests by comparing it to climbing a mountain – the descent is also hard work.

"Every move we're making is based in the best science and we will not leave your side as we get you carefully through this arduous journey ahead," she said.

The governor also gave an update on efforts by Ohio's manufacturers to produce more personal protective equipment for the state's hospitals and health care providers. The Ohio Manufacturing Alliance, a coalition of hospitals and manufacturers, has identified 19 companies that have partnered with three hospital groups to begin making face shields. They should be able to make 750,000 to 1 million face shields over the next five weeks.

"These are true partnerships," he said. "Ohioans coming together, working together to find a solution."

Ohio's Census Response Rate Tops 50%; Paper Forms Sent To Holdouts
Ohio has cleared the halfway point in its efforts to ensure all of the state's residents are counted in the 2020 census, according to the latest data from the U.S. Census Bureau.

About 50.6% of the state's households had responded to the census by mail, online or by phone through Wednesday, compared with 46.7% of households nationwide.

The Census Bureau began delivering questionnaires that day to about 64 million households that have not submitted data.

Census Director Steven Dillingham in a statement encouraged residents to respond online – the bureau's preferred method during the ongoing coronavirus pandemic.

"It has never been easier to respond on your own, whether online at 2020census.gov, over the phone, or by mail — all without having to meet a census taker," he said. "It's something everyone can do while practicing social distancing at home to make a difference today, tomorrow and the next 10 years."

The bureau noted that some areas where workers were initially set to hand-deliver forms will instead see mailed reminders.
"Even if households don't receive a letter in the mail, the Census Bureau will drop off a census invitation and paper form as soon as it is safe to do so," the bureau said in a statement. "Census takers will also follow up with all households that do not respond on their own."

Census workers currently are set to conduct follow-up interviews with households that have not responded starting May 27 and ending Aug. 14. Those interviews were initially scheduled to end in June, but the schedule shifted in response to the COVID-19 outbreak.

Of the responses from Ohio residents, the vast majority – about 87% – have been filed online.

Ohio leads neighboring West Virginia (33.9%), Pennsylvania (48%), Kentucky (48.2%) and Indiana (50.3) in overall response rate, while trailing Michigan (53.4%).

About 69% of the Ohio households "self-responded" to the census in 2010.

Friday, April 10, 2020
Local Governments See Tax Revenue Dry Up
Local governments are bracing for the financial consequences of the COVID-19 public health crisis.

The pandemic has largely brought Ohio's economy to a standstill, with the Department of Job and Family Services reporting Thursday that the number of new jobless claims topped 200,000 for the second consecutive week. (See separate story).

The Office of Budget and Management earlier this week announced that tax receipts in March were down $159.4 million, or 10.5%, from what analysts projected.

Cheryl Subler, executive director of the County Commissioners Association of Ohio, said in an interview she expects the April figures to be worse as the full effect of Gov. Mike DeWine's stay-at-home order begins to take its toll.

With businesses largely shuttered, sales tax revenue, which Ms. Subler described as the "lifeblood" of counties, is expected to fall precipitously.

She said counties are already preparing for the financial impact.

For instance, Montgomery County anticipates losing $20 million in revenue and earlier this week declared a fiscal emergency.

Other counties are also looking to tighten their belts, according to Ms. Subler. That includes Cuyahoga County, which on Wednesday announced that it would impose 80 hours of unpaid leave on all full-time, non-union employees.

Seneca County cut its personnel budget line by 20% and supplies by 50%. It has also instituted a no travel policy and recommended a four-day work week for all county offices.

Ms. Subler said other counties are also considering furloughing employees and some are planning for spending reductions of up to 20%, following the lead of Gov. Mike DeWine, who ordered state agencies to find cuts of that size.

"The challenge will be that their employment ranks were slimmed down during the great recession and were not subsequently fully restored," Ms. Subler said. "There may be some room for reductions, but it is not as deep as it was years ago."

Sales tax revenue reductions will not be the only way that counties are impacted financially. With fewer motorists on the roads, gas tax revenue is also expected to plummet.

"We anticipate decreases in gas tax revenue, which are essential in supporting road and bridge projects," Ms. Subler said.

She said that counties are also anticipating decreased investment revenues, and are expecting casino revenues to drop after the governor ordered them to close.
Local Government Fund allocations are also expected to fall as the state itself brings in less revenue.

"Counties are going to be looking to their partners at the state and federal level for assistance," said Ms. Subler, who praised the leadership of Gov. DeWine, Lt. Gov. Jon Husted and State Health Director Dr. Amy Acton.

Cities and villages are also looking for financial aid.

In a letter to members of Congress, the Ohio Municipal League said that as much as 80% of the operating revenue for cities and villages is derived from income tax. The group predicted the economic impact of the coronavirus will "devastate many local budgets."

