

State of Ohio Monthly Financial Report

MARCH 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


OHIO'S UNEMPLOYMENT RATE DECREASED TO 4%



FEBRUARY GRF TAX REVENUE TOTALED \$2 BILLION



COMMERCIAL ACTIVITY TAX RECEIPTS ARE \$67.5 MILLION ABOVE YEAR-TO-DATE ESTIMATE



FEBRUARY NON-AUTO SALES & USE TAX REVENUE IS 7.3% ABOVE ESTIMATE

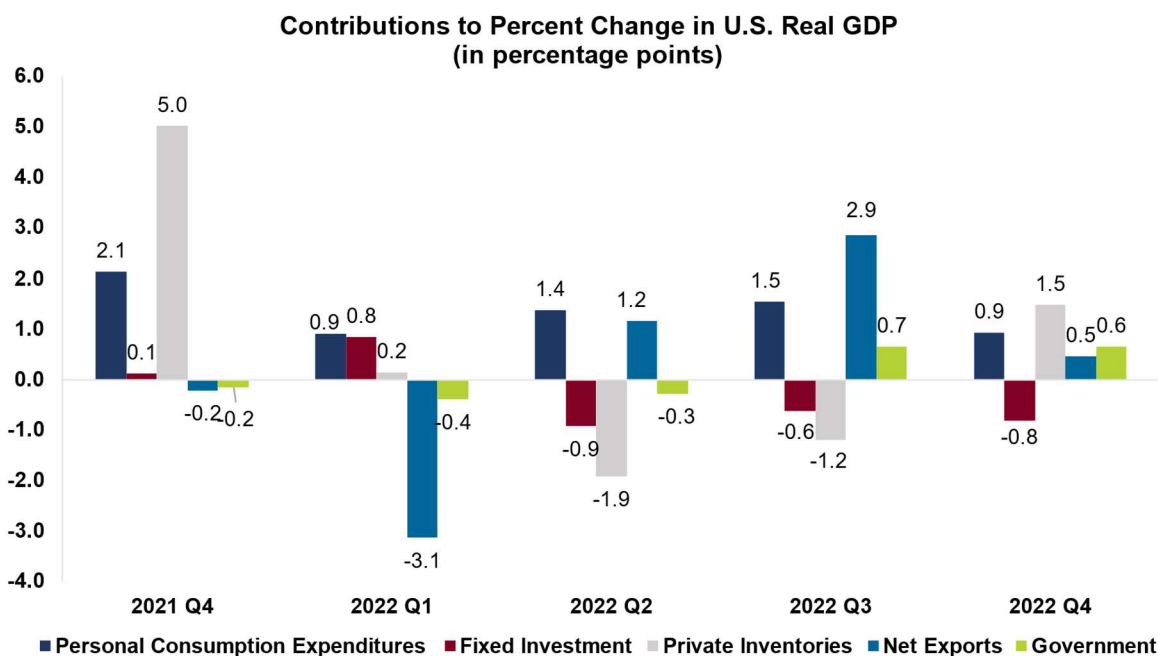
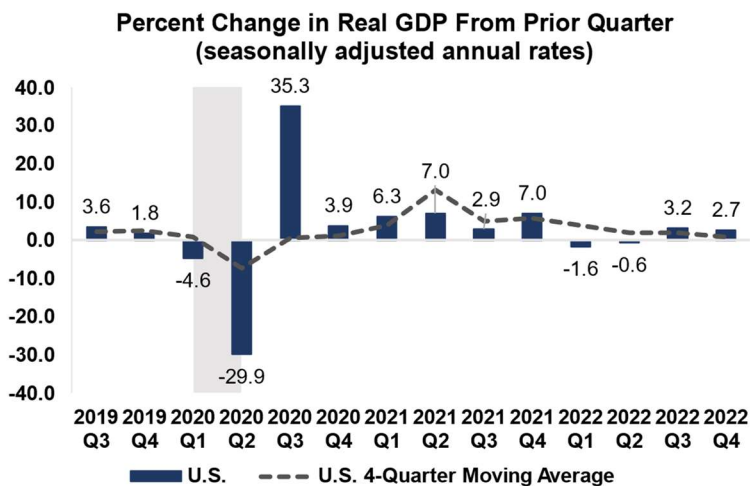


Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis' second estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the fourth quarter of calendar year 2022 at an annualized rate of 2.7 percent. This is the second quarter in a row of growth, after declines in the first half of 2022.

The fourth quarter increase in real GDP resulted from growth in private inventories (1.5 percentage points), personal consumption expenditures (0.9 percentage point), government expenditures (0.6 percentage point), and net exports (0.5 percentage point). These positive contributions were partially offset by decreases in fixed investment (-0.8 percentage point).



The **Federal Reserve's Beige Book** assesses current economic conditions in its 12 districts. According to the March 2023 report, economic activity in the Fourth District, which includes Ohio, continued to contract since the January report. Household spending, particularly on goods, showed continued post-holiday weakness, which was below some business owners' expectations. Interest rates and inflation are expected to continue to have an impact on consumer spending, particularly in interest rate-sensitive sectors. Similarly, reports from manufacturing contacts varied by sector, with those associated with interest-sensitive sectors reporting softer demand, while aerospace and heavy transportation manufacturers reported increased demand. Hiring continued to increase and layoffs remained low. However, some respondents reported a pause in hiring. Reflecting this cooling, food and hospitality firms noted increased availability in the labor market. Financial services respondents reported declines in demand and continued low delinquency rates, suggesting that perceived economic uncertainty may be making borrowers more cautious.

In January 2023, the Conference Board's **Leading Economic Index** fell 0.3 percent to 110.3, after declining 0.8 percent in December. The index has declined every month since February 2022, and has fallen 3.6 percent over the past six months. The Conference Board's senior director of economics pointed out that while the index continued its downward trajectory, the rate of decline in January was more moderate. Declines in new manufacturing orders, consumer expectations of business conditions, and credit conditions were partially offset by continued strength in the labor market and stable stock prices. Despite the continued strength of the labor market indicators, the overall index continues to signal recession in the near term.

The latest Federal Reserve of Philadelphia's Survey of Professional Forecasters struck a more optimistic tone for 2023 than the expectations reported in previous surveys. While concerns about sticky inflation persist, respondents to this survey expect continued strength in the labor market and continued GDP growth in 2023. However, another survey of professional forecasters predicted less clear-cut economic conditions in calendar year 2023. The National Association for Business Economics reported widely divergent estimates for GDP growth, employment, and interest rates among its panelists. The range of forecasts makes consensus difficult and is reflected in the wide variation in economic forecasts shown in the following table.

