

State of Ohio Monthly Financial Report

MAY 10, 2022

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

From: Kimberly Murnieks, Director



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Report Overview

**\$1.9 BILLION IN GRF
PERSONAL INCOME TAX**



Income tax collections have exceeded estimate every month this year. April GRF personal income tax receipts totaled \$1.9 billion and were \$894.7 million (89.2%) above the estimate. This represents the largest positive variance of this fiscal year.

**\$1.0 BILLION GRF
NON-AUTO SALE TAX**



GRF non-auto sales and use tax collections in April totaled \$1.0 billion and were \$115.7 million (12.7%) above the estimate. There has been a positive variation each month since September.

**AUTO SALES TAX
CONTINUE ABOVE
ESTIMATE**



April auto sales tax collections totaled \$192.9 million, performing \$20.1 million (11.6%) above the monthly estimate.

**“CAT” RECEIPTS
FINISH ABOVE
ESTIMATE**



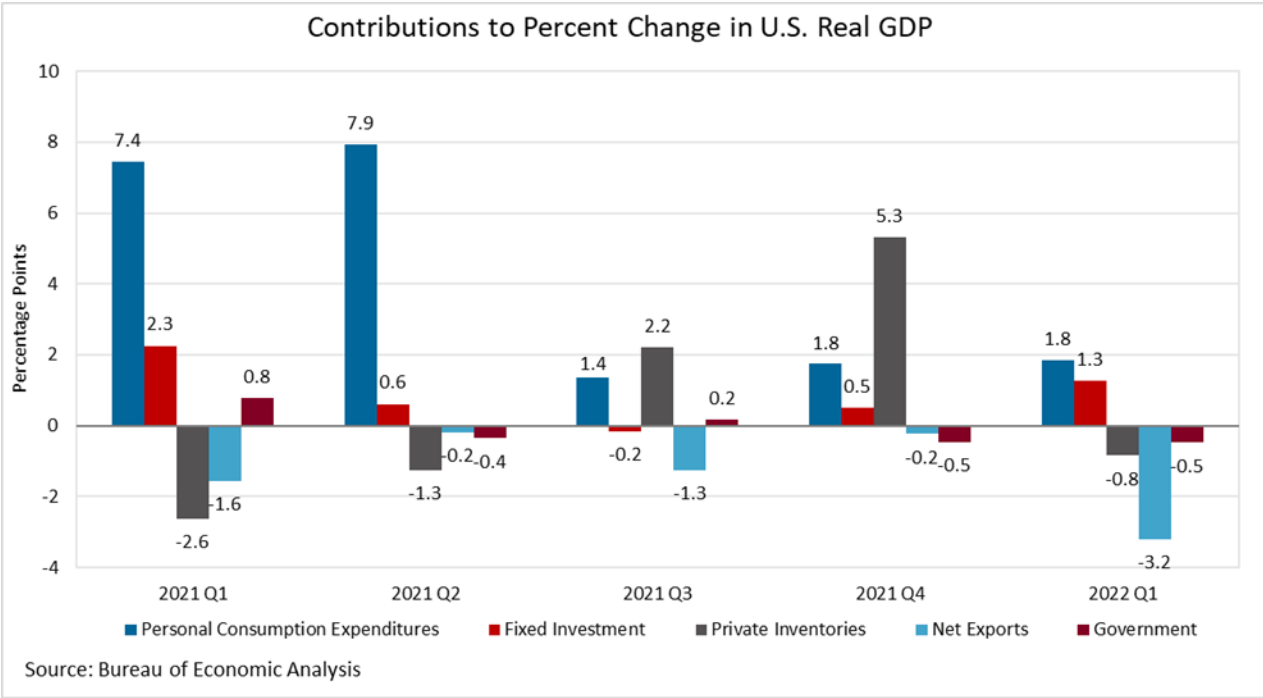
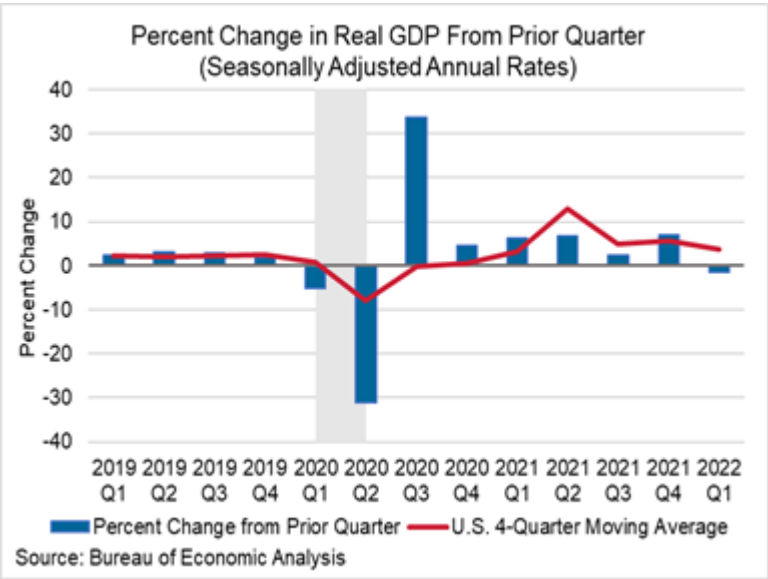
April GRF revenues from the CAT totaled \$97.8 million and were \$26.7 million (37.5%) above the estimate.

Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis (BEA)'s 'advance' estimate, **Real Gross Domestic Product (GDP)** decreased in the first quarter of calendar year 2022 at an annualized rate of 1.4 percent, down 8.3 percentage points from the fourth quarter of 2021.

The first quarter decrease in real GDP resulted from decreases in net exports (-3.2 percentage points), private inventories (-0.8 percentage points), and government expenditures (-0.5 percentage points). These decreases were partially offset by increases in personal consumption expenditures (1.8 percentage points) and fixed investment (1.3 percentage points).



The **Back-to-Normal Index** tracks economic recovery compared to pre-pandemic levels. As of May 4, 2022, the national index was at 92.6 percent. Ohio’s index was 1.1 percentage points higher at 94.2 percent. During the month of April Ohio’s average Back-to-Normal Index value was 95.5 percent and was 1.9 percentage points above the national average in April of 93.6 percent.



In March, the **Leading Economic Index (LEI)** increased 0.3 percent to 119.8 from February’s revised value. The rise in March signaled that economic growth will likely continue through 2022 despite weakening consumer and business expectations. The Conference Board’s leading economist reported that year-over-year growth in GDP is projected to slow down compared to 2021’s pace but remain above the pre-pandemic trend. Unlike last month, projections now include potential effects of the war in Ukraine. Additionally, tightening monetary policy, persistent labor shortages, and further inflation and supply chain disruptions could hinder overall growth as we move into the warmer months.

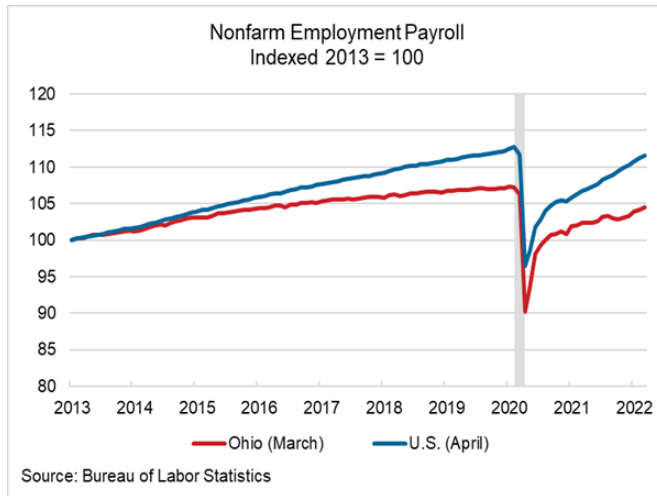
According to the April 20, 2022 report of the Federal Reserve’s **Beige Book**, the economy in the Fourth District, which includes Ohio, continued to grow, although at a modest pace in recent weeks. Overall demand for business services and consumer goods remained strong; however, more consumers are concerned about rising prices and therefore slowed spending. Goods and service producers are still hampered by labor constraints and supply distributions. In addition, there has not been a significant adverse impact on demand due to the war in Ukraine which adds complexity to ongoing supply chain distributions and raises long-term demand uncertainty.

The consensus among forecasters is for moderate growth in the second quarter of calendar year 2022. Global supply chain issues remain, and many companies are raising prices to counter the increased costs of labor and intermediary products. Likewise, inflation continues to be a challenge. The Federal Reserve raised interest rates for the second time this year to rein in prices and slow the economy. Concerns aside, businesses are still investing and consumers are still shopping, suggesting that the first quarter reduction in GDP may not be a sign of more to come.

Economic Forecasts

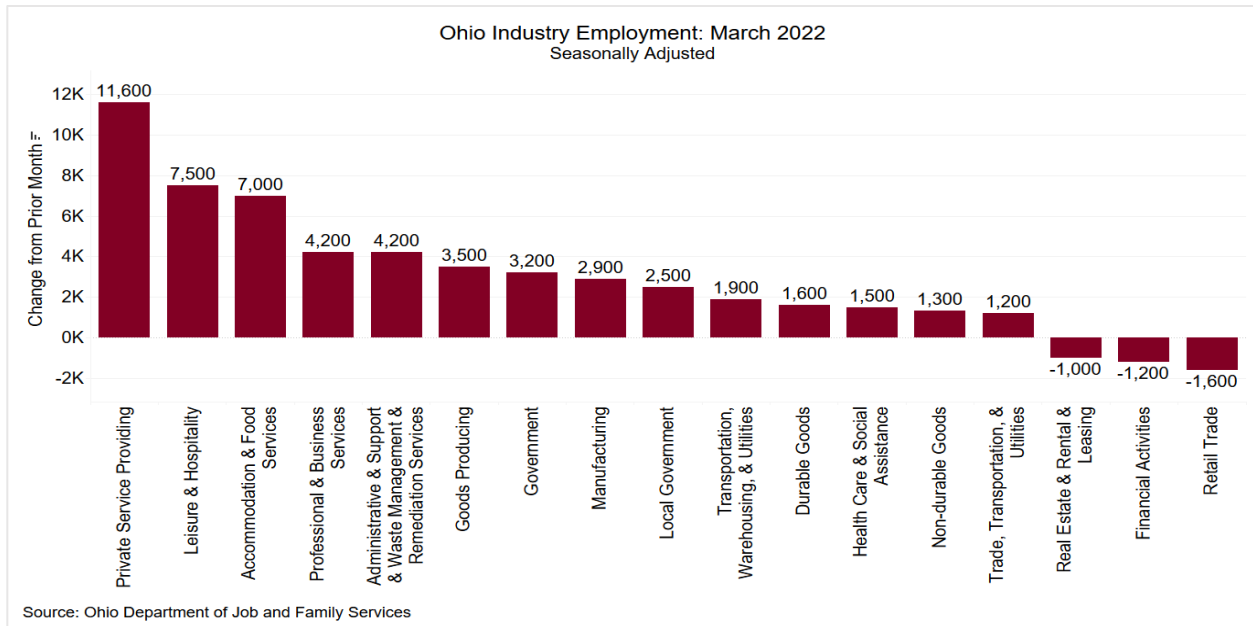
Source	Date	2nd Quarter 2022 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	5/04/22	2.2%
Moody’s Analytics High Frequency GDP Model	5/04/22	2.2%
IHS Markit GDP Tracker	5/03/22	1.7%
Conference Board	4/14/22	1.3%
Wall Street Journal Survey of Economists	4/10/22	3.0%
Wells Fargo	4/07/22	1.2%

Ohio Labor Market



Ohio's nonfarm payroll employment increased 0.3 percent (18,300) to 5.5 million jobs between February and March 2022. This was 2.2 percent below the level in March 2019.

In Ohio, the leisure and hospitality sector and accommodation and food services experienced the most job growth in March. These gains were partially offset by job losses in retail trade (-1,600) and financial activities (-1,200).

