

State of Ohio Monthly Financial Report

JANUARY 10, 2023

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

From: Kimberly Murnieks, Director



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Report Overview

**DECEMBER PERSONAL
INCOME TAX RECEIPTS
TOTALLED \$1.0 BILLION**



**GRF NON-AUTO SALES AND
USE TAX COLLECTIONS ARE
\$78.9 MILLION ABOVE
ESTIMATE FOR THE FISCAL
YEAR-TO-DATE**



**DECEMBER AUTO SALES AND
USE TAX COLLECTIONS
TOTALLED \$148.0 MILLION**



**COMMERCIAL ACTIVITY TAX
RECEIPTS ARE \$50.4 MILLION
ABOVE ESTIMATE FOR THE
FISCAL YEAR-TO-DATE**



Economic Activity

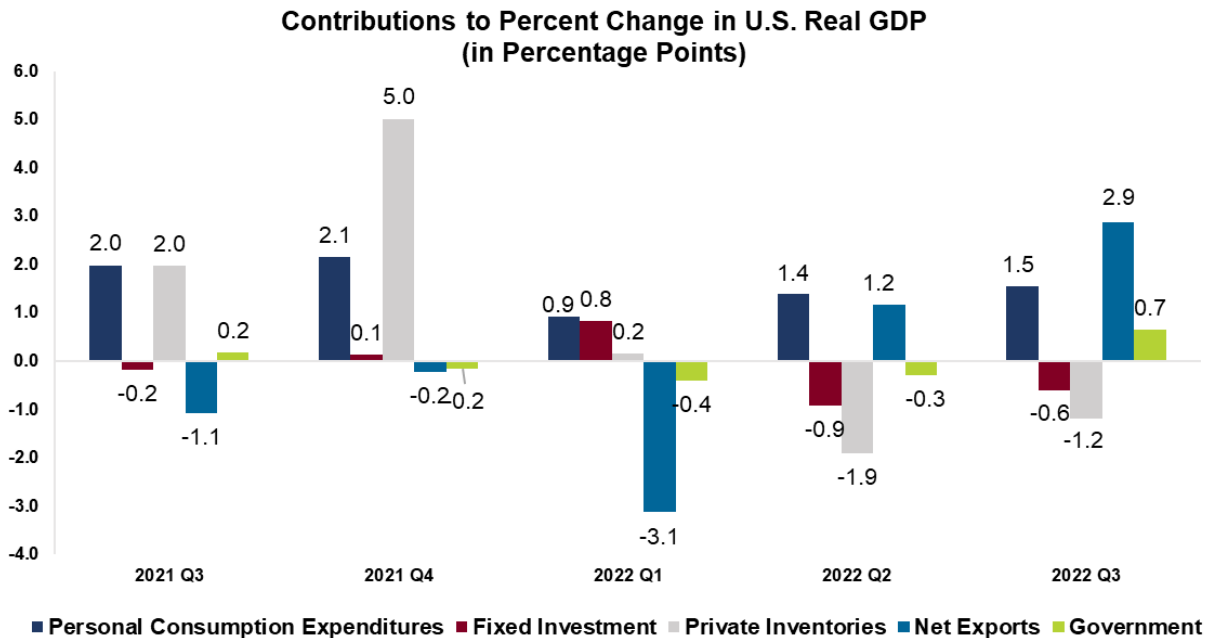
Economic Outlook

According to the Bureau of Economic Analysis’s third estimate, the nation’s **Real Gross Domestic Product (GDP)** increased in the third quarter of calendar year 2022 at an annualized rate of 3.2 percent. This was an upward revision of 0.3 percentage point compared to last month’s second estimate. This included revisions to nonresidential fixed investment, consumer spending and private inventory investment.



Source: Bureau of Economic Analysis

The third quarter increase in real GDP resulted from growth in net exports (2.9 percentage points), personal consumption expenditures (1.5 percentage points), and government expenditures (0.7 percentage point). These positive contributions were partially offset by decreases in private inventories (-1.2 percentage points) and in fixed investment (-0.6 percentage point).



Source: Bureau of Economic Analysis



Ohio's real GDP increased by 1.2 percent during the third quarter of 2022, which was 2.0 percentage points below the national average. The change in GDP in Ohio largely reflected positive contributions in information (0.5 percentage point), healthcare and social assistance (0.5 percentage point), retail trade (0.4 percentage point) and professional, scientific, and technical services (0.3 percentage point). These increases were partially offset by decreases in construction (-0.8 percentage point), utilities (-0.3 percentage point), and finance and insurance (-0.3 percentage point).

In November, the Conference Board's **Leading Economic Index** decreased 1.0 percent to 113.5, after declining 0.9 percent in October. The index has fallen every month since February 2022 and in the last six months decreased 3.7 percent. The Conference Board's senior director of economics reported that manufacturing, housing, and labor market indicators all weakened in November, reflecting the constraints to economic growth and when combined with the Federal Reserve's monetary tightening, suggesting a national recession beginning early in the year and lasting through mid-2023.

Despite a positive third quarter GDP reading, many economic forecasters continue to anticipate the national economy will likely enter a mild to modest recession sometime in the first two quarters of 2023. However, others suggest that economic growth will continue, just at a slower rate than in recent months. The Federal Reserve raised interest rates by 50.0 basis points in December to 4.5 percent and signaled willingness to continue to do so. Ongoing positive job reports lead most forecasters to expect the peak unemployment rate to stay below five percent, which would be low by historical standards.

Economic Forecasts

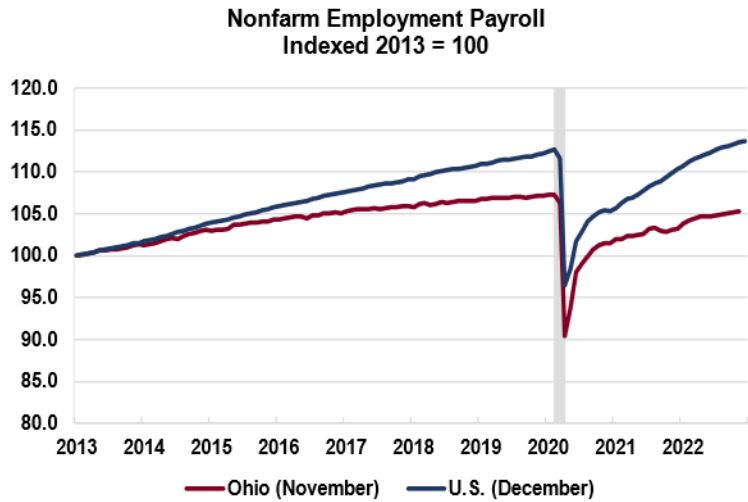
Source	Date	4th Quarter 2022 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	01/05/2023	3.8%
IHS Markit GDP Tracker	01/05/2023	2.8%
Moody's Analytics High Frequency GDP Model	12/27/2022	1.4%
Wells Fargo	12/08/2022	1.5%
Conference Board	12/14/2022	0.7%



Ohio Labor Market

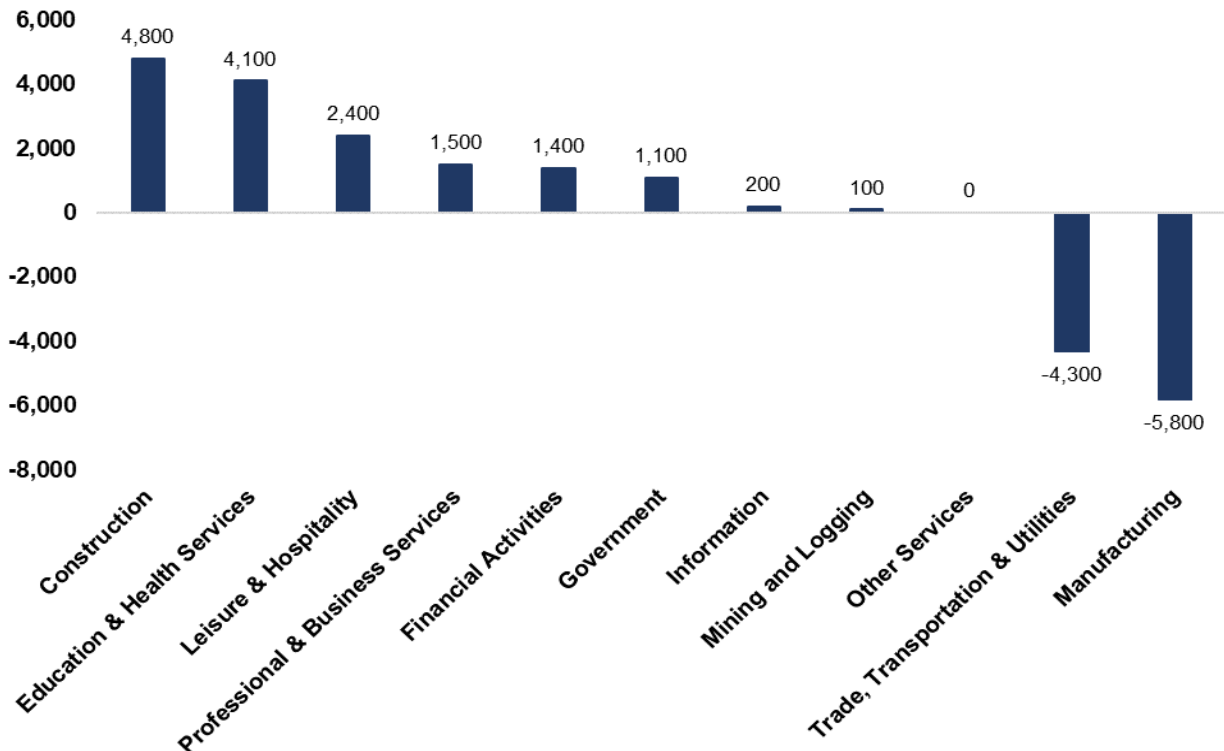
Ohio's nonfarm payroll employment increased by an estimated 5,500 jobs in November 2022. These increases brought the number of jobs in Ohio to 2.2 percent above November 2021 levels.

In Ohio, the construction industry had the largest increase in jobs in November, followed by education and health services, and leisure and hospitality. Losses in trade, transportation and utilities and manufacturing partially offset these gains.



