

Governor DeWine Addresses Looming State Budget Crisis

By Sherri Warner

Governor Mike DeWine provided his daily update and during that time he announced the following steps he has asked his cabinet to take to address the burden this is causing on state resources:

- Immediate Hiring Freeze;
- Immediate Freeze on new Contracts;
- Requesting state agencies to look for ways to cut up to 20% of their budgets.

The looming state budget crisis is driven by multiple factors including the precipitous drop in state income from the loss of economic activity in the state, including the loss of state income tax withholdings, the loss of state sales and commercial activity tax coupled with what will be a significant increase in safety net programs such as Medicaid and SNAP and increased expenditures for battling the virus at agencies like the Ohio Department of Health. The budget crisis will have ramifications for local governments, libraries, school districts and any other entity which relies on the state budget for funding. These entities should start planning now for reductions in their state allocations or preparing to advocate for fewer cuts. If you would like to discuss your options with a Roetzel lobbyist about options, please contact us.

Another topic addressed by the Governor and Lt. Governor Jon Husted was what businesses in the state were required to do to comply with the Order issued by Director Acton on Sunday afternoon. They emphasized that it is important that businesses remember that they not only have to determine whether they are essential, but once they determine they are essential, then they must comply with the rest of the order that requires essential businesses take steps to protect employees.

1. Does your business fall under one of the essential categories or designations? This is a fact specific determination. The order was broad in its definition of essential businesses including:

- Healthcare & public health operations;
- Essential infrastructure – this includes food/medicine production & distribution, construction projects, building management and maintenance and maintenance of utilities;
- Human services operations;
- CISA List;
- Stores that sell groceries & medicine;
- Food, beverage and licensed marijuana production and agriculture;
- Organizations that provide charitable and social services;
- Religious entities;
- Media entities;
- Gas stations or businesses needed for transportation;
- Financial institutions and insurance institutions;
- Hardware and supply stores;
- Critical trades;

- Mail, post, shipping logistics, delivery, and pick-up services;
- Educational institutions whose purpose is facilitating distance learning;
- Laundry services;
- Restaurants/bars for consumption off premises;
- Businesses that sell supplies that support people working from home;
- Business that sell supplies or support other essential businesses and operations;
- Transportation services;
- Professional services – including legal, accounting and real estate services;
- Labor unions for critical functions;
- Hotels & motels;
- Funeral services;
- Minimum business operations – allows employees to work in non-essential businesses if they are carrying out operations to maintain the value of a business’s inventory, preserving the condition of the physical plant, providing security, processing payroll/benefits. The order also allows the minimum activities necessary to support employees working from home.

2. IF your business is essential, then you **MUST** comply with the following provisions of the Order:
Paragraph 15. **Social Distancing Requirements**

- a. Essential Businesses Required Measurers - Take proactive measures to comply with social distancing requirements including:
 - Keeping six-foot distances where possible;
 - Having hand sanitizer and sanitizing products available;
 - Providing separate operating hours for vulnerable populations;
 - Posting information online regarding whether a facility is open and how to best reach the facility.

Paragraph 18. **COVID-19 Information and Checklist for Businesses/Employers**

- a. Allow employees to work from home when possible.
- b. Actively encourage sick employees to stay home. Employees should be free of fever (without medication) for at least 3 full days, symptoms have improved for 72 hours AND it has been at least 7 full days since symptom onset. Employers are not to require a healthcare provider’s note to validate the illness.
- c. Ensure that sick leave policies are up to date, flexible and non-punitive.
- d. Separate employees who have acute respiratory illness from other employees and send them home.
- e. Reinforce key messages such as staying home when sick, coughing and sneezing etiquette and practicing hand hygiene along with providing soap, hand sanitizer, tissues and no-touch receptacles.
- f. Perform enhanced environmental cleaning of commonly touched surfaces.
- g. Be willing to modify business practices.

State and local law enforcement along with local health departments have the authority to enforce this order. Enforcement mechanisms can include warnings, citations up to and including orders to cease all operations. Businesses are being encouraged to work with their legal counsel in determining whether they fall under the definition of Essential Business and if they do what steps they are required to take during this crisis.

If you have any questions or concerns, please feel free to contact any of the listed Roetzel attorneys.

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