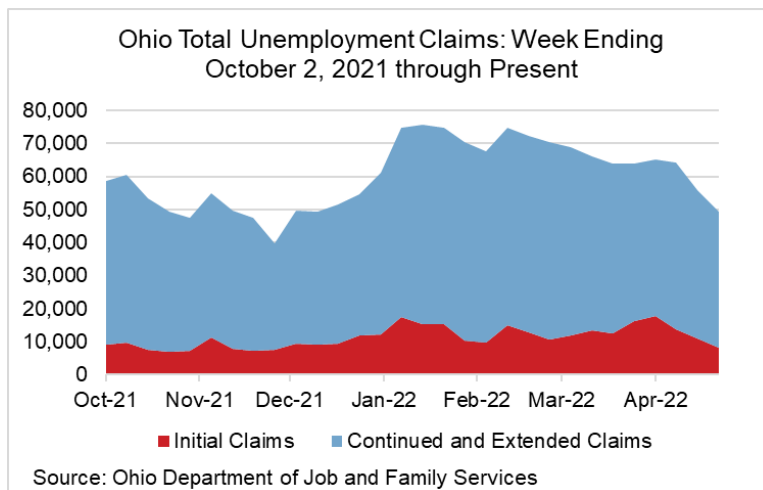
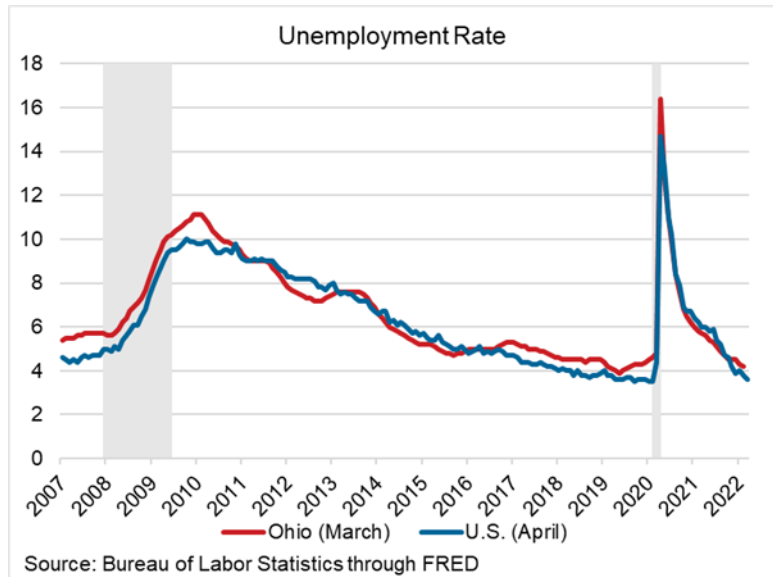


Ohio's labor force participation rate in March was 61.7 percent, an increase of 0.1 percentage points from February and **Ohio's employee-population ratio** increased by 0.1 percentage points to 59.1 percent in March 2022.

The **State-Level Coincident Index** for Ohio increased 0.5 percent in March 2022 and has increased 1.6 percent over the last three months. Compared to March 2021, the Ohio index increased 5.0 percent, and was 2.7 percent higher than March 2020. For comparison, the U.S. coincident index increased 0.5 percent between February and March, and 1.3 percent over the last three months.

The **Ohio unemployment rate** decreased 0.1 percentage points to 4.1 percent in March 2022, just 0.5 percentage points below the national rate.

As of May 4, 2022, the Ohio Department of Job and Family Services received **Worker Adjustment and Retraining Notification (WARN) Act notices** warning 195 employees of potential future layoffs and closures during the remainder of May and 1,413 in June 2022.

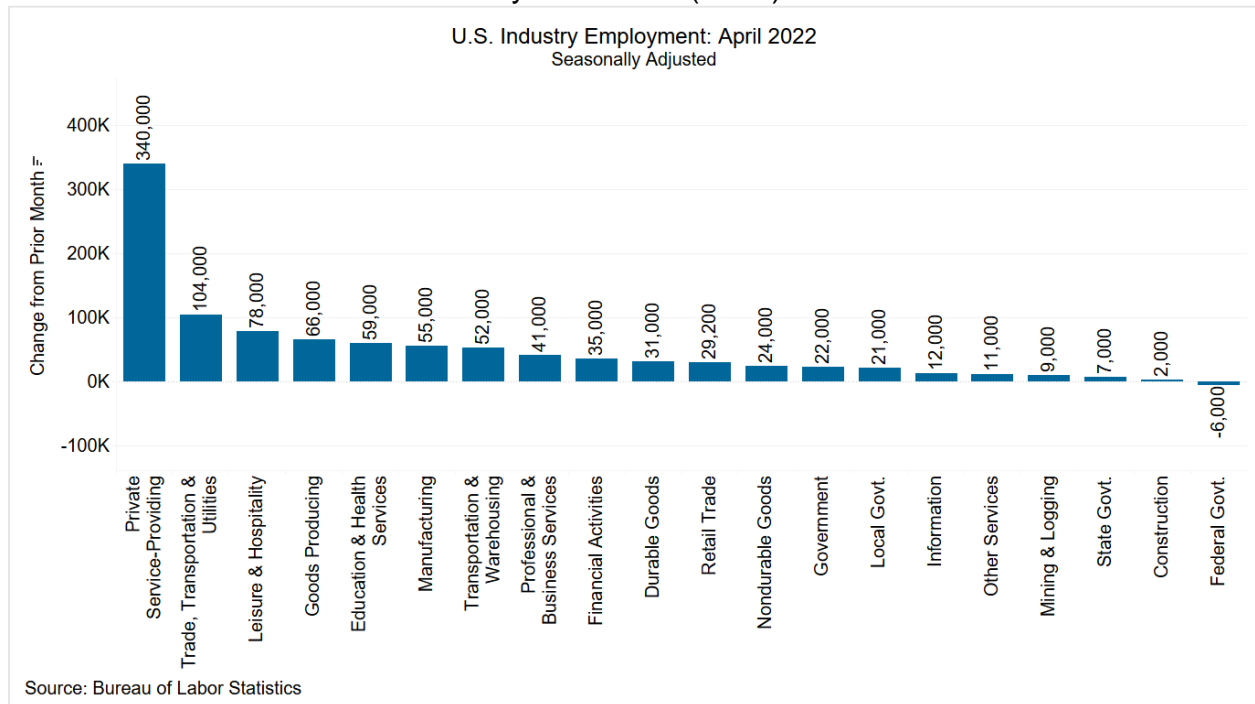


During the week ending April 23, 2022, a total of 8,283 **initial unemployment claims** were filed. Individuals filing **continued and extended claims** for the week ending April 23, 2022, totaled 41,216. Continued and extended unemployment claims filings have returned to below pre-pandemic historic lows for several months now.

U.S. Labor Market

428,000
Jobs Added

U.S. nonfarm payroll employment increased by 428,000 jobs in April. Job gains were widespread with growth occurring in leisure and hospitality, education and health services and manufacturing. National employment remained below the nation's February 2020 pre-pandemic level by 1.2 million (0.8%).



The **U.S. labor force participation rate** decreased slightly, by 0.2 percentage points to 62.2 percent in April. The employment-population ratio decreased by 0.1 percentage points to 60.0 percent. These measures are each below their February 2020 level by 1.2 percentage points.

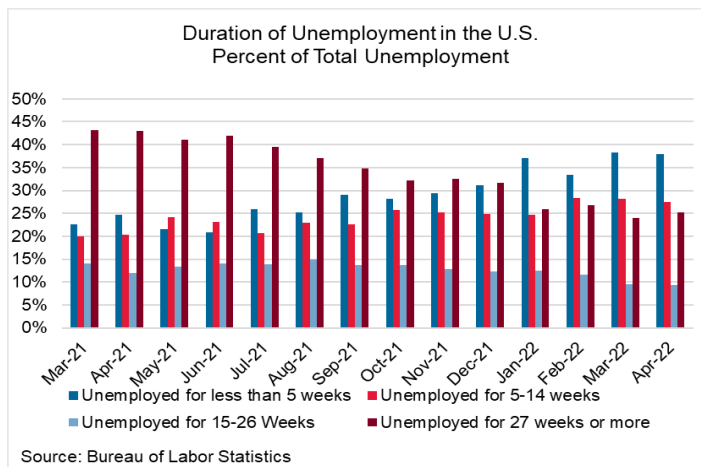
62.2%

The **U.S. unemployment rate** remained unchanged in April at 3.6 percent. The number of unemployed individuals was unchanged at 5.9 million. These measures remained above their February 2020 values by 0.1 percentage point and 0.2 million, respectively.

The change in unemployment rate for all demographic groups varied in April. The largest decrease was for individuals who identify as Black, which decreased 0.3 percentage points.

Unemployment Rates by Demographic Group

	Feb-22	Mar-22	Apr-22
Women	3.6%	3.3%	3.2%
Men	3.5%	3.4%	3.5%
Teenagers, 16-19	10.3%	10.0%	10.2%
Black	6.6%	6.2%	5.9%
White	3.3%	3.2%	3.2%
Asian	3.1%	2.8%	3.1%
Hispanic	4.4%	4.2%	4.1%

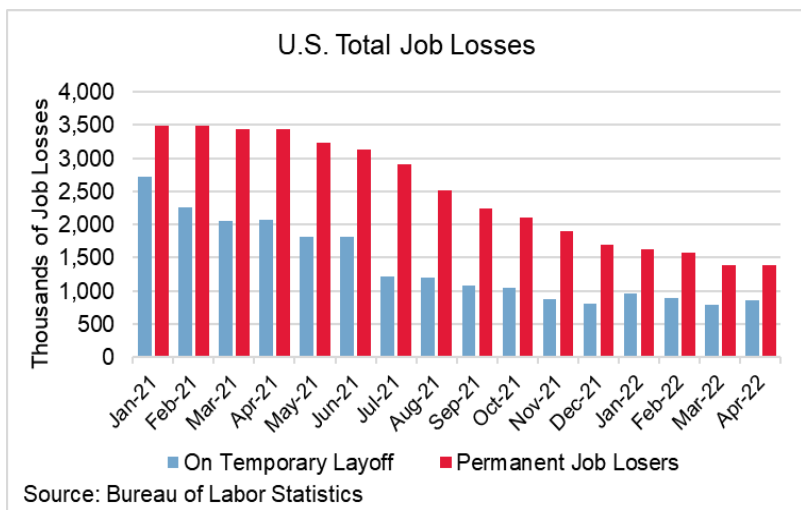


In April, 25.2 percent of unemployed individuals were unemployed for 27 or more weeks. This measure increased slightly to 1.5 million and remained above the February 2020 level by 362,000.

The number of **people not in the labor force who currently want a job** increased by 122,000 to 5.9 million and is 863,000 higher than its February 2020 level.

The number of unemployed people who were on **temporary layoff** increased 66,000 to 853,000 in April. This was 103,000 higher than in February 2020, but substantially reduced from the high of 18.0 million in April 2020.

The number of people with **permanent job losses** decreased marginally by 6,000 to 1.4 million and remained 88,000 higher than in February 2020.



Consumer Income and Consumption

\$21.3 TRILLION

Personal income increased \$107.2 billion (0.5%) in March to \$21.3 trillion. Gains in March

were mainly due to increases in compensation of employees of \$73.1 billion (0.5%), in proprietors' income of \$15.0 billion (0.8%), in personal income receipts on assets of \$11.8 billion (0.4%) and in government social benefits of \$9.8 billion (0.3%).

Personal consumption expenditures increased by 1.1 percent between February and March. Overall spending on goods increased by 1.2 percent in March. Spending on durable goods decreased 1.0 percent, which was primarily attributed to decreases in motor vehicles and parts (-3.1%). Spending on nondurable goods increased 2.5 percent and was primarily driven by spending on gasoline and other energy goods, which increased 16.1 percent. Spending on services increased 1.1 percent in March, with transportation services (3.6%), food services and accommodations (1.9%), and recreation services (1.8%) being the biggest contributors to the increase.



The table below provides details on real personal consumption spending in chained 2012 dollars, which represents real inflation adjusted growth rates. The differences between the figures above and those in the table below are due to the rise in the price of products or services due to inflation.