Economic Forecasts

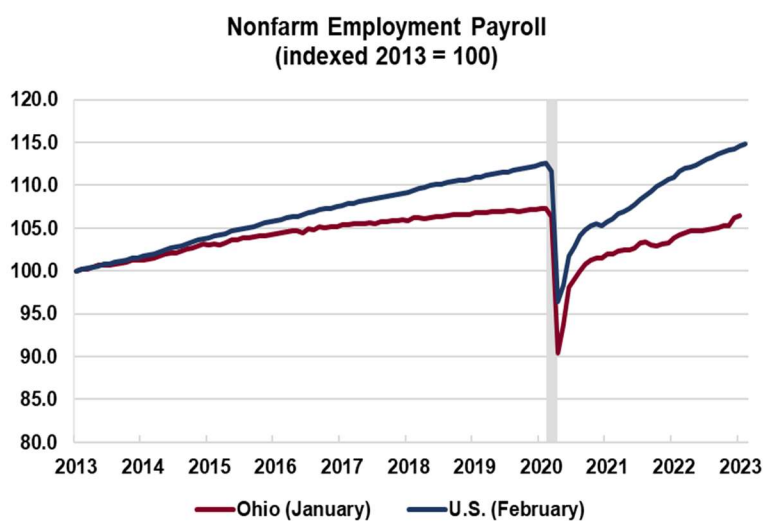
Source	Date	1st Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	03/08/2023	-0.4%
Federal Reserve Bank of Atlanta (GDPNow)	03/08/2023	2.6%
Moody's Analytics High Frequency GDP Model	03/07/2023	1.9%
Conference Board	02/15/2023	-0.6%
Federal Reserve Bank of Philadelphia Survey of Professional Forecasters	02/10/2023	0.6%
Wells Fargo	02/08/2023	-0.6%

Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 14,800 jobs between December 2022 and January 2023 to 5.6 million jobs. Additionally, the number employed in December 2022 was revised upward. After these increases, payroll employment in January 2023 increased 1.6 percent over the previous year.

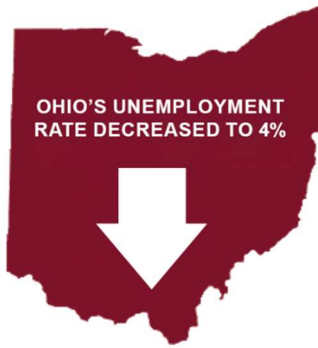
In Ohio, the professional and business services added the most jobs in January, followed by the leisure and hospitality, and government industries. These gains were partially offset by losses in trade, transportation and utilities, and manufacturing.

Ohio's seasonally adjusted **labor force participation rate** was 61.2 percent in January, unchanged from December 2022. The seasonally adjusted **employment-population ratio** was 58.8 in January, an increase of 0.2 percent from December 2022.



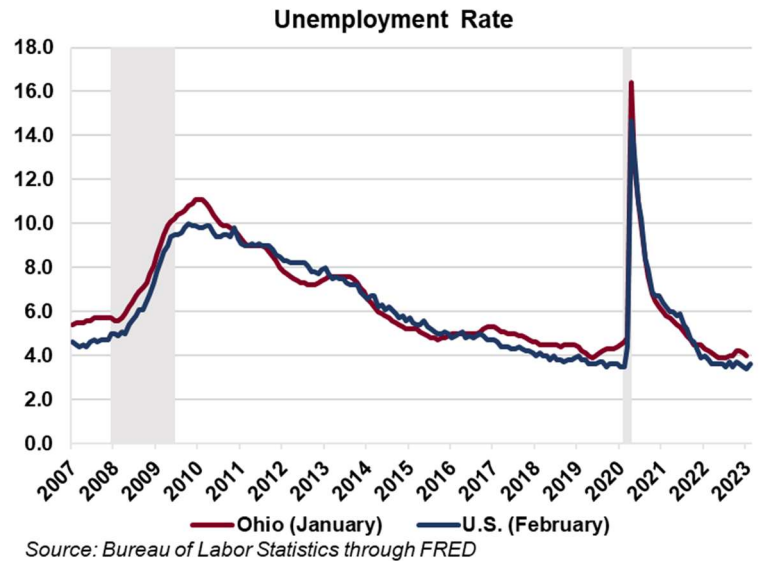
Source: Bureau of Labor Statistics



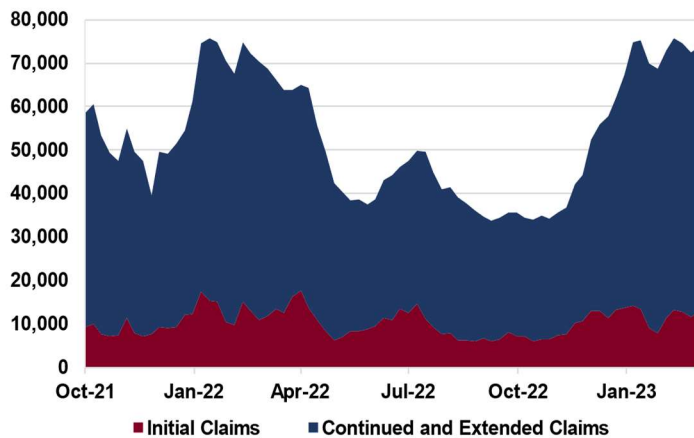


Ohio's unemployment rate in January 2023 was 4 percent, a decrease of 0.1 percentage point from the revised December 2022 rate.

In January 2023, **initial unemployment claims** decreased by 13.7 percent for men and 9.2 percent for women compared to December 2022. Over the same period, initial claims decreased for all racial categories except those who identified as Asian. Those who identified as Asian saw a 7.6 percent increase in claims. Those who identified as Hispanic saw a 19.9 percent decrease in claims, the largest decrease of any racial category.



Ohio Total Unemployment Claims
(October 2, 2021 through March 4, 2023)



During the week ending March 4, 2023, individuals filing initial unemployment claims totaled 12,721 claims, a 10.5 percent increase from the prior week. Individuals filing **continuing and extended claims** during the same week totaled 60,858 claims, a decrease of 0.3 percent decrease from the previous week.

