**Statehouse Update**

May 8, 2020

**Monday, May 4, 2020**

**DeWine Unveils New Coronavirus Testing Guidance**

Gov. Mike DeWine on Monday detailed three tiers of Ohioans who will be eligible for coronavirus tests as more businesses reopen and testing become more accessible.

While the state is ramping up testing, the governor said its ability to determine who is infected is not boundless, leading to the need to identify priority groups.

First priority will be given to people with coronavirus symptoms who are: hospitalized, health care workers or employees at congregate living facilities, according to the guidance.

Second priority will be given to people with symptoms who are:
- Residents of long-term care and other congregate living facilities.
- First responders, public health and critical infrastructure workers.
- Age 65 and older.
- Living with underlying conditions.

Others included in the second-highest category are people without symptoms who are "directly exposed" during an outbreak in a congregate living facility and people chosen by public health officials after outbreaks that occur in workplaces or after large gatherings.

The third priority group features residents with and without symptoms who are receiving essential surgeries or other medically necessary procedures.

"Early and rapid identification will help local health departments stop the spread of infection and provide treatment for those who need extensive medical care," Gov. DeWine said. "This will help isolate COVID-19 within a facility or community by separating otherwise healthy residents and workers from those who are infected."

Gov. DeWine said the state is pursuing a "very, very aggressive testing program," with the expectation of testing 22,000 people per day in about a week. Health Director Dr. Amy Acton said the state was testing "a little over 6,000" people per day by the end of last week.

"This expanded testing is key really to protecting Ohioans," Gov. DeWine said. "It is particularly key as we go through this reopening phase of our economy. It will give a better ability to learn who's sick and determine how best to respond."

Dr. Acton said about 1.3% of the state's population has been tested cumulatively during the pandemic. She said while the state has "made some incredible strides" in testing, guidelines are still needed as capacity increases.

"It's really important to be able to say to everyone to be consistent across the state," she said.

The Department of Health on Monday reported 20,474 cumulative cases and 1,056 deaths, including probable cases, in the state. Ohio has seen 3,809 hospitalizations, including 1,090 ICU admissions.

The new testing guidance came down the same day offices could reopen under the DeWine administration's phased plan to restart sectors of the state's economy.
While Gov. DeWine has not yet unveiled a date on which restaurants can reopen for dine-in service, he said that information is forthcoming. He said a working group developing a plan on the topic is "about done."

"Within the next several days, we'll be rolling out that protocol and at the same time we'll be able to announce the date when restaurants can start back in," he said, "I know people are anxious about that."

Lt. Gov. Jon Husted said an additional area of focus for the administration is the reopening of BMV offices. He said while there is "no fixed date yet," it should occur later in the month.

The lieutenant governor said they have not reopened yet because the administration is working to expand an online check-in process at BMVs statewide to help workers enforce social distancing protocols.

"We don't want large crowds," he said. "We don't want everybody rushing back."

Gov. DeWine took time at the daily press conference to ask people protesting his restrictions on businesses to be civil to reporters.

"It's not fair game to disrespect the news media, to be obnoxious to the news media," he said. "It's not fair game. You should come after me."

He also requested protesters direct their ire at him instead of members of his cabinet, including Dr. Acton, who was the focus of a small protest that took place near her home over the weekend.

"To bother the family of Dr. Acton, I don't think that's fair game," Gov. DeWine said. "I don't think it's right. I don't think it's necessary to get your point across."

Tuesday, May 5, 2020

**Education, Health Services Bear Brunt Of $775 Million In Cuts**

Cuts to K-12 schools and higher education make up the majority of $775 million in planned spending reductions announced by Gov. Mike DeWine on Tuesday.

All departments – except for the Department of Rehabilitation and Correction – will face spending reductions as the administration attempts to balance the budget with revenues $776.9 million below estimates as of the end of April.

During his daily briefing, the governor said the spending cuts implemented prior to the end of the fiscal year on June 30 will target:

- Medicaid spending ($210 million).
- K-12 foundation payments ($300 million).
- Other education line-items ($55 million).
- Higher education ($110 million).
- All other state agencies ($100 million).

While state revenues for the fiscal year were more than $200 million above estimates by the end of February, Gov. DeWine said the state's financials took "a dramatic turn" in the past two months due to the coronavirus pandemic and resulting restrictions on business activity.

"Decisions like this are certainly very difficult and unpleasant, but they are part of my responsibility as your governor to make," he said.

While the governor said he consulted with legislative leaders ahead of the announcement, he called the cuts "basically our decision." He said the administration will undertake "constant reviews" of the state's financial situation with the legislature moving forward.

The governor said he has decided to impose the cuts to balance the budget through the end of the fiscal year instead of tapping the state's rainy day fund, which he said would be needed in future years.
"This rain is not a passing spring shower," he said. "It could be – we don't really know – it could be a long, cold, lingering storm. We should not use that rainy day funding until we have to."

Gov. DeWine said a state hiring freeze will remain in place, as will a pause on pay increases and promotions for unclassified staff, and travel for employees not working on the emergency. The administration will also limit new contracts and press cabinet directors to find additional cuts.

The largest of the cuts outlined Tuesday, the $300 million reduction in K-12 foundation funding, represents about a 3.7% decrease. While reductions in state aid will vary by district, Gov. DeWine said decreases in payments "certainly will be significant over the next two months."

"I've expressed here at these press conferences concern about students who are in schools that do not have the revenue, poor schools, poor children, and so, that certainly is taken into consideration when we put that formula together," he said.

The governor said he could not rule out further cuts to schools in the future as the financial effects of the pandemic continue to be felt.

