

# State of Ohio

# Monthly Financial Report

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FEBRUARY 12, 2024

Memorandum to:  
The Honorable Mike DeWine, Governor  
The Honorable Jon Husted, Lt. Governor

From: Kimberly Murnieks, OBM Director



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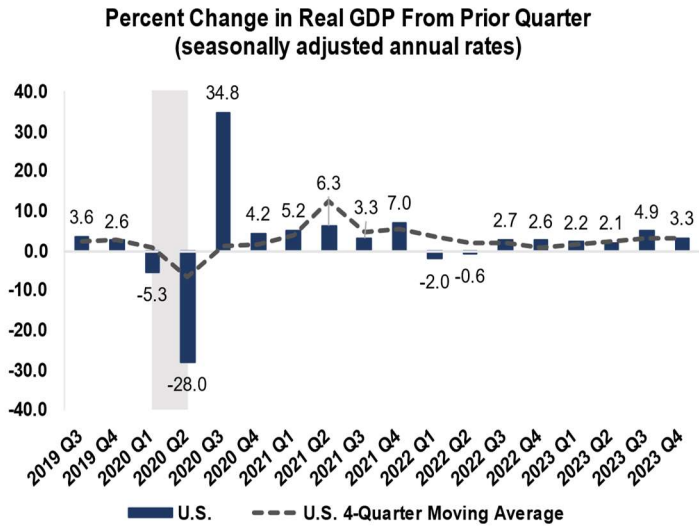


# Economic Activity

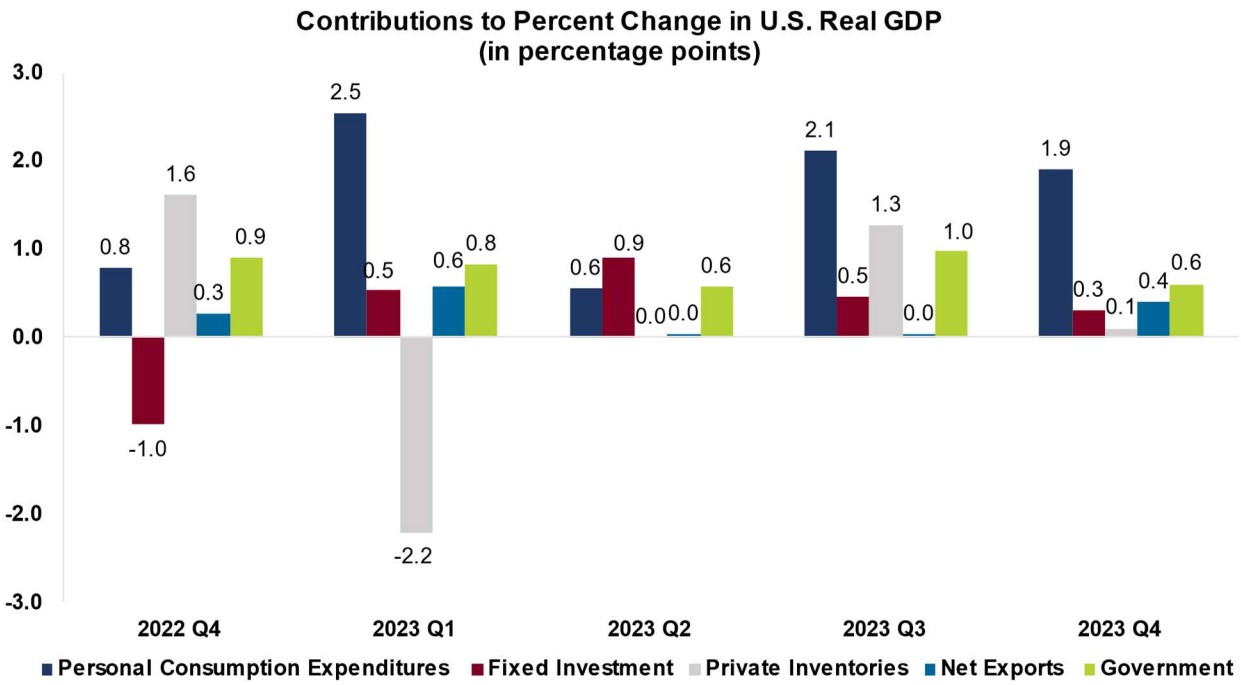
## Economic Outlook

According to the Bureau of Economic Analysis' advanced estimate, the nation's **Real Gross Domestic Product (GDP)** increased at an annualized rate of 3.3 percent in the fourth quarter of calendar year 2023. This is the sixth consecutive quarter of growth.

The fourth quarter increase in real GDP resulted from growth in personal consumption expenditures (1.9 percentage points), government expenditures (0.6 percentage point), net exports (0.4 percentage point), fixed investments (0.3 percentage point), and private inventories (0.1 percentage point).



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

In December 2023, the Conference Board's **Leading Economic Index** decreased 0.1 percent to 103.1, after declining 0.5 percentage point in November. The index fell for the twenty-first consecutive month and in the last six months decreased 2.9 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported negative contributions from manufacturing, high interest rates, and low consumer confidence.

The **Federal Reserve's Beige Book** evaluates current economic conditions across its 12 districts. According to the report released for January 2024, economic activity in the Fourth District, which includes Ohio, increased slightly in recent weeks. Employment was flat with many firms in different industries reporting hiring only to replace departing workers, wage pressures were largely unchanged. Consumer spending increased slightly in recent weeks, with general merchandisers, apparel retailers, restaurateurs, and food retailers reporting increasing or steady sales. Residential construction and real estate reported lower levels of activity, while nonresidential construction increased over recent weeks, powered by greater optimism and declining interest rates.

The economic outlook is bright, powered by continued resilience in the labor market and consistent GDP growth. While forecasters caution that more moderate growth and a slightly weaker labor market may be on the horizon for 2024, national employment growth in January 2024 vastly exceeded economist's predictions of a slow-down. The continued strength of the economy at the start of the year and recent statements from policy makers have tempered expectations that the Federal Reserve will cut interest rates in the first half of 2024. However, forecasters remain optimistic that inflation will continue to decelerate, allowing for a lowering of interest rates in the second half of 2024.

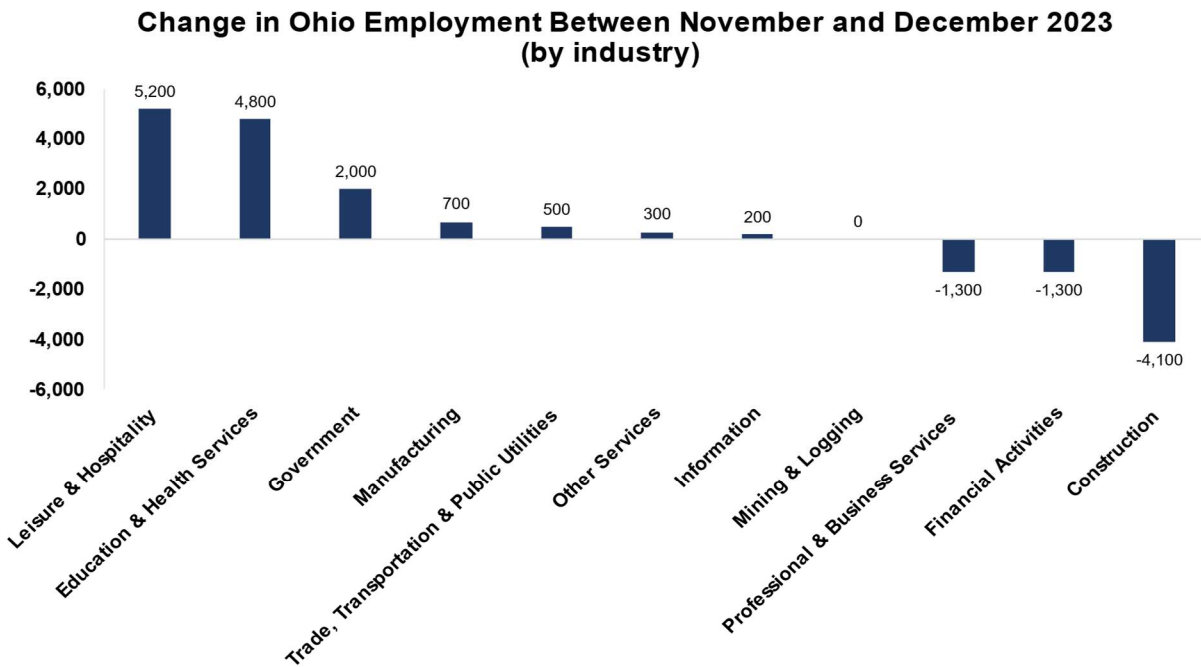
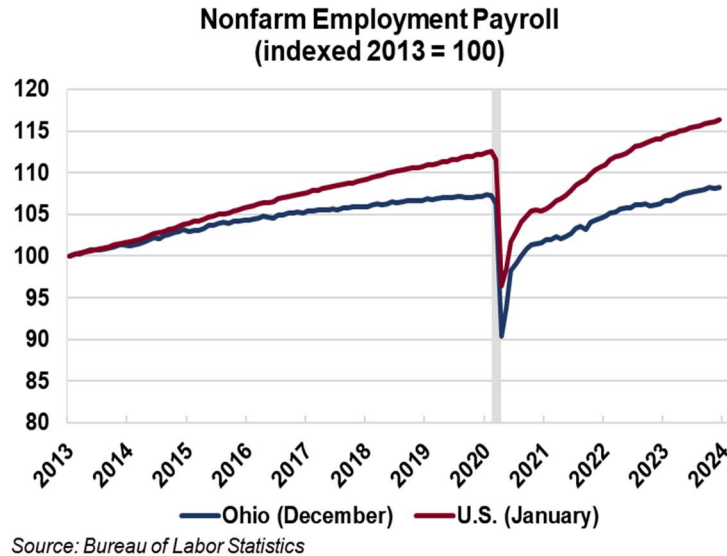
### Economic Forecasts

Source	Date	1st Quarter 2024 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	02/07/2024	3.7%
IHS Markit GDP Tracker	02/02/2024	2.1%
Federal Reserve Bank of New York (Nowcast)	02/02/2024	3.3%
Moody's Analytics High Frequency GDP Model	01/25/2024	3.3%
Wells Fargo	01/12/2024	1.4%
Conference Board	01/11/2024	1.0%

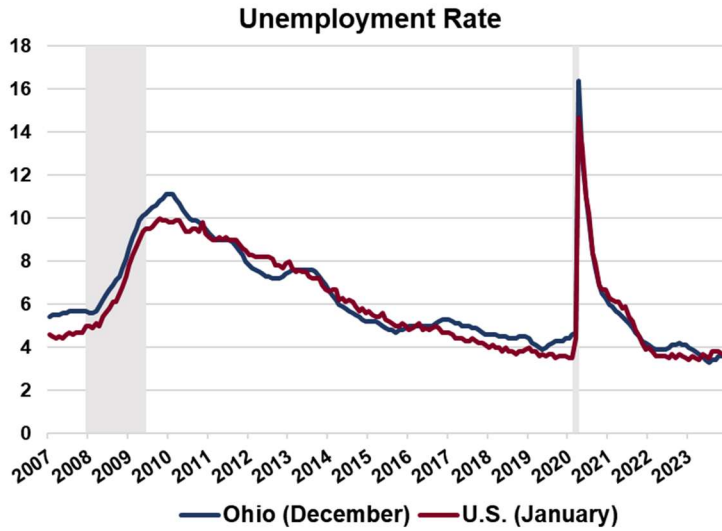
## Ohio Labor Market

**Ohio's nonfarm payroll employment** increased by an estimated 7,000 jobs between November and December 2023 to 5.7 million, an increase of 1.9 percent over the prior year.

In Ohio, the largest employment gains in December were in leisure and hospitality experienced followed by education and health services, government, manufacturing, and trade, transportation, and public utilities. These gains were offset by losses in construction, financial activities, and professional and business services.