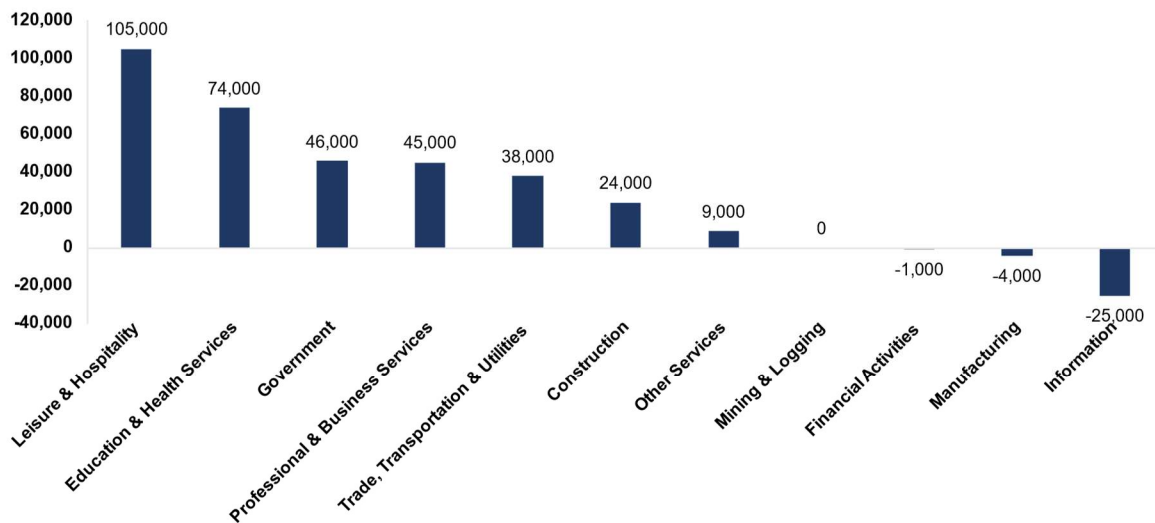


U.S. Labor Market

U.S. nonfarm payroll employment increased by 311,000 jobs in February. Job gains were widespread with the largest increases in leisure and hospitality, education and health services, retail, and government industries. Employment declined in the information, manufacturing, and financial activities industries.

311,000
Jobs Added

Change in U.S. Employment January - February 2023
(by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased by 0.1 percentage point to 62.5 percent in February. The **U.S. employment-population ratio** was unchanged at 60.2 percent in February. Both measures remained 0.9 percentage point below their February 2020 levels.

The **U.S. unemployment rate** rose to 3.6 percent in February while the number of unemployed individuals increased slightly to 5.9 million. The unemployment rate increased for all racial groups between January and February 2023. Individuals who identified as Hispanic had the largest increase (1.8 percentage points), followed by individuals who identified as Asian (0.6 percentage point). Individuals who identified as white (0.1 percentage point) and individuals who identified as Black (0.3 percentage point) saw more moderate increases in February. The unemployment rate for women increased by 0.2 percentage point between January and February. For men, the unemployment rate was unchanged at 3.6 percent.

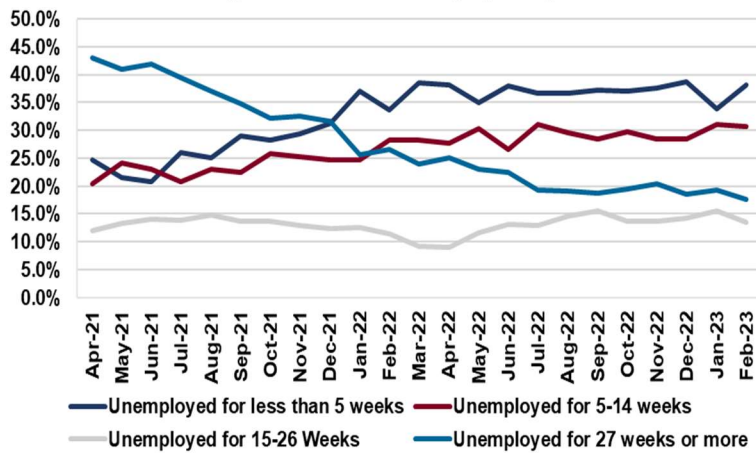
Unemployment Rates by Demographic Group

	December-22	January-23	February-23
Women	3.6%	3.3%	3.5%
Men	3.4%	3.6%	3.6%
Black	5.7%	5.4%	5.7%
White	3.0%	3.1%	3.2%
Asian	2.4%	2.8%	3.4%
Hispanic	4.1%	4.5%	6.3%

In February 2023, 17.6 percent of the nation’s unemployed had been unemployed for 27 or more weeks. This measure increased 1.8 percentage points from January and remains at pre-pandemic levels.

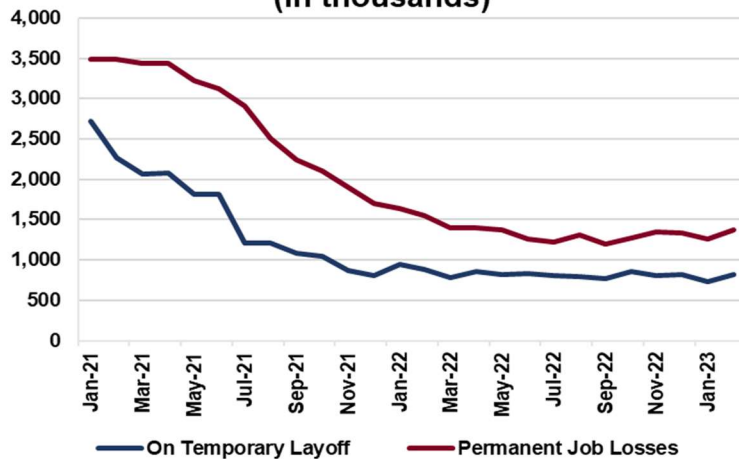
The number of **people not in the labor force who currently want a job** decreased by 4 percent to 5.1 million in February and was 53,000 above the February 2020 level.

Duration of Unemployment in the U.S. (percent of total unemployment)



Source: Bureau of Labor Statistics

U.S. Total Job Losses (in thousands)



Source: Bureau of Labor Statistics

The number of unemployed persons with **temporary layoffs** rose to 816,000 in February, 36,000 more than in February 2020.

The number of people who were **permanently unemployed** increased by 123,000 in February to 1.4 million in February and remained 85,000 higher than in February 2020.



Consumer Income and Consumption

\$22.6 Trillion

In January, personal income increased by \$131.1 billion (0.6%) to \$22.6 trillion. The gains in January were mainly due to an increase in wages and salaries of \$107.4 billion (0.9%).

Personal consumption expenditures increased \$312.5 billion (1.8%) from December to January. Total spending on goods increased 2.8 percent. Increases in spending on motor vehicles and parts (11.4%), furnishings and durable household equipment (2.7%) and recreational goods and vehicles (2.7%) contributed to a 5.5 percent increase in spending on durable goods. A decrease in spending for gasoline and other energy goods (-0.2%) was offset by increases in clothing and footwear (3.6%) and food and beverages purchased for off-premises consumption (0.3%), contributing to a 1.2 percent increase in total non-durable goods expenditures in January. Spending on services rose 1.3 percent in January, mainly due to increases in food services and accommodations (5.3%), recreation services (2.0%), and transportation services (1.9%).