"We hope to avoid additional cuts, but again, not having a crystal ball we don't know that," he said.

Gov. DeWine said school districts should feel confident that the state will continue to fund wraparound services for students. The legislature approved $675 million over two years for enhanced counseling, health care initiatives and other programs for K-12 schools in the current operating budget (HB 166), and Gov. DeWine pledged to match that total in his next budget proposal a few weeks before the World Health Organization declared the coronavirus outbreak a pandemic.

"We are committed to wraparound services," he said. "Wraparound services are even more essential today than they were before."

"I made a commitment that we would continue funding wraparound services and we're going to do everything that we can to continue that commitment," he added.

The governor said more detailed information about the spending reductions would be released by state Budget Director Kimberly Murnieks on Wednesday.

While the governor announced cuts of $210 million in Medicaid, the state is expected to receive additional money through an emergency increase in the federal share of the program's spending. The Department of Medicaid has estimated that 6.2% increase in the Federal Medical Assistance Percentage, or FMAP, included in response legislation passed by Congress, could be around $300 million per quarter.

An ODM spokesman said in an email that the figure is "just an initial estimate" and depends on how the virus affects service delivery.

Gov. DeWine said further details on what that $210 spending reduction will look like are forthcoming.

"We do not intend to reduce essential services to people who have been hurt by this pandemic," he said.

The governor said DRC was spared from cuts because it is "difficult to find the money" in a prison system that has seen thousands of COVID-19 cases among inmates and staff.

"While we are seeing some reduction of the number of people in prisons, the virus has made some of the staffing issues more difficult," he said.

Education advocacy groups said that while the understand the state's financial situation, they are concerned with the reductions so late in the school year.
The Ohio School Boards Association, Buckeye Association of School Administrators and Ohio Association of School Business Officials said the loss of funds "will undoubtedly create challenges for many districts. As the COVID-19 pandemic continues to have a negative effect on the economy, schools also will begin to suffer losses in local tax revenues in the coming months."

The groups said they are also urging federal officials to deliver additional funds to offset current and future cuts to school funding.

Iris E. Harvey, President & CEO of Planned Parenthood of Greater Ohio, was critical of the decision.

"Slashing Medicaid funding at any point in time is irresponsible and dangerous," she said. "Doing so now, while many Ohioans are reeling from the effects of COVID-19 and in need of preventive health care, is heartless. This move will disproportionately impact communities that are already medically underserved, who already stand at a greater risk of harm from COVID-19, and who depend on Medicaid to access health care. We call on Gov. DeWine and the legislature to reconsider this path."

The Department of Health on Tuesday reported 20,969 cumulative cases and 1,135 deaths, including probable cases, in the state. Ohio has seen 3,956 hospitalizations, including 1,123 ICU admissions.

Gov. DeWine said he does not intend to hold a press conference Wednesday with the House and Senate set to return to action. He said information on the state's plans to reopen bars and restaurants, child care centers and hair salons could be released at Thursday's press conference.

**Speaker Says Business Immunity, Budget Adjustments On Table; SB1 Amendment Pondered**

The House will look to shield businesses from certain virus-related lawsuits before exiting Columbus for the traditional summer recess, Speaker Larry Householder (R-Glenford) said Tuesday.

Members will also likely take up legislation related to state budget cuts given the expectation that tax revenue is going to fall considerably due to closures ordered by the DeWine Administration in the wake of the COVID-19 pandemic, he said in an interview.

The speaker's comments came amidst calls by some of his caucus members and Senate Republicans to push back legislatively on the DeWine Administration's moves to curtail business and other activities in the face of the coronavirus pandemic. Some Republicans have been vocal opponents of the edicts, saying they are too extreme and have resulted in severe damage to the state's economy.

Mr. Householder said it remains unclear whether there is enough support to attempt to rescind the stay-at-home orders put in place by Gov. Mike DeWine, and that he will hear opinions on that during a caucus meeting this week.

"I don't know where they're at," he said. "We're kind of in a position where we've got a lot of options and I'm going to see where the members, at least the Republican members, are coming down on this. I've got lots of information we're going to share and lots of different ways to look at these things."

Among GOP members ready to rescind the restrictions signed by state Health Director Dr. Amy Acton is Rep. Scott Wiggam (R-Wooster), chairman of the House State & Local Government Committee.

His panel, which is reviewing legislation to reduce state regulations (SB 1), recessed Tuesday afternoon until Wednesday morning without taking action on the measure, which was slated for a possible vote. Statehouse speculation swirled that the bill would be amended with language related to the shutdown, but the lawmaker said in an interview he could not speak to the specifics of those conversations.

Nevertheless, he reiterated that he would support legislative action to block the "stay-at-home" order, pointing to the situation in Ashland County, which he represents. The warnings over personal protective equipment shortages and swamped hospitals have failed to materialize in his district, Rep. Wiggam said. Meanwhile, "economic devastation" is ensuing under the lockdown and more and more data indicates it's unnecessary.
He also questioned critics of reopening the economy now, saying "people suffer and people can die" under the current economic situation. "We know poverty kills," the lawmaker said.

The speaker said he remains of the mind that the closures could have been less restrictive, and that it's "probably past time" for the state to reopen its economy. "I think Ohioans have done a really good job of trying to steer clear of this virus, and now we have to concentrate on getting 2 million Ohioans back to work," he said.

"Back when we had the shutdown, my opinion was, allow everyone to stay open and reduce the maximum occupancy," Mr. Householder recalled.

As it turned out, stores like Walmart could have hundreds of customers at one time and the small business that gets five customers a day had to close, he said. The better plan would have been to limit occupancy and then slowly increase those limits.