Consumer Spending by Industry, for Select Industries
(In Millions of Chained 2012 dollars)

	February 2022	March 2022	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$2,193,940	\$2,173,658	-0.9%	-10.7%	36.8%
Motor vehicles and parts	\$580,346	\$568,640	-2.0%	-23.5%	35.2%
Furnishings and durable household equipment	\$491,865	\$485,665	-1.3%	-9.9%	21.0%
Recreational goods and vehicles	\$838,236	\$840,883	0.3%	0.1%	43.1%
Other durable goods	\$350,649	\$349,817	-0.2%	3.1%	64.1%
Nondurable Good	\$350,649	\$349,817	-0.2%	3.1%	64.1%
Clothing and footwear	\$492,527	\$492,462	0.0%	-3.4%	61.7%
Gasoline and other energy goods	\$427,043	\$420,084	-1.6%	2.2%	13.2%
Other nondurable goods	\$1,312,254	\$1,315,482	0.2%	1.4%	8.9%
Services	\$8,532,706	\$8,587,659	0.6%	6.3%	10.7%
Food services and accommodations	\$871,744	\$881,868	1.2%	13.4%	42.6%
Other Services	\$1,107,685	\$1,125,958	1.6%	8.1%	9.6%
Health Care	\$2,262,117	\$2,270,388	0.4%	5.6%	18.0%

Source: Bureau of Economic Analysis, Table 2.4.6U Personal Consumption Expenditures by Type of Product

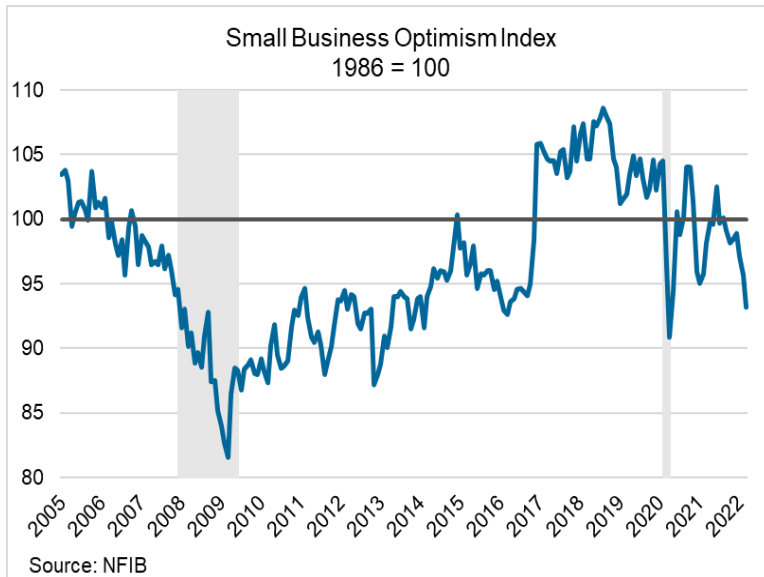
↓ **7.8%**

Personal saving was \$1.2 trillion in March 2022, a decrease of 7.8 percent (\$99.2 billion) compared to February and was 17.3 percent below the February 2020 level. The **personal savings rate** was 6.2 percent in March, a decrease of 0.6 percentage points compared to February.

The **Consumer Price Index for All Urban Consumers (CPI)** increased another 1.2 percent in March, which followed a 0.8 percent increase in February. The ‘all items’ index increased 8.5 percent over the last 12 months, the largest 12-month increase since the period ending December 1981. In March, the largest contributor to the increase in prices was in the energy sector.

↑ **8.5%**

The two surveys of consumer opinion reported mixed findings in April. Respondents in the University of Michigan’s **Survey of Consumers** reported a 9.8 percent increase in consumer sentiment to 65.2 compared to March; however, sentiment remained at record lows. The Conference Board’s **Consumer Confidence** survey decreased by 1.5 points to 107.3 in April. In both cases, consumers reported concerns about inflation and global supply chain delays.



The **Small Business Optimism Index** decreased for the third month in a row in March, falling 2.5 points to 93.2. Inflation was reported as the single most important problem by 31.0 percent of respondents, the highest reading since the first quarter of 1981. The net percent of owners expecting better business conditions over the next six months fell 14.0 points to a seasonally adjusted, net negative 49.0 percent. This is the lowest recorded level in the series.

Travel and Tourism

Airline travel decreased 0.3 percent in April 2022 compared to March. **Total travel throughput** in April 2022 was 52.5 percent higher than in April 2021; however, travel was 9.5 percent below travel in April 2019.

Hotel occupancy rate for the week ending April 30, 2022, was 66.6 percent, which was 3.4 percent below the comparable week in 2019. The **average daily rate** for a hotel room was \$146.67, up 10.2 percent from the 2019 comparable week. **Revenue per available room** was \$97.72 which was 6.4 percent more than the equivalent week in 2019.

Ohio **turnpike passenger vehicle miles traveled** between April 3 – 29, 2022, increased 6.6 percent compared to the same period in 2021 and decreased 11.3 percent compared to the same period in 2019. **Turnpike commercial vehicle miles traveled** in Ohio between April 3 – 29 increased 4.9 percent compared to 2021 and up 12.3 percent compared to same period in 2019. **Total turnpike revenue** throughout April 3 – 29 increased 7.3 percent compared to the same period in 2021 and was 15.6 percent higher than 2019.

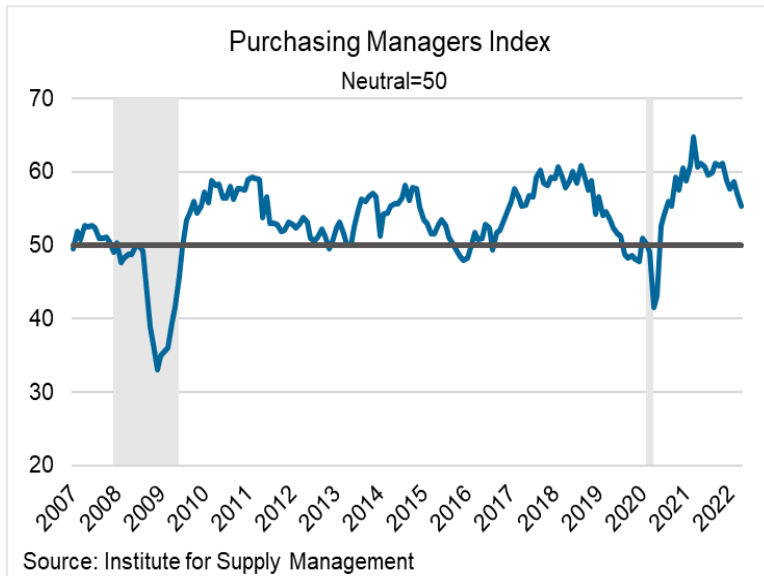
Industrial Activity

According to the Board of Governors of the Federal Reserve System, **total industrial production** preliminarily increased 0.9 percent between February and March and was 5.5 percent higher than March 2021. The index was 3.2 percent above pre-pandemic levels in February 2020.

Rate of Change in Industrial Production by Manufacturing Sector

Manufacturing Sector	Percent Change January to February 2022	Percent Change February to March 2022	Percent Change March 2021 to March 2022
Aerospace and Other Transportation Equipment	1.7%	1.9%	6.2%
Chemicals	0.6%	0.7%	9.9%
Electrical Equipment Appliances	2.0%	1.0%	5.5%
Fabricated Metal Products	2.6%	0.1%	4.4%
Food Beverage and Tobacco Production	0.6%	0.3%	0.8%
Machinery	0.5%	0.8%	6.1%
Motor Vehicles and Parts	-4.6%	7.8%	3.9%
Petroleum and Coal	2.3%	0.7%	2.4%
Plastics and Rubber Products	3.2%	1.1%	8.3%
Primary Metals	2.2%	-1.6%	3.4%

The **manufacturing production index** increased by 0.9 percent in March to 102.6 and was 4.9 percent above the March 2021 level. Nationally, manufacturing in nine of Ohio’s top 10 industries increased production between February and March. The largest increase was in the motor vehicles and parts industry (7.8%), and was partially offset by a decrease in primary metals (-1.6%).



In April 2022, the Institute for Supply Management reported the **Purchasing Managers Index** (PMI) for the United States declined 1.7 percentage points to 55.4 percent, compared to March, indicating an overall expansion of the economy for the 23rd month in a row following contraction in April 2020.

Across the nation, nine of ten industries most important to Ohio manufacturing reported growth in the last month, with

machinery and plastic products leading the way. The only industry to decline was petroleum and coal production.

Anecdotal evidence from purchasing and supply executives nationwide surveyed by ISM suggested that many in the manufacturing industry continued to feel the effect of supply chain challenges and rising costs in April.

“New order entries are still very strong. Unfortunately, logistics issues have (not) yet improved, so lead times remain extended. *(Machinery)*”

“Supply chain is still constrained, and prices continue to rise. We are focusing on ways to stay profitable while continuing to fill customer orders. Relationship management and strong negotiation skills are extremely important right now. *(Food, Beverage, & Tobacco Products)*”

Ohio and Midwest Construction and Housing Market

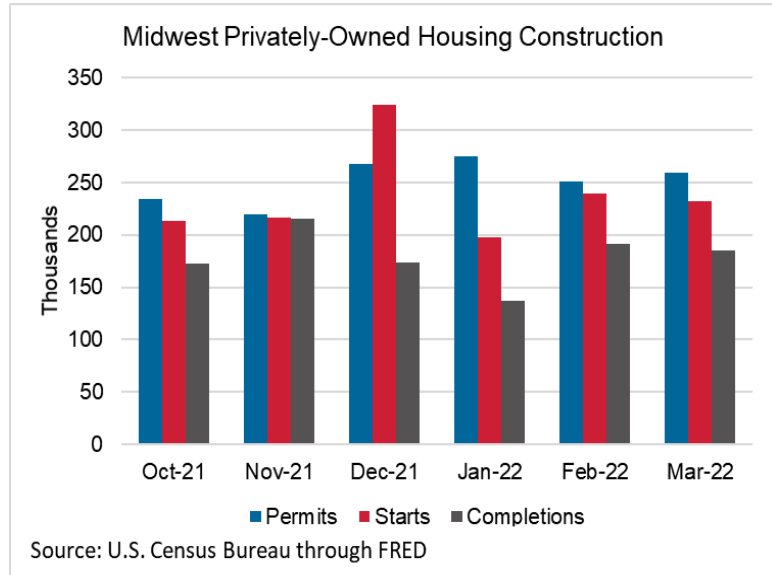
↑ 17.9%

In Ohio, **building permits** for privately-owned housing units increased 17.9 percent between February and March, and were 7.3 percent above the number of permits issued in March 2021.

Privately-owned housing starts in the Midwest decreased 2.9 percent between February and March, and were 19.4 percent below March 2021 levels.

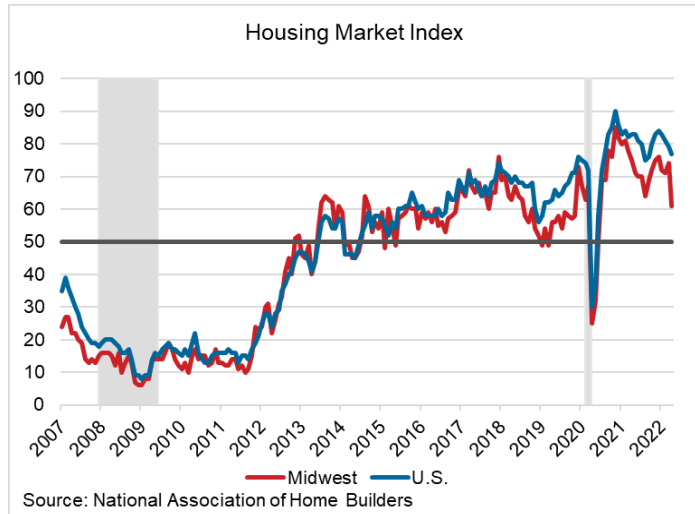
In March, privately-owned housing completions in the Midwest decreased 3.1 percent and were 13.6 percent below the March 2021 level.

New home sales in the Midwest decreased 8.7 percent between February and March and were 13.8 percent below March 2021's level.



According to the Ohio Realtors, activity in the Ohio housing market declined during the month of March as sales were 4.8 percent below March 2021. The average sale price in Ohio was \$247,123 in March, an 11.1 percent increase compared to March 2021.