Source: Bureau of Labor Statistics

Change in Ohio Employment October - November 2022 (by Industry)



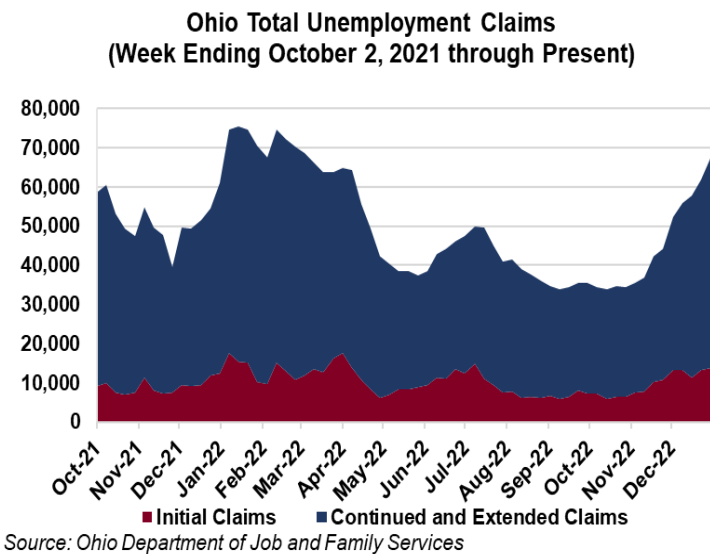
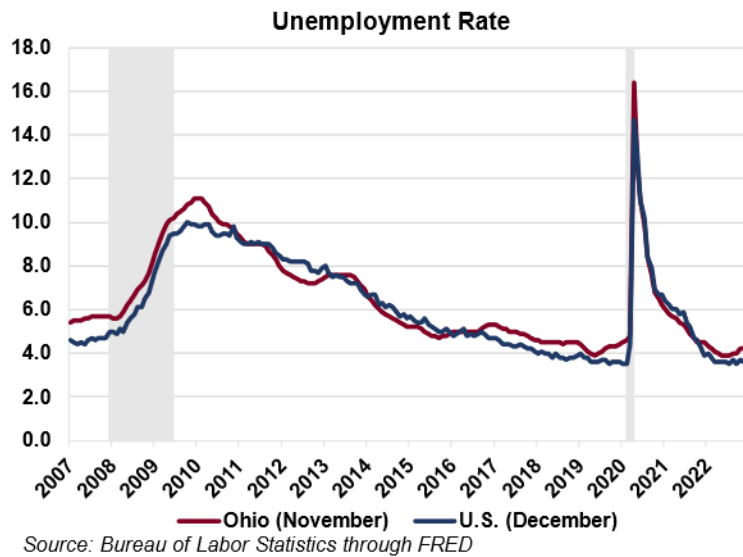
Source: Bureau of Labor Statistics



Ohio’s seasonally adjusted **labor force participation rate** in November was 61.3 percent, a decrease of 0.2 percentage point from October. The seasonally adjusted **employment-population ratio** was 58.7 in November, a 0.2 percent decrease from October 2022.

The **State-Level Coincident Index**, a measure of employment conditions in each state, for Ohio increased 0.4 percent between August and November 2022. Compared to November 2021, the Ohio index increased 3.6 percent. This suggests a stable expansion in economic activity in Ohio over time. The U.S. coincident index increased 1.1 percent over the last three months and 5.6 percent in the last year.

The **Ohio unemployment rate** was unchanged between October and November 2022 at 4.2 percent.



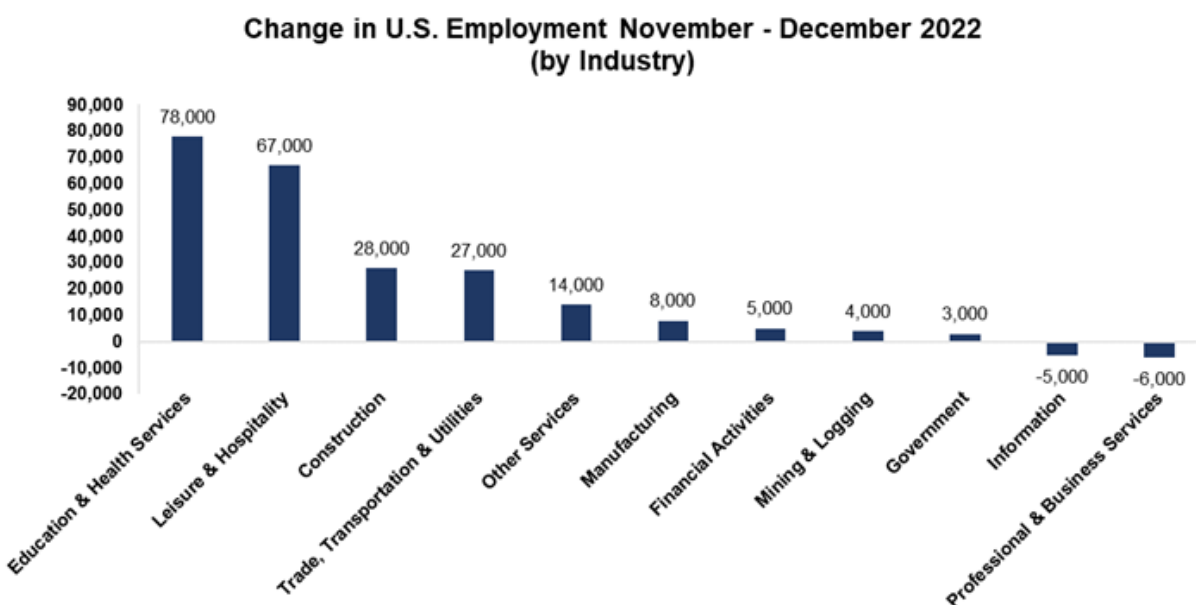
During the week ending December 31, 2022, individuals filed a total of 13,787 **initial unemployment claims**, a 3.8 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 53,497 claims, a 9.9 percent increase from the prior week.



U.S. Labor Market

U.S. nonfarm payroll employment increased by 223,000 jobs in December. Job gains were widespread with the highest growth in education and health services, leisure and hospitality, and construction.

223,000
Jobs Added



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased by 0.1 percentage point to 62.3 percent in December. The **U.S. employment-population ratio** increased by 0.2 percentage point to 60.1 percent. Both measures remained below February 2020 levels by 1.0 percentage point.

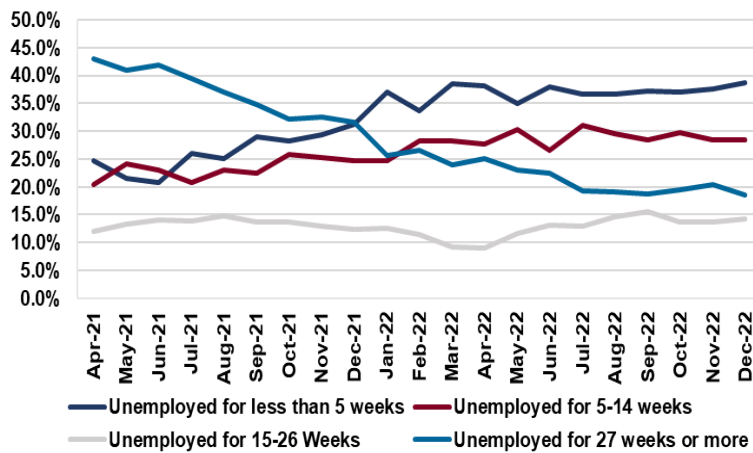
The **U.S. unemployment rate** declined in December to 3.5 percent with the number of unemployed individuals having fallen slightly to 5.7 million. The unemployment rate decreased for those who identified as White (-0.3 percentage point) and Asian (-0.2 percentage point). Individuals who identified as Hispanic increased by 0.1 percentage point, and those who identify as Black saw no change in unemployment rate in December. The unemployment rate for women decreased 0.1 percentage point between November and December. For men, the unemployment rate decreased 0.2 percentage point to 3.1 percent. The unemployment rate for teenagers decreased by 0.9 percentage point.



Unemployment Rates by Demographic Group

	October-22	November-22	December-22
Women	3.4%	3.3%	3.2%
Men	3.3%	3.3%	3.1%
Black	5.9%	5.7%	5.7%
White	3.3%	3.3%	3.0%
Asian	2.9%	2.6%	2.4%
Hispanic	4.2%	4.0%	4.1%

Duration of Unemployment in the U.S.
Percent of Total Unemployment



Source: Bureau of Labor Statistics

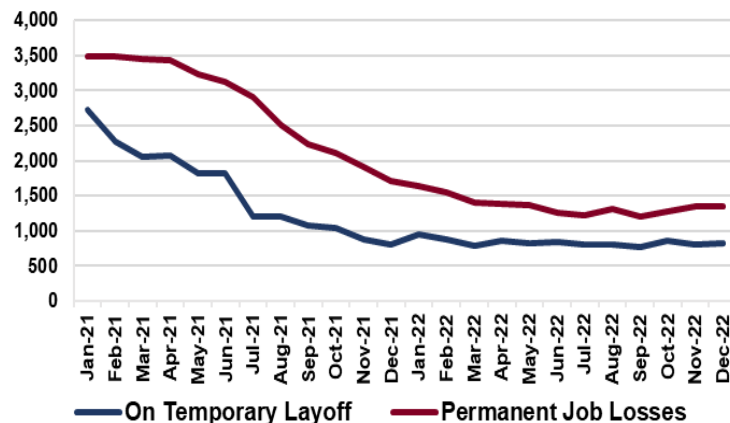
In December, 18.7 percent of unemployed individuals in the nation were unemployed for 27 or more weeks. This measure decreased 1.6 percentage points from November and remains in line with pre-pandemic levels.

The number of people not in the labor force who currently want a job decreased by 6.4 percent to 5.2 million in December but was above the February 2020 level by 180,000.

The number of unemployed people who were on **temporary layoff** increased slightly to 814,000 in December and was 34,000 more than in February 2020.

The number of people with **permanent job losses** decreased by 12,000 in December to 1.3 million and remained 44,000 higher than in February 2020.

U.S. Total Job Losses
(in Thousands)



Source: Bureau of Labor Statistics



Consumer Income and Consumption

\$22.2 Trillion

Personal income increased by \$80.1 billion (0.7%) in November 2022 to \$22.2 trillion. Gains in November were primarily due to increases in wages and salaries of \$57.1 billion (0.5%) and personal income receipts on assets of \$16.3 billion (0.5%).

Personal consumption expenditures increased by \$19.8 billion (0.1%) between October and November. Overall spending on goods decreased by 1.0 percent. Decreases in spending on motor vehicles and parts (-5.1%), furnishings and durable household equipment (-1.2%), and recreational goods and vehicles (-0.9%) contributed to a 2.3 percent decrease in spending on durable goods. A decline in spending on gasoline and other energy goods (-3.1%), and clothing and footwear (-0.5%) contributed to a 0.2 percent overall decline in spending on nondurable goods in November. Spending on services increased by 0.7 percent in November, primarily due to increases in financial services and insurance (1.2%), food services and accommodations (1.1%), and recreation services (1.0%).

