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MEDIA CONTACTS:
Dan Tierney: 614-644-0957
Breann Almos: 614-799-6480

COVID-19 Update: State Budget Impact

(COLUMBUS, Ohio)—Ohio Governor Mike DeWine, Lt. Governor Jon Husted, and Dr. Amy Acton, MD, MPH, today provided the following updates on Ohio's response to the COVID-19 pandemic.

STATE BUDGET IMPACT:

Due to the economic impact of COVID-19, Governor DeWine today announced \$775 million in reductions to Ohio's General Revenue Fund for the remainder of Fiscal Year 2020 which ends on June 30.

At the end of February and prior to the onset of the COVID-19 pandemic, state revenues for the fiscal year were ahead of estimates by over \$200 million. As of the end of April, Ohio's revenues were below the budgeted estimates by \$776.9 million.

Because Ohio is mandated to balance its budget each year, and in addition to identifying areas of savings, the following budget reductions will be made for the next two months:

- Medicaid: \$210 million
- K12 Foundation Payment Reduction: \$300 million
- Other Education Budget Line Items: \$55 million
- Higher Education: \$110 million
- All Other Agencies: \$100 million

"Decisions like these are extremely difficult, but they are decisions that are part of my responsibility, as your governor, to make," said Governor DeWine. "We believe that instituting these cuts now will provide the most stability moving forward, however I am greatly concerned about the cuts we must make in education. We have an obligation to our schools to give them as much predictability as we can, but if we don't make these cuts now, future cuts would be more dramatic."

The budget reductions are in addition to Governor DeWine's March 23 directive to freeze hiring, new contracts, pay increases, and promotions at all state agencies, boards, and commissions.

The new budget reductions will not apply to critical services available to Ohioans or COVID-19 pandemic services. Money to balance the Fiscal Year 2020 budget will not be drawn from Ohio's Budget Stabilization Fund, otherwise known as the "rainy-day fund."

"I know that I have said that 'it's raining,' but we do not want to tap into the rainy-day fund yet," said Governor DeWine. "The 'rain' is not a passing spring shower - it could be a long, cold, lingering storm, and we should not use the fund until it is necessary."

Projections by Ohio Office of Budget and Management (OBM) Director Kim Murnieks indicate that the state's revenues will continue to be below estimates in the coming months as Ohio moves through the COVID-19 crisis. Governor DeWine, Lt. Governor Husted, and Director Murnieks will continue to work with the Ohio General Assembly to identify ways to continue supporting Ohio's economy through the COVID-19 crisis.

CURRENT OHIO DATA:

There are 20,969 confirmed and probable cases of COVID-19 in Ohio and 1,135 confirmed and probable COVID-19 deaths. A total of 3,956 people have been hospitalized, including 1,123 admissions to intensive care units. In-depth data can be accessed by visiting coronavirus.ohio.gov.

Video of today's full update, including versions with foreign language closed captioning, can be viewed on the [Ohio Channel's YouTube page](#).

For more information on Ohio's response to COVID-19, visit coronavirus.ohio.gov or call 1-833-4-ASK-ODH.