Ohio's seasonally adjusted **labor force participation rate** was 61.9 percent in December, a 0.1 percentage point decrease from November 2023. The seasonally adjusted **employment-population ratio** was 59.7 in December, unchanged from November 2023.



Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in December 2023 was 3.7 percent, a 0.1 percentage point increase from November 2023’s revised rate and equal to the national rate in December.

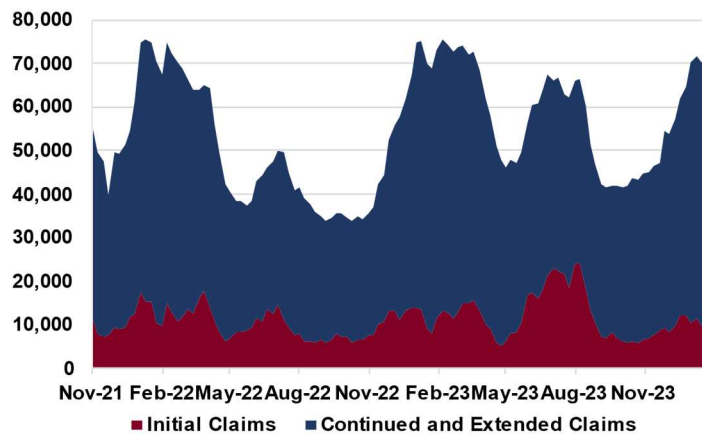
**Initial unemployment claims** increased by 25.8 percent for men and 41 percent for women in December 2023, compared to November 2023.

During the same period, initial claims increased across all racial categories with those who

identified as White (29.3%), Black (25.6%), Hispanic (22.2%), and those who did not specify a race (70.6%). Those who identified as American Indian (18.3%) and Asian/Pacific Islander (15.5%) saw smaller increases.

During the week ending January 27, 2024, individuals filed a total of 9,795 initial unemployment claims, a 2.5 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 61,964 claims, a 2.1 percent increase from the previous week.

**Ohio Total Unemployment Claims  
(November 6, 2021 through January 27, 2024)**



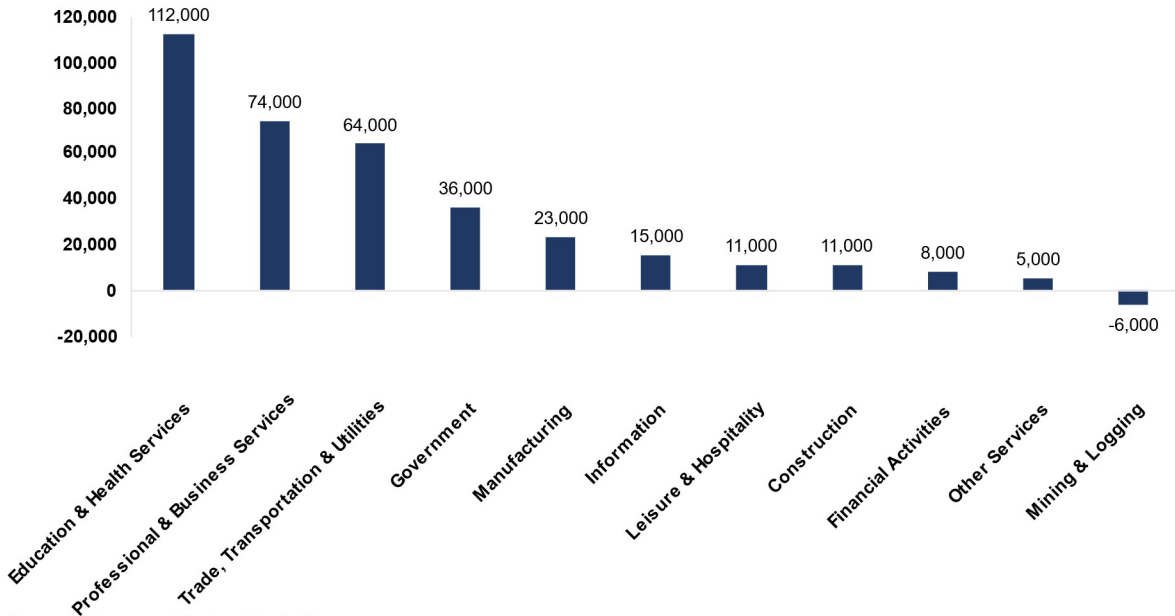
Source: Ohio Department of Job and Family Services

## U.S. Labor Market

**U.S. nonfarm payroll employment** increased by an estimated 353,000 jobs in January, far exceeding expected growth. Growth in employment was broad-based in January with education and health services, professional and business services, trade, transportation and utilities, and government experiencing the largest gains.

**353,000**  
Jobs Added

### Change in U.S. Employment December 2023 - January 2024 (by industry)



The **U.S. labor force participation rate** was unchanged from December 2023 at 62.5 percent. The **U.S. employment-population ratio** increased 0.1 percentage point from December to 60.2 percent. Both measures remained below February 2020 levels by 0.8 percentage point and 0.9 percentage point, respectively.

### Unemployment Rates by Demographic Group

	November-23	December-23	January-24
Women	3.4%	3.6%	3.4%
Men	4.0%	3.9%	3.9%
Black	5.8%	5.2%	5.3%
White	3.3%	3.5%	3.4%
Asian	3.5%	3.1%	2.9%
Hispanic	4.6%	5.0%	5.0%

The **U.S. unemployment rate** was unchanged in January 2024 at 3.7 percent while the number of unemployed individuals decreased to 6.1 million. The unemployment rate decreased between December 2023 and January 2024 for individuals who identified as Asian (0.2 percentage point) and for individuals who identify as White (0.1 percentage point). Individuals who identified as Black (0.1 percentage point) saw increases and individuals who identified as Hispanic experienced no change in unemployment rate. The unemployment rate for women decreased 0.2 percentage point to 3.4 percent between

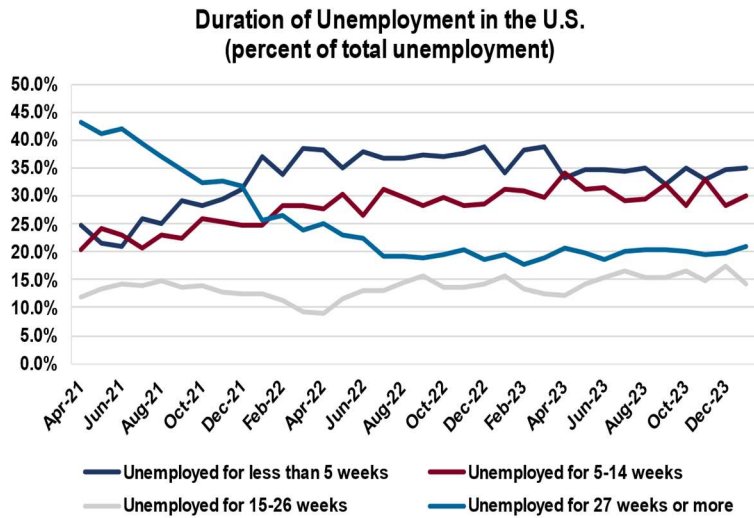


December 2023 and January 2024, while the unemployment rate for men was unchanged at 3.9 percent.

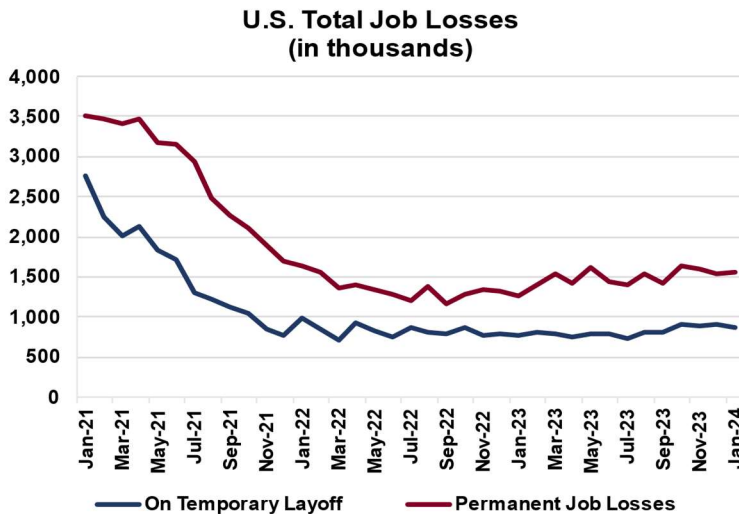
In January 2024, 14.2 percent of unemployed individuals in the nation were unemployed for 15-26 weeks, a 21.5 percent decrease from December 2023.

The number of **people not in the labor force who currently want a job** increased by 2.2 percent to 5.8 million people in January, slightly above pre-pandemic levels.

The number of unemployed people who were on **temporary layoff** decreased to 876,000 in January 2024 and was 111,000 more than in February 2020.



Source: Bureau of Labor Statistics



The number of people with **permanent job losses** increased by 13,000 in January to 1.6 million.

## Consumer Income and Consumption

**\$23.4 Trillion**

**Personal income** increased by \$60 billion (0.3%) in December 2023 to \$23.4 trillion. The gains in December were primarily due to increases in wages and salaries of \$46.5 billion (0.4%).

**Personal consumption expenditures** increased by \$133.9 billion (0.7%) from November to December 2023. Overall spending on goods increased by 0.9 percentage point in December. Spending on nondurable goods increased by 0.8 percentage point, with increased spending on gasoline and other energy goods (1.9%), clothing and footwear (1.6%), other nondurable goods (0.6%), and food and beverages purchased for

off-premises consumption (0.5%). Spending on durable goods increased by 1.1 percentage point, driven by increases in motor vehicles and parts (1.7%), recreational goods and vehicles (1%), and other durable goods (0.9%). Spending on services increased by 0.6 percentage point in December 2023, led by recreation services (1.8%), transportation services (1.3%), and financial services and insurance (1.3%).

**Consumer Spending by Industry, for Select Industries**  
(\$ in millions of chained 2017 dollars)

	November 2023	December 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
<b>Durable Goods</b>	\$ 2,074,359	\$ 2,106,088	1.5%	8.5%	8.8%
Motor vehicles and parts	\$ 591,600	\$ 600,875	1.6%	7.0%	4.8%
Furnishings and durable household equipment	\$ 425,625	\$ 428,076	0.6%	4.7%	3.9%
Recreational goods and vehicles	\$ 814,150	\$ 836,913	2.8%	14.5%	19.2%
Other durable goods	\$ 284,646	\$ 284,364	-0.1%	5.3%	4.6%
<b>Nondurable Goods</b>	\$ 3,389,055	\$ 3,419,394	0.9%	3.1%	2.2%
Clothing and footwear	\$ 507,464	\$ 516,052	1.7%	3.2%	5.2%
Gasoline and other energy goods	\$ 315,134	\$ 321,739	2.1%	4.0%	0.0%
Other nondurable goods	\$ 1,420,286	\$ 1,430,862	0.7%	4.6%	6.4%
<b>Services</b>	\$ 10,141,393	\$ 10,167,449	0.3%	2.3%	4.6%
Transportation services	\$ 472,893	\$ 479,780	1.5%	3.3%	1.9%
Housing and utilities	\$ 2,573,932	\$ 2,569,435	-0.2%	0.4%	1.9%
Recreation services	\$ 598,285	\$ 603,804	0.9%	4.3%	6.6%
Financial services and insurance	\$ 1,044,494	\$ 1,052,805	0.8%	1.7%	0.7%

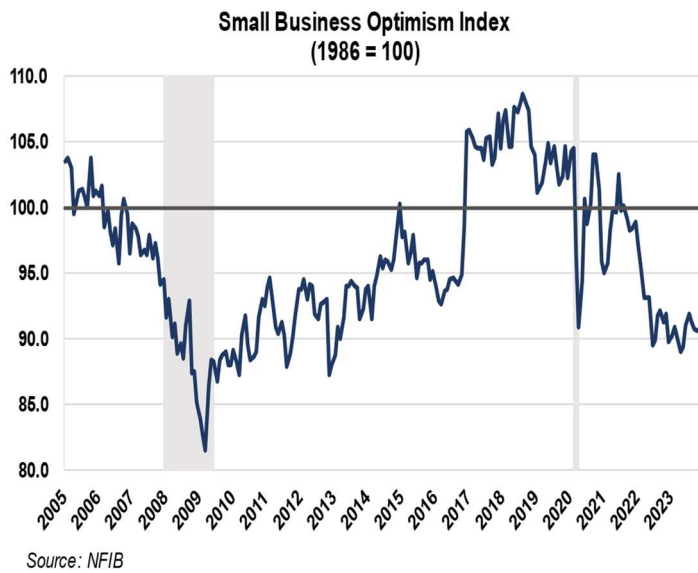
*Note: The table above provides details on real personal consumption spending in chained 2017 dollars, which differs from the figures in the text that are not adjusted for inflation.*

*Source: Bureau of Economic Analysis, Table 2.3.6U Real Personal Consumption Expenditures by Type of Product*

**Personal saving** totaled \$766.7 billion in December 2023, a 9.8 percent decrease compared to November's revised level and was 17.6 percent above the December 2022 level. The **personal saving rate** was 3.7 percent in December, down 0.4 percentage point from November's revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.3 percentage point in December 2023 compared to November 2023, following an increase of 0.1 percentage point between October and November. The "all items" index increased 3.4 percent over the last 12 months. Price increases in December were concentrated primarily in shelter (0.5%), energy (0.4%), and food (0.2%).