Consumer Spending by Industry, for Select Industries (\$ in Millions of Chained 2012 dollars)

	October 2022	November 2022	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,297,879	\$ 2,263,734	-1.5%	0.6%	8.7%
Motor vehicles and parts	\$ 590,407	\$ 564,924	-4.3%	-1.5%	-1.4%
Furnishings and durable household equipment	\$ 524,505	\$ 522,461	-0.4%	-1.5%	4.3%
Recreational goods and vehicles	\$ 915,698	\$ 919,931	0.5%	5.3%	19.3%
Other durable goods	\$ 343,304	\$ 341,185	-0.6%	-0.7%	21.5%
Nondurable Goods	\$ 3,338,091	\$ 3,335,283	-0.1%	-1.5%	5.9%
Clothing and footwear	\$ 503,873	\$ 500,741	-0.6%	0.6%	18.5%
Gasoline and other energy goods	\$ 439,487	\$ 432,883	-1.5%	-4.2%	11.7%
Other nondurable goods	\$ 1,335,724	\$ 1,339,186	0.3%	1.2%	7.4%
Services	\$ 8,843,129	\$ 8,871,287	0.3%	3.5%	11.0%
Food services and accommodations	\$ 938,465	\$ 946,024	0.8%	7.3%	37.3%
Other Services	\$ 1,248,778	\$ 1,255,431	0.5%	8.6%	19.5%
Health Care	\$ 2,320,505	\$ 2,326,626	0.3%	2.3%	5.9%

Note: The table above provides details on real personal consumption spending in chained 2012 dollars, which differs from the figures in the text that are not adjusted for inflation.

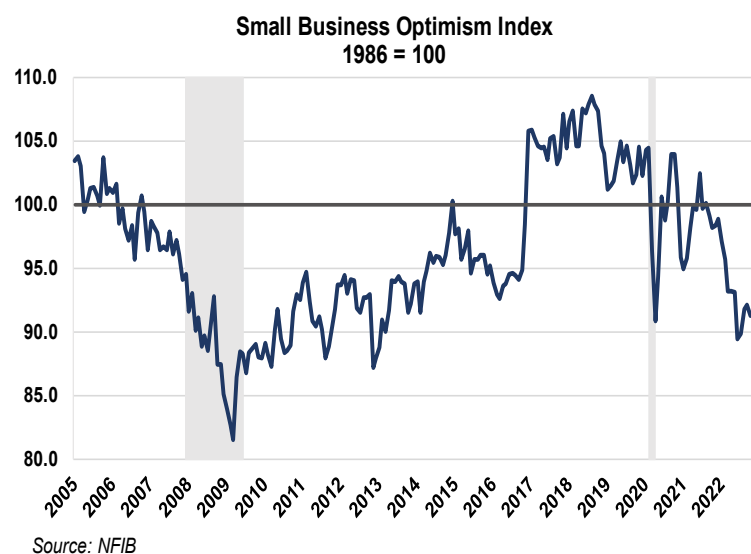
Source: Bureau of Economic Analysis, Table 2.4.6U Personal Consumption Expenditures by Type of Product



Personal saving was \$461.2 billion in November, a 10.0 percent increase compared to October's revised level and was 64.8 percent below the February 2020 level. The **personal savings rate** was 2.4 percent in November, up 0.2 percent from October's revised estimate.

The **Consumer Price Index for All Urban Consumers (CPI)** showed an increase of 0.1 percent in November, which followed a 0.4 percent increase in October. The "all items" index increased 7.1 percent over the last 12 months. In November, price increases were broad-based, including increases in food (0.5%) and shelter (0.5%) compared to October. Energy prices declined 1.6 percent in November, following increases in October.

Consumer opinion surveys reported increases in consumer confidence in December. Respondents in the University of Michigan's **Survey of Consumers** reported a 5.1 percent increase in consumer sentiment to 59.7 compared to November. While still low relative to last year's levels, sentiment showed signs of improvement with short-run inflation expectations declining across demographics. The Conference Board's **Consumer Confidence Index** increased by 6.9 points to 108.3 in December. Consumers reported lower inflation expectations than seen in the past year, referencing the recent declines in gas prices.



The **Small Business Optimism Index** rose 0.6 point to 91.9 in November. This is the 11th consecutive month that the index was below 98, the 48-year average. Thirty-two percent of respondents identified inflation as their most important challenge, a 1.0-point decrease from October. Hiring remains challenging for small business owners, with 44.0 percent reporting job openings they could not fill, a slight decrease from October. Supply chain disruptions have also impacted

business, with 29.0 percent reporting a significant impact and 34.0 percent reporting a moderate impact on business in November.

Travel and Tourism

Average airline checkpoint traffic increased 2.0 percent in December compared to November. **Total travel throughput** in December 2022 was 11.6 percent higher than in December 2021 but stayed 6.7 percent lower than December 2019.

The **hotel occupancy rate** for the week ending December 31, 2022, was 54.2 percent, 10.4 percent above the comparable week in 2019, which also included New Year's Eve. The **average daily rate** for a hotel room was \$167.21, a 21.7 percent increase from 2019. **Revenue per available room** was \$90.63, which was 34.3 percent more than in 2019.

Industrial Activity

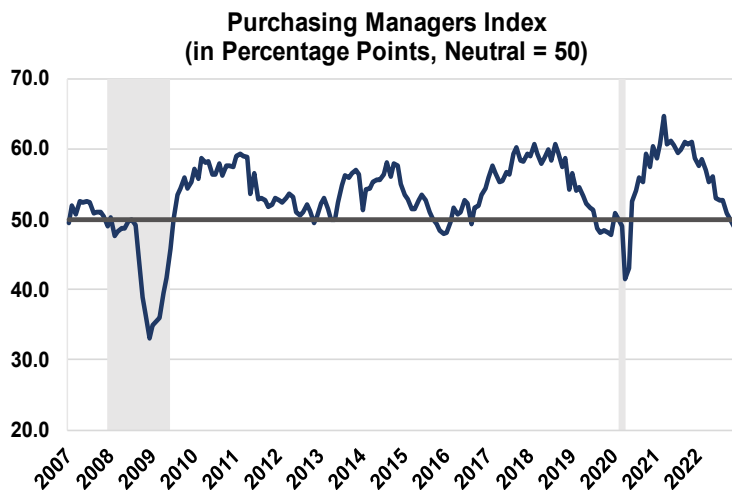
According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** decreased 0.2 percent between October and November 2022, and was 2.5 percent higher than in November 2021.

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

Manufacturing Sector	Percent Change September to October 2022	Percent Change October to November 2022	Percent Change November 2021 to November 2022
Aerospace and Other Transportation Equipment	1.5%	1.1%	10.2%
Chemicals	0.4%	-0.3%	0.5%
Electrical Equipment	0.7%	-2.4%	0.1%
Fabricated Metal Products	0.3%	-0.4%	2.3%
Food Beverage and Tobacco Products	0.8%	-0.6%	0.9%
Machinery	0.6%	-0.2%	5.3%
Motor Vehicles and Parts	1.6%	-2.8%	10.2%
Petroleum and Coal	-2.6%	-0.5%	-1.2%
Plastics and Rubber Products	0.3%	-1.8%	1.4%
Primary Metals	1.1%	-1.4%	-3.7%

Preliminary data show the **Manufacturing Production Index** decreased 0.6 percent in November to 102.2 and increased 1.2 percent since November 2021. Nationally, manufacturing in one of Ohio's top 10 industries increased production between October and November. Increases in aerospace and other transportation equipment (1.1%) were offset by decreases in the motor vehicles and parts (-2.8%), electrical equipment (-2.4%), plastics and rubber products (-1.8%), and primary metals (-1.4%) sectors.





Source: Institute for Supply Management

In December 2022, the Institute for Supply Management reported that the **Purchasing Managers Index (PMI)** for the United States was 48.4, a decrease of 0.6 percentage point from November's reading. The index remained below 50.0, indicating contraction in the manufacturing sector.

Across the nation, two of the 10 industries most important to Ohio's manufacturing sector reported growth in the last month, primary metals and

petroleum and coal. The industries reporting the largest contraction were fabricated metal products, chemical products, and plastic and rubber products.

Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) describe companies slowing output following an extended softening of demand.

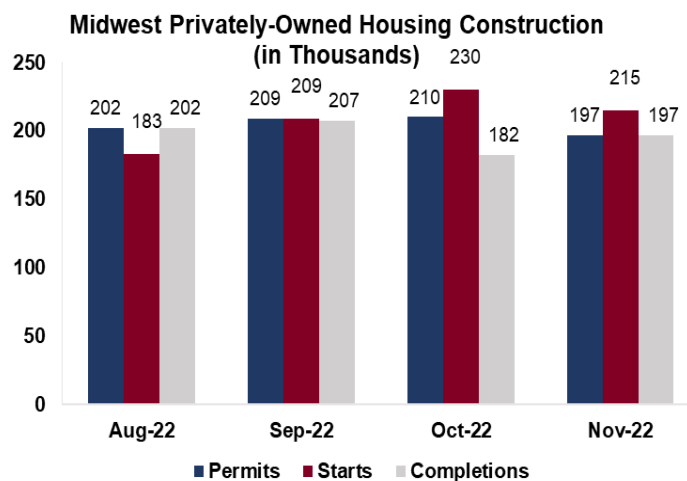
“Consumer demand continues to be depressed. While the 2023 pipeline is looking very positive, current demand is significantly down. [Chemical Products]”

“The continued uncertainty in the economy has resulted in customers delaying their commitments for capital purchases, which is impacting our fourth quarter sales and lowering our forecasts for the first quarter of 2023. [Machinery]”

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units decreased 11.8 percent between October and November and were 22.0 percent above the number of permits issued in November 2021.

Privately-owned housing starts in the Midwest decreased 6.5 percent between October and November and were 7.9 percent below November 2021 levels.

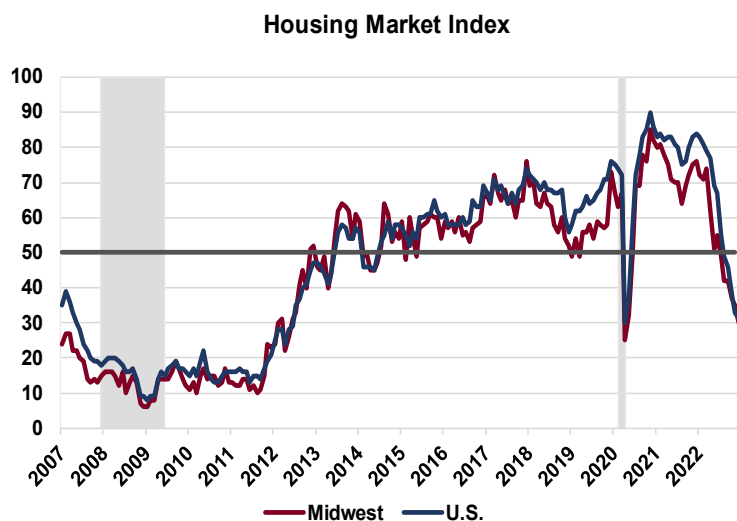


Source: U.S. Census Bureau through FRED

In November, privately-owned housing completions in the Midwest decreased 8.2 percent compared to October and were 7.5 percent below November 2021.

New home sales in the Midwest increased 23.1 percent between October and November and were 3.6 percent above November 2021.

Activity in the Ohio housing market continued to show signs of deceleration as prices continued to rise in November. Total sales were 25.6 percent below November 2021 and the average sale price in Ohio was \$252,167, a 4.9 percent increase compared to November 2021. The president of Ohio REALTORS believes that sustained increases in average price despite the downturn in sales indicates strong consumer confidence in housing as a long-term investment.