"I believe that's the way we should have come out of it," the speaker said.

"I respect the governor's decision on what he's done so far. But when is the perfect time" to reopen, he asked. "I don't know on the health care side when the perfect time is. I know as far as the rights that people have to enjoy their lives and for businesses to be open and do business, it's probably past time."

Regarding legislative work over the next several weeks, the speaker said, "We're planning on keeping the same schedule we had," which is set to conclude in the middle of June.

"Obviously, that's subject to change. If things happen and we have a situation we need to deal with, we'll be back," he said.

The House has been having discussions in work groups regarding the budget for more than a month and will look to take action on that front, Speaker Householder said. Near-term priorities also include "several other things we're looking at to make it easier for businesses to open and help them become successful as quickly as possible – to get back up to speed. All those things are being ironed out."

"And then there's broad discussions about some kind of immunity, a type of tort reform" as workers return and the businesses reopen to the public, he said.

Speaker Householder, who eschewed a mask while attending committee meetings Tuesday, said he has not heard of any members who have contracted the virus and does not know anyone who died as a result of contracting COVID-19.

House Committee Hearings – State & Local Government

HB 444 TOWNSHIP LAWS (Baldridge, B., Abrams, C.) To make various changes to township law. CONTINUED-SUBSTITUTE (2nd Hearing-Proponent-Possible substitute)

The substitute bill adopted by the panel eliminated language to expand township authority to regulate noise anywhere within its unincorporated territory. It also Allows certain park districts, juvenile facilities, and detention facilities to utilize an employee dishonesty and faithful performance of duty policy in lieu of surety bonds, and makes other related changes.

Representatives of townships urged support for the legislation as the House kicked off committee work for the first time. Lawmakers were separated from witnesses until it was their turn to testify, and others who watched on television in an adjacent hearing room. Underscoring that the legislature needs to work out some issues with the new pandemic-related social distancing protocols was the poor sound quality, as some members' questions to the witnesses could not be heard clearly with the setup.

Marisa Myers, director of governmental affairs for the Ohio Township Association, outlined the provisions in the omnibus bill, which she said address: nuisance statutes consistency, transfer of cemeteries, excavation notification, industrial development bonds, levy commencement, emergency medical responders, housing authority boards, and continuous police and fire levies.
Christine Matacic, a trustee for Liberty Township in Butler County and Chair of the Coalition of Large Ohio Urban Townships Executive Committee, focused her comments on language regarding industrial development bonds and continuous police/fire Levies.

She said townships "we are at a significant disadvantage when it comes to economic development."

"I realize Ohio has taken several steps to make the State of Ohio more business friendly, but we will have more opportunities by granting Ohio Townships the ability to utilize Industrial Development Bonds," she said. "In Liberty Township, this would help us attract and retain support services in light manufacturers of health care supplies, offices, flex spaces, and venture capital investments for the over 1,400 acres available for development."

Ms. Matacic said the legislation would also allow townships to pursue continuous police/fire levies.

"Unlike police levies and fire levies, a joint police and fire levy cannot be continuous and must be voted on every 5 years. This legislation allows for the option of continuous joint police and fire levies as well," she said.

"As a larger township and representing CLOUT, our needs for safety service is a high priority for our residents and businesses. Unlike cities who have an income tax that supports their services, townships rely primarily on property taxes through levies to support these services."

Ms. Matacic said police levies have passed more easily than fire levies for Liberty Township over the years.

"Additionally, streamlining safety service funding into one levy may make logistical sense for many townships," she said.

West Chester Township Administrator Larry Burks followed up on that subject with more specifics, saying of the current limitation, "This unnecessary limit on continuing joint public safety levies benefits neither the taxpayer nor the services they fund and demand."

He said in response to questions from the committee that having two separate levies on the ballot at the same time can lead to unnecessary competition between police and fire officials.

"Mitigating risk is at the heart of public safety services and yet dependency on a five-year cycle of funding is riddled with risk. Staffing plans, equipment replacement and responding to the basic demands for public safety in a community are long-term considerations and are at risk every time these agencies return to the ballot box," he said.

"A trip to the voting booth is impacted by larger economic conditions and even political interests beyond the control of those who provide for the community's safety. A failure of a levy can cause an immediate reduction in services not easily articulated or understood until enacted. Significant cuts in critical services are the potential reality each and every time a levy proposition is necessary."

Mr. Burks said when voters are faced with two levies, there's a "real likelihood" they will choose one over another. "This fractures the overall public safety interests of the community and hinders the funding of local 911 communications. If one levy fails, all three departments suffer," he said.

"Breaking down the barriers for public safety funding and extending the 'continuous' option for joint public safety levies gives local control and allows the community to focus on providing the best safety services to residents. Allowing this joint public safety levy to be continuous, rather than limited to five years, promotes better long-term planning and budgeting for critical services with confidence in funding levels."

Paul Webb, a firefighter/EMT with the Pitchin Volunteer Fire Department in Springfield, spoke to the provision regarding the ambulance staffing statute.

"My purpose in speaking to you today is to urge correction of the oversight in ORC 4765.43 that allows an EMT/Medic to respond the ambulance to meet an EMR at a scene, but does not allow an EMR to respond the ambulance to meet an EMT/Medic at a scene," he said. "Allowing the latter can save substantial time getting medical care to the scene when the
EMR is much closer to the ambulance station than is the EMT/Medic. This can make all the difference in the world to a person in cardiac arrest, a person having an anaphylactic reaction, or a person bleeding from a serious laceration."

In response to a question from Rep. Allison Russo (D-Upper Arlington), Mr. Webb said the measure would not impact the different scopes of practice for EMRs and EMTs.