Both consumer opinion surveys reported increases in confidence in January 2024. Respondents in the University of Michigan’s **Survey of Consumers** reported an increase (9.1%) in consumer sentiment to 78.8 in January compared to December 2023. Consumers reported increased expectations around the trajectory of inflation and strengthening income expectations. The Conference Board’s **Consumer Confidence Index** rose by 6.8 points to 114.8 in January, up from a revised 108 in December. Increases reflected slower inflation, anticipation of lower interest rates in 2024, and a strong labor market. Increases in confidence were reported among all age groups and were the highest among those age 55 and over.



The **Small Business Optimism Index** increased 1.3 percentage points to 91.9 in December, the 24<sup>th</sup> consecutive month the index was below 98, the 50-year average. Inflation remained the top concern of small business owners in December, with 23 percent of owners identifying it as their single most important problem, a slight increase from November. While small business owners are still historically pessimistic about conditions, the number reporting they expected better business conditions in the next six months increased compared to November 2023.

## Travel and Tourism

Ohio’s three largest transit authorities, the Greater Cleveland Regional Transit Authority, the Central Ohio Transit Authority, and the Southwest Ohio Regional Transit Authority provided an estimated combined 3,937,843 **unlinked passenger trips** in January 2024. This was 11.6 percent below December 2023 ridership levels, but 24 percent higher than January 2023 ridership levels.

Nationally, average airline checkpoint traffic decreased 8.2 percent in January 2024 compared to December 2023. **Total travel throughput** in January 2024 was 6.4 percent higher than in January 2023.

In the U.S., the **hotel occupancy rate** for the week ending January 27, 2024, was 56.2 percent, 0.3 percent below the comparable week in 2023. The **average daily rate** for a hotel room was \$149.76, a 5.1 percent increase from 2023. **Revenue per available room** was \$84.13, which was 4.3 percent more than in 2023.

## Industrial Activity

According to data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.1 percent between November and December 2023 and was one percent higher than in December 2022.

The **Manufacturing Production Index** increased 0.1 percent in December 2023 to 99.1 and was 1.2 percent higher than December 2022. Nationally, manufacturing in five of Ohio's top 10 industries increased production between November and December 2023. Increases in petroleum and coal (2.2%), motor vehicles and parts (1.6%), food, beverage, and tobacco products (0.8%), plastics and rubber products (0.7%), and chemicals (0.3%) were partially offset by decreases in electrical equipment (-2.4%), fabricated metal products (-1.2%), machinery (-1.2%), and primary metals (-0.1) while aerospace and other transportation equipment was unchanged.

### Rate of Change in U.S. Industrial Production by the Manufacturing Sector

Manufacturing Sector	Percent Change October and November 2023	Percent Change November and December 2023	Percent Change December 2022 to December 2023
Aerospace and Other Transportation Equipment	0.9%	0.0%	5.4%
Chemicals	-0.4%	0.3%	4.8%
Electrical Equipment	0.3%	-2.4%	0.0%
Fabricated Metal Products	-0.5%	-1.2%	-2.3%
Food Beverage and Tobacco Products	-0.5%	0.8%	-1.1%
Machinery	0.6%	-1.2%	-3.8%
Motor Vehicles and Parts	7.4%	1.6%	4.8%
Petroleum and Coal	0.0%	2.2%	8.0%
Plastics and Rubber Products	-0.8%	0.7%	-1.1%
Primary Metals	0.9%	-0.1%	4.2%



Source: Institute for Supply Management

In January 2024, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was 49.1, an increase of 1.7 percentage point from December’s reading. The index remained below 50 for the 15th straight month, indicating continued contraction in the manufacturing sector.

Nationally, two of the 10 most important industries to Ohio’s manufacturing sector, transportation equipment and

chemical products, increased production in January. The industries reporting the largest contraction were machinery; plastics and rubber products; fabricated metal products; petroleum and coal products; food, beverage, and tobacco products; electrical equipment; and primary metals. According to the chair of the survey committee, the manufacturing sector continued to signal a state of overall contraction, while at a slower rate than seen at the close of 2023. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management (ISM) described optimism as the index moved into more moderate contraction territory.

“December sales were very strong but slower for the first part of January, as was expected. We expect to see steady sales going forward, if the (U.S. Federal Reserve) continues to hold rates and suggests a rate cut in the future. [Machinery]

“Business continues to stabilize. Cash flow will be tight in 2024. [Food, Beverage, and Tobacco Products]

## Ohio and Midwest Construction and Housing Market

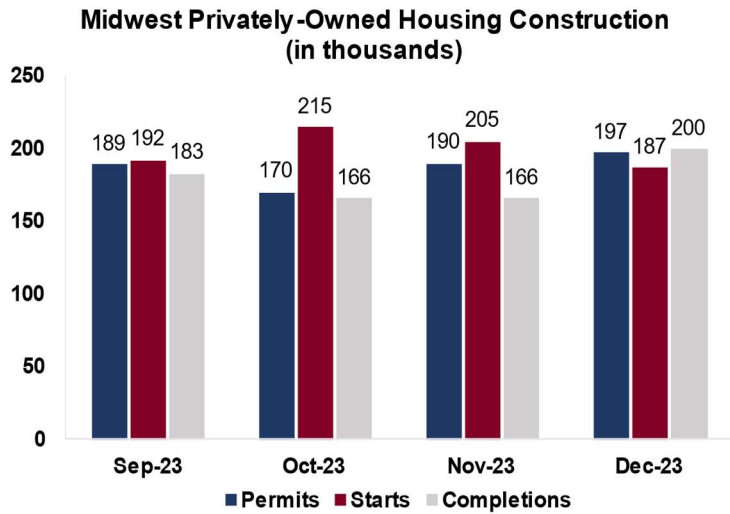
In Ohio, **building permits** for privately-owned housing units decreased 3.6 percent between November and December 2023 and were 5.8 percent above the number of permits issued in December 2022.

Privately-owned housing starts in the Midwest decreased 8.8 percent between November and December but were 46.1 percent above the December 2022 levels.

In December 2023, privately-owned housing completions in the Midwest increased 20.5 percent compared to November 2023 and were 7 percent above December 2022.

New home sales in the Midwest increased 9.2 percent between November and December 2023 and were 6 percent above December 2022.

The number of homes sold in Ohio decreased while average prices continued to rise in December. Total sales were 9.5 percent below December 2022 and the average sale price in Ohio was \$265,808, an 8.1 percent increase compared to December 2022. The president of Ohio REALTORS reported that overall, the Ohio housing market in 2023 began to stabilize following record activity during the pandemic, with lower inventory levels and high interest rates decelerating sales.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

during the pandemic, with lower inventory levels and high interest rates decelerating sales.

The **Housing Market Index** in the Midwest was unchanged from December 2023 to January 2024 at 35, nine points below the national level. The national index increased seven points during the same period, following decreases for much of the second half of 2023.

## U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in December 2023 at a seasonally adjusted rate of \$2.1 trillion, a 0.9 percent increase from the revised November estimate. The December 2023 estimate was 13.9 percent above December 2022.

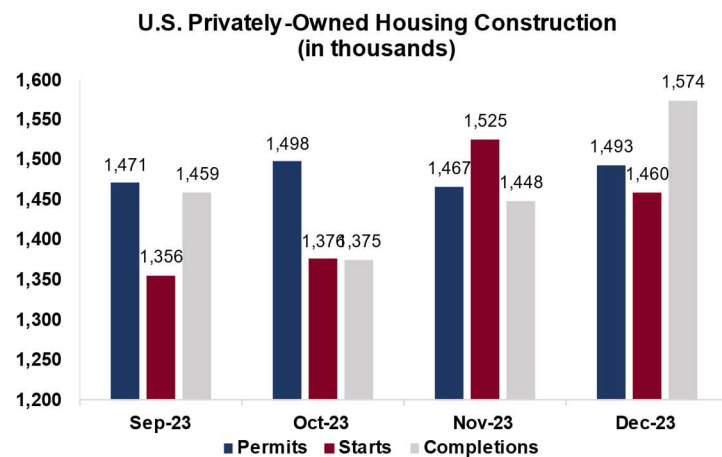
Public sector construction spending increased an estimated 1.3 percent between November and December 2023, bringing the seasonally adjusted annual total to \$476.3

billion. Public spending on educational construction decreased 0.1 percent below the revised November estimate to \$100.3 billion in December 2023 but was 16.1 percent above December 2022 levels. Public highway construction spending in December was 4.1 percent above the revised November estimate and 25.9 percent above December 2022.

Private sector construction spending increased 0.7 percent between November and December 2023 to a seasonally adjusted annual total of \$1.6 trillion and was 11.8 percent above December 2022 levels. Private residential construction in December was 1.4 percent above November's revised level and 6.8 percent above December 2022's level. Private nonresidential construction in December 2023 decreased 0.2 percent from November's revised level and was 19.1 percent above December 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units increased 1.8 percent between November and December 2023 and was 6 percent above the number of permits issued in December 2022.

Nationally, privately-owned housing starts decreased 4.3 percent between November and December and were 7.6 percent above December 2022 levels.



Source: U.S. Census Bureau through FRED

In December 2023, **newly built single-family home sales** increased by 8 percent compared to November but were 4.4 percent above sales in December 2022. The national median sales price in December was \$413,200, a 3. percent decrease compared to the revised November sales price, and 13.8 percent lower compared to December 2022.

According to the National Association of Realtors, **existing home sales** decreased one percent in December from November. December's existing home sales decreased to an annual rate of 3.8 million housing units, a 6.2 percent decrease from December 2022. The median sale price of all existing homes increased 4.4 percent from a year ago to \$382,600. Available inventory in December 2023 totaled one million units, down 11.5 percent from November and 4.2 percent above the December 2022 inventory level.

## Revenues

January GRF tax revenues experienced a negative variance from estimate totaling \$70.5 million (-2.7%). Larger than anticipated income tax refunds are the primary cause of the variance. Fiscal year to-date tax revenues are now \$89.4 million (-0.5%) below estimate. After incorporating all other state source (non-federal) receipts and transfers, total revenues are \$107.6 million (0.6%) above estimate.

Aggregate (tax and non-tax) GRF receipts totaled \$3.8 billion in January and were \$159.5 million (-4%) below the estimate. As noted above, tax revenues were \$70.5 million (-2.7%) below the estimate. Non-tax receipts were \$90.6 million (-7%) below estimate. For the year-to-date, transfers are above estimate while tax receipts and non-tax receipts are below estimate, as shown in the table below.