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest decreased 5.0 points in December to 30.0, 1.0 point below the national level. The national index has decreased for 12 months in a row, and the Midwest index declined in ten of the last 12 months. Higher interest rates combined with rising building costs continue to negatively impact the housing market. Builder confidence also declined in December.

U.S. Construction and Housing Market

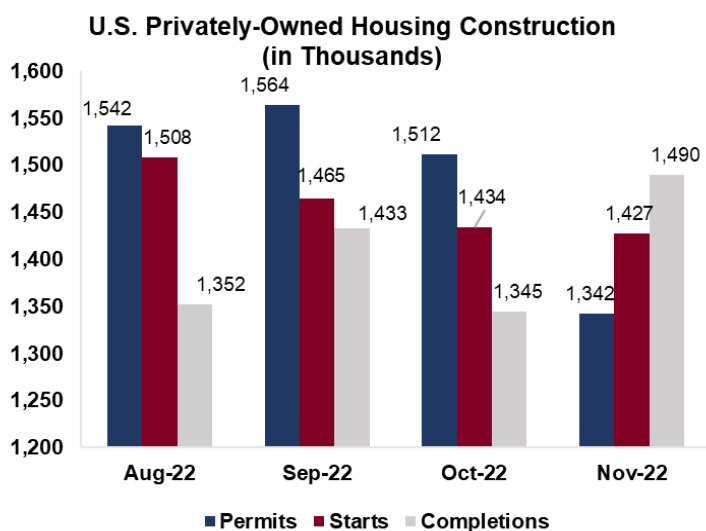
The U.S. Census Bureau reported **total construction spending** in November 2022 at an estimated \$1.8 trillion, a 0.2 percent increase from the revised October estimate. The November 2022 estimate was 8.5 percent above November 2021 and 17.1 percent above November 2020.

Public sector construction spending decreased 0.1 percent between October and November, bringing the seasonally adjusted annual total to \$381.1 billion. Spending on educational construction increased 0.1 percent in November to \$81.3 billion, 1.5 percent above November 2021 levels. Highway construction spending in November was 1.0 percent below the revised October estimate and 14.5 percent above November 2021.

Private sector construction spending increased 0.3 percent between October and November 2022, leaving the seasonally adjusted annual total at \$1.4 trillion. Private sector construction spending remained 8.1 percent above the November 2021 level. Residential construction in November was 0.5 percent below October and 5.3 percent above November 2021's level. Nonresidential construction in November increased 1.7 percent from the revised October estimate and remained 12.6 percent above November 2021.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 11.2 percent between October and November and fell 22.4 percent from the number of permits issued in November 2021.

Nationally, privately-owned housing starts increased 0.1 percent between October and November, and were 16.4 percent below November 2021 levels.



Source: U.S. Census Bureau through FRED

In November, **newly built single-family home sales** increased 5.8 percent compared to October but remained 15.2 percent below sales in November 2021. The national median sales price in November 2022 was \$471,200, a 4.4 percent decrease compared to October, and 9.5 percent higher compared to November 2021.

According to the National Association of Realtors, **existing home sales**, decreased 7.7 percent in November compared to

October. November's existing home sales declined to 4.1 million housing units, a 35.4 percent decrease from November 2021. The median sale price of all existing homes rose 3.5 percent from a year ago to \$370,700. November 2022 was the 129th consecutive month of year-over-year increases in existing median home sale prices. Available inventory in November 2022 totaled 1.1 million units, a 6.6 percent decrease from October, but 2.7 percent above November 2021's inventory level.

Revenues

Total General Revenue Fund (GRF) tax revenues in December exceeded the estimate by \$31.8 million (1.4%). Consistent with preceding months, the personal income tax had the month's largest positive variance, outperforming the estimate by \$39.2 million (3.9%). For the year, total tax revenues have performed above expectations by \$510.3 million (3.8%). Personal income tax accounts for 59.0 percent of the year's total tax variance. December tax revenues grew by \$54.2 million (2.4%) from last year. This was the slowest monthly growth rate in FY 2023, following November's performance which represented the year's highest growth rate. For the fiscal year-to-date, tax revenues have increased by \$750.4 million (5.7%).

Aggregate (tax and non-tax) GRF receipts totaled \$3.7 billion in December and were \$28.2 million (0.8%) above estimate. As noted above, tax revenues were \$31.8 million (1.4%) above estimate. Non-tax receipts were \$3.7 million (-0.3%) below estimate. For the year-to-date, tax revenues, non-tax revenues, and transfers are all above 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	\$ 510.3	3.8%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ 91.1	1.2%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 0.6	12.7%
Total Revenue Variance:		\$ 602.1	2.9%
Non-Federal Revenue Variance		\$ 519.3	3.8%
Federal Grants Variance		\$ 82.8	1.1%



The table below shows that sources above estimate (a positive variance of \$58.3 million) in December outweighed the size of sources below estimate (a negative variance of \$30.1 million), resulting in a \$28.2 million net positive variance from estimate.

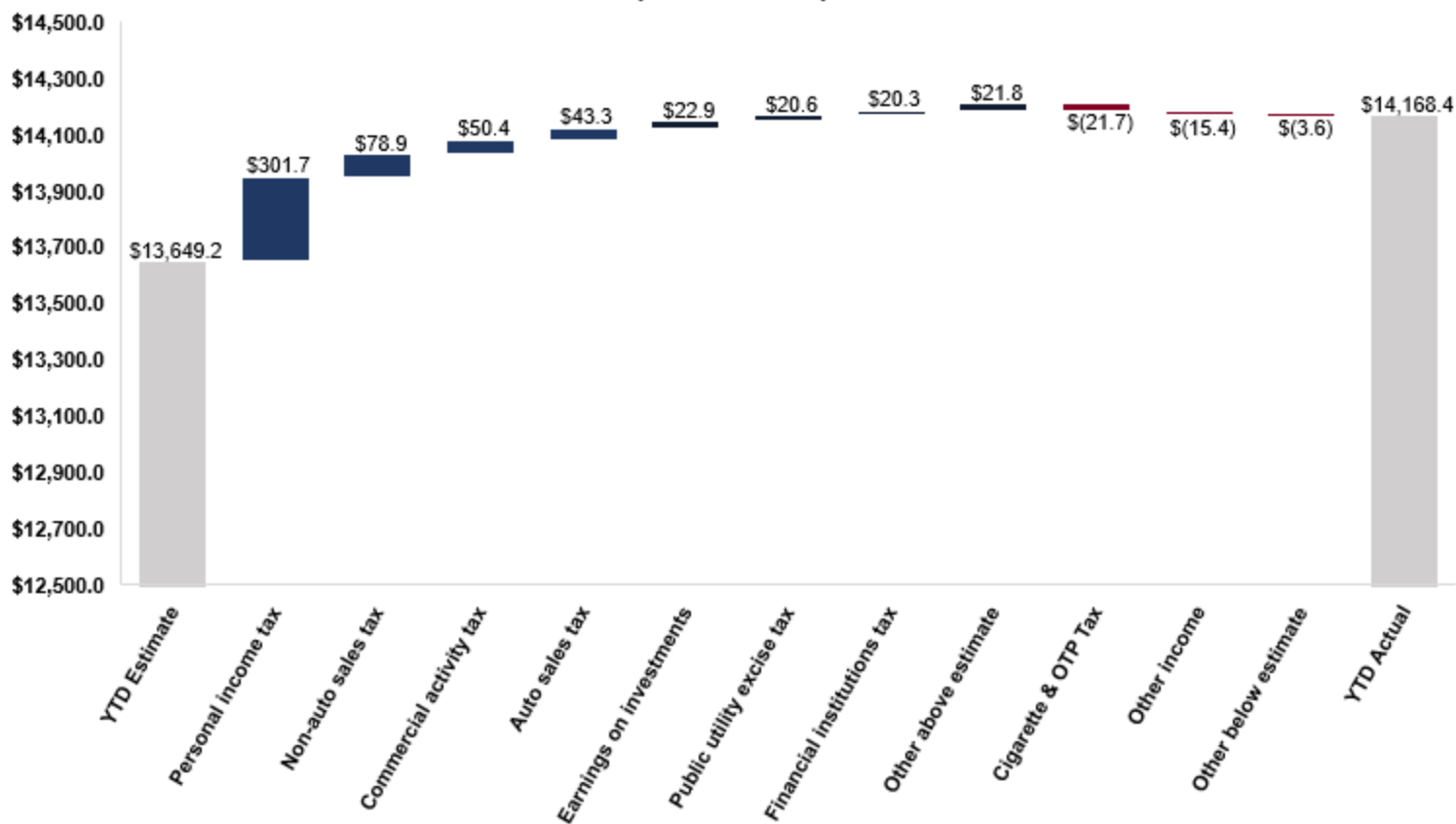
GRF Revenue Sources Relative to Monthly Estimates – December 2022
(\$ in Millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Personal Income Tax	\$ 39.2	Non-Auto Sales Tax	\$ (15.2)
Financial Institutions Tax	\$ 7.5	Federal Grants	\$ (3.8)
Auto Sales Tax	\$ 4.5	Kilowatt-Hour Tax	\$ (3.3)
Commercial Activity Tax	\$ 3.5	Public Utility Excise Tax	\$ (2.8)
Other sources above estimate	\$ 3.6	Alcoholic Beverage Tax	\$ (2.6)
		Other sources below estimate	\$ (2.5)
Total Above	\$ 58.3	Total Below	\$ (30.1)

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



Actuals vs. Estimates: YTD GRF Non-Federal Sources (\$ in Millions)

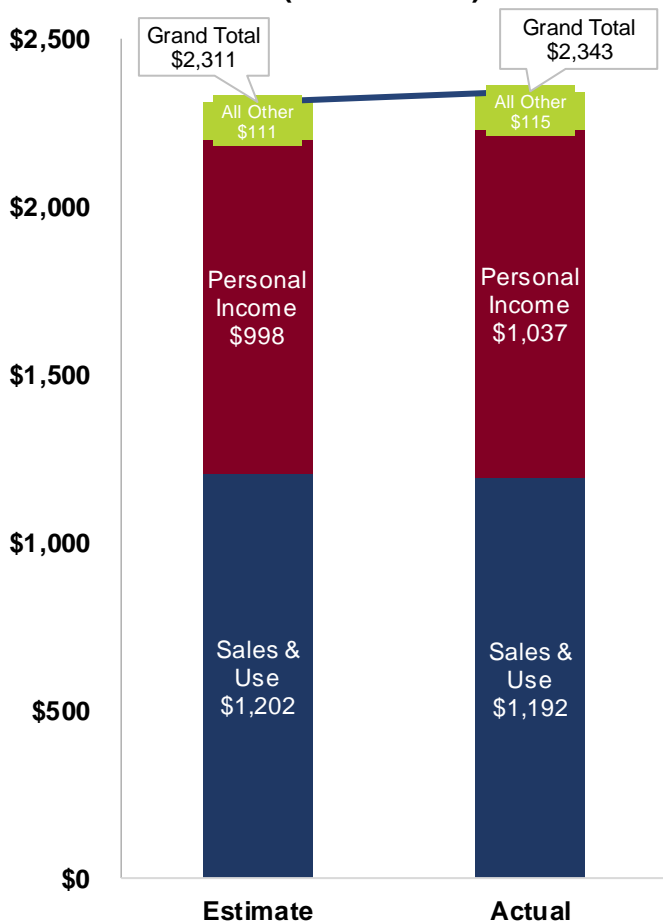


The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for fiscal year 2023 to date, with the net difference totaling \$519.3 million.