In the Midwest, the **Housing Market Index** decreased 13.0 points (17.6%) in April to 61.0 from a revised 74.0 in March. The Midwest was 16 points behind the national level in April. Builders were concerned that increasing interest rates and construction costs will price prospective buyers out of the market.



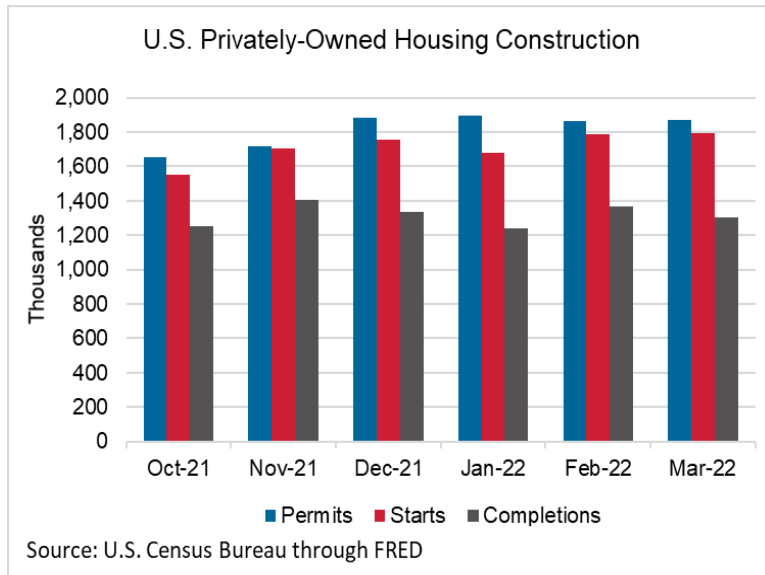
U.S. Construction and Housing Market

The U.S. Census Bureau estimated **total construction spending** in March 2022 at \$1.7 trillion, which was 0.1 percent above the revised February estimate. The March 2022 estimate was 11.7 percent above March 2021 and 14.8 percent above March 2020.

\$1.7 TRILLION

Public sector construction spending in March was at a seasonally adjusted annual rate of \$350.8 billion. This was 0.2 percent below the revised February estimate and 1.7 percent above the March 2021 rate. Spending in March on educational construction was 0.8 percent below February’s revised value and remained 6.2 percent below March 2021. Highway construction spending in March was 0.4 percent below the revised February value and was 7.5 percent above March 2021.

Private sector construction spending in March was at a seasonally adjusted annual rate of \$1.4 trillion. This was 0.2 percent above the revised February estimate and 14.6 percent above the March 2021 rate. Residential construction in March increased 1.0 percent from February and remained 18.4 percent above March 2021. On the other hand, nonresidential construction in March decreased 1.2 percent from the revised February rate and was 8.5 percent above March 2021.



In the U.S., privately-owned housing stayed relatively constant between February and March 2022. The only notable change was with housing completions, which declined 4.8 percent.

In March, **newly built single-family home sales** decreased 8.6 percent to 763,000, and was 12.6 percent below the March 2021 estimate. The national median sales price in March 2022 was \$436,700. This represented a 3.6 percent

increase compared to February 2022 and a 21.4 percent increase compared to March 2021.

Existing home sales, as reported by the National Association of Realtors decreased 2.7 percent in March compared to February. March’s existing home sales declined to 5.8 million housing units, a 4.5 percent decrease from March 2021.

Available inventory in March 2022 totaled 950,000 units, an 11.8 percent increase from February, but was 9.5 percent lower than March 2021. The market has started to feel the impact of rising mortgage rates and inflation suppressing the purchasing power for prospective buyers. The median sale price of all existing homes rose 15.0 percent from a year ago to \$375,300. March 2022 was the 121st continuous month of year-over-year increases in existing median home sale prices.

Revenues

At \$3.3 billion, GRF tax revenues in April were the highest on record, eclipsing the \$2.9 billion mark set in May 2021. Revenues exceeded the monthly estimate by \$1.0 billion (45.6%). Fiscal year-to-date tax revenues exceeded estimate by \$2.5 billion (12.0%). The personal income tax drove the month’s historic outcome, generating \$1.9 billion and exceeding its estimate by \$894.7 million (89.2%). Annual return payments were considerably larger than anticipated in April and accounted for most of the personal income tax variance. Sales tax revenues also performed above expectations in April, with non-auto sales tax outperforming the estimate by \$115.7 million (12.7%) and auto sales tax exceeding its estimate by \$20.1 million (11.6%).

Aggregate (tax and non-tax) GRF receipts and transfers totaled \$3.8 billion in April and were \$772.6 million (25.8%) above estimate. As noted above, tax revenues were \$1.0 billion (45.6%) above estimate. Non-tax receipts were \$277.7 million (-40.2%) below estimate and transfers were \$1.6 million above estimate. For the year-to-date, tax revenues, non-tax receipts, and transfers are all above estimate as shown in the table below.

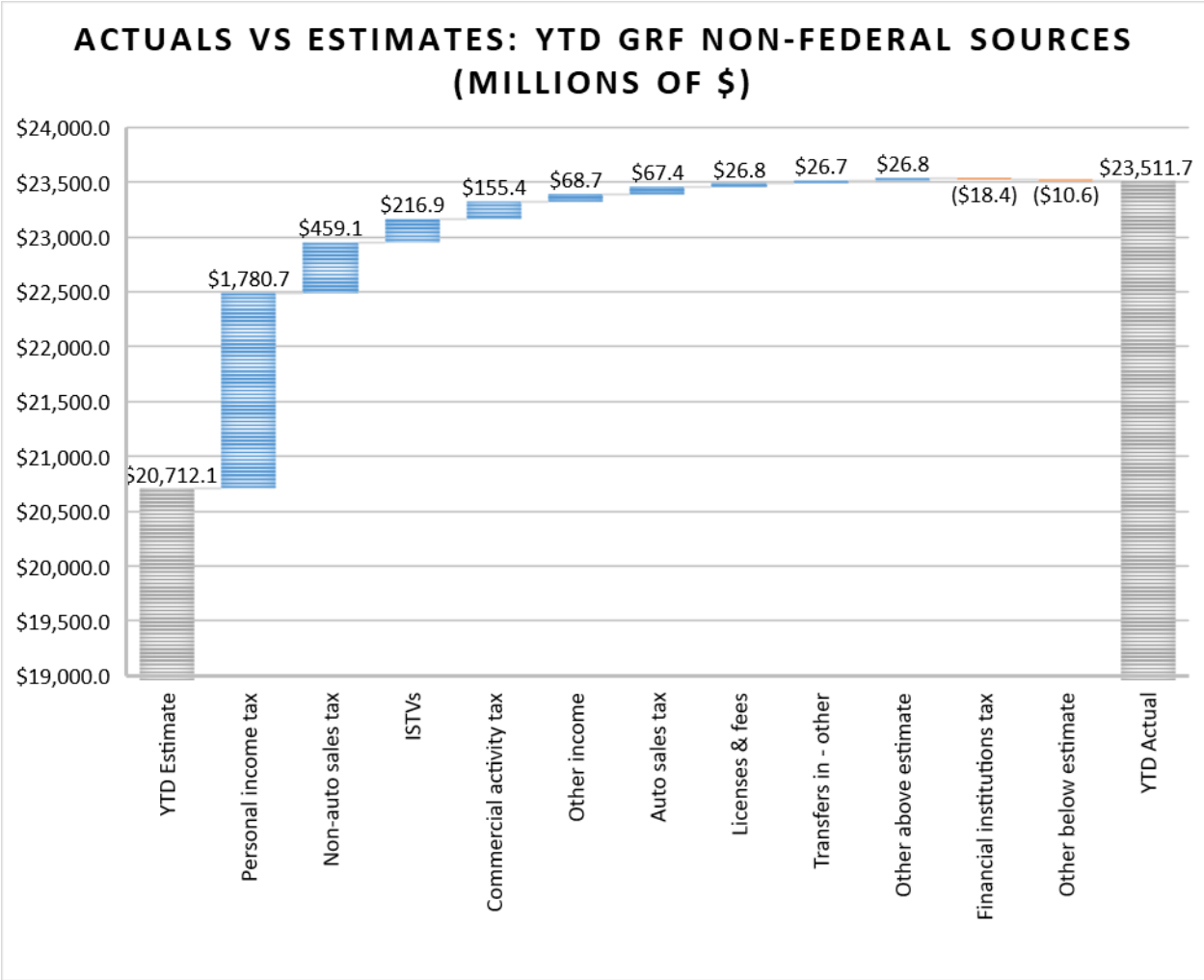
Category	Includes:	YTD Variance (millions)	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$2,453.4	12.0%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$1,217.1	13.4%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$26.7	88.0%
TOTAL REVENUE VARIANCE:		\$3,697.2	12.5%
Non-Federal Revenue Variance		\$2,799.6	13.5%
Federal Grants Variance		\$897.6	10.1%

The table below shows that sources above estimate (a positive variance of \$1.1 billion) in April outweighed the size of sources below estimate (a negative variance of \$293.1 million), resulting in a \$772.6 million net positive variance from estimate.

GRF Revenue Sources Relative to Monthly Estimates – April 2022
(\$ in millions)

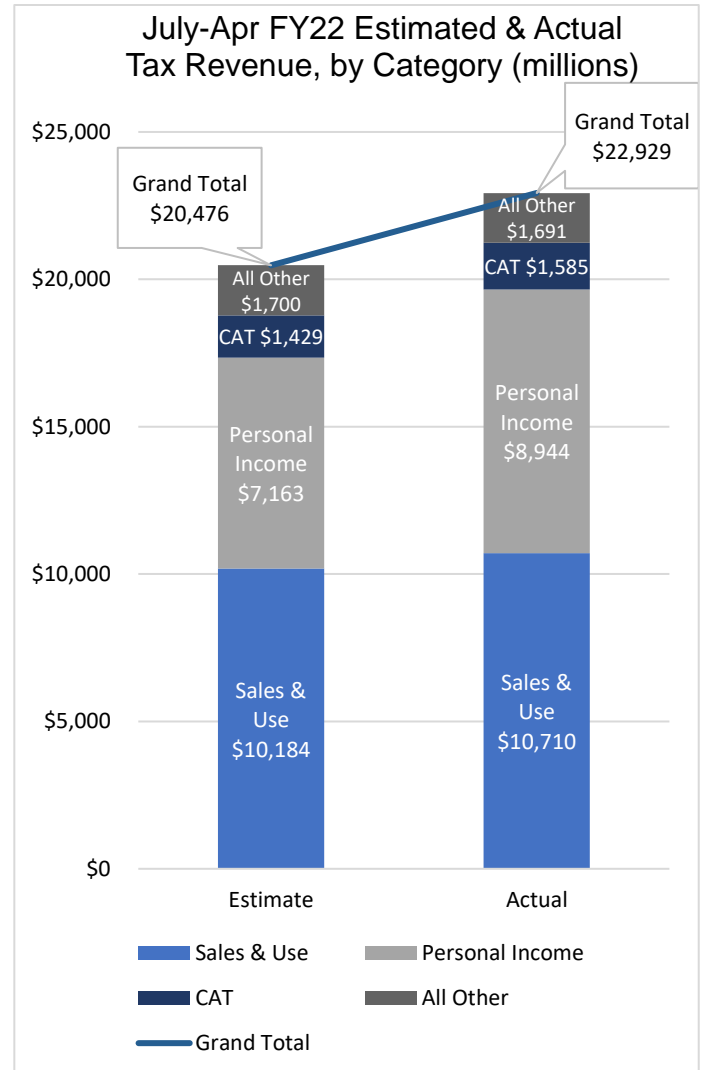
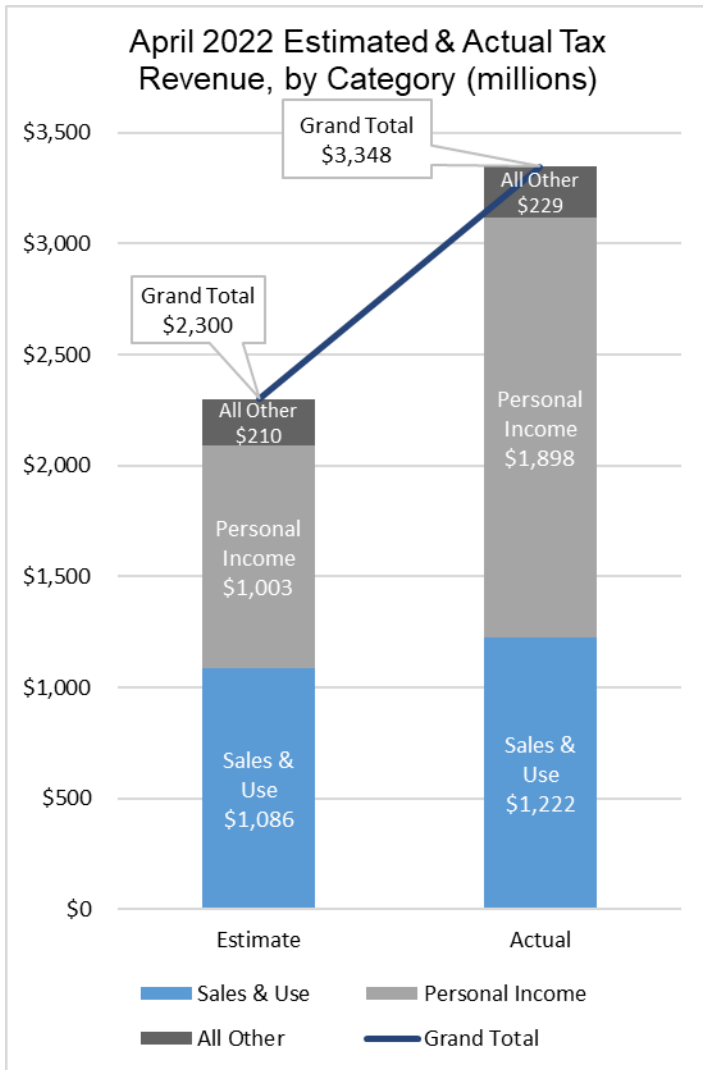
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Personal Income Tax	\$894.7	Federal Grants	(\$273.3)
Non-Auto Sales Tax	\$115.7	ISTVs	(\$9.0)
Commercial Activity Tax	\$26.7	Kilowatt-hour Tax	(\$3.2)
Auto sales tax	\$20.1	Cigarette & Other Tobacco Products Tax	(\$2.2)
Earnings on Investments	\$4.9	Other sources below estimate	(\$5.5)
Other sources above estimate	\$3.7		
Total	\$1,065.7	Total Below	(\$293.1)