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

	December 2022	January 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,197,805	\$ 2,312,549	5.2%	0.5%	3.9%
Motor vehicles and parts	\$ 542,038	\$ 606,384	11.9%	-1.7%	-2.5%
Furnishings and durable household equipment	\$ 514,665	\$ 524,822	2.0%	0.6%	-3.1%
Recreational goods and vehicles	\$ 898,384	\$ 916,966	2.1%	2.8%	13.9%
Other durable goods	\$ 327,651	\$ 335,045	2.3%	1.3%	12.6%
Nondurable Goods	\$ 3,294,740	\$ 3,309,602	0.5%	-1.4%	2.8%
Clothing and footwear	\$ 490,182	\$ 504,680	3.0%	3.5%	11.2%
Gasoline and other energy goods	\$ 431,262	\$ 421,883	-2.2%	-0.9%	7.4%
Other nondurable goods	\$ 1,322,663	\$ 1,333,684	0.8%	0.6%	6.3%
Services	\$ 8,846,788	\$ 8,901,718	0.6%	4.1%	10.8%
Transportation services	\$ 438,895	\$ 442,744	0.9%	4.1%	31.6%
Housing and utilities	\$ 2,182,038	\$ 2,169,987	-0.6%	-0.2%	1.6%
Recreation services	\$ 492,425	\$ 499,112	1.4%	7.9%	29.2%

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.

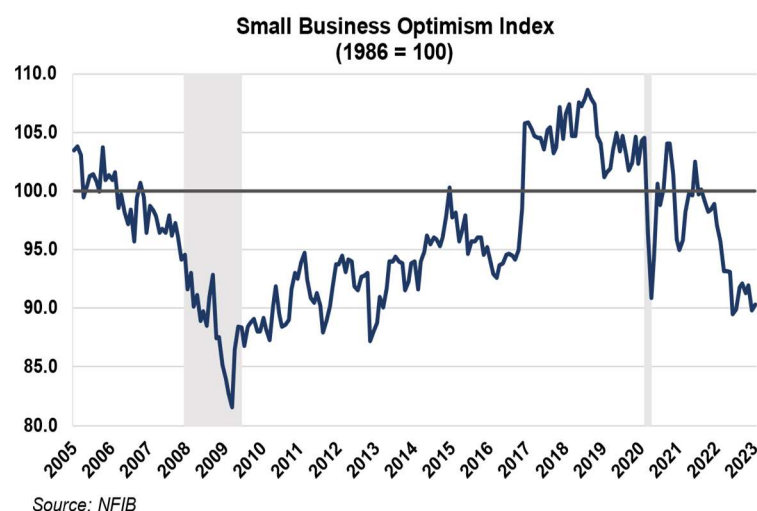
Source: Bureau of Economic Analysis, Table 2.4.6U Personal Consumption Expenditures by Type of Product



Personal saving was \$918.8 billion in January 2023, up 7.1 percent from December's revised level and was 8.7 percent above the January 2022 level. The **personal saving rate** was 4.7 percent in January, up 4.4 percent from the revised December' estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.5 percent in January, following a 0.1 percent increase in December. The "all items" index increased 6.4 percent over the last 12 months. January's year-over-year price increase was concentrated in shelter (0.7%) which accounted for nearly half of the increase in "all items." Energy prices rose two percent in January, following declines in December.

For the second consecutive month, consumer opinion surveys reported mixed results on consumer confidence in February. Respondents to the University of Michigan's **Survey of Consumers** reported a 3.2 percent increase in consumer sentiment to 67 from January. Consumer sentiment has risen for the last three months but remains below historical averages. The Conference Board's **Consumer Confidence Index** fell by 3.1 points to 102.9 in February, from a revised 106 in January. Consumers reported continued concern about business conditions over the next six months and both surveys noted an improvement in inflation expectations over the next 12 months.



The **Small Business Optimism Index** rose 0.5 point to 90.3 in January, the 13th consecutive month that the index has been below its 48-year average of 98. Twenty-six percent of owners cited inflation as their top concern, down six points from December 2022. Small business owners continue to struggle with hiring, with 45 percent of owners reporting difficulty filling open positions.

Travel and Tourism

Average airline checkpoint traffic decreased four percent in February compared to January. **Total travel throughput** in February 2023 was 18.3 percent higher than in February 2022 and 0.4 percent higher than February 2019.

The **hotel occupancy rate** for the week ending February 25, 2023, was 64.2 percent, 1.5 percent lower than the comparable week in 2019. The **average daily rate** of a hotel room was \$156.51, an increase of 22.2 percent compared to 2019. **Revenue per available room** was \$100.43, up 20.3 percent from 2019.

Industrial Activity

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** was unchanged (0.0%) between December 2022 and January 2023 and was 0.8 percent higher than in January 2022.

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

Manufacturing Sector	Percent Change November to December 2022	Percent Change December 2022 to January 2023	Percent Change January 2022 to January 2023
Aerospace and Other Transportation Equipment	0.1%	1.1%	10.2%
Chemicals	-1.9%	1.6%	0.7%
Electrical Equipment	-0.1%	1.3%	0.0%
Fabricated Metal Products	-1.3%	0.4%	2.4%
Food Beverage and Tobacco Products	-0.7%	1.7%	-0.4%
Machinery	-2.5%	1.7%	-1.8%
Motor Vehicles and Parts	-1.7%	0.5%	4.7%
Petroleum and Coal	-3.2%	-0.2%	1.9%
Plastics and Rubber Products	-1.5%	-1.0%	-1.5%
Primary Metals	-2.2%	0.1%	-3.6%

Preliminary data show the **Manufacturing Production Index** decreased one percent to 100.2 in January 2023, and was 0.3 percent higher than in January 2022. Statewide, eight of Ohio's top 10 manufacturing industries increased production between December 2022 and January 2023. Increases in machinery (1.7%), food beverage and tobacco products (1.7%), and chemicals (1.6%) were partially offset by decreases in the plastics and rubber products (-1.0%) and petroleum and coal (-0.2%) industries.