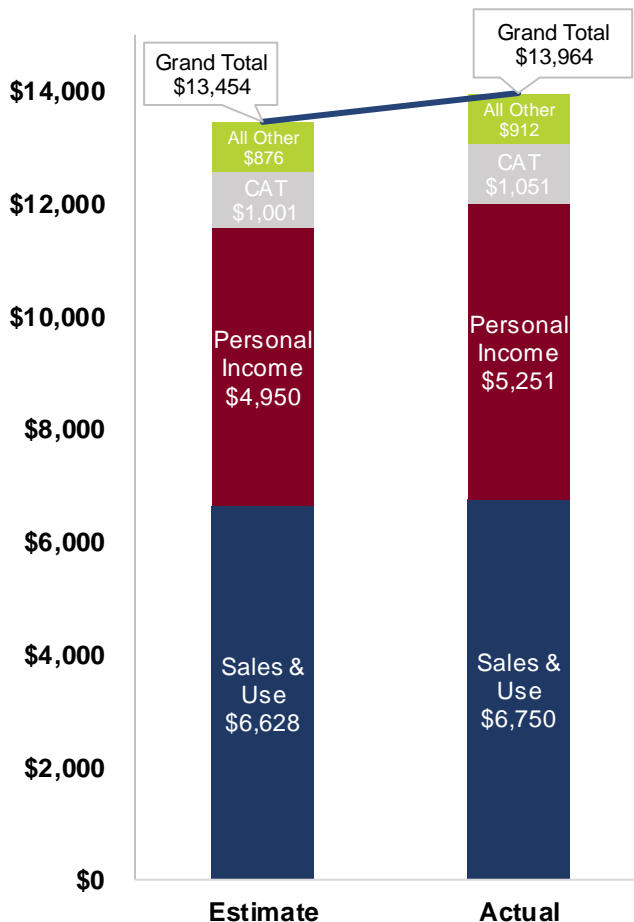


The following two graphs show the composition of estimated and actual GRF tax revenues for December 2022 and for the fiscal year-to-date. All tax sources are allocated among several major categories. The charts show the preponderant impact of the sales and use tax and the personal income tax on the GRF revenue structure. The graphs also show that although sales and use tax has generated more revenue than personal income tax for the year-to-date, the personal income tax has a larger positive variance from estimate.

December 2022 Estimated & Actual Tax Revenue, by Category (\$ in Millions)



Year-to-Date Estimated & Actual Tax Revenue, by Category (\$ in Millions)



For December, total receipts and transfers were \$568.1 million (18.0%) above the previous year. Tax receipts increased by \$54.2 million (2.4%) and non-tax receipts grew by \$520.6 million (60.8%). Transfers declined by \$6.7 million. For the year-to-date, tax receipts are \$750.4 million (5.7%) above last year and non-tax receipts are \$2.0 billion (35.6%) above the prior year. Transfers are \$46.0 million (-89.1%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during December was Federal grants, at \$524.2 million (61.6%) above last year. The next-largest increases were personal income tax at \$42.3 million (4.3%), non-auto sales tax at \$15.2 million (1.5%), and auto sales tax at \$7.8 million (5.6%). The largest declines were experienced by kilowatt-hour tax at \$7.7 million (-33.4%) and financial institutions tax at \$4.4 million (-88.3%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections in December totaled \$1.0 billion and were \$15.2 million (-1.4%) below the estimate. Through December, the source is \$78.9 million (1.4%) above estimate. Monthly revenue increased by \$15.2 million (1.5%) from last year while year-to-date revenue is now \$220.2 million (4.0%) above FY 2022. However, growth during the first quarter of FY 2023 was substantially diminished by refund payments, reflecting prior-period transactions, and not related to current retail activity. If July through September refunds had stayed at their FY 2022 levels, year-to-date GRF non-auto sales tax revenue would have increased by 6.0 percent.



The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows that year-over-year retail sales growth has slowed over the last several 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 4.7 percent year-over-year increase in national non-seasonally adjusted sales during November 2022. This compares to year-over-year growth of 6.2 percent in October and 8.4 percent in September. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 7.2 percent, 6.6 percent, and 7.4 percent in November, October, and September, respectively.

The MARTS data also show modest retail sales growth on a month-over-month basis. Based on seasonally adjusted figures, November 2022 sales for the above-indicated retail categories decreased by 0.9 percent from October, following a 0.5 percent increase in October from September.

Auto Sales Tax

December auto sales tax revenues were \$148.0 million, showing a \$4.5 million (3.1%) positive variance from estimate. This source is \$43.3 million (4.5%) above estimate for the fiscal year. Revenues were \$7.8 million (5.6%) above last December. For the year, revenues are \$41.1 million (4.3%) above FY 2022.



The national new light vehicle unit sales figures declined in December. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 13.3 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 is 6.6 percent below November and up 4.4 percent from a year ago. On an unadjusted basis, December light vehicle unit sales were at 1.3 million units. This is 12.2 percent above November and 4.9 percent above last December.

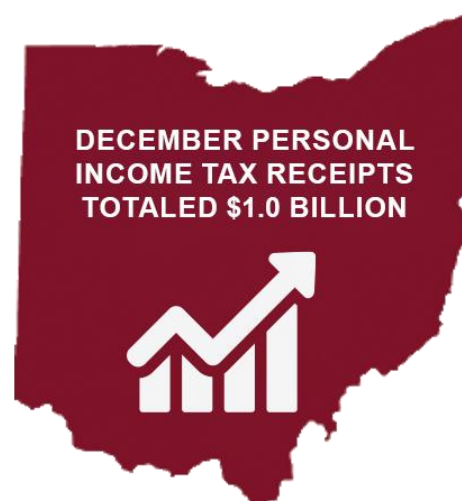
New vehicle transaction prices remain higher than a year ago. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,628 in December, up 2.1 percent relative to last year and up 0.9 percent from November. The Bureau of Labor Statistics Consumer Price Index (CPI-U) is an indicator of average new vehicle prices. The most recent release shows 7.2 percent price growth in November compared to the prior year, the slowest year-over-year growth rate observed in this calendar year. The data indicate no change in November from the previous month. Month-over-month price growth has been consistently slowing since April, culminating in November's flat growth.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during December to be 2.5 million, not annualized and not seasonally adjusted, down 7.0 percent from last month and down 10.0 percent from last year. Although used vehicle prices have grown considerably since the onset of the pandemic, the market has been slowly normalizing and adjusting to the calendar year 2021 price run-up. Month-over-month wholesale price changes have been mostly negative throughout this calendar year and year-over-year price changes turned negative this fall. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of December 2022 was 14.2 percent lower than the previous year and 1.6 percent above the previous month. The historic spike in used vehicle prices began in the summer of 2020 and picked up strong momentum throughout calendar year 2021, with prices peaking in January 2022. Index values have been receding on a month-to-month basis nearly without interruption since that time. However, December's uptick could be a sign that the year's downward trend has reached an end.

Ohio-specific data for the fourth quarter of calendar year 2022 provide a glimpse of an evolving motor vehicle market. According to data from the Bureau of Motor Vehicles, aggregate used vehicle sales decreased on a year-over-year basis by \$38.1 million (-0.7%) while new vehicle sales increased by \$409.2 million (14.5%). All told, total (new and used) motor vehicle sales in the fourth quarter increased by \$371.1 million (4.6%) from last year. Average prices for both new and used vehicles grew during the fourth quarter. However, the number of transactions went in different directions with a 5.3 percent increase in the number of new vehicle transactions from last year while the number of used vehicle transactions declined by 6.9 percent.

Personal Income Tax

December GRF personal income tax receipts totaled \$1.0 billion and were \$39.2 million (3.9%) above the estimate. For the year-to-date, revenue is \$301.7 million (6.1%) above estimate. On a year-over-year basis, December income tax collections increased by \$42.3 million (4.3%). Year-to-date revenue for FY 2023 is \$335.2 million (6.8%) above the prior year.



Withholding collections amounted to \$1.0 billion in December and were \$42.1 million (4.1%) above estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$233.1 million (4.6%). This component was \$75.8 million (7.7%) above last December and it is \$412.2 million (8.4%) above last year for the fiscal year-to-date. A 3.0 percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$493.4 million (9.8%) higher than the previous year if the withholding tax rate reduction had not taken effect.

Quarterly estimated payments during the month of December typically represent early remittance of the taxable year's final quarterly payment which is due in January. Many taxpayers make the quarterly payment in December to earn or enhance their current year's federal income tax deduction for state and local taxes. Such payments came in \$6.8 million (11.5%) above estimate and grew by \$1.5 million (2.3%) from last year. For the fiscal year, this component has exceeded estimate by \$50.1 million (14.3%) and has increased by \$22.0 million (5.8%) over the prior year. Since April 2022, when the first quarterly payment was due, estimated payments have exceeded projections by \$104.5 million (14.7%) and have increased by \$53.7 million (7.1%) relative to the same period last year.

December is a modest month for other tax collection components. Even so, all the collection categories exceeded monthly estimates. Annual tax return payments for December amounted to \$16.1 million and were \$11.6 million (258.8%) over the estimate. For the year-to-date, annual return tax collections are \$111.1 million (105.7%) above estimate. For the calendar year 2022 filing season, these payments ended up \$785.2 million (71.3%) over the estimate and increased by \$514.5 million (37.5%) from 2021. Trust and Other payments were collectively \$2.0 million (27.2%) over the estimate in December and are \$15.8 million (29.7%) above estimate for the fiscal year.

December refunds were \$20.5 million (41.9%) above estimate for the month. For the year-to-date, refunds are \$101.0 million (25.1%) above estimate. For the elapsed filing season, refund payments remain below estimate at \$306.5 million (-11.1%) below the mark. The month's refunds were \$27.8 million (66.7%) above last year. Refunds for the current fiscal year have increased by \$121.3 million (31.8%) from FY 2022 and for the filing season they have increased by \$478.5 million (24.2%).