**Wednesday, May 6, 2020**

**House Passes Measures Curbing State Health Orders**

A divided House moved Wednesday to rein in the DeWine Administration's authority to issue public health orders and enforce them with criminal penalties.

Returning to session for the first time in more than a month, the chamber voted largely along party lines on two items related to the state's response to the novel coronavirus. Both changes were added to bills that have already passed the Senate.

The highest profile proposal was attached by the House State and Local Government Committee Wednesday morning to a measure that primarily dealt with regulatory reform (SB 1).

The amendment requires the legislature's Joint Committee on Agency Rule Review, with the votes of three members from each chamber, to extend a health order within 14 days of its issuance or it is rescinded. It also provides any Ohioan legal standing to go to court to enforce the provision.

In addition, the amendment contains a provision that modifies rule-reduction language in the biennial spending measure (HB 166) by removing the state's constitutional offices from the restrictions and delays and makes other changes related to that budget language.

The measure emerged from committee along party lines and later passed the House 58-37, with two Republicans – Rep. Dave Greenspan (R-Westlake) and Rep. Gayle Manning (R-N. Ridgeville) – joining Democrats in opposition.

Republicans said it would ensure the General Assembly has a voice in the continuation of such orders.

"We're not taking away the ability of a person charged with the health of Ohioans during a pandemic to make rules, but we are giving those rules legislative oversight," Rep. Jamie Callender (R-Concord) said on the House floor.

Democrats criticized the proposal as one that turns public health decisions into political ones.

"We have oversight of ODH in that we fund their budget and that we also have the ability to pass public health laws for the executive branch to carry out," said Rep. Allison Russo (D-Columbus). "It says to the public, we don't trust the health experts and the safety experts to do their job efficiently and effectively in terms of national and state crisis."

Minority Leader Emilia Sykes (D-Akron) said the proposal was an attack on Health Director Dr. Amy Acton and her authority. She said lawmakers should instead be focusing on the real issues of poverty, domestic violence and drug addiction that the pandemic has exacerbated.

"All of this issue is about who has the power here, who has the power there," she said. "But we continue to miss the conversation about the lives and the people we are here to serve."

Gov. Mike DeWine criticized the move in a statement, saying it would create more uncertainty around the health orders. The current "Stay Safe Ohio" order is in effect through May 29.

"My administration is focused on the important things we need to do to help businesses responsibly reopen while protecting Ohioans' health and safety," he said. "This week alone, this included increasing coronavirus testing and tracing, balancing Ohio's budget, and working on plans to move Ohio's economy forward. Ohioans need their legislators focused on these important issues. Creating more uncertainty regarding public health and employee safety is the last thing we need as we work to restore consumer confidence in Ohio's economy."
Speaker Larry Householder (R-Glenford) told reporters after session the action is not an attack on Dr. Acton or the DeWine Administration but a way to give elected members of the legislature a voice.

"I commend what the governor has done so far, but I think there has to be legislative oversight," he said.

He said the legislation was passed with the intent of looking toward the future, to a possible second wave of COVID-19.

While the language would likely face a veto if it reaches Gov. DeWine's desk, it first heads to the Senate for a concurrence vote.

Senate President Larry Obhof (R-Medina) said he would have to see the final version of the House plan before passing judgment. He noted, however, that the Senate has been protective of legislative prerogative under his leadership.

"I do think...we should revisit the statute," he said. "And I think frankly with any situation of this circumstance, you always should do an after-action report where you go back and look at what worked and what didn't."

He again praised Gov. DeWine's leadership throughout the crisis, while stressing the need to reopen the economy quickly.

Committee Action: Earlier in the day, Rep. Scott Wiggam (R-Wooster) offered the amendment to SB1 in committee, saying it addressed "a little-used, century-old state law" that was used by the DeWine Administration to shut down businesses and other public activities.

The current lack of legislative oversight "runs counter" to the equal authority of the executive, legislative and judicial branches in state government, he said.

Before the bill emerged from the committee on party lines, nearly every member provided a comment, with Democrats questioning the move and Republicans for the most part defending it.

Democrats said it was unnecessary given the legislature could currently override such orders. They also questioned what was characterized as a lack of transparency and vetting for the amendment.

Republicans maintained that JCARR was an appropriate venue for the oversight and that it restores the proper level of checks and balances over executive power.

The political divisions over the current lockdown were laid bare in the comments, as Democrats argued that health considerations were paramount, and Republicans tied the economic consequences to the overall health of the state.

Rep. Fred Strahorn (D-Dayton) and Rep. Steve Hambley (R-Brunswick) exchanged views, with the latter taking issue with the Democrat's view that JCARR oversight authority was an unnecessary "obstacle" that would hamper the state's efforts to save lives, which have thus far been comparatively successful given the number of cases and deaths in other states.

"I take offense that lives are going to be lost if this amendment goes through," Rep. Hambley said. He argued that the legislature has ceded too much emergency health authority to the executive branch, and that JCARR could act more quickly in response than the full legislature.

Rep. Michael Skindell (D-Lakewood), however, pointed out that under the amendment, an "extra-supermajority" of JCARR would be needed to approve an extension of a health order. He added that if the JCARR chair opted to not call a meeting in 14 days, that would effectively block an order from continuing, thus putting the decision in the hands of one person.

Rep. Swearingen responded that the current order is effectively the result of a decision by a single person – Gov. DeWine.

Despite the party-line nature of the vote, some Republicans said they would have liked to see a different approach.
Among them was Rep. John Becker (R-Union Twp.), who characterized the bill as a "positive step in the right direction" that was unfortunately "too little, too late" and "toothless" given the state has already lost more than 1 million jobs under the shutdown.

