



Department of
Administrative Services

Mike DeWine, Governor
Jon Husted, Lt. Governor

Matt Damschroder, Director

June 1, 2020

Becky Williams, President
Josh Norris, Executive Vice President
Service Employees International Union, District 1199
1395 Dublin Road
Columbus, OH 43215

Dear Ms. Williams and Mr. Norris:

As you are aware, the State is facing a significant budget shortfall caused by the COVID-19 pandemic and the resulting impacts to Ohio's economy. April 2020 General Revenue Fund tax receipts were \$866.5 million below estimate, a negative change of approximately \$1 billion in GRF tax revenues since the onset of the pandemic. May 2020 revenues are below estimate by an additional \$271 million. On May 5, 2020, Governor DeWine announced actions to balance the fiscal year 2020 state budget, including GRF reductions totaling \$775 million and reductions to non-GRF line items as well. The state was able to reduce its budget for fiscal year 2020 without significantly impacting staffing levels at state agencies.

Fiscal year 2021 is projected to remain significantly below the original budgeted estimates. OBM will complete updated fiscal year 2021 revenue projections and the COVID-19 pandemic is anticipated to continue to negatively impact tax revenue such that available revenue receipts and balances in the GRF will be less than appropriations.

In sum, the economic picture for fiscal year 2021 is precarious and grim. The COVID-19 pandemic is anticipated to continue to negatively impact State revenue such that available revenue receipts and balances in the GRF will be less than appropriations. Immediate actions are necessary to address the budget shortfall.

Current and planned personnel expenditures for fiscal year 2021 are unsustainable. Enclosed with this correspondence is a Notice to Negotiate that is being filed today with the State Employment Relations Board. We are asking that you come to the negotiating table before June 15, 2020 to discuss ways to reduce personnel costs so we can work together to maintain services for the citizens of the State of Ohio and preserve jobs for State employees.

Sincerely,

Matthew Damschroder
Director
Ohio Department of Administrative Services