




Mike DeWine, Governor
Jon Husted, Lt. Governor

Office of Budget and Management

Kimberly Murnieks, Director

Memorandum

To: Cabinet Directors, Assistant Directors, CFOs, HRAs, and Chief Counsels
All Boards and Commissions

From: Kimberly Murnieks, Director 

Subject: Budgetary Control #2 – Budgetary Restrictions; Fiscal Year 2020 Allotment
Changes and Reduction Scenarios

Date: March 24, 2020

This is the second in a series of budgetary communications¹ applying immediate controls to reduce expenditures given the current economic conditions created by the COVID-19 pandemic.

Allotment Guidance:

- OBM will move 100 percent of available Fiscal Year 2020 allotments from accounts 510 (purchased personal services), 520 (supplies and maintenance), and 530 (equipment) into a holding account (i.e. 699 account). No adjustments will be made to debt service accounts.
- Agencies should work with your OBM analyst to provide justification for each request to move allotment from the holding account into an expense account. After discussion, OBM analysts will develop and submit a recommendation for approval or denial to OBM senior staff and process approved transfers.
- OBM will send updated Fiscal Year 2021 Allotment Guidance in April.

Twenty Percent (20%) Reduction Scenarios:

- Your OBM analyst will send GRF and non-GRF reduction targets representing 20 percent of available 510, 520, 530, and 550 (subsidy) allotments and encumbrances as of March 24, 2020. Agencies should work with their OBM analyst and policy staff in the Governor's Office to produce a budget scenario that identifies methods to achieve the reduction and highlights anticipated impacts. Agency scenarios are due to OBM by close of business on April 7, 2020. We expect this to be an iterative process to reach final reduction decisions.
- Among other options, agencies should consider reducing current and prior year encumbrances, cancelling non-critical contractual services (in consultation with legal counsel), equipment purchase freezes, and reevaluation of planned expenditures and upcoming Controlling Board requests.

OBM will hold a telephone conference call with agency fiscal officers on March 25, 2020, to discuss this guidance. An HR administrator conference call will also occur on March 27, 2020.

¹ You can find this and other documents related to state government operational measures in the "State Agency Resources During COVID19" link on myOhio.