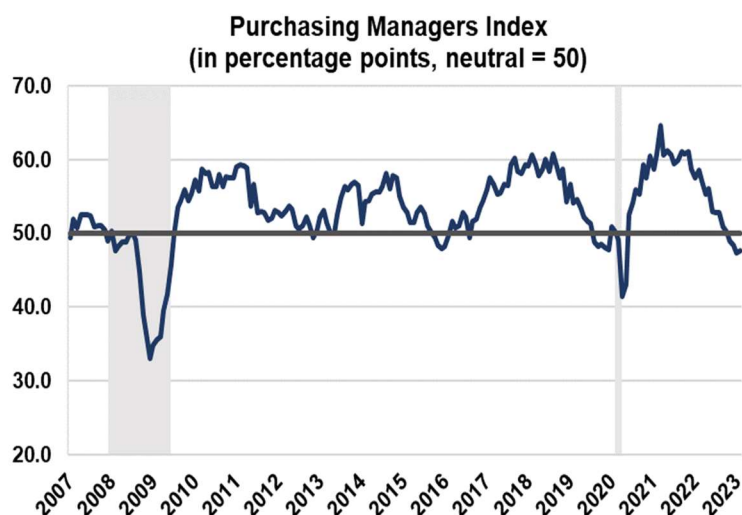
In February 2023, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was 47.7, an increase of 0.3 percentage point from January's reading. The index remained below 50 for the fourth month, indicating contraction in the manufacturing sector.

Across the nation, three of the ten most important industries to Ohio's manufacturing sector increased production in February. Aerospace and other transportation equipment, petroleum and coal products, and electrical products reported growth in the last month. The industries reporting the largest contraction were plastic and rubber products, chemical products, and food, beverage and tobacco products. According to the chair of the survey committee, participants reported slowing outputs to better match demand for the first half of the year but were preparing for growth in the second half of 2023. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) describe this deceleration of new orders.

A slowdown in new housing construction and concerns of a slowing economy have customers delaying purchases in an effort to destock. [Chemical Products]

Business and new orders are softening, and customers are pushing out current orders. [Plastics and Rubber Products]

Ohio and Midwest Construction and Housing Market



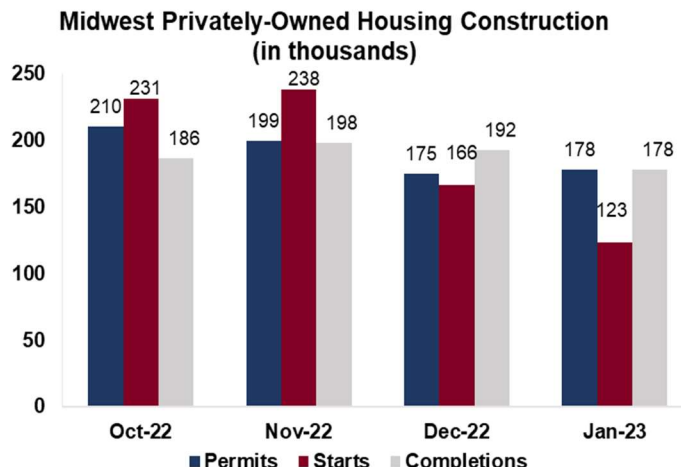
Source: Institute for Supply Management

In Ohio, **building permits** for privately-owned housing units decreased 3.8 percent between December and January and were 47.1 percent below the number of permits issued in January 2022.

Privately-owned housing starts in the Midwest decreased 25.9 percent between December and January and were 37.2 percent below January 2022 levels.

In January, privately-owned housing completions in the Midwest decreased 7.3 percent compared to December and were 28.1 percent above January 2022.

New home sales in the Midwest decreased 6.9 percent between December and January and were 34.1 percent below January 2022.



Source: U.S. Census Bureau through FRED

Activity in the Ohio housing market continued to show signs of deceleration as prices rose slightly in January. Total sales were 25.3 percent below January 2022 and the average sale price in Ohio was \$234,794, a 3.2 percent increase compared to January 2022. The president of Ohio REALTORS reported some optimism for the year ahead as lending rates have begun stabilizing and there has been a slight uptick in levels of available inventory across many of the markets.



Source: National Association of Home Builders

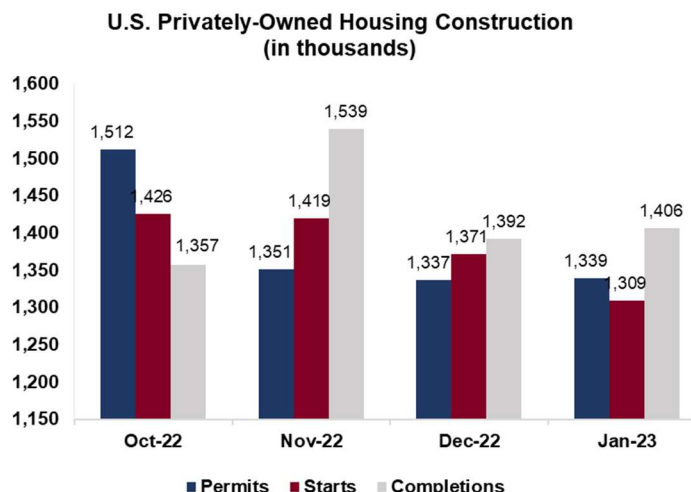
The **Housing Market Index** in the Midwest increased four points in February to 36, six points below the national level. The national index increased for the third consecutive month after decreasing for the majority of calendar year 2022.

U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in January 2023 at a seasonally adjusted annual rate of \$1.8 trillion, a 0.1 percent decrease from the revised December estimate. The January 2023 estimate was 5.7 percent above January 2022 and 15.3 percent above January 2021.



Public sector construction spending decreased to an adjusted annual rate 0.6 percent between December and January, bringing the seasonally adjusted annual total to \$383.1 billion. Spending on educational construction decreased 0.6 percent in January to \$84.1 billion, 4.5 percent above January 2022 levels. Highway construction spending in December was 0.9 percent below the revised December estimate and 16.4 percent above January 2022.



Source: U.S. Census Bureau through FRED

Private sector construction spending was unchanged (0.0%) between December and January, leaving the seasonally adjusted annual total at \$1.44 trillion. Private sector construction spending remained 4.4 percent above the January 2022 level. Residential construction in January was 0.6 percent below December and 3.9 percent below January 2022's level. Nonresidential construction in January increased 0.9 percent from the revised December estimate and remained 19.1 percent above January 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units increased 0.1 percent between December and January but fell 27.3 percent from the number of permits issued in January 2022.

Nationally, privately-owned housing starts decreased 4.5 percent between December and January and were 21.4 percent below January 2022 levels.

In January, **newly built single-family home sales** increased by 7.2 percent compared to December but remained 19.4 percent below sales in January 2022. The national median sales price in January 2023 was \$427,500, an 8.2 percent decrease compared to December, and 0.7 percent lower compared to January 2022.

According to the National Association of Realtors, **existing home sales** decreased 0.7 percent in January compared to December. January's existing home sales declined to four million housing units, a 36.9 percent decrease from January 2022. The median sale price of all existing homes rose 1.3 percent from a year ago to \$359,000. January 2023 was the 131st consecutive month of year-over-year increases in existing median home sale prices. Available inventory in January 2023 totaled 980,000 units, a 2.1 percent increase from December, and 15.3 percent above the January 2022 inventory level.