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



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for fiscal year 2022 to date, with the net difference totaling \$2.8 billion.

The following two graphs show the composition of estimated and actual GRF tax revenues for April 2022 and for the fiscal year-to-date. All tax sources are allocated among several major categories. The charts show the preponderant impact of the sales and use tax and the personal income tax on the GRF revenue structure.



For April, total receipts and transfers were \$650.8 million (20.9%) above the previous year. Tax receipts increased by \$1.1 billion (46.1%), non-tax receipts decreased by \$406.6 million (-49.6%), and transfers increased by \$1.4 million. For the year-to-date, tax receipts are \$2.1 billion (9.9%) above last year and non-tax receipts are \$293.1 million (2.9%) above the prior year. Transfers are \$40.1 million (-41.2%) below last year on a year-to-date basis.

During April, the source with the largest year-over-year increase was personal income tax, at \$1.0 billion (118.9%) above last year. The next-largest increases were commercial activity tax at \$23.0 million (30.8%), non-auto sales tax at \$11.5 million (1.1%), and financial institutions tax at \$9.2 million (65.4%). The largest declines were experienced by Federal grants at \$395.6 million (-50.7%), licenses & fees at \$12.0 million (-46.0%), auto sales tax at \$9.8 million (-4.8%), and cigarette & other tobacco products tax at \$6.5 million (-8.7%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections in April totaled \$1.0 billion and were \$115.7 million (12.7%) above the estimate. For the third time this fiscal year, monthly revenue reached the \$1.0 billion mark. This source has exceeded the budgeted estimate each month since September. Through April, the source is \$459.1 million (5.3%) above estimate.



Revenue grew by \$11.5 million (1.1%) from last April. What otherwise appears to be muted growth in April should be put into context: last April's high revenue was fueled by federal economic impact payments to individuals and that level of non-auto sales tax intake was not expected to be duplicated this year, so the outright increase in revenue represents a notable result. Year-to-date revenue is now \$703.7 million (8.4%) above fiscal year 2021. This constitutes a robust growth rate, although the rate was slightly larger during fiscal year 2021. At 9.4 percent, the year-to-date growth rate in fiscal year 2021 was boosted by both an outsized April 2021 revenue intake – with consumption fueled by Federal government stimulus and improved pandemic conditions – and the diminished fiscal year 2020 revenues during the onset of the pandemic. Over the first 10 months, the revenue growth rates in fiscal years 2021 and 2022 are historically large: except for several years impacted by tax rate increases or by significant tax base expansions and after adjustments to remove distortions caused by the taxation of Medicaid Health Insuring Corporations, the 2021 and 2022 growth rates exceed any year since the 1980's.

The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows that retail sales growth in March was considerably slower than the dramatic growth rates observed in preceding months. Focusing on the retail categories that are predominantly subject to Ohio non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the MARTS data show a 3.3 percent year-over-year increase in national non-seasonally adjusted sales during March 2022. This contrasts with year-over-year growth of 15.1 percent in February and 10.3 percent growth in January. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 13.5 percent, 6.7 percent, and 12.8 percent during March, February, and January, respectively. Expanding the time frame, U.S. retail sales for the primarily taxable non-auto categories increased by 12.1 percent during July through March compared to the prior year; Ohio all-funds non-auto sales tax revenue increased by 11.0 percent during that period.

The MARTS data also indicate that retail sales growth has recently turned negative, as measured on a month-over-month basis. Based on seasonally adjusted figures, March 2022 sales for the above-indicated retail categories dropped by 0.2 percent from February, following a 0.8 percent decline in February from January.

Auto Sales Tax

April auto sales tax revenues were \$192.9 million, performing \$20.1 million (11.6%) above the estimate. This source is \$67.4 million (4.4%) above the estimate for the fiscal year. Revenues were \$9.8 million (-4.8%) below last April. The decrease occurred because the April 2021 intake was extraordinarily high, exceeding \$200 million for the first and only time. In fact, the April 2022 outcome was quite elevated: it represented the second-highest amount on record and was \$12.0 million (6.6%) above the next-largest month this fiscal year. For the year, revenues are \$80.0 million (5.3%) above fiscal year 2021.



April's national sales figures reflect continuing challenges for the new motor vehicle market. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales in April reached 14.3 million units, based on a seasonally adjusted annual rate (the number of sales that occurred during the month after adjustment for seasonal fluctuations and expressed as an annualized total). This represents a 6.6 percent increase from March but a 21.9 percent decline from a year ago. On an unadjusted basis, April light vehicle unit sales were at 1.2 million units. This is a 2.2 percent drop from March and is 19.2 percent below last April. New vehicle transaction prices remain considerably higher than a year ago, and growth recently resumed after subsiding in recent months. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$43,755 in April, up 14.7 percent relative to last year and up 1.4 percent from March.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during April to be 3.4 million, not annualized and not seasonally adjusted, down 5.0 percent from last month and down 15.0 percent from last year. Used vehicle prices have grown considerably since the onset of the pandemic, although growth has abated in recent months. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of April 2022 was 14.1 percent higher than the previous year, but 1.0 percent down from March. Both the Manheim index and the Moody's used vehicle price index show a modest decline in prices since December 2021.

Quarterly data compiled by the Ohio Bureau of Motor Vehicles on Ohio taxable sales of motor vehicles is currently available through the first quarter of calendar year 2022. The April edition of this report contains figures from that quarterly data release. OBM will include the second-quarter 2022 data in the July edition of the Monthly Financial Report.

Personal Income Tax

April GRF personal income tax receipts totaled \$1.9 billion and were \$894.7 million (89.2%) above the estimate. All tax payment component types exceeded estimate in April. For the year-to-date, revenue is \$1.8 billion (24.9%) above estimate. Income tax collections have exceeded estimate every month this year, although April accounts for one-half of the accumulated variance.



On a year-over-year basis, April income tax collections increased by \$1.0 billion (118.9%). However, such year-over-year growth is inflated by the fact that annual returns were not due last year until May 17; this year reflects the regular pattern in which tax returns are due by April 15. Nonetheless, April 2022 represents the largest intake for the personal income tax, topping the previous high of \$1.8 billion set in April 2008. Year-to-date revenue for fiscal year 2022 is \$1.0 billion (13.2%) above the prior year.

Annual return payments, which also include payments by taxpayers opting for an extension of the standard April 15 return filing date, had a preponderant influence on April's revenue performance. Collections from this tax payment source were \$701.3 million (98.5%) above estimate in April, accounting for nearly four-fifths of the total income tax variance for the month. This component is now \$825.6 million (88.4%) above estimate for the fiscal year. For the elapsed (January-April) filing season, annual return collections are \$763.2 million (94.2%) above estimate. It is possible that some collections anticipated in May and June were instead received, processed, and posted in April. For this reason alone, OBM will monitor such payments with great interest through the end of this fiscal year. Even if some of the annual return payments were received earlier than anticipated, the April results nonetheless provide compelling evidence of a strong 2021 tax year.

Withholding collections amounted to \$938.0 million in April and were \$102.8 million (12.3%) above estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$449.4 million (5.5%). Withholding has exceeded estimate in every month since September although the last two months account for nearly one-half of the accumulated withholding variance. This component was \$113.3 million (13.7%) above last April; it is \$715.2 million (9.0%) above last year for the fiscal year-to-date. April collections were impacted by the 3.0 percent reduction in employer withholding tax rates that took effect in September 2021. After adjusting for this change and adjusting for this April having one less business day than last year, withholding collections for April 2022 would have been an estimated \$174.5 million (20.0%) higher than last year. Fiscal year-to-date collections are an estimated \$929.3 million (11.7%) higher than the previous year after adjusting for the withholding tax rate reduction.

The first quarterly estimated payment returns for tax year 2022 were due in April, making it a significant month for this component of the income tax. Estimated payments were \$19.7 million (13.5%) above estimate for the month. They are \$148.2 million (19.7%) above estimate for the fiscal year. During April, the category grew by \$34.8 million (26.7%) from last year. Although it is too early to draw conclusions for the remainder of the tax year, the April results provide a positive first sign for how the year may develop.

Trust payments and other payments were \$4.0 million (7.4%) above estimate for April and are \$22.5 million (15.0%) above estimate for the fiscal year.

Refunds were \$75.0 million (-10.4%) below estimate for the month. For the elapsed filing season (January through April), refund payments are \$347.5 million (-16.6%) below estimate. March refunds were \$288.4 million (81.3%) above last year. However, much of that increase can be attributed to last year's one-month extension of the tax return filing due date, from the regular April 15 due date to May 17. Refunds for the filing season have increased by \$510.3 million (41.1%) from the previous year.

April Personal Income Tax Receipts by Component (\$ in millions)						
	Actual April	Estimate April	\$ Var	Actual Apr-2022	Actual Apr-2021	\$ Var Y-to-Y
Withholding	\$938.0	\$835.2	\$102.8	\$938.0	\$824.6	\$113.3
Quarterly Est.	\$165.4	\$145.7	\$19.7	\$165.4	\$130.6	\$34.8
Annual Returns / 40 P	\$1,413.0	\$711.7	\$701.3	\$1,413.0	\$270.1	\$1,142.9
Trust Payments	\$45.5	\$43.8	\$1.7	\$45.5	\$15.6	\$30.0
Other	\$12.3	\$10.0	\$2.3	\$12.3	\$10.1	\$2.2
Less: Refunds	(\$643.0)	(\$718.0)	\$75.0	(\$643.0)	(\$354.6)	(\$288.4)
Local Distributions	(\$33.4)	(\$25.4)	(\$8.0)	(\$33.4)	(\$29.4)	(\$4.0)
Net to GRF	\$1,897.7	\$1,003.0	\$894.7	\$1,897.7	\$866.9	\$1,030.8

Commercial Activity Tax

April GRF revenues from the CAT were \$26.7 million (37.5%) above the estimate. For the year-to-date, the source is \$155.4 million (10.9%) above estimate. CAT revenue in April increased by \$23.0 million (30.8%) from last year and fiscal year-to-date revenue is now \$277.0 million (21.2%) above the previous year.