December Personal Income Tax Receipts by Component (\$ in Millions)

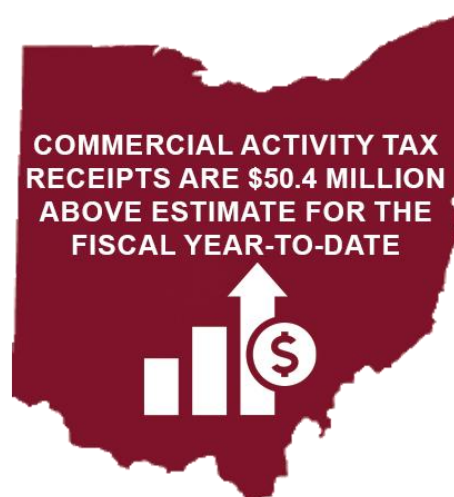
	Actual December	Estimate December	\$ Var	Actual Dec- 2022	Actual Dec- 2021	\$ Var Y-to-Y
Withholding	\$ 1,059.5	\$ 1,017.4	\$ 42.1	\$1,059.5	\$ 983.7	\$ 75.8
Quarterly Est.	\$ 65.7	\$ 58.9	\$ 6.8	\$ 65.7	\$ 64.2	\$ 1.5
Annual Returns/40 P	\$ 16.1	\$ 4.5	\$ 11.6	\$ 16.1	\$ 18.5	\$ (2.3)
Trust Payments	\$ 2.6	\$ 1.4	\$ 1.2	\$ 2.6	\$ 1.5	\$ 1.0
Other	\$ 6.5	\$ 5.7	\$ 0.8	\$ 6.5	\$ 8.3	\$ (1.9)
Less: Refunds	\$ (69.5)	\$ (49.0)	\$ (20.5)	\$ (69.5)	\$ (41.7)	\$ (27.8)
Local Distributions	\$ (44.0)	\$ (41.3)	\$ (2.7)	\$ (44.0)	\$ (40.1)	\$ (4.0)
Net to GRF	\$ 1,036.8	\$ 997.6	\$ 39.2	\$1,036.8	\$ 994.5	\$ 42.3



Commercial Activity Tax

December GRF revenues from the Commercial Activity Tax (CAT) were \$3.5 million (28.7%) above the estimate. Revenues are now \$50.4 million (5.0%) above estimate for the fiscal year. CAT receipts in December increased by \$2.9 million (22.5%) from last year while fiscal year-to-date receipts are \$101.7 million (10.7%) above the previous year.

Most CAT revenue comes from quarterly tax payments, so it is useful to analyze the tax in quarterly increments. Through the second quarter of this fiscal year, there have been nine consecutive quarters with a positive variation from estimate. Revenue in the second quarter of FY 2023 was \$42.5 million (8.3%) over the estimate. Year-over-year growth during the quarter was substantial, exceeding last year by \$61.5 million (12.4%).



GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.4 billion and were \$3.7 million (-0.3%) below estimate for the month of December. Year-to-date non-tax receipts totaled \$7.6 billion and were \$91.1 million (1.2%) above estimate.

Nearly all the monthly variance in non-tax receipts was in the Federal Grants category, which was \$3.8 million (-0.3%) below estimate for the month. 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 \$82.8 million (1.1%) above estimate.

1/4/2023

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ESTIMATE FY 2023
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL DECEMBER	ESTIMATE DECEMBER	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,043,725	1,058,900	(15,175)	-1.4%	5,751,066	5,672,200	78,866	1.4%
Auto Sales & Use	147,951	143,500	4,451	3.1%	999,208	955,900	43,309	4.5%
Subtotal Sales & Use	1,191,677	1,202,400	(10,723)	-0.9%	6,750,275	6,628,100	122,175	1.8%
Personal Income	1,036,760	997,600	39,160	3.9%	5,251,173	4,949,501	301,673	6.1%
Corporate Franchise	16	(100)	116	116.4%	30	100	(70)	-69.9%
Financial Institutions Tax	582	(6,900)	7,482	108.4%	(10,382)	(30,700)	20,318	66.2%
Commercial Activity Tax	15,827	12,300	3,527	28.7%	1,051,124	1,000,700	50,424	5.0%
Petroleum Activity Tax	3,494	2,300	1,194	51.9%	6,032	4,000	2,032	50.8%
Public Utility	523	3,300	(2,777)	-84.2%	86,936	66,300	20,636	31.1%
Kilowatt Hour	15,306	18,600	(3,294)	-17.7%	144,478	146,600	(2,121)	-1.4%
Natural Gas Distribution	0	0	0	N/A	19,553	18,200	1,353	7.4%
Foreign Insurance	1,150	(800)	1,950	243.7%	198,367	182,000	16,366	9.0%
Domestic Insurance	0	1,300	(1,300)	-100.0%	17,620	19,000	(1,380)	-7.3%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	70,743	71,700	(957)	-1.3%	386,778	408,500	(21,722)	-5.3%
Alcoholic Beverage	2,398	5,000	(2,602)	-52.0%	33,211	32,700	511	1.6%
Liquor Gallonage	4,743	4,700	43	0.9%	29,013	28,900	113	0.4%
Estate	28	0	28	N/A	33	0	33	8596.5%
Total Tax Receipts	2,343,247	2,311,400	31,847	1.4%	13,964,243	13,453,902	510,341	3.8%
NON-TAX RECEIPTS								
Federal Grants	1,375,162	1,378,951	(3,789)	-0.3%	7,443,805	7,361,003	82,802	1.1%
Earnings on Investments	0	0	0	N/A	44,490	21,600	22,890	106.0%
License & Fees	906	736	170	23.1%	14,118	13,358	760	5.7%
Other Income	1,044	1,250	(205)	-16.4%	126,031	141,392	(15,361)	-10.9%
ISTV'S	143	0	143	N/A	13,932	13,901	31	0.2%
Total Non-Tax Receipts	1,377,255	1,380,937	(3,682)	-0.3%	7,642,375	7,551,253	91,122	1.2%
TOTAL REVENUES	3,720,502	3,692,337	28,165	0.8%	21,606,618	21,005,156	601,462	2.9%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	5,635	5,000	635	12.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	0	0	N/A	5,635	5,000	635	12.7%
TOTAL SOURCES	3,720,502	3,692,337	28,165	0.8%	21,612,253	21,010,156	602,097	2.9%

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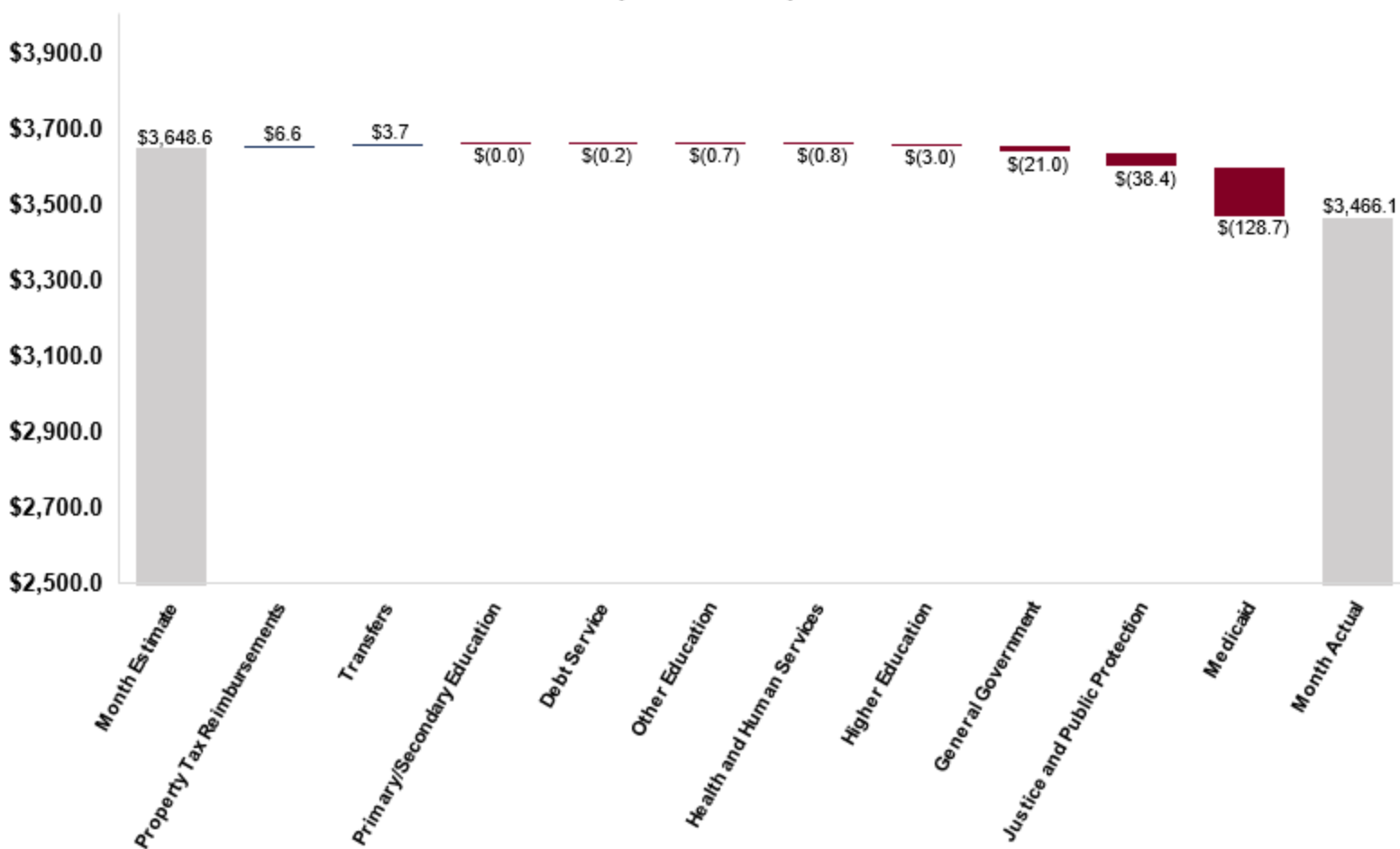
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	DECEMBER	DECEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2023	FY 2022	VAR	VAR	FY 2023	FY 2022	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,043,725	1,028,567	15,158	1.5%	5,751,066	5,530,903	220,163	4.0%
Auto Sales & Use	147,951	140,103	7,848	5.6%	999,208	958,069	41,139	4.3%
Subtotal Sales & Use	1,191,677	1,168,670	23,007	2.0%	6,750,275	6,488,973	261,302	4.0%
Personal Income	1,036,760	994,453	42,307	4.3%	5,251,173	4,915,968	335,205	6.8%
Corporate Franchise	16	(18)	34	191.4%	30	520	(490)	-94.2%
Financial Institutions Tax	582	4,959	(4,377)	-88.3%	(10,382)	(51,796)	41,414	80.0%
Commercial Activity Tax	15,827	12,921	2,906	22.5%	1,051,124	949,470	101,654	10.7%
Petroleum Activity Tax	3,494	2,203	1,291	58.6%	6,032	3,628	2,404	66.3%
Public Utility	523	3	520	17304.3%	86,936	69,934	17,002	24.3%
Kilowatt Hour	15,306	22,973	(7,667)	-33.4%	144,478	154,163	(9,684)	-6.3%
Natural Gas Distribution	0	0	(0)	N/A	19,553	18,551	1,003	5.4%
Foreign Insurance	1,150	(6)	1,156	18026.1%	198,367	182,939	15,427	8.4%
Domestic Insurance	0	0	0	0.0%	17,620	2,254	15,367	681.9%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	70,743	72,532	(1,789)	-2.5%	386,778	415,026	(28,248)	-6.8%
Alcoholic Beverage	2,398	5,553	(3,155)	-56.8%	33,211	34,735	(1,524)	-4.4%
Liquor Gallonage	4,743	4,776	(34)	-0.7%	29,013	29,444	(431)	-1.5%
Estate	28	0	28	N/A	33	5	29	616.1%
Total Tax Receipts	2,343,247	2,289,019	54,228	2.4%	13,964,243	13,213,812	750,431	5.7%
NON-TAX RECEIPTS								
Federal Grants	1,375,162	850,999	524,163	61.6%	7,443,805	5,455,825	1,987,980	36.4%
Earnings on Investments	0	0	0	N/A	44,490	11,882	32,608	274.4%
License & Fee	906	730	176	24.1%	14,118	13,568	550	4.1%
Other Income	1,044	3,405	(2,361)	-69.3%	126,031	154,421	(28,389)	-18.4%
ISTV'S	143	1,477	(1,335)	-90.4%	13,932	1,687	12,245	725.8%
Total Non-Tax Receipts	1,377,255	856,611	520,644	60.8%	7,642,375	5,637,382	2,004,993	35.6%
TOTAL REVENUES	3,720,502	3,145,631	574,871	18.3%	21,606,618	18,851,194	2,755,424	14.6%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	6,746	(6,746)	N/A	5,635	51,600	(45,965)	-89.1%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	6,746	(6,746)	N/A	5,635	51,600	(45,965)	-89.1%
TOTAL SOURCES	3,720,502	3,152,377	568,125	18.0%	21,612,253	18,902,794	2,709,458	14.3%

