MIKE DEWINE
GOVERNOR
STATE OF OHIO

Executive Order 2020-19D

Implementing Additional Spending Controls to Balance the State Budget

WHEREAS, on January 31, 2020, Health and Human Services Secretary, Alex M. Azar II, declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19; and

WHEREAS, on March 9, 2020, I declared a State of Emergency in Executive Order 2020-01D; and

WHEREAS, in addition to a series of Executive Orders, the Director of Health has issued a series of special orders under R.C. §3701.13, to prevent the spread of COVID-19 and to protect life, health, and welfare of Ohioans; and

WHEREAS, on March 23, 2020, I requested administrative departments take immediate action to control State spending and reduce agency budgets aimed at balancing the State budget; and

WHEREAS, at my direction State agencies have implemented several budgetary controls including but not limited to a freeze on State travel, hiring, and agency contracts unrelated to the State's response to the COVID-19 pandemic; and

WHEREAS, preliminary April 2020 General Revenue Fund tax receipts were below budgeted revenue estimates by approximately $866 million, resulting in fiscal-year-to-date revenues now being below estimate by $776 million; and

WHEREAS, R.C. §126.05 authorizes the Governor to issue orders to State agencies to prevent expenditures and incurred obligations from exceeding revenue receipts if he ascertains that the available revenue receipts and balances for the General Revenue Fund State funds will be less than the appropriations for the year to maintain a balanced budget; and

WHEREAS, the COVID-19 pandemic is anticipated to continue to negatively impact State revenue such that available revenue receipts and balances in the General Revenue Fund and other funds in the State treasury will likely, and in all probability, be less than appropriations for fiscal years 2020 and 2021; and

WHEREAS, under Chapter 126 of the Revised Code, the Director of the Office of Budget and Management is authorized to exercise control over the financial transactions of State agencies, administer the State accounting system, and implement accounting services on behalf of the State; and

WHEREAS, under Chapter 124 of the Revised Code, the Director of Administrative Services is vested with powers, duties, and functions over personnel actions of state employees; and

WHEREAS, additional immediate actions are necessary by State agencies to prevent State expenditures and incurred obligations from exceeding such revenue receipts and balances to maintain a balanced State budget.

NOW THEREFORE, I, Mike DeWine, Governor of the State of Ohio, by virtue of the power and authority vested in me by the Constitution and laws of this State, in order to balance the State budget, do hereby order all State agencies, departments, offices, institutions, boards and commissions (hereinafter "agencies" or "agency") to reduce their expenditures for the remainder of fiscal year 2020, including any mandatory allocations by earmark or otherwise, as determined by the Director of Budget and Management to balance the State budget by:

1. Approximately $775 million across all agencies from General Revenue Fund Appropriations; and
2. For all other appropriations, in amounts necessary to align expenditures with available cash balances.

The Superintendent of Public Instruction shall recommend to the Director of Budget and Management reductions to expenditures from school foundation appropriations that takes into account the ability of a school to raise local funds for any remaining payments to all schools in fiscal year 2020 receiving foundation funding.

This order does not apply to appropriations for debt service, rents on public obligations, or any other payments due on securities, all State office building rent, pension payments, or to appropriations made to the executive department as defined in Article III, Section 1 of the Ohio Constitution, the General Assembly, or Ohio Supreme Court and any other exceptions determined by the Director of Budget and Management.

FURTHERMORE, I hereby order that by June 1, 2020:

1. The Office of Budget and Management in consultation with the Department of Taxation provide an update to the fiscal year 2020 and 2021 state tax revenue forecast; and
2. The Department of Medicaid in consultation with the Office of Budget and Management provide an update to the fiscal year 2020 and 2021 Medicaid caseload forecast and identify cost containment recommendations for fiscal year 2021 and beyond; and

3. The Department of Education in consultation with the Office of Budget and Management identify further cost containment recommendations for fiscal year 2021 for subsidies distributed for K-12 education; and
4. The Department of Higher Education in consultation with the Office of Budget and Management identify further cost containment recommendations for fiscal year 2021 for subsidies distributed to institutions of higher education.

FURTHERMORE, I hereby order that all state agencies take actions to implement personnel actions consistent with the foregoing expenditure reductions in fiscal year 2020 as determined by the Director of Administrative Services in consultation with the Director of Budget and Management as needed to balance the State budget.

In addition, I hereby order that all state agencies in fiscal year 2021 implement or continue to implement the following spending control strategies:

1. Limit all employee travel with the exception of travel related to COVID-19 response efforts or critical state functions; and
2. Freeze all agency hiring with the exception of personnel responding to COVID-19, and limit all state payroll expenditures by identifying and implementing any and all potential human resource cost savings measures; and
3. Continue to freeze all new contractual services and suspend purchasing authority in consultation with counsel for purchases that are not related to a critical state function to continue agency operations or related to COVID-19 response efforts.

The Director of Administrative Services in consultation with the Director of Budget and Management shall provide further guidance on purchasing and personnel expenditure reductions and cost containment consistent with the foregoing reductions and spending control strategies to balance the State budget. I hereby order all agencies to comply with any actions determined necessary by the directors of the Department of Administrative Services and Office of Budget and Management to reduce personnel and contractual expenditures and obligations in fiscal year 2021.

I signed this Executive Order on May 7, 2020, in Columbus, Ohio, and it shall take effect immediately and remain in full force until June 30, 2021 unless rescinded by me before that date.

Mike DeWine, Governor

ATTEST:

Frank LaRose, Secretary of State