Most CAT revenue emanates from quarterly tax payments, so it is also suitable to analyze the CAT revenue stream in quarterly segments. Revenue has exceeded the estimate in each quarter of this fiscal year, by 8.1 percent, 7.5 percent, and 12.6 percent in the first, second, and third quarters, respectively. The first month of a new quarter has typically been a bellwether of how revenues during the entire quarter will perform, at least in terms of whether the estimate will be attained or not. The April outcome is an encouraging sign for the entire fourth quarter.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$412.9 million and were \$277.7 million (-40.2%) below estimate for the month of April. Year-to-date non-tax receipts totaled \$10.3 billion and were \$1.2 billion (13.4%) above estimate.

Nearly all the monthly variance in non-tax receipts was in the Federal Grants category, which was \$273.3 million (-41.6%) below estimate. This variance was driven by lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report. Despite the negative monthly variance, year-to-date revenues in the Federal Grants category are still \$897.6 million (10.1%) above estimate.

5/6/2022

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2022 VS ESTIMATE FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL APRIL	ESTIMATE APRIL	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,029,259	913,600	115,659	12.7%	9,119,724	8,660,600	459,124	5.3%
Auto Sales & Use	192,869	172,800	20,069	11.6%	1,590,571	1,523,200	67,371	4.4%
Subtotal Sales & Use	1,222,129	1,086,400	135,729	12.5%	10,710,296	10,183,800	526,496	5.2%
Personal Income	1,897,697	1,003,000	894,697	89.2%	8,943,507	7,162,800	1,780,707	24.9%
Corporate Franchise	21	0	21	N/A	689	0	689	N/A
Financial Institutions Tax	23,288	24,800	(1,512)	-6.1%	135,910	154,300	(18,390)	-11.9%
Commercial Activity Tax	97,755	71,100	26,655	37.5%	1,584,536	1,429,100	155,436	10.9%
Petroleum Activity Tax	0	0	0	N/A	6,474	6,600	(126)	-1.9%
Public Utility	0	300	(300)	N/A	106,382	94,800	11,582	12.2%
Kilowatt Hour	27,679	30,900	(3,221)	-10.4%	263,009	268,500	(5,491)	-2.0%
Natural Gas Distribution	336	2,000	(1,664)	-83.2%	35,245	35,900	(655)	-1.8%
Foreign Insurance	1,942	400	1,542	385.6%	354,171	351,500	2,671	0.8%
Domestic Insurance	20	300	(280)	-93.4%	2,311	1,100	1,211	110.1%
Other Business & Property	8	0	8	N/A	8	0	8	N/A
Cigarette and Other Tobacco	68,442	70,600	(2,158)	-3.1%	684,656	689,600	(4,944)	-0.7%
Alcoholic Beverage	4,400	4,900	(500)	-10.2%	53,487	50,400	3,087	6.1%
Liquor Gallonage	4,765	5,000	(235)	-4.7%	48,257	47,200	1,057	2.2%
Estate	1	0	1	N/A	51	0	51	N/A
Total Tax Receipts	3,348,483	2,299,700	1,048,783	45.6%	22,928,988	20,475,600	2,453,388	12.0%
NON-TAX RECEIPTS								
Federal Grants	384,023	657,280	(273,258)	-41.6%	9,798,258	8,900,701	897,557	10.1%
Earnings on Investments	13,670	8,742	4,929	56.4%	34,630	27,479	7,151	26.0%
License & Fees	14,123	15,127	(1,004)	-6.6%	93,133	66,375	26,758	40.3%
Other Income	1,114	518	596	115.1%	171,911	103,241	68,670	66.5%
ISTV'S	1	9,000	(8,999)	-100.0%	225,913	9,000	216,913	2410.1%
Total Non-Tax Receipts	412,930	690,667	(277,737)	-40.2%	10,323,846	9,106,796	1,217,050	13.4%
TOTAL REVENUES	3,761,413	2,990,367	771,047	25.8%	33,252,833	29,582,396	3,670,438	12.4%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,550	0	1,550	N/A	57,085	30,362	26,722	88.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,550	0	1,550	N/A	57,085	30,362	26,722	88.0%
TOTAL SOURCES	3,762,963	2,990,367	772,597	25.8%	33,309,918	29,612,758	3,697,160	12.5%

5/6/2022

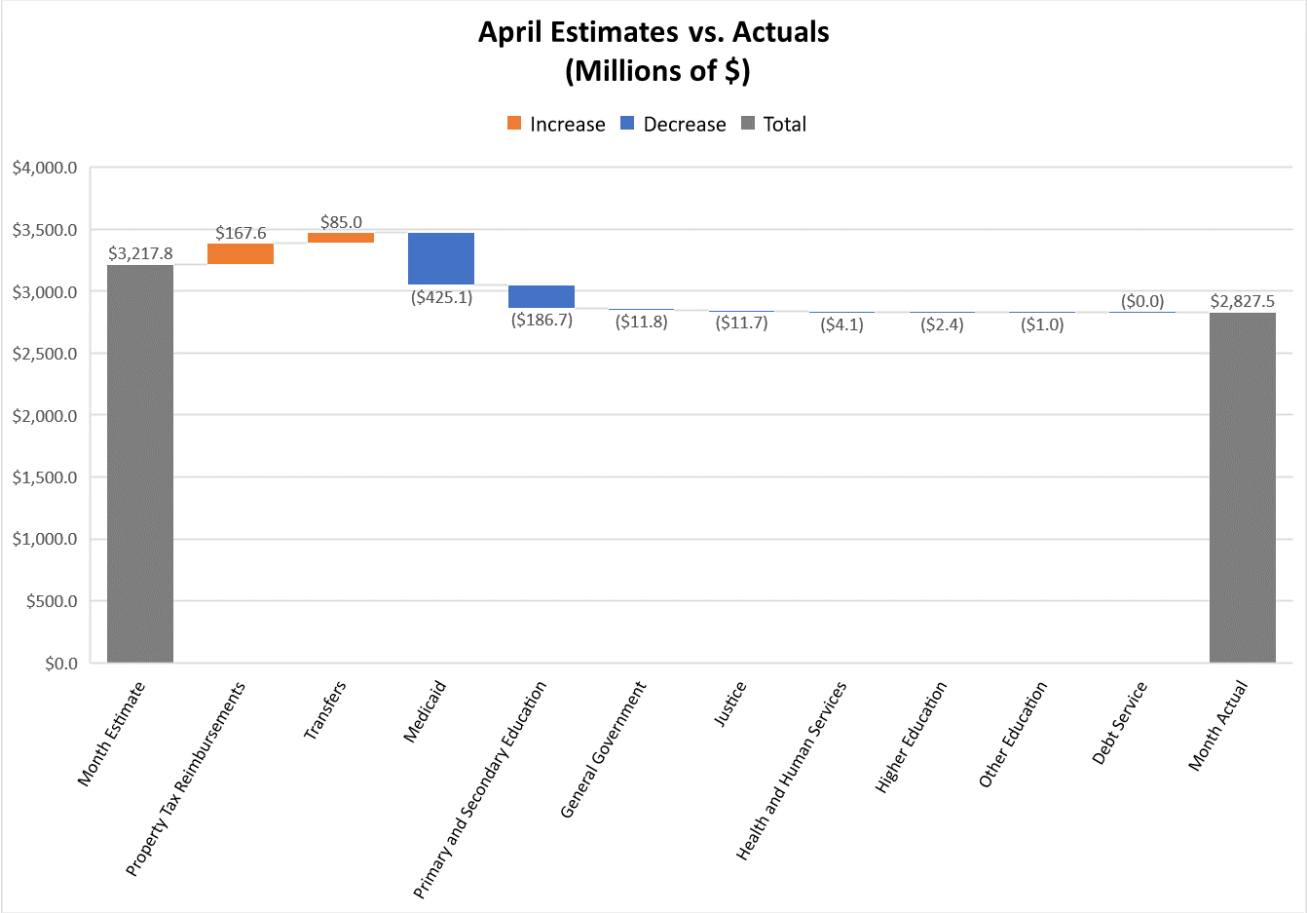
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2022 VS ACTUAL FY 2021
(\$ in thousands)

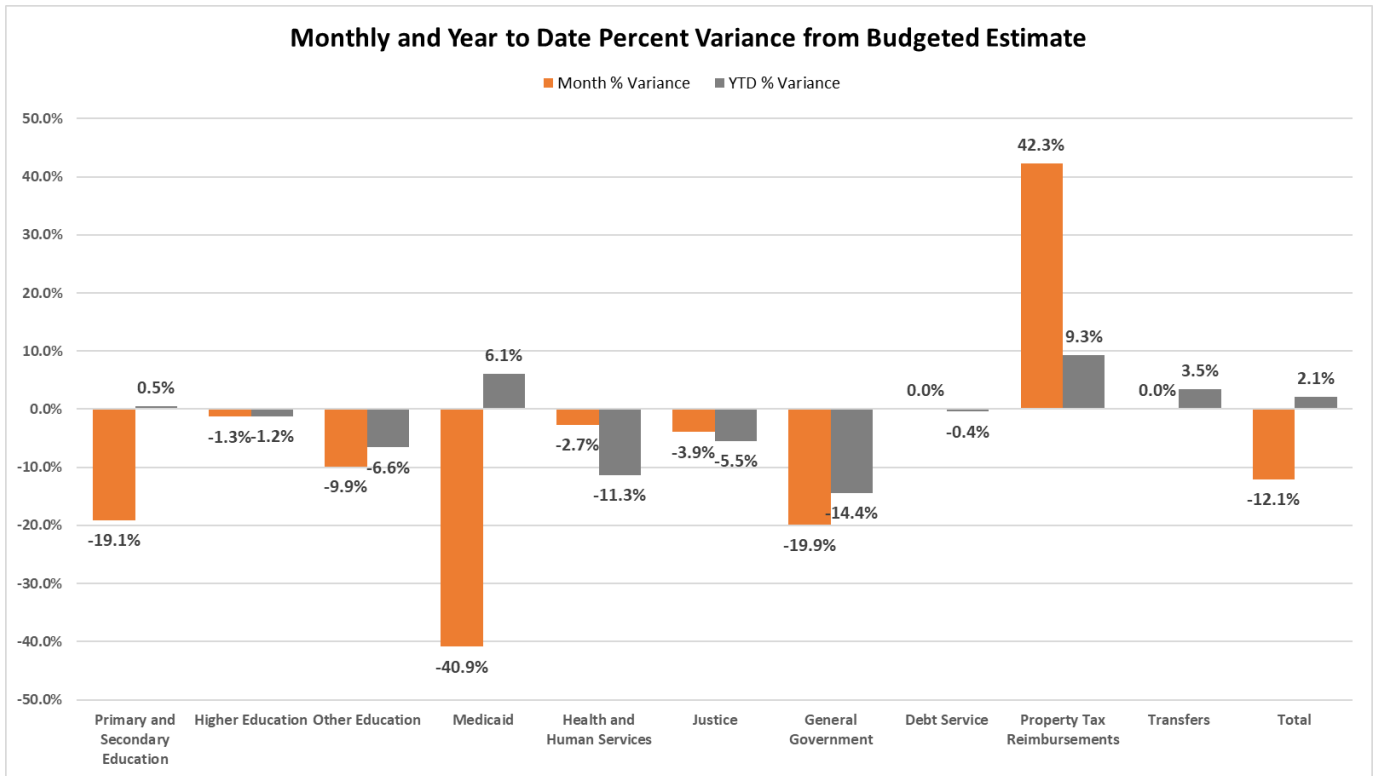
REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	APRIL FY 2022	APRIL FY 2021	\$ VAR	% VAR	ACTUAL FY 2022	ACTUAL FY 2021	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,029,259	1,017,748	11,511	1.1%	9,119,724	8,415,974	703,750	8.4%
Auto Sales & Use	192,869	202,694	(9,824)	-4.8%	1,590,571	1,510,591	79,980	5.3%
Subtotal Sales & Use	1,222,129	1,220,442	1,687	0.1%	10,710,296	9,926,565	783,731	7.9%
Personal Income	1,897,697	866,924	1,030,773	118.9%	8,943,507	7,901,824	1,041,683	13.2%
Corporate Franchise	21	32	(11)	-34.2%	689	5,909	(5,220)	-88.3%
Financial Institutions Tax	23,288	14,079	9,209	65.4%	135,910	160,935	(25,025)	-15.5%
Commercial Activity Tax	97,755	74,716	23,039	30.8%	1,584,536	1,307,489	277,046	21.2%
Petroleum Activity Tax	0	0	0	N/A	6,474	3,202	3,271	102.2%
Public Utility	0	475	(475)	N/A	106,382	82,581	23,801	28.8%
Kilowatt Hour	27,679	30,911	(3,231)	-10.5%	263,009	267,055	(4,047)	-1.5%
Natural Gas Distribution	336	29	306	1045.2%	35,245	35,827	(582)	-1.6%
Foreign Insurance	1,942	360	1,582	439.4%	354,171	351,271	2,901	0.8%
Domestic Insurance	20	1	19	1914.5%	2,311	976	1,335	136.7%
Other Business & Property	8	5	3	58.3%	8	64	(56)	-87.3%
Cigarette and Other Tobacco	68,442	74,979	(6,536)	-8.7%	684,656	714,628	(29,972)	-4.2%
Alcoholic Beverage	4,400	4,632	(231)	-5.0%	53,487	49,729	3,758	7.6%
Liquor Gallonage	4,765	4,907	(143)	-2.9%	48,257	47,716	542	1.1%
Estate	1	5	(4)	-73.9%	51	31	20	63.0%
Total Tax Receipts	3,348,483	2,292,497	1,055,986	46.1%	22,928,988	20,855,802	2,073,185	9.9%
NON-TAX RECEIPTS								
Federal Grants	384,023	779,628	(395,606)	-50.7%	9,798,258	9,796,430	1,828	0.0%
Earnings on Investments	13,670	13,037	633	4.9%	34,630	45,596	(10,966)	-24.1%
License & Fee	14,123	26,167	(12,044)	-46.0%	93,133	81,639	11,493	14.1%
Other Income	1,114	621	493	79.5%	171,911	94,849	77,062	81.2%
ISTV'S	1	47	(47)	-98.9%	225,913	12,272	213,641	1740.8%
Total Non-Tax Receipts	412,930	819,500	(406,570)	-49.6%	10,323,846	10,030,787	293,058	2.9%
TOTAL REVENUES	3,761,413	3,111,997	649,416	20.9%	33,252,833	30,886,589	2,366,244	7.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,550	166	1,384	831.9%	57,085	97,150	(40,065)	-41.2%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,550	166	1,384	831.9%	57,085	97,150	(40,065)	-41.2%
TOTAL SOURCES	3,762,963	3,112,163	650,800	20.9%	33,309,918	30,983,739	2,326,179	7.5%