**YTD and Percent Variance for Revenues**  
(\$ in millions)

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, estate	\$ (89.4)	-0.5%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (213.9)	-2.5%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 7.0	N/A
<b>Total Revenue Variance</b>		<b>\$ (296.2)</b>	<b>-1.2%</b>
<b>Non-Federal Revenue Variance</b>		<b>\$ 107.6</b>	<b>0.6%</b>
<b>Federal Grants Variance</b>		<b>\$ (403.8)</b>	<b>-4.8%</b>

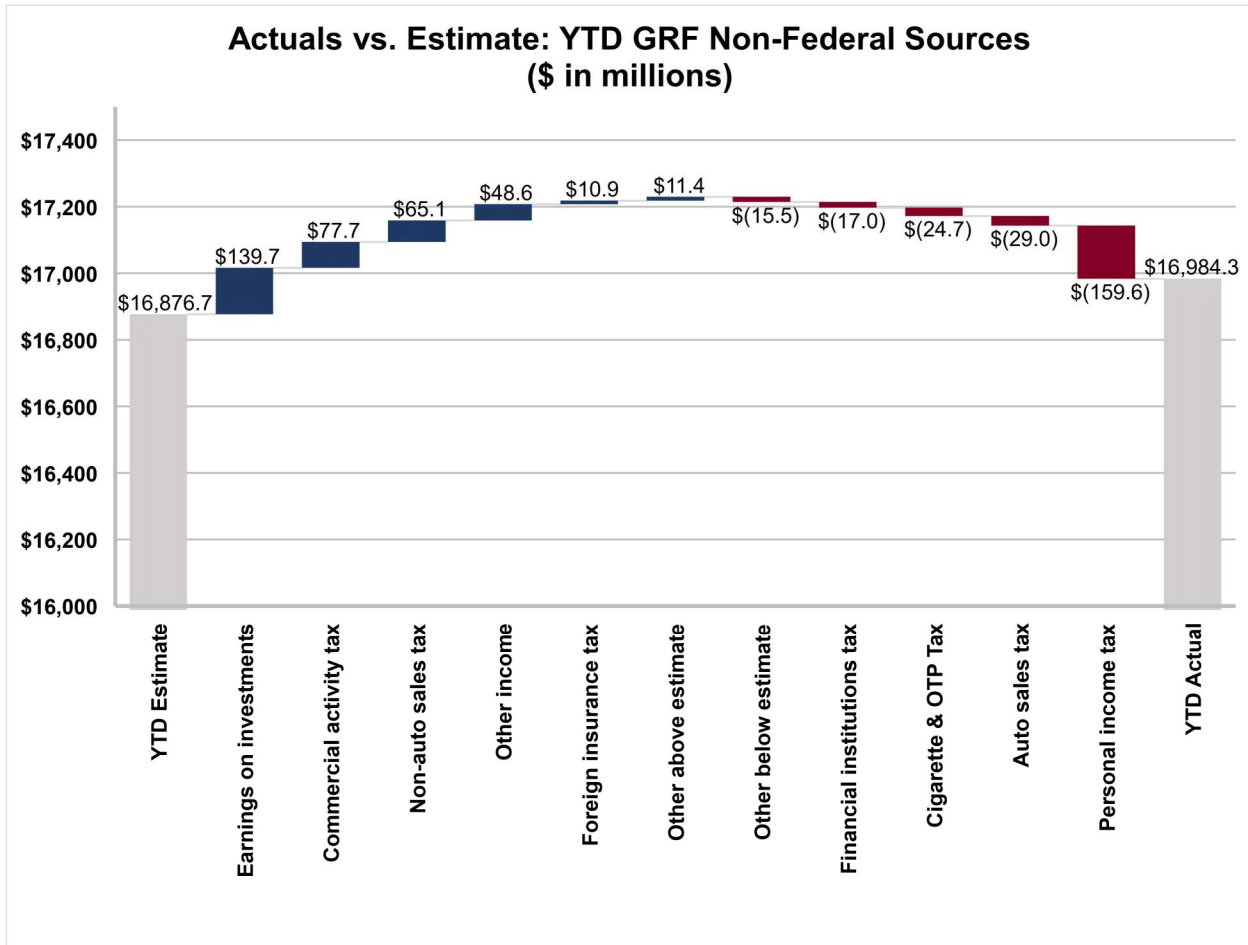


The following table shows that the number of sources below estimate (a negative variance of \$254.1 million) in January outweighed the number of sources above estimate (a positive variance of \$94.6 million), resulting in a net negative variance from estimate of \$159.5 million.

**GRF Revenue Sources Relative to Monthly Estimates – January 2024**  
**(\$ in millions)**

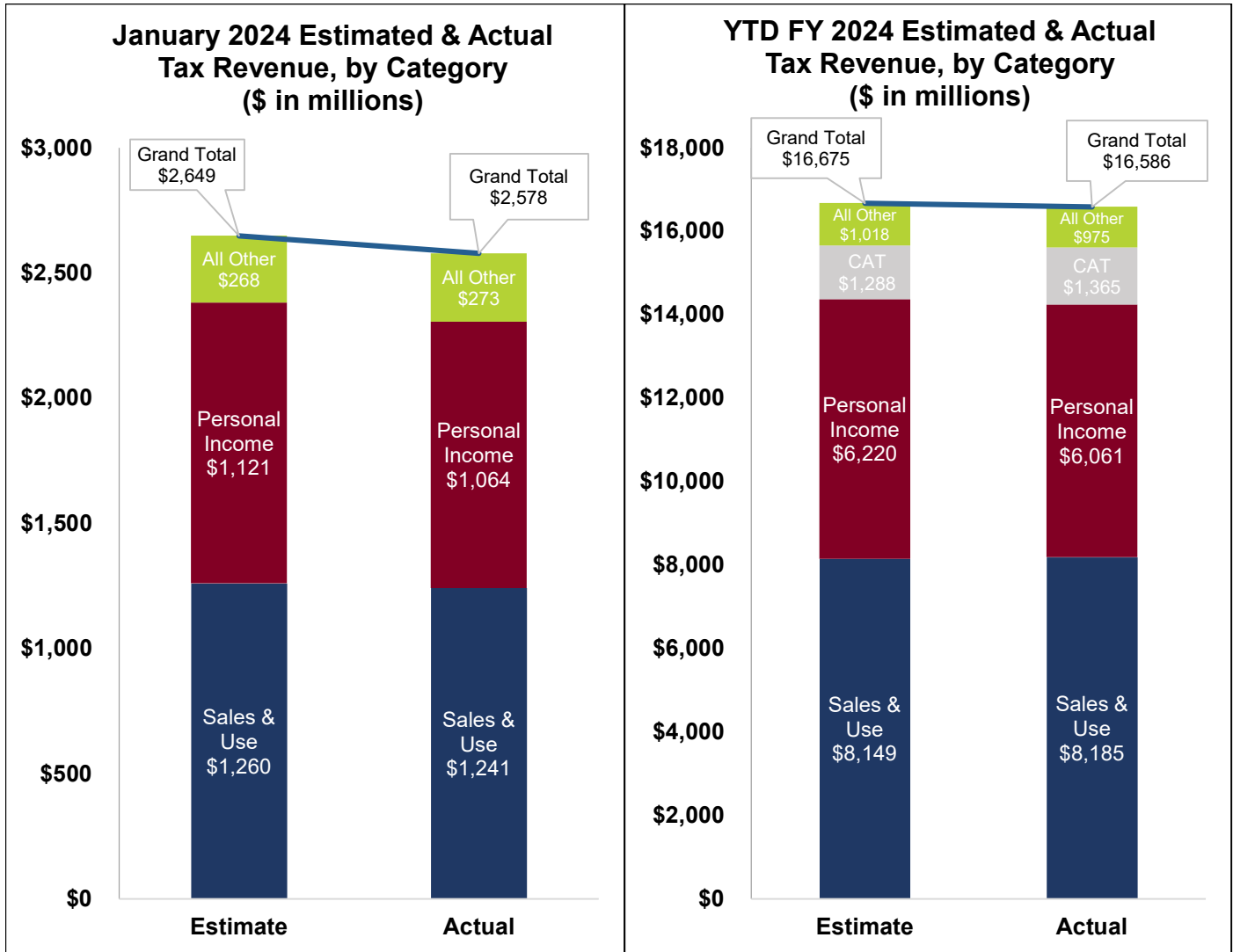
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Earnings on Investments	\$ 68.9	Federal Grants	\$ (161.7)
Commercial Activity Tax	\$ 13.9	Personal Income Tax	\$ (57.6)
Auto Sales Tax	\$ 5.8	Non-Auto Sales Tax	\$ (24.3)
Other revenue sources above estimate	\$ 5.9	Cigarette and Other Tobacco Products Tax	\$ (4.5)
		Other revenue sources below estimate	\$ (5.9)
<b>Total Above</b>	<b>\$ 94.6</b>	<b>Total Below</b>	<b>\$ (254.1)</b>

*Note: Due to the rounding of individual sources, the combined sum of sources above and below estimate may differ slightly from the total variance.*



The preceding chart shows how different revenue sources contributed to the difference between actual and estimated non-federal revenues through January 2024, which now stand \$107.6 million above forecast.

The following chart shows the composition of estimated and actual GRF tax revenues for January 2024 and the year-to-date. All tax sources are allocated among several major categories. The chart shows that sales and use tax revenues have generated just under half of the tax revenues for the first half of the fiscal year.



In January, total receipts and transfers were \$189.5 million (-4.8%) below last year. Tax receipts decreased by \$165.6 million (-6%) and non-tax receipts decreased by \$25.5 million (-2.1%). For the year-to-date, tax receipts are \$122.4 million (-0.7%) below last year and non-tax receipts are \$398.2 million (-4.5%) below last year. Transfers are \$1.4 million (25%) above last year on a year-to-date basis.

The revenue source with the largest year-over-year dollar increase during January was earnings on investments, at \$42.1 million (61.2%). The largest decreases were in personal income tax at \$162.2 million (-13.2%) and federal grants at \$69.3 million (-6.1%). The largest year-to-date increases are in non-auto sales at \$235.7 million (3.4%), followed by the commercial activity tax at \$197.9 million (16.9%) and earnings on investments at \$117.6 million (103.7%). The largest year-to-date declines are in federal grants at \$508.1 million (-5.9%) and personal income tax at \$416.2 million (-6.4%).

## Non-Auto Sales Tax

GRF non-auto sales and use tax collections for January totaled \$1.1 billion and were \$24.3 million (-2.2%) below the estimate. Year-to-date revenue is \$65.1 million (0.9%) above the estimate. January revenue was \$2.3 million (0.2%) more than last year, and year-to-date revenue is up \$235.7 million (3.4%).

This year's elapsed growth has been boosted in part by last year's unusually large refund payments which suppressed last year's GRF collections. If the July-September 2022 refunds had equaled the amounts paid this year, year-to-date GRF non-auto sales tax revenue would have increased by 1.3 percent.

The latest data from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program show continued year-over-year growth, at a slightly higher rate than in previous months. Focusing on stores primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the data from MARTS indicates a 3.3 percent increase in national sales, not seasonally adjusted, during December 2023. Year-over-year growth was 4.3 percent in November and 2.5 percent in October. These figures compare to Ohio's non-auto sales tax revenue which increased by 4.8 percent in December and 0.4 percent in November but decreased by 1.5 percent in October.

MARTS data show month-over-month sales growth for retail categories subject to Ohio sales tax. On a seasonally adjusted basis, December 2023 sales for the retail categories listed above were 1.1 percent higher than November, following a 0.5 percent increase in November from October and a 0.1 percent decrease in October from September.