**Senate Approves $350M In CARES Money For Local Governments**

Three bills cleared the upper chamber Wednesday, including one to distribute a portion of federal funding to local governments grappling with the COVID-19 pandemic.

The funding legislation (SB 310) was fast-tracked after being unanimously reported by the Senate Finance Committee earlier Wednesday following a single hearing. It was introduced on Tuesday.

The full chamber, in another unusual session in which members practiced social distancing and many wore masks, approved the measure in an unanimous vote.

The funding was made available through the CARES Act, the first round of federal stimulus to address the public health crisis. All told, $4.55 billion was set aside for Ohio, with approximately $2 billion earmarked for local governments.

Through the federal legislation, six jurisdictions – the city of Columbus and Cuyahoga, Franklin, Hamilton, Montgomery and Summit counties – received $775 million in funding directly, leaving about $1.2 billion for the remaining local governments in the state.

However, the measure appropriates just $350 million to local governments at this time, according to sponsoring Sen. Matt Dolan (R-Chagrin Falls).

That funding represents as much as 120% of what each jurisdiction received in Fiscal Year 2019 through the Local Government Fund, according to Sen. Dolan.

Lawmakers are sitting on the remaining funds in hopes that the federal government will loosen restrictions on their use. Under current guidelines, the money must be spent on COVID-19 related expenses such as personal protective equipment or overtime for first responders.

Sen. Dolan said the hope is the federal government will loosen those restrictions to allow for revenue replacement. Local government officials have warned that without flexible federal aid, they will be forced to make steep budget cuts, including to law enforcement agencies.

The concern, according to Sen. Dolan, is that the entire pot of money will be distributed, and the guidelines will change but local governments will still be restricted in their spending.

He also touted the move as a piece of the puzzle to get Ohio's economy moving again.

"We are allowing now our local governments to recognize the needs that they will have to fulfill the health care needs of their citizens," he said.

Senate President Larry Obhof (R-Medina) called the bill a "great first step coming back because as we gear toward reopening the economy there are some things we need to be doing to help facilitate that."

"Testing is part of that," he said. "There's funding for local communities for testing in this bill so we think it's important to our local communities they have the resources but it's also important for rebooting the economy that we're able to get those resources into their hands as quickly as possible so we can start to ramp up employment."

The Senate's move was applauded in a joint statement by the County Commissioners Association of Ohio, Ohio Municipal League, Ohio Township Association, Ohio Mayors Alliance, Northeast Ohio Mayors & City Managers Association and Cuyahoga County Mayors & City Managers Association.
"Costs incurred by local governments to combat the pandemic are increasing while local revenue streams are dramatically weakening," the groups stated. "The resources allocated by SB 310 are desperately needed to sustain the frontline local response to COVID-19."

**Committee Action:** The local government funding measure picked up an amendment in committee offered by Sen. Dolan that requires local governments to pass resolutions or ordinances indicating that they understand the spending restrictions currently in place.

Asked by Sen. Vernon Sykes (D-Akron) if a loosening of the rules will impact those jurisdictions that received funding directly, Sen. Dolan said such a change should affect all entities receiving funding, noting that the state received about $2 billion that cannot be used to address its budget shortfall.

In response to a question from Sen. Sykes about potential misspending of money, Sen. Dolan said local governments will "do so at their own peril."

"If they play games with this money, they will be subject to audit and subject to repaying us," he added.

Sen. Eklund questioned whether local governments that receive the CARES Act funding have reason to be concerned about a lessened LGF distribution from the state.

Sen. Dolan acknowledged that is a thought that would cross his mind were he a local government official. However, he also added that they will have a strong argument to avoid that given the current restrictions on the federal dollars.

In response to a question from Sen. Sean O'Brien (D-Bazetta) about progress on loosening those restrictions, Sen. Dolan said the prospects are unclear.

"I couldn't even put a percentage on it," he said. "We are not alone. Forty-nine other states are asking for the same thing."

The panel received written proponent testimony from several local governments groups, including the Ohio Municipal League, the Ohio Mayors' Alliance, the County Commissioners Association of Ohio and the Ohio Township Association.

"We believe allocating a substantial portion of the CARES Act funds to Ohio's local governments will provide immediate and much-needed relief," they wrote in joint testimony.

"Local governments across the state have been hit hard by lost revenue due to the economic downturn caused by the pandemic. Should the U.S. Congress or U.S. Treasury provide greater flexibility to state and local governments for the use of CARES Act funds or future funds, we recommend the second phase of funding to also allow for local government revenue replacement based on specific community needs."

**OBM Fleshes Out State Agency Reductions, Revenue Numbers**

State Budget Director Kimberly Murnieks on Wednesday provided more insight into the administration's $775 million budget reduction plan – outlining how those cuts will impact individual agencies.

The Office of Budget and Management also released preliminary figures showing overall tax receipts finished April $866.5 million, or 35.3%, below estimates.

The director said state revenue declines were not surprising given the coronavirus pandemic and the economic shutdown aimed at slowing its spread. But she said it was not easy to take an axe to the administration's first budget – one she considered "pretty perfect."

"We have done everything we can to maintain our priorities and to limit any negative impact on the citizens of Ohio, but we're required to balance our budget and these are the measures we have to take to be fiscally responsible," she said.

Speaking a day after the governor announced the broad strokes of his reduction plan, Director Murnieks also released specifics on how the spending cuts over the next two months will impact school districts and higher education institutions.
April figures showed the largest underage came from income tax collections, which were $635.7 million, or 50.5%, below estimates, the director said. About $57.8 million of that was from a decrease in withholding with the shift of the income tax filing deadline from April to July also contributing.