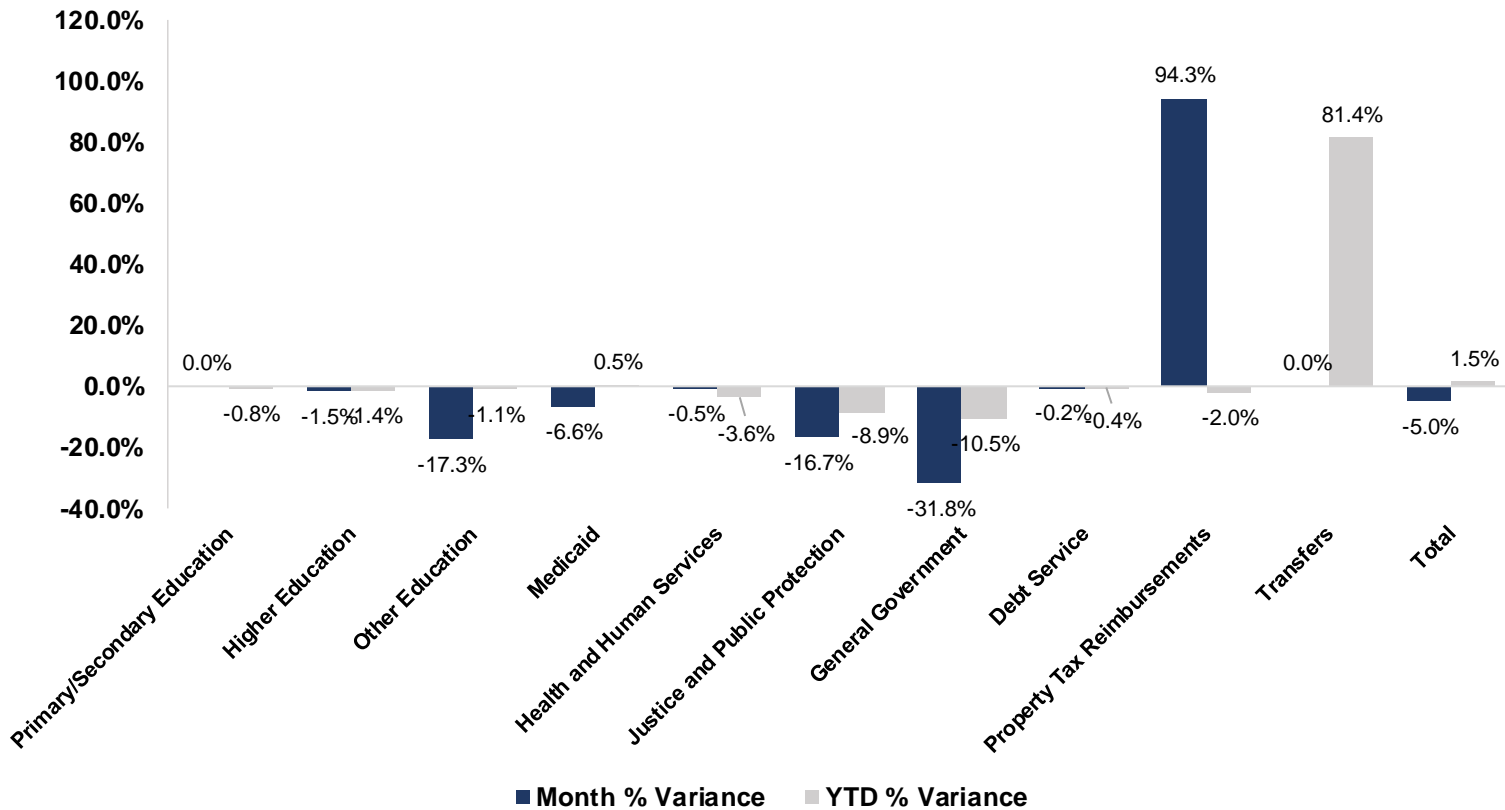
Disbursements

December GRF disbursements, across all uses, totaled \$3.5 billion and were \$182.4 million (-5.0%) below estimate. This variance was primarily attributable to below estimate disbursements in the Medicaid and Justice and Public Protection categories. The variance was partially offset by above estimated disbursements in Property Tax Reimbursements. On a year-over-year basis, December total uses were \$268.7 million (8.4%) higher than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

December Disbursement Estimates vs. Actuals
(\$ in Millions)



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



Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. December disbursements for this category totaled \$958.5 million, meeting the estimate.

\$958.5 MILLION

Expenditures for the school foundation program totaled \$944.1 million as three payments to traditional districts processed in December. The December number one foundation payment included data updates to current year student counts for career-technical education, preschool special education, and bus mileage and ridership data for pupil transportation. These data updates resulted in a larger foundation payment to traditional districts as districts received increases in funding owed for these categories.

Year-to-date disbursements were \$4.7 billion, which were \$38.4 million (-0.8%) below estimate. On a year-over-year basis, disbursements in this category were \$289.7 million (-23.2%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$130.7 million (-2.7%) lower than the same point in FY 2022. The year-over-year variance was due to a large school funding payment for the implementation of the new school funding formula occurring in December 2021.

Medicaid

Note: Medicaid enrollment and spending estimates included in this report assume authorization of the federally declared public health emergency (PHE) through October 13, 2022. Per federal law, the continuous eligibility requirement, which prohibits the Department of Medicaid from disenrolling individuals during the PHE, and the enhanced Federal Medical Assistance Percentage, which provides 6.2 percent more federal reimbursement during the PHE, are available for the entire quarter in which the public health emergency is declared. Any further reauthorization of the PHE or other changes at the federal level could impact future variances within this report.

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 the State Board of Pharmacy.

Medicaid Expenditures

December GRF disbursements for the Medicaid Program totaled \$1.8 billion and were \$128.7 million (-6.6%) below estimate and \$583.0 million (46.9%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$10.5 billion and were \$57.3 million (0.5%) above estimate.



The monthly GRF variance was due primarily to below estimate spending in the managed care program attributable to changes associated with the implementation of the department's Next Generation Managed care program. Portions of the implementation were delayed causing timing related shifts in spending that will begin to correct once full implementation occurs in February. The year-over-year variance was partially attributable to the timing and use of non-GRF funding sources; FY 2023 used less non-GRF funding sources in December compared to FY 2022. Additionally, increases in caseloads associated with the federally declared public health emergency contributed to increasing year-over-year expenditures.

December all-funds disbursements for the Medicaid Program totaled \$3.0 billion and were \$200.6 million (-6.3%) below estimate and \$57.4 million (-1.9%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$17.0 billion and were \$986.8 million (-5.5%) below estimate.

The all-funds monthly variance was primarily attributable to timing related spending shifts that affected the managed care program as mentioned above. Additionally, there was below estimate spending in non-GRF administration due to general delays in billing as well as delays in several large projects. The year-to-date variance was primarily attributable to delays in both the Hospital Care Assurance Program (HCAP) disbursement and hospital related payments that were originally estimated to occur in October. While one HCAP payment was made in December, there was a second payment planned that was delayed to future months. The Hospital payments are expected to occur in January or February. Additionally, delays in the Department of Developmental Disabilities continued in December, including the implementation of a direct care employee retention program and the disbursement of a normally occurring reconciliation payment to providers. Finally, overall administration related expenses continue to report below estimate spending due to the delay of several large projects, as well as general underspending in the department of Job and Family Services.

Current Month's Disbursement Variance by Funding Source (\$ in Millions)

	Dec. Estimate	Dec. Actual	Variance	Variance %
GRF	\$1,954.6	\$1,825.8	-\$128.7	-6.6%
Non-GRF	\$1,227.9	\$1,156.1	-\$71.8	-5.8%
All Funds	\$3,182.5	\$2,981.9	-\$200.6	-6.3%



Medicaid Enrollment

Total December enrollment was 3.52 million, which was approximately 19,200 (0.6%) above estimate and 199,000 (6.0%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.47 million and was approximately 6,800 (0.2%) above estimate.

December enrollment by major eligibility category was: Covered Families and Children, 1.91 million; Group VIII Expansion, 954,000; and Aged, Blind and Disabled, 512,500.

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

Ohio Public Defender Commission

December disbursements for the Public Defender Commission totaled \$14.5 million and were \$6.3 million (77.5%) above estimate. However, year-to-date the agency is \$13.2 million (-16.9%) below estimate as technical delays and audit processing for County Reimbursement applications has the agency one month behind on county disbursements. The County Reimbursement program reimburses counties for their costs in providing legal counsel to indigent persons in criminal and juvenile matters.

Department of Rehabilitation and Corrections

December disbursements for the Department of Rehabilitation and Correction totaled \$137.7 million and were \$9.8 million (7.6%) above estimate. The December variance is due to the operational costs of 28 correctional facilities maintained by the agency. These facilities house more than 40,000 inmates and are staffed by more than 11,000 employees.