## Auto Sales Tax

January auto sales tax revenues were \$151.3 million, \$5.8 million (4%) above the estimate. Year-to-date revenues are \$29 million (-2.5%) below estimate. Revenues were \$242,000 (-0.2%) below last January and are \$40.3 million (-3.5%) below last year on a year-to-date basis.

Auto sales tax appears to reflect the same dynamics at play over the last year. Despite the headwinds from higher interest rates and prices, demand for new vehicles remains firm. The used vehicle market continues to face challenges, as sales volumes and prices reflect declines from the elevated levels of 2022.



According to the U.S. Department of Commerce's Bureau of Economic Analysis, new light vehicle sales reached a seasonally adjusted annual rate (the number of sales that occurred during the month adjusted for seasonal variations and expressed as an annualized total) of 15 million units. The monthly average during calendar year 2023 was 15.5 million units. January's sales were 6.9 percent less than December and down 0.7 percent from a year ago. On an unadjusted basis, January 2024 light vehicle unit sales were at 1.1 million units. This is 26.2 percent below the previous month and 2.8 percent above last January.

Transaction prices for new vehicles remain high, although price growth slowed in calendar year 2023. The latest release of the Consumer Price Index (CPI-U) data from the Bureau of Labor Statistics shows a 0.3 percent increase from the previous month. Cumulative price growth over the last 12 months has been modest; compared to December 2022, the CPI-U for new motor vehicles in December 2023 was up only 1 percent. By comparison, prices in December 2022 were 5.9 percent higher than in December 2021. Even with the significant slowdown in 2023, prices remain well above their pre-pandemic levels: the CPI-U for new motor vehicles has increased 21.1 percent since February 2020.

Turning to used vehicles, Cox Automotive estimates there were 2.6 million used vehicle sales transactions in December, not annualized or seasonally adjusted, 2.1 percent above the prior year and down 3.7 percent from November. The pandemic disrupted the used vehicle market, as supply failed to meet underlying demand and prices rose. Prices peaked in January 2022, and have generally trended downward since then. More recently, the Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, was 7 percent lower in December 2023 than December 2022 and was 14.3 percent below its most recent peak in March 2023.

Retail prices typically move in the same direction as wholesale prices but with a lag. The December CPI-U for used vehicles is down 4.3 percent from its recent high in May. On a year-over-year basis, the CPI-U was 1.3 percent lower than last December. Used-vehicle prices also remain well above their pre-pandemic levels, with the December 2023 CPI-U index being 38.1 percent higher than in January 2020.

Recent trends in the national motor vehicle market appear to be consistent with the dynamics underlying auto sales tax revenues. In both the U.S. and Ohio data, new vehicle sales continue to grow modestly while used vehicle sales exhibit downward price adjustments. According to Ohio Bureau of Motor Vehicles data for the fourth quarter of calendar year 2023, aggregate new and used motor vehicle sales decreased by \$108.1 million (-1.3%) from last year. New and used vehicles performed in opposite directions: new vehicle sales increased by \$152.3 million (4.7%) while used vehicle sales decreased by \$260.5 million (-5%). This constitutes three successive quarters in which new vehicle sales have experienced year-over-year growth and used vehicle sales have declined. That said, the fourth quarter decrease in total sales was milder than in the third quarter. Year-over-year sales declined by 3.1 percent during the first half of FY 2024 (the last half of calendar year 2023).

Details on transaction volumes and prices cast further light on differences in new and used vehicle market growth. The total number of taxable motor vehicle transactions increased by a modest 2,903 (0.7%) in the fourth quarter compared to the prior year, with new vehicle transactions growing by 2,783 (3.2%) and used vehicle transactions increasing by 120 (0%). Average prices for new and used vehicles went in opposite directions in the fourth quarter: new vehicle prices climbed 1.5 percent from last year while used vehicle prices decreased 5.1 percent, with composite prices decreasing by 1.9 percent. Accordingly, changes in average prices (specifically, used vehicle prices) rather than changes in the number of transactions caused the modest fourth quarter taxable sales decline. Nonetheless, used vehicle prices remain 46.5 percent above the pandemic-era low reached in the third quarter of 2020.

## Personal Income Tax

January GRF personal income tax receipts totaled \$1.1 billion and were \$57.6 million (-5.1%) below the estimate. Year-to-date revenue is \$159.6 million (-2.6%) below estimate. On a year-over-year basis, January income tax collections are down \$162.2 million (-13.2%). Year-to-date revenue is \$416.2 million (-6.4%) below last year.

Refunds are the primary reason for January's negative tax revenue variance from the estimate. The refund component was \$52.4 million (33.9%) above the estimate and \$10.1 million (5.2%) above last January. For the fiscal year, refunds are \$533.2 million (85.4%) above the estimate and \$458.1 million (65.5%) above FY 2023. As explained in the January edition of this report, a large amount of refunds was issued to individuals in December due to a change in Ohio tax law related to pass-through entities. For this reason, December accounts for over 56 percent of the year-to-date refund variance from estimate, and 64 percent of the refund growth from the previous fiscal year. January reflects both the final set of the taxable year 2022 pass-through entity-related refunds, and the beginning of the taxable year 2023 income tax filing season. Refund volumes will be considerably higher during the coming months as the filing season progresses.

The withholding category has an important impact on collections every month, with January being no exception. Withholding collections for January amounted to \$944.6 million and were \$99 million (-9.5%) below estimate. For the fiscal year-to-date, the withholding component is \$156.1 million (-2.5%) below estimate. This component was \$223.4 million (-19.1%) below last January and is \$362.9 million (-5.6%) below last year for the fiscal year-to-date.

The withholding category includes taxes paid by certain types of pass-through entities on their taxable income (these are Pass-Through Entity Withholding taxpayers, which use the IT-1140 annual return and IT-1140ES estimated payment return). This is a separate revenue stream from the income tax withheld by employers and paid to the state. Beginning in tax year 2022 the Electing Pass-Through Entity (EPTE) tax became a filing and payment option. During the seven months following its June 2022 enactment, EPTE estimated taxes were paid using the IT-1140ES as an interim form and therefore these collections were included in the withholding category during the first seven months of FY 2023. Effective in February 2023, EPTE estimated tax payments use the IT-4738ES form and such collections are included in the estimated payment category. Pass-through entity tax payments have significantly shifted from IT-1140ES returns to the IT-4738ES tax returns. This pronounced and larger than expected shift explains the category's decrease from FY 2023 and the negative variance from the estimate for the withholding category during FY 2024.

By further examining withholding category detail, it becomes apparent that employer withholding has shown strong performance this fiscal year. A reduction in the employer withholding tax rates went into effect in November 2023. The new tax rates reduce monthly collections by an estimated 10 percent. Excluding pass-through entity tax payments and adjusting for the impacts of the new withholding rates, year-to-date withholding collections are \$481.7 million (8%) higher than last year.

The quarterly estimated payments category for January exceeded the estimate by \$75.4 million (30.2%) and was \$52.3 million (19.2%) above last year. Fiscal year to date collections are \$287.1 million (46.6%) above estimate, and \$230.2 million (34.2%) above the prior year. The combined March through January results, reflecting the four quarterly payments for calendar year 2023, show a strong positive variance of \$421.7 million (46.4%). Year-over-year growth during the March-January period is \$220.4 million (19.9%). As explained above, the availability of the EPTE tax filing option and delayed issuance of an EPTE-specific tax form has resulted in a shift of collections from the withholding category to this category. However, growth in the estimated payment category has been dampened by a decrease in estimated payments made by individuals.

In January, annual tax return payments exceeded estimates by \$11.4 million (70.9%). For FY 2024 to date, these payments exceed estimates by \$247.4 million (132.8%). This payment category grew by \$13.2 million (91.7%) in January compared to last year; to date, the category has increased by \$202.3 million (87.4%). The annual return category now includes collections from pass-through entities that used the EPTE tax option. The availability of the EPTE tax beginning in taxable year 2022 has greatly increased taxes

paid by pass-through entities, including taxes recorded in the annual tax return payment category. EPTE taxpayers making taxable year 2022 annual return tax due payments in FY 2024 drove the large year-to-date increase from FY 2023 levels.

The two remaining tax collection categories (trust payments and other) were collectively \$2.5 million (29.5%) above the January estimate. For the fiscal year, the combined categories are \$5 million (-7.7%) below estimate and \$18.4 million (-23.7%) below last year. Most of the year-over-year decrease is in the trust category, likely reflecting lower taxable investment income experienced in tax year 2022.

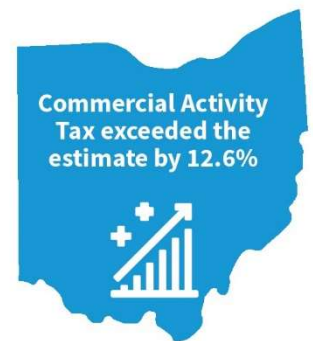
### January Personal Income Tax Receipts by Component (\$ in millions)

	Actual Jan	Estimate Jan	\$ Var	Actual Jan-2024	Actual Jan-2023	\$ Var Y-to-Y
Withholding	\$ 944.6	\$ 1,043.6	\$ (99.0)	\$ 944.6	\$ 1,168.0	\$(233.4)
Quarterly Est.	\$ 325.0	\$ 249.6	\$ 75.4	\$ 325.0	\$ 272.7	\$ 52.3
Annual Returns/40 P	\$ 27.5	\$ 16.1	\$ 11.4	\$ 27.5	\$ 14.4	\$ 13.2
Trust Payments	\$ 7.2	\$ 6.4	\$ 0.8	\$ 7.2	\$ 8.7	\$ (1.5)
Other	\$ 3.7	\$ 2.0	\$ 1.7	\$ 3.7	\$ 0.6	\$ 3.1
Less: Refunds	\$(207.0)	\$ (154.6)	\$ (52.4)	\$ (207.0)	\$ (196.8)	\$ (10.1)
Local Distributions	\$ (37.2)	\$ (41.7)	\$ 4.5	\$ (37.2)	\$ (41.5)	\$ 4.3
Net to GRF	\$1,063.8	\$ 1,121.4	\$ (57.6)	\$ 1,063.8	\$ 1,225.9	\$(162.2)

### Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$13.9 million (12.6%) above the January estimate and are \$77.7 million (6%) above the year-to-date estimate. January revenues increased by \$7.7 million (6.7%) compared to last year, while year-to-date revenues rose \$197.9 million (16.9%).

CAT revenue comes from quarterly tax payments, so it is useful to examine the revenue flow on a quarterly basis. CAT revenue has demonstrated impressive performance over the past three years: through December 2023, there have been 13 consecutive quarters exceeding expectations. Although the preponderance of the current quarter's revenue will be received in February when tax payments are due, performance during the month preceding the due date is typically a sign of whether revenues will reach estimate for the full quarter.





The FY 2024-2025 state operating budget changed the portion of CAT revenue that is credited to the GRF. Previously, the GRF received 85 percent of monthly CAT receipts remaining after making required deposits into the Tax Refund Fund and the CAT Administration Fund. Beginning in July 2023, the new budget requires that all CAT revenues (less the two fund deposits mentioned above) be credited to the GRF. Under the new law, the GRF share is reduced only to the extent that deposits are required to be made to the school district and local government tangible personal property tax replacement funds to cover the semiannual statutory reimbursements paid to those entities. An all-funds analysis provides a purer measure of this year’s underlying CAT revenue production by removing the effects of the change in revenue accounting. For the fiscal year to date, all-funds CAT revenue is \$8.2 million (-0.6%) below last year.

### GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.2 billion and were \$90.6 million (7%) below estimate for the month of January. Year-to-date non-tax receipts totaled \$8.5 billion and were \$213.9 million (-2.5%) below the estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$161.7 million (-13.1%) below the estimate. This variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report. This variance was partially offset by above estimated investment returns, which were \$68.9 million (163.7%) above estimate. The earnings on investments category is heavily influenced by national interest rate trends, which have increased in recent months.



