



**PRESS STATEMENT
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Put down the ax, pick up the umbrella

It's pouring. Instead of big budget cuts, use the rainy day fund

April's state tax shortfall of \$867 million shows how the COVID-19 pandemic is devastating the state budget. The governor announced the shortfall will be addressed through cuts totaling \$775 million, mostly to education (\$465 million) and Medicaid (\$211 million). Senior Project Director Wendy Patton released the following statement:

"Every Ohioan, no matter where they live or how much money they have, deserves medical care when they are sick and access to great public schools. Budget cuts work against that. Gov. DeWine can and should take a more balanced approach to the budget shortfall. He can reduce funding for Medicaid services that providers have not delivered or for school testing or reporting that will not happen. Going beyond that undermines institutions that keep people healthy, put people to work and prepare Ohio's children for the future.

"The scale of these cuts, to be fully absorbed by July 1, is staggering. Columbus City Schools will have to cut \$9.2 million by the end of June. The University of Akron must cut \$3.8 million in the same short time frame. Cuts of this magnitude will hurt every school district and every college and university in the state.

"Gov. DeWine has other options besides budget cuts. First and foremost, he should use the rainy day fund. Ohio's rainy day fund contains \$2.7 billion for emergencies, and we're in one. That will help close the budget gap now. Then, he and the legislature should rein in unproductive tax breaks like the LLC Loophole, which costs Ohio \$1 billion a year, and move to raise additional revenue from those who can afford it.

"For years, our policymakers have funneled public resources toward the wealthy and special interests in the form of tax cuts and tax breaks, leaving us with fewer resources for a crisis like this. Many critical services, like our schools, are underfunded as it is. Federal aid may soften the blow but it is time-limited and in many cases, tightly restricted.

"We support Budget Director Kimberly Murnieks's call for more flexibility in the use of federal funds. Federal rules restricted a recent major package of aid to state and local government for fighting COVID-19 so it can't be used for revenue shortfalls caused by the pandemic. That should change.

"The governor and all of Ohio's elected leaders should work closely with Ohio's Congressional delegation to ensure sufficient, flexible federal support throughout the pandemic recession. For now, they must use savings to balance the budget without hurting Ohio's children and straining the health care system as the pandemic continues."