Sales and use taxes for April missed estimates by 24%, or $236.7 million. Non-auto sales and use taxes came in at $146.2 million below estimates and auto sales and use taxes $90.5 million below projections.

The director said she anticipates May and June figures will continue to miss estimates. The agency believes auto sales tax collections will close out the quarter down by 51%, with personal income taxes down 46%, and non-auto sales and use taxes down 24%, she said.

Still, she said she doesn't anticipate a similar round of cuts will be needed in the next two months should May and June revenues continue to miss targets.

"I don't expect we will have another round of reductions this fiscal year by governor's order, however I am continuing to work with agencies to constrain their budget even more than they've been," she said.

"We will balance the budget on June 30, and we will continue to constrain state agency spending in a large way to get there," she added.

State agencies overall are in line for $776 million in General Revenue funding cuts, as Gov. DeWine announced Tuesday – a move administration officials believe does not require legislative action.

Director Murnieks said the state was unable to enact an across-the-board cut given variable agency spending patterns this close to the end of the fiscal year. She said OBM intends to release information on cuts at the line item level in the near future.

Aside from the state's K-12 and higher education departments – which face $465 million in combined cuts – agency reductions in part include: the Department of Job and Family Services ($36 million), the Department of Mental Health and Addiction Services ($8.2 million), the Development Services Agency ($7.3 million), the Department of Transportation ($6.6 million), the Department of Youth Services ($6.1 million), the Department of Health ($5.2 million), the Department of Agriculture ($4.7 million), the Department of Public Safety ($3 million), and the Department of Taxation ($2.5 million).

Director Murnieks also provided more detail on the $210 million in cuts to the state's Medicaid spending, emphasizing that changes to eligibility are not being made.

"We know that Medicaid services are absolutely essential during a pandemic and we expect enrollment to continue to grow significantly on Medicaid side in the upcoming months," she said. "We will be working through the actual implementation of the reduction and, again, it's likely to be largely an adjustment to the managed care rate and we will be working with the managed care organizations as well as (the Centers for Medicare and Medicaid Services) to implement those rate changes."

Other constitutional office holders also volunteered to make GRF cuts, the director said, including the auditor of state ($146,300) and the secretary of state ($144,600).

The agency also outlined $352.6 million in targeted non-GRF reductions for FY 2020 – which Director Murnieks said amounts to a "bookkeeping exercise."

"We want to make sure we don't have appropriations that exceed what the cash balances in the fund is going to be," the director said of those cuts. "It's really just bringing their appropriations, spending authorities, in line with their expected cash."

Thursday, May 7, 2020

**DeWine Promises To Block House-Passed 'Chaos' Bill On Health Orders**

Gov. Mike DeWine said Thursday he would veto legislation to curb the state health director's authority to issue emergency orders.
Language to limit such public health orders to 14 days without renewal by a joint legislative panel was added by the House Wednesday to separate regulatory legislation (SB 1) and passed the chamber in a largely party-line vote.

It is unclear if the Senate will concur in the measure, but if so, Gov. DeWine will send it back to lawmakers.

"Any bill or any attempt that gets in the way of our ability to protect the people of the state of Ohio is a bill that I will be forced to veto to protect the people of the state of Ohio," the governor said Thursday.

The measure passed the House with 58 votes, two shy of the 60 needed to override a veto. Two Republicans voted against the measure, and one Republican-held seat is vacant.

Gov. DeWine defended the existing quarantine law, which has been on the books since 1908 and has been modified several times by lawmakers, who always kept it largely intact.

"We are in the middle of an emergency now, an emergency that we have not faced for 102 years," he said. "I don't understand why anyone would think this is a great time to be changing the law, to be taking away the power of the executive branch to protect people."

House leaders, including Speaker Larry Householder (R-Glenford) have framed the debate as one of legislative oversight of executive authority. Gov. DeWine said the authority should rightly lie entirely within the executive branch.

"Health concerns, historically, have been something that the executive branch deals with," he said.

As the governor announced plans to move to reopen restaurants, bars, hair salons and barber shops next week, he said the state could not do that safely without the actions taken as a result of health orders.

He also criticized the mechanics of the bill, saying it would terminate health orders if the Joint Committee on Agency Rule Review failed to take action in 14 days, and that it would also hinder responses to legionella outbreaks in hospitals, e. coli outbreaks and other situations.

The provision allowing anyone to sue the state over the health orders would also be unworkable, the governor said. It provides little guidance to the courts and could even allow people to sue if they don't like the reopening of businesses, he said.

"Under this bill, if it ever became law, it would be nothing but chaos," Mr. DeWine said.

While Senate President Larry Obhof (R-Medina) on Wednesday declined to pass judgment on the measure, one of the underlying bill's two Senate sponsors voiced support for the House language Thursday.

"I feel the House amendment addressing the Director of Health's ability to issue an order is appropriate given the circumstances. Our government was not set up for one branch to have the authority to disrupt the general public's lives and businesses for this long without some form of check or balance. The time has come to reflect the will of many Ohioans by restoring balance to our government," Sen. Kristina Roegner (R-Hudson) said in a statement. "The amendment added to Senate Bill 1 in the House supports the spirit of the underlying bill, which is to control big government overreach. I am fully supportive of these changes and hope my Senate colleagues will concur."

Rob Walgate, vice president of the Ohio Roundtable, also praised the House's language in SB1.