Revenues

February GRF tax revenues exceeded the estimate, with a \$124.1 million (6.5%) positive variance. This marks seven consecutive months of tax receipts outperforming expectations. The non-auto sales tax was the largest contributor to the month's positive variance, exceeding the estimate by \$54.1 million (7.3%). For the year, total tax revenues have performed above expectations by \$774.1 million (4.3%). Compared to FY 2022, February tax revenues grew by \$132.5 million (6.9%), with year-to-date revenues climbing by 5.9 percent.

Aggregate (tax and non-tax) GRF receipts totaled \$2.4 billion in February and were \$163.9 million (-6.4%) below estimate. As noted above, tax revenues were \$124.1 million (6.5%) above estimate. Non-tax receipts were \$293.4 million (-45.9%) below estimate. For the year-to-date, tax revenues and transfers are above estimate while non-tax revenues are below estimate, as shown in the table below.

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

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$ 774.1	4.3%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (354.9)	-3.7%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 6.0	120.7%
Total Revenue Variance		\$ 425.2	1.5%
Non-Federal Revenue Variance		\$ 832.7	4.6%
Federal Grants Variance		\$ (407.5)	-4.4%



The table below shows that sources below estimate (a negative variance of \$306.2 million) in February outweighed the size of sources above estimate (a positive variance of \$142.3 million), resulting in a \$163.9 million net negative variance from estimate.

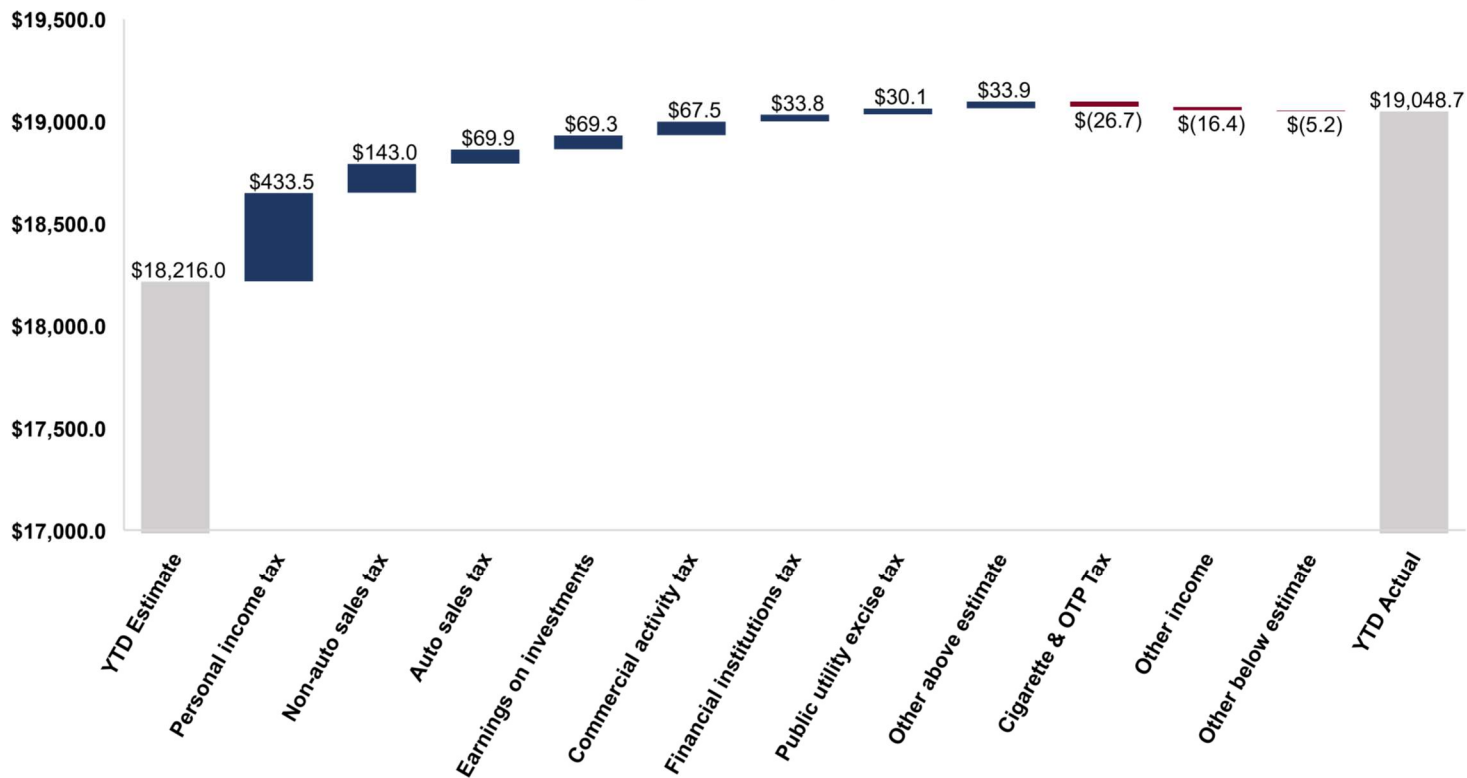
GRF Revenue Sources Relative to Monthly Estimates – February 2023
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales Tax	\$ 54.1	Federal Grants	\$ (290.4)
Personal Income Tax	\$ 36.3	Commercial Activity Tax	\$ (7.4)
Financial Institutions Tax	\$ 17.0	Cigarette and Other Tobacco Products Tax	\$ (2.5)
Auto Sales Tax	\$ 13.3	Licenses and Fees	\$ (2.2)
Public Utility Excise Tax	\$ 9.4	Other sources below estimate	\$ (3.7)
Other sources above estimate	\$ 12.2		
Total Above	\$ 142.3	Total Below	\$ (306.2)