Disbursements

April GRF disbursements, across all uses, totaled \$2.8 billion and were \$390.3 million (-12.1%) below estimate. This variance was primarily attributable to below estimate disbursements in Medicaid. On a year-over-year basis, April total uses were \$288.4 million (-9.3%) lower than those of the same month in the previous fiscal year, with a decrease in Medicaid largely responsible for the difference. Year-over-year variances from the estimate by category are provided in the table below.

Category	Description	Year-Over-Year Variance (Millions)	% Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	-\$372.6	-12.0%
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$84.2	10,085.6%
TOTAL DISBURSEMENTS VARIANCE:		-\$288.4	-9.3%





GRF disbursements are reported according to functional categories. This section contains information describing GRF spending and variances within each of these categories.

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. April disbursements for this category totaled \$790.3 million and were \$186.7 million (-19.1%) below estimate. This variance was primarily attributable to below estimate disbursements in the Foundation Funding All Students, Pupil Transportation, and Student Assessment line items. Disbursements for the Foundation Funding All Students line item were below estimate as foundation payments were less than anticipated due to a normally occurring reconciliation process. Implementation of the new school funding formula in mid-year resulted in overspending in December and January as any funding increases owed to schools were paid in those months. If schools experienced reduced funding for any category of foundation aid, those reductions occur over the remaining payments. Therefore, the department continues to deduct overpayments, and underspending is expected to continue for the remainder of the fiscal year to offset prior months of overspending. Disbursements for the Pupil Transportation line item were below estimate as payments for pupil transportation and special education transportation were less than anticipated. Lower than anticipated special education transportation expenditures in fiscal year 2021 and a decrease of 65,000 bus riders in fiscal year 2022 compared to fiscal year 2020 were the primary causes of the underspending. Disbursement for the Student Assessment line item were below estimate due to timing of payments as the department

experienced a delay in amending an assessment contract which caused delay in payments.

Year-to-date disbursements were \$7.3 billion, which were \$39.5 million (0.5%) above estimate. On a year-over-year basis, disbursements in this category were \$42.4 million (-5.1%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$292.8 million (4.2%) higher than the same point in fiscal year 2021.

Higher Education

April disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$191.4 million and were \$2.4 million (-1.3%) below estimate. This variance was primarily attributable to spending in the Choose Ohio First and Ohio College Opportunity Grant Scholarship programs, which was \$4.8 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions. The issue stems from the timing of requests and does not impact the Department of Higher Education's mission or the recipients of these scholarship programs. This variance was partially offset by spending in the Ohio Supercomputer Center line item, which was \$3.2 million above estimate because Memorandum of Understanding (MOUs), which are necessary prior to disbursement of funds, were executed later than anticipated and payments for the previous quarters were made in April. The Supercomputer Center was operating at full capacity while waiting for the signed MOU.

Year-to-date disbursements were \$2.0 billion, which were \$23.7 million (-1.2%) below estimate. On a year-over-year basis, disbursements in this category were \$10.0 million (-5.0%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$62.2 million (3.2%) higher than at the same point in fiscal year 2021.

Medicaid

Note: Medicaid enrollment and spending estimates included in this report are based on projections made in July at the start of fiscal year 2022. These projections assumed the federally-declared public health emergency through December 2021. Therefore, the estimates assume the receipt of additional federal reimbursement and the suspension of routine eligibility redeterminations only for the July-December period of fiscal year 2022. However, the federal public health emergency has been extended into April 2022 and with it the additional federal reimbursement and the suspension of eligibility redeterminations; both now in effect for the April-June period of fiscal year 2022. This will result in deviations from both the fiscal and enrollment estimates found in this report.

This category includes all Medicaid spending on services and program supported 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 the State Board of Pharmacy.

Medicaid Expenditures

April GRF disbursements for the Medicaid Program totaled \$614.9 million and were \$425.1 million (-40.9%) below estimate and \$463.0 million (-43.0%) below disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$14.1 billion and were \$805.1 million (6.1%) above estimate, and \$85.4 million (0.6%) above disbursements for the same point in the previous fiscal year.

The monthly GRF variance was primarily attributable to a credit back to the state in the managed care program under a two-sided risk mitigation strategy called a risk corridor. This strategy, enacted because of the pandemic, reconciles medical loss ratios assumed in the monthly managed care capitation payments with actual medical loss ratios incurred by the managed care organizations. The reconciliation performed for payments in calendar year 2020 reduced April GRF spending in the managed care category by \$570.0 million.

Additionally, lower than estimated managed care rates continue to offset some of the higher spending associated with increased caseloads. Caseloads in both the managed care and fee-for-service programs will remain above estimate for fiscal year 2022 as original estimates assumed the end of the federal public health emergency in December 2021 and the resumption of routine eligibility redeterminations in January 2022. Caseloads were approximately 43,700 and 25,900 above estimate in the managed care and fee-for-service program, respectively. Partially offsetting the variance, the Department continued the implementation of a cash management plan that includes alterations to the timing and use of non-GRF funds, the most notable being the delayed use of the Health and Human Services fund to fiscal year 2023 – this change shifted some additional spending into the GRF. The Department will continue to evaluate the use of both GRF and non-GRF resources in funding the program for the remainder of the fiscal year.

Year-to-date GRF spending was above estimate due largely to provider payments authorized in H.B. 169 that were disbursed in March and the additional federal reimbursement associated with the continuation of the federal public health emergency and the enhanced FMAP. As part of the cash management plan and to account for the variance, the Department implemented several appropriation adjustments authorized in both H.B. 110 and H.B. 169. These adjustments shifted additional appropriation to the Department's main GRF line item, 651525 Medicaid Health Care Services, mainly to account for additional federal revenue that was being deposited into the GRF due to the continuation of the federal public health emergency and the enhanced FMAP. These changes were budget neutral but ensured that appropriation was available where needed due to the shifting circumstances. The estimates in this report do not reflect this adjustment and therefore year-to-date variances will be skewed for the remainder of the fiscal year.

April all-funds disbursements for the Medicaid Program totaled \$2.1 billion and were \$681.1 million (-24.5%) below estimate, and \$539.7 million (-21.0%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$29.0 billion and were \$397.7 million (-1.4%) below estimate, and \$3.2 billion (12.3%) above disbursements for the same point in the previous fiscal year.

The April all-funds and year-to-date variances were primarily attributable to the managed care reconciliation payment described above. As noted, this reconciliation reduced GRF spending by approximately \$570.0 million in April. Additionally, lower than anticipated managed care rates that took effect in January continue to offset some costs associated with elevated caseloads. The year-to-date variance was further affected by non-enrollment related payments, which remain delayed and are not expected to be disbursed in fiscal year 2022 and below estimate spending on administration as some anticipated operational costs are being pushed into fiscal year 2023. The year-over-year variance is primarily attributable to increases costs associated with elevated caseloads because of the pandemic.

The chart below shows the current month’s disbursement variance by funding source.

(In millions, totals may not add due to rounding)

	<u>April Estimate</u>	<u>April Actual</u>	<u>Variance</u>	<u>Variance %</u>
GRF	\$1,040.0	\$614.9	-\$425.1	-40.9%
Non-GRF	\$1,740.4	\$1,484.3	-\$256.0	-14.7%
All Funds	\$2,780.3	\$2,099.2	-\$681.1	-24.5%

Medicaid Enrollment

Total April enrollment was 3.38 million, which was 66,600 (2.0%) above estimate and approximately 201,650 (6.3%) above enrollment for the same period last fiscal year. As noted above, enrollment will continue to be reported above estimate for the remainder of fiscal year 2022 because budget estimates assumed the end of the federal public health emergency in December 2021 followed by the resumption of redeterminations beginning early in the third quarter of the state fiscal year. Year-to-date average monthly enrollment was 3.31 million and was approximately 11,500 (0.4%) above estimate.

April enrollment by major eligibility category was: Covered Families and Children, 1.85 million; Group VIII Expansion, 890,700; and Aged, Blind and Disabled (ABD), 501,450.

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

Department of Health

Help Me Grow is an evidence-based voluntary family support program for pregnant women and new parents that promotes healthy growth and development for babies and children through home visiting. Home visitors are well-trained professionals who use a compassionate approach that empowers parents with skills, tools, and confidence to nurture the healthy growth of their children. House Bill 166 of the 134th General Assembly appropriated \$1.9 million in additional funding compared to the previous year. Year-to-date expenditures in the Help Me Grow line item totaled \$29.0 million and are \$9.3 million (-24.2%) below estimate. Currently, families and service providers decide whether to meet virtually or in-person due to social distancing preferences. Virtual visits are less expensive and sometimes happen less frequently due to the families access to technology, causing lower expenses in the program. The Department of Health projects that in-person visits will increase as the public continues to become more comfortable with social gatherings. The reduced expenditures have not impacted service levels; in fact, 8,163 families are currently served by the program, a 5.0 percent increase from the previous year, when 7,772 families were served.

Lower-than-estimate expenditures in the Help Me Grow line item offset higher-than-estimate expenditures in other line items. GRF expenditures for the Department of Health totaled \$15.1 million in April and were \$4.2 million (38.4%) above estimate. The overage was primarily attributable to the Local Health Departments line item, which was \$2.4 million above estimate. The department finalized the per capita payment methodology utilizing the 2020 Census, which occurred later than anticipated, delaying payments to the local health departments. All subsidies to local health departments out of this line item have been disbursed.