**Table 1**  
**GENERAL REVENUE FUND RECEIPTS**  
**ACTUAL FY 2024 VS ESTIMATE FY 2024**  
**(\$ in thousands)**

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL JANUARY	ESTIMATE JANUARY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	1,089,966	1,114,300	(24,334)	-2.2%	7,074,382	7,009,300	65,082	0.9%
Auto Sales & Use	151,340	145,500	5,840	4.0%	1,110,531	1,139,500	(28,969)	-2.5%
Subtotal Sales & Use	1,241,305	1,259,800	(18,495)	-1.5%	8,184,913	8,148,800	36,113	0.4%
Personal Income	1,063,752	1,121,400	(57,648)	-5.1%	6,060,850	6,220,400	(159,550)	-2.6%
Corporate Franchise	9	0	9	N/A	139	0	139	N/A
Financial Institutions Tax	60,611	61,400	(789)	-1.3%	24,025	41,000	(16,975)	-41.4%
Commercial Activity Tax	124,111	110,200	13,911	12.6%	1,365,355	1,287,700	77,655	6.0%
Petroleum Activity Tax	0	0	0	N/A	6,398	4,800	1,598	33.3%
Public Utility	447	100	347	347.1%	80,597	80,200	397	0.5%
Kilowatt Hour	25,771	23,900	1,871	7.8%	161,513	167,300	(5,787)	-3.5%
Natural Gas Distribution	83	200	(117)	-58.3%	19,414	18,900	514	2.7%
Foreign Insurance	(6,440)	(2,500)	(3,940)	-157.6%	203,304	192,400	10,904	5.7%
Domestic Insurance	0	0	0	N/A	845	6,400	(5,555)	-86.8%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	59,162	63,700	(4,538)	-7.1%	409,621	434,300	(24,679)	-5.7%
Alcoholic Beverage	3,907	4,800	(893)	-18.6%	34,554	37,300	(2,746)	-7.4%
Liquor Gallonage	5,721	5,900	(179)	-3.0%	34,349	35,800	(1,451)	-4.1%
Estate	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,578,439	2,648,900	(70,461)	-2.7%	16,585,878	16,675,300	(89,422)	-0.5%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,073,152	1,234,821	(161,670)	-13.1%	8,078,087	8,481,932	(403,845)	-4.8%
Earnings on Investments	110,998	42,086	68,913	163.7%	230,936	91,264	139,672	153.0%
License & Fees	4,633	2,752	1,881	68.4%	18,168	17,186	982	5.7%
Other Income	11,104	10,850	254	2.3%	141,565	92,950	48,615	52.3%
ISTV'S	1	0	1	N/A	710	0	710	N/A
Total Non-Tax Receipts	1,199,888	1,290,509	(90,621)	-7.0%	8,469,467	8,683,332	(213,865)	-2.5%
<b>TOTAL REVENUES</b>	<b>3,778,327</b>	<b>3,939,409</b>	<b>(161,082)</b>	<b>-4.1%</b>	<b>25,055,345</b>	<b>25,358,632</b>	<b>(303,287)</b>	<b>-1.2%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,563	0	1,563	N/A	7,042	0	7,042	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,563	0	1,563	N/A	7,042	0	7,042	N/A
<b>TOTAL SOURCES</b>	<b>3,779,890</b>	<b>3,939,409</b>	<b>(159,519)</b>	<b>-4.0%</b>	<b>25,062,387</b>	<b>25,358,632</b>	<b>(296,245)</b>	<b>-1.2%</b>

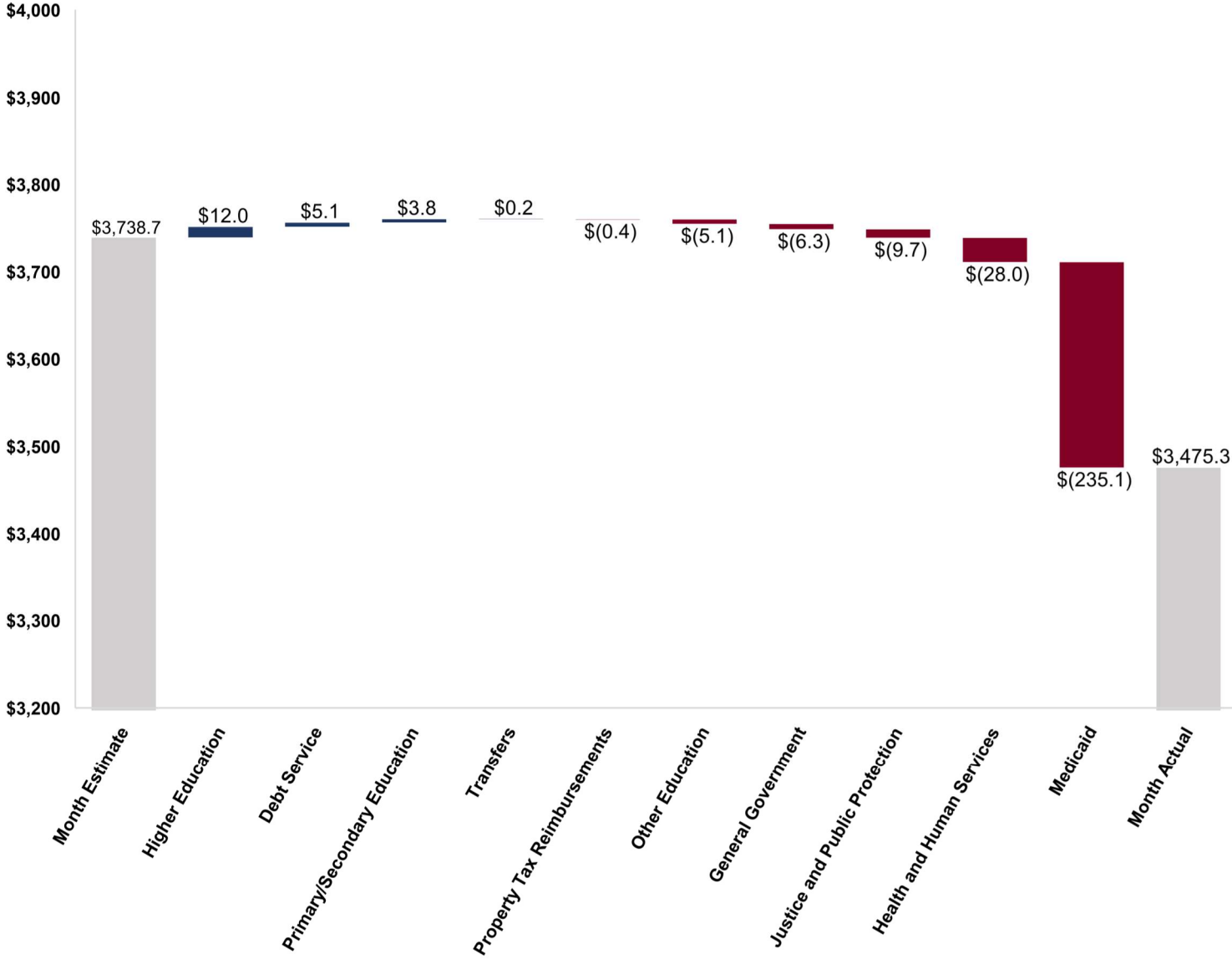
**Table 2**  
**GENERAL REVENUE FUND RECEIPTS**  
**ACTUAL FY 2024 VS ACTUAL FY 2023**  
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	JANUARY	JANUARY	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2024	FY 2023	VAR	VAR	FY 2024	FY 2023	VAR	VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	1,089,966	1,087,621	2,344	0.2%	7,074,382	6,838,688	235,694	3.4%
Auto Sales & Use	151,340	151,581	(242)	-0.2%	1,110,531	1,150,790	(40,258)	-3.5%
Subtotal Sales & Use	1,241,305	1,239,203	2,103	0.2%	8,184,913	7,989,477	195,436	2.4%
Personal Income	1,063,752	1,225,926	(162,174)	-13.2%	6,060,850	6,477,099	(416,249)	-6.4%
Corporate Franchise	9	12	(3)	-28.3%	139	42	97	229.5%
Financial Institutions Tax	60,611	60,330	281	0.5%	24,025	49,948	(25,923)	-51.9%
Commercial Activity Tax	124,111	116,356	7,755	6.7%	1,365,355	1,167,480	197,875	16.9%
Petroleum Activity Tax	0	0	0	N/A	6,398	6,032	366	6.1%
Public Utility	447	558	(111)	-19.8%	80,597	87,494	(6,897)	-7.9%
Kilowatt Hour	25,771	24,138	1,633	6.8%	161,513	168,616	(7,103)	-4.2%
Natural Gas Distribution	83	328	(244)	-74.5%	19,414	19,881	(467)	-2.3%
Foreign Insurance	(6,440)	(791)	(5,649)	-714.2%	203,304	197,576	5,728	2.9%
Domestic Insurance	0	0	0	N/A	845	17,620	(16,775)	-95.2%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	59,162	67,421	(8,259)	-12.2%	409,621	454,199	(44,577)	-9.8%
Alcoholic Beverage	3,907	4,694	(787)	-16.8%	34,554	37,905	(3,351)	-8.8%
Liquor Gallonage	5,721	5,836	(115)	-2.0%	34,349	34,849	(500)	-1.4%
Estate	0	0	0	N/A	0	33	(33)	-99.8%
Total Tax Receipts	2,578,439	2,744,009	(165,570)	-6.0%	16,585,878	16,708,252	(122,373)	-0.7%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,073,152	1,142,420	(69,268)	-6.1%	8,078,087	8,586,224	(508,137)	-5.9%
Earnings on Investments	110,998	68,877	42,122	61.2%	230,936	113,367	117,570	103.7%
License & Fee	4,633	3,487	1,146	32.9%	18,168	17,604	564	3.2%
Other Income	11,104	10,555	549	5.2%	141,565	136,586	4,979	3.6%
ISTV'S	1	2	(1)	-33.5%	710	13,933	(13,223)	-94.9%
Total Non-Tax Receipts	1,199,888	1,225,340	(25,451)	-2.1%	8,469,467	8,867,715	(398,248)	-4.5%
<b>TOTAL REVENUES</b>	<b>3,778,327</b>	<b>3,969,348</b>	<b>(191,021)</b>	<b>-4.8%</b>	<b>25,055,345</b>	<b>25,575,966</b>	<b>(520,621)</b>	<b>-2.0%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,563	0	1,563	N/A	7,042	5,635	1,407	25.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,563	0	1,563	N/A	7,042	5,635	1,407	25.0%
<b>TOTAL SOURCES</b>	<b>3,779,890</b>	<b>3,969,348</b>	<b>(189,458)</b>	<b>-4.8%</b>	<b>25,062,387</b>	<b>25,581,601</b>	<b>(519,214)</b>	<b>-2.0%</b>