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



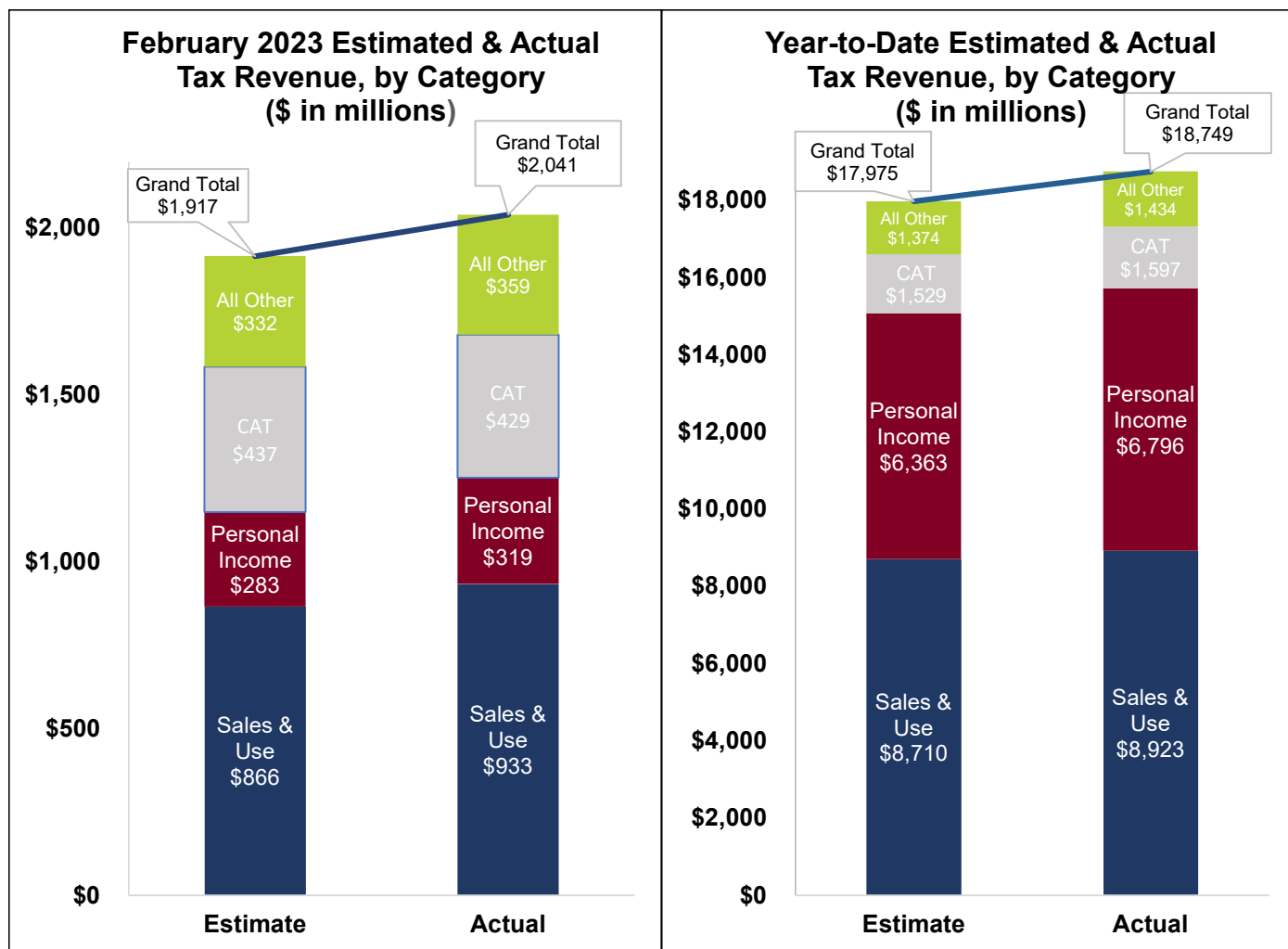
Actuals vs Estimates: YTD GRF Non-Federal Sources (\$ in millions)



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for FY 2023 to date, with the net difference totaling \$832.7 million.



The following two charts show the composition of estimated and actual GRF tax revenues for February 2023 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. They 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.



For February, total receipts and transfers were \$438.6 million (-15.5%) below the previous year. Tax receipts increased by \$132.5 million (6.9%), non-tax receipts decreased by \$575.7 million (-62.5%), and transfers increased by \$4.7 million (620%). For the year-to-date, tax receipts are \$1.1 billion (5.9%) and non-tax receipts are \$1.2 billion (14.9%) above the prior year. Transfers are \$41.3 million (-76.9%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during February was non-auto sales tax, at \$75.6 million (10.5%) above last year. The next-largest increases were personal income tax at \$17 million (5.6%), auto sales tax at \$16.5 million (13.4%), and financial institutions tax at \$10.3 million (16.7%). The largest declines were experienced by federal grants at \$573.2 million (-62.9%), followed by licenses and fees at \$2.1 million (-25.1%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections in February totaled \$793 million and were \$54.1 million (7.3%) above the estimate. Through February, the source is \$143 million (1.9%) above estimate. Monthly revenue increased by \$75.6 million (10.5%) from last year while year-to-date revenue is now \$336.7 million (4.6%) above FY 2022. Growth during the first quarter of FY 2023 was substantially diminished by refund payments, reflecting prior-period transactions not related to retail activity occurring when the refunds were paid. If July-September refunds had stayed at their FY 2022 levels, year-to-date GRF non-auto sales tax revenue would have increased by 6.1 percent.



February is invariably among the lowest months for non-auto sales tax collections and in most years, it is the lowest month. Despite this, February 2023 exhibited both the largest positive variance and highest level of year-to-year growth this fiscal year. It remains to be seen if this year's strong February outcome reflects idiosyncratic circumstances or instead may be a sign of a change in seasonal buying patterns, with consumers shifting more spending into a month that has traditionally been considerably smaller than others.

The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows 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 4.6 percent year-over-year increase in national non-seasonally adjusted sales during January 2023. This compares to year-over-year growth of 4.7 percent in both December and November. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 4.8 percent, 2.9 percent, and 7.2 percent in January, December, and November, respectively.

The MARTS data also show modest retail sales growth on a month-over-month basis. Based on seasonally adjusted figures, January 2023 sales for the above-indicated retail categories increased by 1.9 percent from December, following a 0.5 percent decrease in December from November.

Auto Sales Tax

February auto sales tax revenues were \$140.3 million, showing a \$13.3 million (10.5%) positive variance from estimate. This source is \$69.9 million (5.7%) above estimate for the fiscal year. Revenues were \$16.5 million (13.4%) above last February. For the year, revenues are \$74.3 million (6.1%) above FY 2022.

Auto sales tax receipts have shown strength throughout FY 2023. February's revenue growth rate was higher than any month except for September. Since August, auto sales tax revenues have exceeded estimate in every month, with November being the only exception.

The national new light vehicle unit sales figures declined in February. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 14.9 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 6.2 percent below January although up 8.5 percent from a year ago. On an unadjusted basis, February light vehicle unit sales were at 1.1 million units. This is 8.7 percent above last February and 9.1 percent above January.