Department of Mental Health and Addiction Services

April disbursements for The Department of Mental Health and Addiction Services totaled \$56.6 million and were \$5.8 million (-9.2%) below estimate. The variance was primarily attributable to the Criminal Justice Services line item, which was \$2.9 million below estimate due to early payments for the Psychotropic Drug Program and Medically Assisted Treatment (MAT) Jail Medication Program that were planned originally in April but already made in March. The Psychotropic Drug Program and MAT Jail Medication Programs consist of OhioMHAS providing reimbursement to counties for the cost of certain drugs that are dispensed to inmates of county jails in Ohio. These programs are a part of the RecoveryOhio initiative and support forensic services to reduce stress on the hospital and criminal justice systems.

Justice and Public Protection

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

April disbursements in this category totaled \$285.2 million and were \$11.7 million (-3.9%) below estimate. Year-to-date disbursements were \$2.3 billion and were \$133.2 million (-5.5%) below estimate. On a year-over-year basis, disbursements in this category were \$62.2 million (27.9%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$236.2 million (11.5%) higher than at the same point in fiscal year 2021.

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.

April disbursements in this category totaled \$47.5 million and were \$11.8 million (-19.9%) below estimate. Year-to-date disbursements were \$426.0 million and were \$71.6 million (-14.4%) below estimate. On a year-over-year basis, disbursements in this category were \$5.1 million (12.0%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$61.8 million (17.0%) higher than at the same point in fiscal year 2021.

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, TANF, 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. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in the Medicaid category.

April disbursements in this category totaled \$148.7 million and were \$4.1 million (-2.7%) below estimate. Year-to-date disbursements were \$1.3 billion and were \$167.2 million (-11.3%) below estimate. On a year-over-year basis, disbursements in this category were \$29.7 million (25.0%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$91.9 million (7.6%) higher than at the same point in fiscal year 2021.

Other Education

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

April disbursements in this category totaled \$9.0 million and were \$1.0 million (-9.9%) below estimate. Year-to-date disbursements were \$79.9 million and were \$5.6 million (-6.6%) below estimate. On a year-over-year basis, disbursements in this category were \$1.7 million (24.2%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$15.0 million (23.2%) higher than at the same point in fiscal year 2021.

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 as a result of the 10.0 percent and 2.5 percent rollback, as well as the homestead exemption. April property tax reimbursements totaled \$563.3 million and were \$167.6 million (42.3%) above estimate. Year-to-date reimbursements totaled \$1.6 billion and were \$135.9 million (9.3%) above estimate. The monthly and year-to-date variances were primarily timing related and are largely expected to be offset with lower than estimated disbursements in future months.

Debt Service

April payments for debt service were \$92.3 million and were \$10,000 below estimate for the month. Year-to-date debt service payments were \$1.4 billion and were \$5.8 million (-0.4%) below estimate for the year. Year-to-date debt service payments are currently \$366.6 million (36.7%) over this point last fiscal year due to debt restructuring lowering 2021 payments below typical levels.

Transfers Out

April transfers out totaled \$85.0 million though none were estimated. Year-to-date transfers out totaled \$3.1 billion and were \$103.5 million (3.5%) above estimate. The monthly variance was attributable to a \$85.0 million transfer to the Investing in Ohio Fund, which was authorized in recent legislation and not included in the original transfer estimates.

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Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2022 VS ESTIMATE FY 2022
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL APRIL	ESTIMATED APRIL	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	790,273	976,935	(186,662)	-19.1%	7,348,848	7,309,360	39,488	0.5%
Higher Education	191,413	193,852	(2,439)	-1.3%	2,024,798	2,048,532	(23,734)	-1.2%
Other Education	8,978	9,962	(983)	-9.9%	79,906	85,524	(5,618)	-6.6%
Medicaid	614,878	1,039,983	(425,106)	-40.9%	14,095,567	13,290,515	805,052	6.1%
Health and Human Services	148,666	152,796	(4,130)	-2.7%	1,308,250	1,475,440	(167,190)	-11.3%
Justice and Public Protection	285,189	296,914	(11,725)	-3.9%	2,287,718	2,420,948	(133,230)	-5.5%
General Government	47,505	59,311	(11,806)	-19.9%	426,049	497,682	(71,633)	-14.4%
Property Tax Reimbursements	563,314	395,745	167,569	42.3%	1,604,718	1,468,769	135,949	9.3%
Debt Service	92,267	92,277	(10)	0.0%	1,366,348	1,372,120	(5,772)	-0.4%
Total Expenditures & ISTV's	2,742,482	3,217,774	(475,292)	-14.8%	30,542,201	29,968,890	573,311	1.9%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	85,031	0	85,031	N/A	3,073,894	2,970,400	103,494	3.5%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	85,031	0	85,031	N/A	3,073,894	2,970,400	103,494	3.5%
Total Fund Uses	2,827,512	3,217,774	(390,262)	-12.1%	33,616,095	32,939,290	676,805	2.1%

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Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2022 VS ACTUAL FY 2021
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL	APRIL	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2022	FY 2021	VAR	VAR	FY 2022	FY 2021	VAR	VAR
Primary and Secondary Education	790,273	832,667	(42,394)	-5.1%	7,348,848	7,056,009	292,839	4.2%
Higher Education	191,413	201,437	(10,024)	-5.0%	2,024,798	1,962,605	62,193	3.2%
Other Education	8,978	7,226	1,752	24.2%	79,906	64,884	15,023	23.2%
Medicaid	614,878	1,077,837	(462,959)	-43.0%	14,095,567	14,010,201	85,366	0.6%
Health and Human Services	148,666	118,935	29,730	25.0%	1,308,250	1,216,376	91,874	7.6%
Justice and Public Protection	285,189	222,955	62,234	27.9%	2,287,718	2,051,562	236,156	11.5%
General Government	47,505	42,407	5,097	12.0%	426,049	364,284	61,765	17.0%
Property Tax Reimbursements	563,314	508,096	55,218	10.9%	1,604,718	1,571,566	33,152	2.1%
Debt Service	92,267	103,540	(11,274)	-10.9%	1,366,348	999,774	366,574	36.7%
Total Expenditures & ISTV's	2,742,482	3,115,100	(372,618)	-12.0%	30,542,201	29,297,260	1,244,941	4.2%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	85,031	780	84,251	10,805.6%	3,073,894	459,194	2,614,699	569.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	85,031	780	84,251	10,805.6%	3,073,894	459,194	2,614,699	569.4%
Total Fund Uses	2,827,512	3,115,880	(288,367)	-9.3%	33,616,095	29,756,455	3,859,640	13.0%

Fund Balance

Table 5 describes the estimated General Revenue Fund (GRF) unencumbered ending fund balance for fiscal year 2022. Based on the estimated revenue sources for fiscal year 2022 and the estimated fiscal year 2022 disbursements, transfers, and encumbrances, the GRF unencumbered ending fund balance for fiscal year 2022 is estimated to be \$2.75 billion.

The GRF unencumbered ending fund balance should not be considered as a balance available for expenditure in fiscal year 2022, nor should it be considered as equivalent to the fiscal year 2022 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF unencumbered ending fund balance will be impacted by any GRF expenditures or transfers that may be authorized by the General Assembly or by the Controlling Board during the course of the fiscal year.

Table 5
ESTIMATED FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2022
(\$ in thousands)

July 1, 2021 Beginning Cash Balance*	4,721,518.9
Plus FY 2022 Estimated Revenues	25,633,189.6
Plus FY 2022 Estimated Federal Revenues	10,614,906.3
Plus FY 2022 Estimated Transfers to GRF	350,053.4
Total Sources Available for Expenditures & Transfers	41,319,668.2
Less FY 2022 Estimated Disbursements**	35,239,972.4
Less Estimated Total Encumbrances as of June 30, 2022	352,348.8
Less FY 2022 Estimated Transfers Out	2,975,600.0
Total Estimated Uses	38,567,921.2
FY 2022 ESTIMATED UNENCUMBERED ENDING FUND BALANCE	2,751,747.0

*Includes reservations of \$689.3 million for prior year encumbrances. After accounting for this adjustment, the estimated unencumbered beginning fund balance for fiscal year 2022 is \$4,032.3 million.

**Disbursements include estimated spending against current year appropriations and prior year encumbrances. Disbursements also includes estimated costs associated with cost-of-living adjustments.

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Glossary

<p><u>Average Daily Rate</u></p>	<p>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.</p>
<p><u>Back-to-Normal Index</u></p>	<p>Created by Moody’s Analytics and CNN to track the economic recovery. The national index includes 37 indicators of economic activity, combining the 25 traditional economic indicators used in Moody’s High Frequency GDP model, with 12 real-time indicators. Each state index is composed of a weighted average of the national index and six state-level indicators. Both indices range from zero, representing no economic activity, to 100 percent, indicating full economic recovery to pre-pandemic levels.</p>
<p><u>Beige Book</u></p>	<p>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.</p>
<p><u>Building Permits</u></p>	<p>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.</p>
<p><u>Consumer Confidence</u></p>	<p>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.</p>
<p><u>Consumer Price Index for All Urban Consumers</u></p>	<p>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.</p>
<p><u>Continued and Extended Unemployment Claims</u></p>	<p>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.</p>
<p><u>Existing Home Sales</u></p>	<p>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.</p>

<u>Hotel Occupancy Rate</u>	A performance indicator that shows the percentage of hotel rooms that are occupied in the United States compared to total available space.
<u>Housing Market Index</u>	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.
<u>Initial Unemployment Claims</u>	The number of new jobless claims filed by Ohio workers seeking unemployment assistance for the first-time following a job loss.
<u>Leading Economic Index</u>	The Conference Board's 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.
<u>Newly Built Single-Family Home Sales</u>	A measure of the sales of newly built single family structures including houses and townhouses.
<u>Ohio Employee-Population Ratio</u>	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.
<u>Ohio Labor Force Participation Rate</u>	This rate represents the number of people in the Ohio labor force as a percentage of the Ohio civilian non-institutionalized population.
<u>Ohio Nonfarm Payroll Employment</u>	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.
<u>Ohio Unemployment Rate</u>	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.
<u>People Not in the Labor Force Who Currently Want a Job</u>	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.

<u>Permanent Job Losses</u>	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
<u>Personal Consumption Expenditures</u>	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.
<u>Personal Income</u>	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
<u>Personal Savings</u>	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (i.e., after-tax income) and personal outlays.
<u>Personal Savings Rate</u>	Produced by the Bureau of Economic Analysis, this indicator calculates the percentage of an individual's incomes left after they pay taxes and spend money. It is the percentage of the disposable income that people save.
<u>Purchasing Managers Index</u>	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.
<u>Real Gross Domestic Product</u>	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.
<u>Revenue Per Available Room</u>	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.
<u>Small Business Optimism Index</u>	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 ten seasonally adjusted components.
<u>State-Level Coincident Index</u>	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.

<u>Survey of Consumers</u>	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.
<u>Temporary Layoff</u>	People who have been given a date to return to work or who expect to return to work within 6 months. Those on temporary layoff do not need to be looking for work to be classified as unemployed.
<u>Total Construction Spending</u>	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.
<u>Total Industrial Production</u>	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.
<u>Total Travel Throughput</u>	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.
<u>Total Turnpike Revenue</u>	The amount of revenue received through the operation of the Ohio Turnpike.
<u>Turnpike Commercial Vehicle Miles Traveled</u>	The number of miles traveled on the Ohio Turnpike by a commercial vehicle; a commercial vehicle is any car, truck, van, or other vehicle that a person uses to conduct business.
<u>Turnpike Passenger Vehicle Miles Traveled</u>	The number of miles traveled on the Ohio Turnpike by a passenger vehicle; a passenger vehicle is any vehicle that is not used for business or commercial purposes.
<u>U.S. Labor Force Participation Rate</u>	This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.
<u>U.S. Nonfarm Payroll Employment</u>	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.

<p><u>U.S. Unemployment Rate</u></p>	<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>
<p><u>Worker Adjustment and Retraining Notification (WARN) Act</u></p>	<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>