"The Ohio House amended Senate Bill 1 and took a good first step at restricting the unlimited authority of the Ohio Department of Health to shut down the Ohio economy and strip Ohioans of their civil rights, businesses and future prosperity," he said in a statement. "The legislation was passed way too fast for public input and left out a number of key ideas that are essential to real quarantine reform. Therefore, we are calling upon the Ohio Senate to give timely and careful consideration to a full package of quarantine reform language."

Restaurants, Salons To Reopen Next Week Under New Protocols
Gov. Mike DeWine announced Thursday that more of Ohio's economy will be cleared to reopen under specific safety guidelines next week.
The governor said the announcement marks a new phase of the state's economic reopening, and is one that has some risk.

"The danger is that we relax," he said. "The danger is that we pull back. The danger is that we say things are better, we don't have to do this. If we relax, if we pull back, if we take things for granted, in a month, six weeks from now, seven weeks from now, things are not going to go the way we want them to go."

There is also a risk in not opening the economy, as economic and other effects of business closures and unemployment have their own impacts on Ohioans and their health, he said.

"This is a good day. This is a day when we're opening things up, we have more opportunities," he said. "This is a high-risk operation, but it would be high risk if we didn't do anything."

Restaurants can reopen for outside dining on May 15 and for inside dining on May 21, the governor said. Guidelines will include maintaining space or barriers between tables and parties, limiting waiting areas and requiring customers to self-monitor for symptoms when entering.

Bars can reopen under the same standards, said Treva Weaver, chief operating officer of N. Wasserstrom, who led the task force on bars and restaurants.

"If you're a bar with tables and chairs, you can follow these guidelines," she said.

The working group opted against specific restrictions on occupancy, focusing instead on safety precautions, she said. Restaurants and bars with congregate areas, such as dance floors, can use those areas to space out tables more.

"We wanted to give each owner an opportunity to comply with those constraints within their unique space," she said.

The governor said hair salons, barber shops, day spas and similar businesses will be cleared to open May 15 under best practices released by a working group of industry professionals.

Lt. Gov. Jon Husted said updates on restrictions regarding massage therapists will come through the State Medical Board.

He said bars, restaurants and salons all are accustomed to being regulated and understand the need for more strict regulations. Business owners stressed the need for such restrictions to be strictly enforced so bad actors don't discourage consumers, he said.

State Health Director Dr. Amy Acton said Ohioans can "vote with their feet," supporting businesses that follow protective guidelines and not supporting those that do not.

"We can make a difference by how we behave, if we take this responsibility, if we protect each other," she said.

The governor said the guidelines are designed to protect workers while on the job, but he expressed concerns that people might use the lifting of restrictions as an excuse to stop taking the coronavirus seriously.

"What I have a big concern about, frankly, is what we do the other 16 hours a day. And that really lies with each and every one of us," he said.

Gov. DeWine said an announcement on child care is expected Monday.

"What is challenging about child care is how do you reduce the chances of spread in those settings with kids, particularly young kids, but also make it so the child care provider can actually financially do it," he said.

The Department of Health reported 22,131 total cases, including probable cases, and 1,271 total deaths from COVID-19. A total of 4,140 Ohioans have been hospitalized with the illness, including 1,167 who have been in the intensive care unit.
The state reported 555 new cases in the last 24 hours Thursday, along with 46 new reported deaths and 88 new reported hospitalizations.

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**Friday, May 8, 2020**

**Tightened Budget Scenarios Show Agencies Face Tough Choices**

The COVID-19 crisis could take its toll on a host of state programs and initiatives that might find themselves on the chopping block as agencies look to cut costs.

The DeWine Administration this week announced $775 million in budget reductions to address a significant drop in tax receipts caused by the novel coronavirus and subsequent business closures.

The Office of Budget and Management had asked in March for agencies to submit scenarios for 20% reductions in spending through the end of the fiscal year in June. While those documents don't necessarily represent what will actually be cut, they give an insight into what changes state agencies are considering in weathering the crisis.

Some agencies were able to identify savings through line items where they already expected to spend less than budgeted, while others were forced to contend with significant reductions to important programs, directors wrote in the memos.

**Job and Family Services:** Director Kimberly Hall said the department was tasked with reducing General Revenue Fund spending by $41.7 million and proposed reductions across information technology, child support, kinship navigator, adoption, child care and other line items.

"These reductions will make it difficult to meet programmatic needs if there are any variances in estimated costs to the Adoption program or IT needs including DAS OIT charges," she wrote.

In dedicated purposes funds, the department identified potential cuts in line items supporting unemployment insurance and child support, and by shifting some publicly funded child care spending to federal funding.

"The reductions to the unemployment insurance program will not affect current operations and reduces the line used to make interest payment to the U.S. Department of Labor because there are no interest payments due at this time," she said.

**Administrative Services:** Director Matt Damschroder submitted a plan to reduce GRF spending by nearly $970,000 and non-GRF spending by $56.17 million.

"Further reductions in GRF would jeopardize DAS's ability to maintain current services for the Ohio Business Gateway and the Ohio.gov websites and would prevent DAS from paying for the operating cost of vacant space and space occupied by elected officials in the buildings managed by DAS," he reported.

The department was initially tasked with finding more than $58.8 million in non-GRF cuts, but that was revised down by $5 million to account for $5 million it allotted for the Repurposing Project alongside the Development Services Agency and the Ohio Manufacturer's Alliance, Director Damschroder said.

"This effort fights COVID-19 by encouraging manufacturers to repurpose and retool their production capabilities to make Personal Protective Equipment that health care workers desperately need to safely care for patients," he wrote.

**Commerce:** Director Sheryl Maxfield wrote that the department was able to reduce its budget by $90.1 million by eliminating encumbrances, available appropriations and tapping into lapsed payroll.