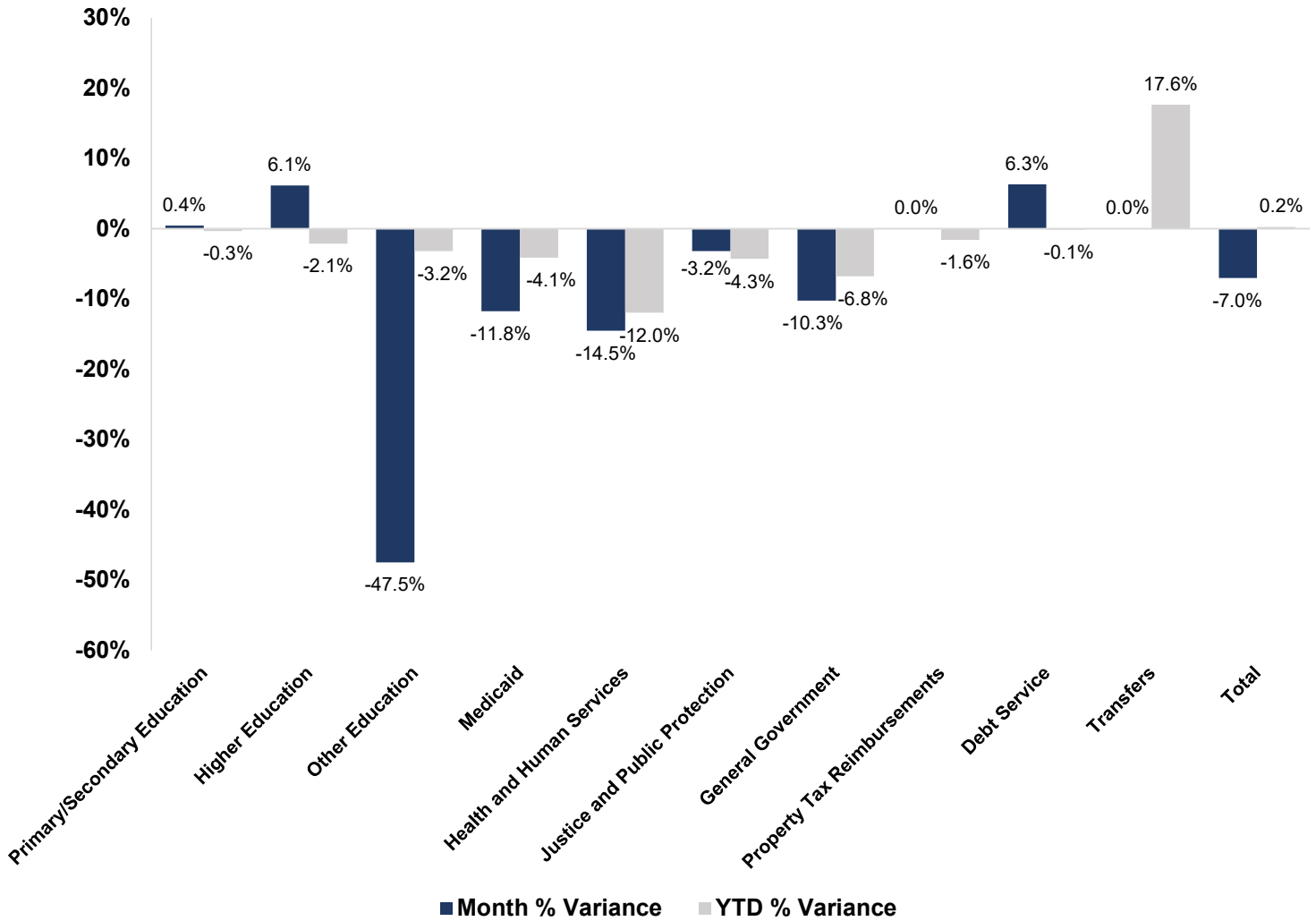
# Disbursements

January GRF disbursements, for all uses, totaled \$3.5 billion and were \$263.5 million (-7%) below estimate. This variance was primarily due to lower-than-estimated spending in the Medicaid category and partially offset by higher than estimated disbursements in the Higher Education category. On a year-over-year basis, total January disbursements were \$584.5 million (-14.4%) lower than those of the same month last fiscal year, with the Transfers Out category largely responsible for the difference.

**January Disbursement Estimates vs. Actuals**  
(\$ in millions)



### Monthly and Year-to-Date Percent Variance from Budgeted Estimate



## Medicaid

This category includes all Medicaid spending on services and program support by the following eight agencies: The Department of Medicaid, the Department of Mental Health and Addiction Services, the Department of Developmental Disabilities, the Department of Health, the Department of Job and Family Services, the Department of Aging, the Department of Education and Workforce, and the State Board of Pharmacy.

### Medicaid Expenditures

January GRF disbursements for the Medicaid Program totaled \$1.8 billion and were \$235.1 million (-11.8%) below the estimate. Year-to-date GRF disbursements totaled \$12.4 billion and were \$537.2 million (-4.1%) below the estimate and \$102.1 million (0.8%) above disbursements for the same period in the previous fiscal year.

The January GRF disbursement variance was primarily attributable to below estimate caseloads. Total caseloads declined by 23,300 members as the Department continued the resumption of routine eligibility operations post federally declared public health emergency. Total caseload decline for January was similar to December, due mostly to increases in Medicaid enrollment associated with the open enrollment period for federal Marketplace insurance plans. If an individual is found to be eligible for Medicaid while applying for health care insurance through the Marketplace, they are directed to their state’s Medicaid program. The variance was also attributable to a delay of some payments to managed care organizations – these payments are expected to be made in the coming months.

January all-funds disbursements for the Medicaid Program totaled \$3.1 billion and were \$354 million (-10.4%) below estimate. Year-to-date all-funds disbursements totaled \$22 billion and were \$951 million (-4.1%) below estimate and \$912.8 million (4.3%) above disbursements for the same period in the previous fiscal year.

The all-funds disbursement variance was primarily attributable to below estimate caseloads and the delay of some payments to managed care organizations as mentioned above. Additionally, Part D payments were below estimate due to the per member per month cost (the amount paid per individual enrolled in the program) being lower than expected in January.

### Current Month’s Disbursement Variance by Funding Source (\$ in millions)

	January Estimate	January Actual	Variance	Variance %
GRF	\$ 2,000.2	\$ 1,765.1	\$ (235.1)	-11.8%
Non-GRF	\$ 1,419.9	\$ 1,300.9	\$ (118.9)	-8.4%
All Funds	\$ 3,420.1	\$ 3,066.0	\$ (354.0)	-10.4%

## Medicaid Enrollment

Total January enrollment was 3.21 million, which was 110,666 (-3.3%) below estimate and 339,701 (-9.5%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.32 million and was approximately 64,900 (-1.9%) below estimate. The Department resumed routine Medicaid eligibility operations in April 2023. Total enrollment has declined by approximately 379,000 between April and January – an average decline of about 42,100 per month. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

January enrollment by major eligibility category was: Covered Families and Children (CFC), 1.72 million; Group VIII Expansion, 846,907; and Aged, Blind and Disabled (ABD), 501,090.

*\*Please note that enrollment data are subject to revision.*

## Health and Human Services

This category includes non-debt service GRF expenditures by the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. Examples of expenditures in this category include childcare, Temporary Assistance for Needy Families (TANF) maintenance of effort, administration of the state's psychiatric hospitals, operating subsidies to county boards of developmental disabilities, various immunization programs, and Ohio's long-term care ombudsman program. The Medicaid category reflects expenditures to the extent that these agencies spend GRF to support Medicaid services.

January disbursements in this category totaled \$164.5 million and were \$28 million (-14.5%) below the estimate. The variance was primarily due to underspending by the Department of Job and Family Services. Spending for State Child Protective Allocations (SCPA) was below estimate due to timing of payments to counties which will occur in future months. Federally required maintenance of effort payments for TANF were \$6.2 million below estimate due to timing of reimbursements and lower than expected spending for TANF Ohio Works First Cash Assistance. With quarterly federal reconciliations, the Department expects the entirety of the budgeted amount for this program to be obligated or expended prior to the end of the fiscal year. Lower than anticipated spending for contract support, operations, and maintenance in January accounted for additional variance of \$4.7 million. This under spending is expected to correct itself during the remainder of the fiscal year.

Year-to-date disbursements in this category total \$1.1 billion and are \$150 million (-12%) below the estimate. On a year-over-year basis, disbursements in this category were \$6.3 million (4%) higher than for the same month last fiscal year while year-to-date expenditures are \$64 million (6.2%) higher than at the same point in FY 2023.

## Justice and Public Protection

This category includes non-debt service GRF expenditures made by the Department of Rehabilitation and Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities.

January disbursements in this category totaled \$293.1 million and were \$9.7 million (-3.2%) below the estimate. The majority of the variance in this category was due to expenditures for the Public Defender Commission being below the estimate by \$14.7 million (91.6%). The Commission did not process the county reimbursement payments during January as estimated. The reimbursement payments will now occur in February.

This variance was partially offset by higher than estimated disbursements by the Department of Rehabilitation and Correction of \$9.9 million (4.9%). The variance was largely due to the Department making payments to food service vendors in January, instead of December as estimated.

Year-to-date disbursements in this category total \$1.8 billion and are \$79.6 million (-4.3%) below the estimate. On a year-over-year basis, disbursements in this category were \$31.3 million (11.9%) above the same month last fiscal year while year-to-date expenditures are \$138.1 million (8.4%) above the same point in FY 2023.



## Primary and Secondary Education

This category contains GRF expenditures for the Department of Education and Workforce. January disbursements for this category totaled \$898.1 million and were \$3.8 million (0.4%) above the estimate.

Year-to-date disbursements total \$6 billion and are \$21.1 million (-0.3%) below the estimate. On a year-over-year basis, disbursements in this category were \$143.3 million (19%) higher than for the same month last fiscal year while year-to-date expenditures are \$602.3 million (11.1%) higher than the same point in FY 2023.

## Other Education

This category includes non-debt service GRF expenditures made by the Broadcast Educational Media Commission, the Ohio Facilities Construction Commission, the Ohio Deaf and Blind Education Services, and disbursements made to libraries, and to cultural and arts organizations.

January disbursements in this category totaled \$5.6 million and were \$5.1 million (-47.5%) below the estimate. This variance was primarily due to disbursements for the Ohio History Connection which occurred in December instead of January as estimated. Year-to-date disbursements in this category total \$72.3 million and are \$2.4 million (-3.2%) below the estimate. On a year-over-year basis, disbursements in this category were \$3.1 million (-35.4%) below the same month last fiscal year while year-to-date expenditures are \$10.8 million (17.5%) above the same point in FY 2023.

## Higher Education

January disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$208.5 million and were \$12 million (6.1%) above the estimate. This variance was primarily attributable to timing of disbursements for multiple programs, which were delayed until January as Memorandums of Understanding (MOUs) for these programs were finalized later than anticipated. Disbursements for the Ohio College Opportunity Grant were also above estimate due to higher than expected requests for reimbursement from higher education institutions.

Year-to-date disbursements total \$1.5 billion and are \$32.5 million (-2.1%) below the estimate. On a year-over-year basis, disbursements in this category were \$18.8 million (9.9%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$70.8 million (5%) higher than at the same point in fiscal year 2023.

## Property Tax Reimbursement

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

January reimbursements totaled -\$0.4 million and were \$0.4 million below the estimate. Year-to-date reimbursements totaled \$916.6 million and were \$14.9 million (-1.6%) below the estimate. The monthly variance was due to the timing of county reimbursement requests.

## General Government

This category includes non-debt service GRF expenditures by the Department of Administrative Services, Department of Natural Resources, Department of Development, Department of Agriculture, Department of Taxation, Department of Transportation, Office of Budget and Management, non-judicial statewide elected officials, legislative agencies, and others.

January disbursements in this category totaled \$54.8 million and were \$6.3 million (-10.3%) below the estimate. The majority of the variance in this category was due to expenditures for the Department of Transportation being below the estimate by \$5.1 million (-61%). Several projects under the Department's State Road Improvements program had slower drawdown rates due to delays of project schedules. Year-to-date disbursements in this category total \$947.7 million and are \$69.1 million (-6.8%) below the estimate. On a year-over-year basis, disbursements in this category were \$4.7 million (9.5%) above the same month last fiscal year while year-to-date expenditures are \$609.6 million (180.3%) above the same point in FY 2023.

## Debt Service

January payments for debt service totaled \$85.7 million and were \$5.1 million (6.3%) above the estimate. Year-to-date disbursements in this category totaled \$900.4 million and were \$1.1 million (-0.1%) below the estimate. The monthly variance was due to the timing of certain debt service payments. These payments were originally estimated for December but disbursed in January.