"Our cities and villages will experience a swifter and more acute impact financially than other cities across the nation. As more of our residents file for unemployment, Ohio's cities and villages face a financial crisis that jeopardizes their ability keep their residents safe," OML Executive Director Kent Scarrett wrote in the letter.

He went on to call for phase four of a COVID-19 stimulus package to provide municipal stabilization funding.

"Without a substantial financial injection, municipalities will be forced to consider staffing cuts to critical services such as water plants, health departments, sanitation services, and first responders such as police and fire personnel," he wrote. "These cuts would be devastating in midst of the worst public health crisis in American history."

Mr. Scarrett said in an interview that municipalities are currently eyeing revenue reduction of 20%, although uncertainty remains.

"There's so many unknowns because of how long this will last," he said.

In phase three of the stimulus passed recently by Congress, only cities with populations of 500,000 or more received direct funding. Only Columbus fit that bill, leaving the state's 939 other municipalities to hope the state will disperse some of the funding it received through the bill.

Moving the tax deadline from April 15 to July 15 will also impact municipalities, according to Mr. Scarrett.

Municipalities have other revenue worries such as the governor's order banning water shutoffs.

In response, he said, cities and villages are planning to tap into reserve funds, reduce employment through attrition and cut services in some cases.

"There's going to be a lot of impact," he said. "All these things are kind of mounting up."

One example is Cincinnati, which is facing a budget shortfall as large as $80 million in the fiscal year and has furloughed approximately 20% of its workforce.

The Ohio Township Association said the financial impact on its members is still unclear but added it could be "quite significant."

Executive Director Heidi Fought said in an email that townships will begin to feel the impact in May with lower gas tax receipts and further into 2020 with reduced LGF payments. Locally enacted fees such as lodging taxes and park rental fees are also a concern.

"Townships are primarily dependent on property taxes, and the economic crisis tied to COVID-19 could have consequences on the collection of property taxes for the second half of 2020, thus impacting township revenue. Many township services, including safety services, are funded entirely on property taxes," she said in an email.

"The OTA commends Gov. DeWine for his leadership during this pandemic. We will continue to work with his office and other local government partners to discern the best steps forward in the coming weeks and months."
BWC Board Approves $1.6B In Employer Dividends
The Bureau of Workers' Compensation's board on Friday endorsed sending as much as $1.6 billion back to employers.

The board approved dividends to be sent to employers from the State Insurance Fund that equal about 100% of premiums paid in policy year 2018.

Board members met in emergency session Friday morning, two days after Gov. Mike DeWine announced the effort during a daily news briefing.

"We are all in this together, and I'm just grateful we can contribute in this way," BWC Administrator/CEO Stephanie McCloud said in a statement. "We wouldn't be in this position without the employers who work hard to increase workplace safety, reduce injury claims, and pay their premiums on time."

About $1.4 billion of the dividend will go to private employers, and about $200 million will go to local government entities, including counties, cities, townships and schools, the bureau said.

Checks will start going out later this month, the agency said.

The move is the latest in the bureau's steps to help ease the strain on businesses from the novel coronavirus and subsequent shutdowns of many operations.

Monthly BWC premiums for March, April and May have been delayed until June 1, and some requirements and deadlines for several programs have been waived.

It also continues a recent trend of the bureau sending out dividends and rebates to employers. It's the sixth of at least $1 billion since 2013.

The rebates are made possible by the position of the bureau's investments. In March, the board of directors was told the system remained well-funded despite downturns in the stock market.

Earlier this week, the governor said the dividend was made possible by strong investment returns and a declining number of workers' comp cases each year.

State Audits Continue Amid Outbreak
State Auditor Keith Faber believes his office is well positioned to continue its work during the ongoing coronavirus pandemic that has brought many activities to a halt.

About 600 of the office's approximately 800 employees already work remotely on a regular basis.

"Our office is probably as well suited as any to do remote work," State Auditor Faber said in an interview.

"Most of their audit work is done on client sites or in some cases at their home or in another location," he added. "Very, very little of it's done in the office."

However, he said one limiting factor could be going into customer locations to get documents.

"We went to an entire electronic work papers platform a number of years ago, well before I became auditor," he said. "And the question is, is how do we get information to populate in that electronic format, and many cases we can get the electronic records directly from the local government entities."

But Auditor Faber said that in some cases his employees still need to pick up documents or scan them into the system.

"We're probably a week or two away from having to work out protocols with customers, which are those 6,000 local governments around the state," he said. "It may be as simple as we say OK, here are the things we want, put them in a conference room let them sit for three or four days. We can do those no-face, no-contact."
Despite the situation, Auditor Faber said the operations of his office remain strong.

"Little hiccups here and there, technology, and things like that that we need to upgrade but, ultimately, I will give my people a great shout out for their team spirit, and for their effort to make this work."

Mr. Faber also encouraged people to help others in this time of need, whether that be making a grocery run for an elderly neighbor or tipping when picking up food from a restaurant.

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