Department of Public Safety

The Ohio State Highway Patrol Enforces traffic laws and commercial motor safety regulations, offers statewide emergency response services, investigates criminal activities on state-owned property, and provides security for the Governor. The program received increases in appropriation for the FY 2022-2023 biennium to accomplish its mission to contribute to a safer Ohio by saving lives and reducing injuries and economic costs associated with highway crashes and criminal activity. In FY 2022, the patrol conducted 392,700 enforcement traffic stops and plans to increase this number in FY 2023 to increase highway security.

In December disbursements for the department totaled \$5.4 million and were \$49.4 million (-90.0%) below estimate. The variance is attributable to delays in spending the additional General Revenue Fund appropriation for the Ohio State Highway Patrol.



Department of Development

Disbursements for the Department of Development were \$14.5 million (-51.9%) below estimate for the month of December. This variance was primarily attributable to the timing of an economic development payment, which was originally planned for December but will disburse in future months instead.

Department of Transportation

December disbursements for the Department of Transportation totaled \$5.9 million and were \$1.4 million (-21.0%) below estimate. The variance is attributable to disbursements in the State Road Improvements program, which was \$1.5 million (-100.0%) below estimate due to delays in construction.



Justice and Public Protection

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

December disbursements in this category totaled \$191.6 million and were \$38.4 million (-16.7%) below estimate due to delays in spending the additional General Revenue Fund appropriation for the Ohio State Highway Patrol program, as mentioned above. Year-to-date disbursements were \$1.4 billion and were \$135.0 million (-8.9%) below estimate. On a year-over-year basis, disbursements in this category were \$61.2 million (-24.2%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$13.8 million (1.0%) higher than at the same point in FY 2022.

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.

December disbursements in this category totaled \$45.2 million and were \$21.0 million (-31.8%) below estimate due primarily to an economic development payment being delayed, as mentioned above. Year-to-date disbursements were \$288.0 million and were \$33.7 million (-10.5%) below estimate. On a year-over-year basis, disbursements in this category were \$7.3 million (19.2%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$18.7 million (6.9%) higher than at the same point in FY 2022.

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 spending to the extent that these agencies spend GRF to support Medicaid services.

December disbursements in this category totaled \$164.7 million and were \$772,000 (-0.5%) below estimate. Year-to-date disbursements were \$881.3 million and were \$32.6 million (-3.6%) below estimate. On a year-over-year basis, disbursements in this category were \$14.2 million (9.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$109.3 million (14.2%) higher than at the same point in FY 2022.

Transfers Out

December transfers out totaled \$3.7 million though none were estimated. Year-to-date transfers out totaled \$1.2 billion and were \$552.8 million (81.4%) above estimate due to transfers from the General Revenue Fund to various capital funds to support capital appropriations authorized in House Bill 687, the FY 2023-2024 capital budget.

To date, OBM has transferred \$553.8 million of \$1.5 billion authorized in House Bill 687 from the GRF to various capital funds. Transferring \$553.8 million in cash instead of issuing new debt is expected to save roughly \$249.0 million in gross interest.



Higher Education

December disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$197.7 million and were \$3.0 million (-1.5%) below the estimate. This variance was primarily attributable to spending in the Choose Ohio First and National Guard Scholarship programs, which were \$4.1 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions. Year-to-date disbursements were \$1.2 billion, which was \$17.5 million (-1.4%) below the estimate. On a year-over-year basis, disbursements in this category were \$15.0 million (-7.1%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$24.9 million (2.1%) higher than at the same point in FY 2022.

Property Tax Reimbursement

Local governments and school districts receive payments from the property tax reimbursement category. The reimbursement to these entities is for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

December property tax reimbursements totaled \$13.6 million and were \$6.6 million (94.3%) above estimate. Year-to-date reimbursements totaled \$912.2 million and were \$18.8 million (-2.0%) below estimate. The year-to-date variance is primarily timing related and is expected to offset with larger disbursements in future months.

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.

December disbursements in this category totaled \$3.1 million and were \$655,000 (-17.3%) below estimate. On a year-over-year basis, disbursements in this category were \$1.0 million (-23.6%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$125,000 (-0.2%) lower than at the same point in FY 2022.

Debt Service

December payments for debt service totaled \$62.1 million and were \$153,000 (-0.2%) below estimate. Year-to-date disbursements in this category totaled \$992.0 million and were \$3.6 million (-0.4%) below estimate. The year-to-date variance was primarily attributable to the utilization of available cash resources to redeem certain outstanding General Obligation bonds to reduce the State's overall debt service obligations.



1/4/2023

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2023 VS ESTIMATE FY 2023
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL DECEMBER	ESTIMATED DECEMBER	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	958,527	958,554	(27)	0.0%	4,676,464	4,714,820	(38,356)	-0.8%
Higher Education	197,748	200,750	(3,003)	-1.5%	1,229,256	1,246,760	(17,504)	-1.4%
Other Education	3,139	3,794	(655)	-17.3%	52,831	53,445	(614)	-1.1%
Medicaid	1,825,847	1,954,584	(128,737)	-6.6%	10,534,002	10,476,752	57,250	0.5%
Health and Human Services	164,717	165,489	(772)	-0.5%	881,307	913,947	(32,640)	-3.6%
Justice and Public Protection	191,645	230,016	(38,372)	-16.7%	1,380,450	1,515,457	(135,007)	-8.9%
General Government	45,160	66,184	(21,024)	-31.8%	288,024	321,719	(33,695)	-10.5%
Property Tax Reimbursements	13,582	6,989	6,593	94.3%	912,161	931,000	(18,839)	-2.0%
Debt Service	62,063	62,215	(153)	-0.2%	992,041	995,675	(3,634)	-0.4%
Total Expenditures & ISTV's	3,462,428	3,648,577	(186,148)	-5.1%	20,946,537	21,169,576	(223,038)	-1.1%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	3,718	0	3,718	N/A	1,231,682	678,900	552,782	81.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	3,718	0	3,718	N/A	1,231,682	678,900	552,782	81.4%
Total Fund Uses	3,466,147	3,648,577	(182,430)	-5.0%	22,178,220	21,848,476	329,744	1.5%

1/4/2023

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	DECEMBER FY 2023	DECEMBER FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	958,527	1,248,253	(289,726)	-23.2%	4,676,464	4,807,122	(130,658)	-2.7%
Higher Education	197,748	212,750	(15,002)	-7.1%	1,229,256	1,204,322	24,934	2.1%
Other Education	3,139	4,108	(969)	-23.6%	52,831	52,956	(125)	-0.2%
Medicaid	1,825,847	1,242,883	582,965	46.9%	10,534,002	7,954,035	2,579,967	32.4%
Health and Human Services	164,717	150,493	14,225	9.5%	881,307	772,033	109,274	14.2%
Justice and Public Protection	191,645	252,893	(61,248)	-24.2%	1,380,450	1,366,627	13,823	1.0%
General Government	45,160	37,902	7,258	19.2%	288,024	269,355	18,669	6.9%
Property Tax Reimbursements	13,582	19,913	(6,331)	-31.8%	912,161	913,053	(892)	-0.1%
Debt Service	62,063	27,568	34,495	125.1%	992,041	895,195	96,846	10.8%
Total Expenditures & ISTV's	3,462,428	3,196,762	265,666	8.3%	20,946,537	18,234,698	2,711,839	14.9%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	3,718	679	3,039	447.3%	1,231,682	2,973,621	(1,741,939)	-58.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	3,718	679	3,039	447.3%	1,231,682	2,973,621	(1,741,939)	-58.6%
Total Fund Uses	3,466,147	3,197,441	268,705	8.4%	22,178,220	21,208,320	969,900	4.6%

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FY 2023
(\$ in Thousands)

July 1, 2022, Beginning Cash Balance*	6,547,037.9
Plus FY 2023 Estimated Revenues	28,284,500.0
Plus FY 2023 Estimated Federal Revenues	13,513,145.2
Plus FY 2023 Estimated Transfers to GRF	5,000.0
Total Sources Available for Expenditures & Transfers	48,349,683.1
Less FY 2023 Estimated Disbursements**	39,594,760.2
Less FY 2023 Estimated Total Encumbrances as of June 30, 2023	1,182,274.1
Less FY 2023 Estimated Transfers Out***	1,790,150.0
Total Estimated Uses	42,567,184.4
FY 2023 ESTIMATED UNENCUMBERED ENDING FUND BALANCE	5,782,498.7

*Includes reservations of \$883.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for FY 2022 is \$5,663.5 million.

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

***Substitute House Bill 687, the capital budget for FY 2023-2024, included authority to transfer \$1.5 billion from the General Revenue Fund to various capital funds. The FY 2023 Transfers Out amount in the table above includes using \$1.1 billion of this authority. The remaining balance from this bill, and potential capital fund transfers in future bills, are listed below.

Authorized and Potential Non-Recurring Plans (\$ in thousands)	Amount
• Authorized Capital Fund Transfers from House Bill 687	400,000
• Additional Capital Fund Transfers (Potential)	1,300,000
Grand Total	1,700,000

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Glossary

Average Daily Rate	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.
Beige Book	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.
Building Permits	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.
Consumer Confidence	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.
Consumer Price Index for All Urban Consumers	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.
Continued and Extended Unemployment Claims	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.
Employment Trends Index	The Conference Board's Leading composite index indicates the direction of employment through the aggregation of eight leading employment indicators.
Existing Home Sales	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.



Hotel Occupancy Rate	A performance indicator that shows the percentage of hotel rooms that are occupied in the United States compared to total available space.
Housing Market Index	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.
Initial Unemployment Claims	The number of new jobless claims filed by Ohio workers seeking unemployment assistance for the first-time following a job loss.
Leading Economic Index	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.
Manufacturing Production Index	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.
Newly Built Single-Family Home Sales	A measure of the sales of newly built single family structures including houses and townhouses.
Ohio Employee-Population Ratio	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.
Ohio Labor Force Participation Rate	This rate represents the number of people in the Ohio labor force as a percentage of the Ohio civilian non-institutionalized population.
Ohio Nonfarm Payroll Employment	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.
Ohio Unemployment Rate	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.



People Not in the Labor Force Who Currently Want a Job	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.
Permanent Job Losses	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
Personal Consumption Expenditures	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.
Personal Income	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
Personal Saving	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (that is, after-tax income) and personal outlays.
Personal Savings Rate	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.
Purchasing Managers Index	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.
Real Gross Domestic Product	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.
Revenue Per Available Room	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.
Small Business Optimism Index	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.



State-Level Coincident Index	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.
Survey of Consumers	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.
Temporary Layoff	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.
Total Construction Spending	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.
Total Industrial Production	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.
Total Travel Throughput	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.
Total Turnpike Revenue	The amount of revenue received through the operation of the Ohio Turnpike.
Turnpike Commercial Vehicle Miles Traveled	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.
Turnpike Passenger Vehicle Miles Traveled	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.S. Labor Force Participation Rate	<p>This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.</p>
U.S. Nonfarm Payroll Employment	<p>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.S. Unemployment Rate	<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>
Worker Adjustment and Retraining Notification (WARN) Act	<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>