**Table 3**  
**GENERAL REVENUE FUND DISBURSEMENTS**  
**ACTUAL FY 2024 VS ESTIMATE FY 2024**  
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL JANUARY	ESTIMATED JANUARY	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	898,132	894,368	3,764	0.4%	6,033,565	6,054,622	(21,056)	-0.3%
Higher Education	208,533	196,506	12,027	6.1%	1,489,853	1,522,335	(32,482)	-2.1%
Other Education	5,621	10,708	(5,087)	-47.5%	72,327	74,713	(2,386)	-3.2%
Medicaid	1,765,069	2,000,165	(235,096)	-11.8%	12,423,366	12,960,537	(537,171)	-4.1%
Health and Human Services	164,458	192,433	(27,975)	-14.5%	1,103,436	1,253,409	(149,973)	-12.0%
Justice and Public Protection	293,094	302,797	(9,703)	-3.2%	1,780,394	1,859,989	(79,596)	-4.3%
General Government	54,843	61,113	(6,269)	-10.3%	947,729	1,016,877	(69,147)	-6.8%
Property Tax Reimbursements	(427)	0	(427)	N/A	916,555	931,413	(14,858)	-1.6%
Debt Service	85,705	80,639	5,066	6.3%	900,448	901,578	(1,130)	-0.1%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,475,027</b>	<b>3,738,727</b>	<b>(263,700)</b>	<b>-7.1%</b>	<b>25,667,674</b>	<b>26,575,473</b>	<b>(907,798)</b>	<b>-3.4%</b>
<b>Transfers Out:</b>								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	231	0	231	N/A	6,434,019	5,447,298	986,721	18.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>231</b>	<b>0</b>	<b>231</b>	<b>N/A</b>	<b>6,584,019</b>	<b>5,597,298</b>	<b>986,721</b>	<b>17.6%</b>
<b>Total Fund Uses</b>	<b>3,475,258</b>	<b>3,738,727</b>	<b>(263,469)</b>	<b>-7.0%</b>	<b>32,251,693</b>	<b>32,172,771</b>	<b>78,923</b>	<b>0.2%</b>

**Table 4**  
**GENERAL REVENUE FUND DISBURSEMENTS**  
**ACTUAL FY 2024 VS ACTUAL FY 2023**  
**(\$ in thousands)**

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	JANUARY FY 2024	JANUARY FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	898,132	754,790	143,341	19.0%	6,033,565	5,431,255	602,311	11.1%
Higher Education	208,533	189,781	18,753	9.9%	1,489,853	1,419,037	70,816	5.0%
Other Education	5,621	8,705	(3,084)	-35.4%	72,327	61,536	10,791	17.5%
Medicaid	1,765,069	1,787,290	(22,221)	-1.2%	12,423,366	12,321,292	102,074	0.8%
Health and Human Services	164,458	158,171	6,287	4.0%	1,103,436	1,039,478	63,958	6.2%
Justice and Public Protection	293,094	261,823	31,271	11.9%	1,780,394	1,642,274	138,120	8.4%
General Government	54,843	50,096	4,747	9.5%	947,729	338,121	609,609	180.3%
Property Tax Reimbursements	(427)	0	(427)	N/A	916,555	912,161	4,394	0.5%
Debt Service	85,705	112,644	(26,939)	-23.9%	900,448	1,104,685	(204,237)	-18.5%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,475,027</b>	<b>3,323,300</b>	<b>151,727</b>	<b>4.6%</b>	<b>25,667,674</b>	<b>24,269,838</b>	<b>1,397,837</b>	<b>5.8%</b>
<b>Transfers Out:</b>								
BSF Transfer	0	727,031	(727,031)	N/A	150,000	727,031	(577,031)	-79.4%
Operating Transfer Out	231	9,445	(9,215)	-97.6%	6,434,019	1,241,128	5,192,891	418.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>231</b>	<b>736,476</b>	<b>(736,245)</b>	<b>-100.0%</b>	<b>6,584,019</b>	<b>1,968,158</b>	<b>4,615,860</b>	<b>234.5%</b>
<b>Total Fund Uses</b>	<b>3,475,258</b>	<b>4,059,776</b>	<b>(584,518)</b>	<b>-14.4%</b>	<b>32,251,693</b>	<b>26,237,996</b>	<b>6,013,697</b>	<b>22.9%</b>

**Table 5**  
**FUND BALANCE**  
**GENERAL REVENUE FUND**  
**FISCAL YEAR 2024**  
**(\$ in thousands)**

<b>July 1, 2023, Beginning Cash Balance*</b>	<b>\$8,990,658.7</b>
Plus FY 2024 Estimated Revenues	28,807,300.0
Plus FY 2024 Estimated Federal Revenues	13,453,826.5
Plus FY 2024 Estimated Transfers to GRF	0.0
<b>Total Sources Available for Expenditures &amp; Transfers</b>	<b>51,251,785.2</b>
Less FY 2024 Estimated Disbursements**	42,205,312.9
Less FY 2024 Estimated Total Encumbrances as of June 30, 2024	853,783.1
Less FY 2024 Estimated Transfers Out	6,457,785.4
<b>Total Estimated Uses</b>	<b>49,516,881.4</b>
<b>FY 2024 UNENCUMBERED ENDING FUND BALANCE***</b>	<b>\$1,734,903.8</b>

\*Includes reservations of \$1,633.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2024 is \$7,357.1 million.

\*\*Disbursements include estimated spending against current year appropriations and prior year encumbrances.

\*\*\*The FY 2024 unencumbered ending fund balance will be carried forward in accordance with provisions under the Ohio Revised Code that govern ending General Revenue Fund balances.

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# Glossary

<b>Average Daily Rate</b>	A measure of a hotel's profit and performance, the average rate paid per hotel room that is occupied at United States hotel properties. It is calculated by dividing room revenue by rooms sold.
<b>Beige Book</b>	This report published by the Board of Governors of the Federal Reserve System evaluates current economic conditions across the 12 Federal Reserve districts in the United States, highlighting changes in economic conditions since the previous report.
<b>Building Permits</b>	The number of privately-owned housing units authorized for construction in Ohio or in the United States. Permits for a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters are included in this measure.
<b>Consumer Confidence</b>	The Conference Board's measure reflects present and anticipated business conditions. The monthly report measures consumer attitudes, buying intentions, vacation plans, and consumers expectations on inflations, stock prices, and interest rates in the United States.
<b>Consumer Price Index for All Urban Consumers</b>	Computed by the Bureau of Labor Statistics, this index measures the average change in prices paid by consumers for goods and services over time. The index is based on spending patterns of urban consumers for more than 200 items and over 120 different combinations of items such as food and beverages, housing, and energy.
<b>Continued and Extended Unemployment Claims</b>	Continued unemployment claims include the number of Ohio residents filing for ongoing unemployment benefits for a period up to 26 weeks, after their initial claim. In some cases, the federal government may extend the period that unemployment benefits may be received, even if the worker has exhausted regular unemployment insurance period.
<b>Employment Trends Index</b>	The Conference Board's Leading composite index indicates the direction of employment through the aggregation of eight leading employment indicators.
<b>Existing Home Sales</b>	A measure of the number of sales of existing homes, which includes single-family, townhomes, condominiums, and co-ops. This number is based on transaction closings from the Multiple Listing Services.

<b>Hotel Occupancy Rate</b>	A performance indicator that shows the percentage of hotel rooms that are occupied in the United States compared to total available space.
<b>Housing Market Index</b>	Produced by the National Association of Home Builders (NAHB) and Wells Fargo, the index is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. Respondents are asked to rate market conditions for the sale of new homes at the present time and in the next six months as well as the traffic of prospective buyers of new homes.
<b>Initial Unemployment Claims</b>	The number of new jobless claims filed by Ohio workers seeking unemployment assistance for the first-time following a job loss.
<b>Leading Economic Index</b>	The Conference Board's Leading Composite Index is designed to reveal patterns in economic data by smoothing the volatility of its 10 individual components. The Leading Economic Index is a predictive index that anticipates business cycle inflexion points.
<b>Manufacturing Production Index</b>	A measure produced by the Board of Governors of the Federal Reserve System; the index measures the real output of the United States manufacturing industry by sector. The reference period for the index is 2017.
<b>Newly Built Single-Family Home Sales</b>	A measure of the sales of newly built single family structures including houses and townhouses.
<b>Ohio Employee-Population Ratio</b>	The proportion of Ohio civilian employment to the Ohio civilian non-institutional population. The ratio is primarily used as a measure of job holders and to track the pace of job creation compared to the adult population over time.
<b>Ohio Labor Force Participation Rate</b>	This rate represents the number of people in the Ohio labor force as a percentage of the Ohio civilian non-institutionalized population.
<b>Ohio Nonfarm Payroll Employment</b>	A measure of the number of workers in Ohio excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.
<b>Ohio Unemployment Rate</b>	A measure of the share of workers in the Ohio labor force who do not currently have a job that are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.

<b>People Not in the Labor Force Who Currently Want a Job</b>	Individuals who want a job but are not counted as unemployed because they were not actively looking for work over the last four weeks or were unavailable to take a job for a variety of reasons including caring for children or other family members.
<b>Permanent Job Losses</b>	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
<b>Personal Consumption Expenditures</b>	Produced by the Bureau of Economic Analysis, this indicator reflects price and consumer changes of national household expenditures for goods and services exchanged in the United States economy.
<b>Personal Income</b>	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
<b>Personal Saving</b>	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (that is, after-tax income) and personal outlays.
<b>Personal Saving Rate</b>	Produced by the Bureau of Economic Analysis, this indicator calculates the percentage of an individual's income left after they pay taxes and spend money. It is the percentage of the disposable income that people save.
<b>Purchasing Managers Index</b>	Produced by the Institute for Supply Management that measures expansions and contractions of the manufacturing economy. An index score reading above 50 percent indicates that the manufacturing economy is generally expanding, while below 50 percent it is generally contracting.
<b>Real Gross Domestic Product</b>	Produced by the Bureau of Economic Analysis, this is a measure of the inflation adjusted value of the goods and services produced by labor and property located in the United States.
<b>Revenue Per Available Room</b>	This is a standard performance measure used in the hotel industry calculated by multiplying a hotel's average daily room rate by its occupancy rate.
<b>Small Business Optimism Index</b>	The National Federation of Independent Business calculates this index to provide an indication of the health of small businesses in the United States through a composite of 10 seasonally adjusted components.



<b>State-Level Coincident Index</b>	Produced by the Federal Reserve Bank of Philadelphia, this index is a composite of four labor market indicators – nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and real wage and salary disbursements.
<b>Survey of Consumers</b>	The University of Michigan's Survey of Consumers reports a measure of consumer confidence in the overall health of the economy in the United States. Information is gathered from a monthly telephone survey of consumer expectations for the economy.
<b>Temporary Layoff</b>	People who have been given a date to return to work or who expect to return to work within six months. Those on temporary layoff do not need to be looking for work to be classified as unemployed.
<b>Total Construction Spending</b>	The Census Bureau's estimate of the total dollar value of construction work done in the United States for the month on new structures or improvements to existing structures for private and public sectors. Estimates include the cost of architectural and engineering work, the cost of labor and materials, overhead costs, interest, and taxes paid during construction, and contractor's profits.
<b>Total Industrial Production</b>	A measure produced by the Board of Governors of the Federal Reserve System, the index measures the real output of the manufacturing, mining, and electric and gas utilities industries. The reference period for the index is 2017.
<b>Total Travel Throughput</b>	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.
<b>Unlinked Passenger Trips</b>	The number of times a passenger takes a public transit trip on a public transit vehicle regardless of fare paid, transfer pass used, received a free ride, or paid using another method. If a passenger transfers to another vehicle, that person takes two unlinked passenger trips.
<b>U.S. Labor Force Participation Rate</b>	This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.
<b>U.S. Nonfarm Payroll Employment</b>	A measure of the number of workers in the United States excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.

<b>U.S. Unemployment Rate</b>	<p>A measure of the share of workers in the United States labor force who do not currently have a job but are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.</p>
<b>Worker Adjustment and Retraining Notification (WARN) Act</b>	<p>The WARN Act requires employers to provide written notices of at least 60 days in advance of covered plant closings and mass layoffs in Ohio to the Ohio Department of Job and Family Services.</p>