"Further reductions are not sustainable without impacting payroll, essential services, assessments, local government support, federal grants, and revenue generation to name a few," she said. "As we move forward through the balance of the fiscal year, we realize the only constant will be change. We ask for your flexibility in allowing us to adjust our allotment as necessary to satisfy the obligations that come up throughout the remainder of the fiscal year."

Director Maxfield cited a number of difficulties the department faces in achieving the needed cuts, including the department's status as a contract of JobsOhio for the state's liquor business. JobsOhio pays the department more than $19 million per year to provide services, and liquor sales are "soaring and more demands are being placed on liquor operations."
"The department maintains a pre-internet application to manage more than $36 million a year in liquor permits," she wrote. "This system is failing and needs to be replaced as soon as possible."

**Mental Health & Addiction Services:** Director Lori Criss identified possible cuts including $12 million from a proposed multi-media prevention campaign.

"These funds were for use with RecoveryOhio for new public awareness education campaigns to help reduce stigma associated with mental health and substance use disorders," she wrote. "The community impact would be minimal at this point, especially given the increased awareness of the importance of mental health and addiction as public health issues through the COVID-19 crisis."

Other proposed reductions included $2 million from the START program, a joint effort by the department and ODJFS. Director Criss said the administration determined only $4.5 million will be spent from MHAS funds in Fiscal Year 2020, so the reduction can be made with "minimal if any potential impact on the community."

She also identified potential savings of $2.65 in addiction treatment based on spending patterns so far, and $2.56 million in recovery services largely due to the lack of services being provided in state corrections facilities due to the pandemic.

**Expositions Commission:** General Manager Virgil Strickler noted the commission is in a "unique position" because it relies almost entirely on self-generated revenue from events, including the State Fair, and has seen its operations costs increase over the past several years due to the expansion of events.

The commission began March with a cash balance of $2.4 million and an extra $1 million in the state fair reserve account, he wrote. It faces the refund of rent for March-May events of $700,000.

"The loss of revenue from events held in March to May will total approximately $2 million, this coupled with continued essential operations costs, refunding rent and potential loss of fair revenue leaves EXP in a precarious situation," Mr. Strickler reported.

**Taxation:** Chief Fiscal Officer Michael J. O'Leary said the department anticipates savings of about $8 million to be realized in the fourth quarter, including $4.5 million from postponed IT projects and $1.2 million as a result of delayed refunds and billing due to the postponed tax deadline.

Payroll savings from the department having significantly fewer full-time employees than anticipated will also save about $6.7 million, he wrote.

**Aging:** The department was asked to propose cuts of $1.4 million in GRF dollars and $836,782 in non-GRF funds.

"We have identified the proposed reductions achieving the 20% threshold although such reductions would have direct impacts on the older adults who rely on our services," Director Ursel McElroy wrote. "We appreciate the unprecedented challenges that the COVID-19 emergency is wielding on our administration's revenues, the insurmountable rising costs of unemployment and social services amid the current needs for agencies to serve our most vulnerable citizens."

The biggest potential cuts identified by the department included a $440,000 reduction in the Senior Farmer's Market Nutrition Program by limiting the expansion of new programming that was about to launch. It wouldn't affect statewide expansion and the elimination of waitlists in existing programs.

A proposed reduction in funding for Area Agencies on Aging programs supporting high-need older adults could save $710,236 by using local sources to contribute to matching federal funds, the director said.

A savings of $636,782 in non-GRF money was identified by pausing the Family Satisfaction Survey and the Consumer's Guide for Nursing Homes.

"This reduction would impact the completion of the Consumer's Guide for Nursing Homes which is used by prospective residents and their families when selecting a nursing facility in which the older adult will reside," Director McElroy wrote.
"This project has been launched but would be paused due to this reduction. ODA would hope to resume this project in Fiscal Year 2021."

**Adjutant General:** Maj. Gen. John Harris wrote that non-GRF reductions of $270,730 were "relatively easy" because the department has historically underspent in those line items.

For GRF spending, the department met its target of nearly $400,000 in part through the expected underspending in National Guard benefits and from savings due to the delayed start of Cyber Reserve activities.

**Developmental Disabilities:** Director Jeffrey Davis identified $2.27 million in GRF reductions and $6.99 million in non-GRF reductions in his scenario. The state's budget guidance excluded Medicaid subsidy line items, and the director said he expected Medicaid costs to increase.

"We are working to be responsible during the current emergency by supporting our providers," he wrote. "We want our providers to stay in business and for them to retain direct support professionals. If providers are not able to remain in business, we might have to offer more costly services to the individuals we serve in the future."

Part of the savings comes from requests for proposals related to multi-system youth and early intervention programs in the budget (HB 166), he said. The delayed enaction of the budget led to some RFPs coming in under budget, leading to underspending in Fiscal Year 20.

"We also expect reduced spending over the last four months of the fiscal year due to the pandemic. Our GRF expenditures are likely to return to expected levels after the pandemic," he wrote.

**Veterans Services:** Count the department among those that were able to identify savings without significant adverse outcomes for programs. Director Deborah Ashenhurst wrote that the proposed reductions leave "all funding that directly supports our Veterans homes intact. The scenario presented provides a significant reduction to funds and accounts that will not jeopardize the health and safety of the residents and staff of our homes."

The $1.8 million in proposed cuts include $1.26 million related to new staff positions that have not been filled. Another $471,000 in identified savings comes through the military injury relief grant program, which supports combat veterans or active service members diagnosed with post-traumatic stress disorder or physical injuries. Director Ashenhurst said the current funding exceeds the known and anticipated need.

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