New vehicle transaction prices remain higher than a year ago. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,645 in February, up 5.2 percent relative to last year and up 0.2 percent from January. The Bureau of Labor Statistics Consumer Price Index (CPI-U) is also an indicator of new vehicle price growth. The most recent release shows 5.8 percent price growth in January compared to the prior year, the slowest year-over-year growth rate since June 2021. January also showed a 0.2 percent increase from the previous month, a considerable slowdown from the month-to-month growth levels exhibited since March 2022.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during February to be 2.8 million, not annualized and not seasonally adjusted, up 5 percent from last month and down 8 percent from last year. Although used vehicle prices have grown considerably since the onset of the pandemic, the market has been slowly normalizing and has reversed some of the calendar year 2021 price run-up. Month-over-month wholesale price changes were mostly negative throughout calendar year 2022. However, during the last several months, month-to-month growth has resumed. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of February 2023 was 4.1 percent above the previous month, although 7.2 percent lower than the previous year.

Personal Income Tax

February GRF personal income tax receipts totaled \$319 million and were \$36.3 million (12.8%) above the estimate. For the year-to-date, revenue is \$433.5 million (6.8%) above estimate. On a year-over-year basis, February income tax collections increased by \$17 million (5.6%). Year-to-date revenue for FY 2023 is \$425.3 million (6.7%) above the prior year.

Since FY 2001, February has consistently produced the lowest amount of income tax revenue of any month. The reason is the combination of relatively high refunds paid during the month and relatively low collections from non-withholding tax components. The outsized influence of refunds in February means that even a relatively modest dollar variance from expectations can produce a substantial percentage variance. For this reason, although February's positive variance from estimate was the smallest amount so far this year on a whole-dollar basis, the percentage variance exceeded all preceding months.

Withholding collections were \$853.9 million in February and were \$11.2 million (1.3%) above estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$453.3 million (6.6%). This component was \$39.3 million (4.8%) above last February; it is \$692.3 million (10.4%) above last year for the fiscal year-to-date.

After removing a category subset comprised of pass-through entities, February withholding collections increased by \$46.1 million (5.7%) from last year and year-to-date withholding grew by \$369.6 million (5.7%). A three percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$427.6 million (6.4%) higher than the previous year if the withholding tax rate reduction had not taken effect.

Quarterly estimated payments came in \$3.8 million (30.1%) above estimate during February and increased by \$2.7 million (19.5%) from last year. For the fiscal year, this component has exceeded estimate by \$31.4 million (4.8%) and has decreased by \$24.6 million (-3.4%) from the prior year. Over the April 2022-February 2023 period, a time frame that reflects total elapsed estimated payment collections for calendar year 2022, this component has exceeded estimate by \$85.8 million (8.4%) and has grown by \$7.2 million (0.7%) from the prior year.

Annual tax return payments showed the strongest outcome among the various income tax payment components for February. These tax payments amounted to \$19.7 million and were \$15.8 million (404.4%) over the estimate. For the year to date, annual return tax collections are \$132.6 million (112.8%) above estimate. Despite the strong year-to-date results, the overwhelming size of April's tax payments will largely determine the component's outcome for the fiscal year.

The two remaining tax collection categories (Trust and Other) were collectively \$6.8 million (86.6%) above the February estimate. They are \$19.6 million (27%) above estimate for the fiscal year.

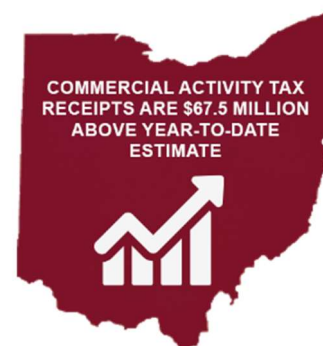
February refunds were \$1.3 million (-0.2%) below estimate for the month. For the year to date, refunds are \$192.6 million (18.4%) above estimate. The month's refunds were \$32.1 million (6.4%) above last year while refunds for the current fiscal year have increased by \$254.9 million (25.9%) from FY 2022. The tax year 2022 filing season is only two months old, although the pace of refund issuance appears to have been faster than the combined January and February estimates anticipated. Over the last two months, refunds have exceeded estimates by \$91.7 million (14.3%). OBM will continue to monitor refund performance as the filing season continues.

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

	Actual February	Estimate February	\$ Var	Actual Feb-2023	Actual Feb-2022	\$ Var Y-to-Y
Withholding	\$ 853.0	\$ 842.7	\$ 11.2	\$ 853.0	\$ 814.7	\$ 39.3
Quarterly Est.	\$ 16.6	\$ 12.8	\$ 3.8	\$ 16.6	\$ 13.9	\$ 2.7
Annual Returns/40 P	\$ 19.7	\$ 3.9	\$ 15.8	\$ 19.7	\$ 13.2	\$ 6.5
Trust Payments	\$ 4.0	\$ 1.1	\$ 2.9	\$ 4.0	\$ 1.3	\$ 2.8
Other	\$ 10.5	\$ 6.7	\$ 3.8	\$ 10.5	\$ 9.6	\$ 0.9
Less: Refunds	\$ (537.7)	\$ (539.0)	\$ 1.3	\$ (537.7)	\$ (505.6)	\$ (32.1)
Local Distributions	\$ (48.1)	\$ (45.5)	\$ (2.6)	\$ (48.1)	\$ (45.1)	\$ (3.0)
Net to GRF	\$ 319.0	\$ 282.7	\$ 36.3	\$ 319.0	\$ 302.0	\$ 17.0

Commercial Activity Tax

February represents one of the quarterly payment due dates for the Commercial Activity Tax (CAT) and for that reason is an important collections month. GRF revenues were \$7.4 million (-1.7%) below the estimate. Revenues are now \$67.5 million (4.4%) above estimate for the fiscal year. CAT receipts in February increased by \$3.4 million (0.8%) from last year while fiscal year-to-date receipts are \$134.4 million (9.2%) above the previous year. Although February's outcome represents more tepid performance than has been observed in recent months, it is nonetheless like August's results, the first month CAT receipts were due FY 2023. In August, revenue was 1.9 percent below estimate. November has been the only elevated due date month this fiscal year, exceeding estimate by 7 percent.



Most CAT revenue comes from quarterly tax payments, so it is useful to analyze the tax in quarterly increments. Through December 2022, there have been nine consecutive quarters with a positive variation from estimate. January had a substantial positive variance from estimate, sufficient in size to make the CAT \$17 million above estimate so far this quarter; only \$3.2 million needs to be received in March to reach the quarterly estimate.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$345.4 million and were \$293.4 million (-45.9%) below estimate for the month of February. Year-to-date non-tax receipts total \$9.2 billion and are \$354.9 million (3.7%) below estimate.

The monthly variance in non-tax receipts was primarily due to the federal grants category, which was \$290.4 million (46.2%) 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.



3/6/2023
Preliminary

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL FEBRUARY	ESTIMATE FEBRUARY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	793,048	738,900	54,148	7.3%	7,631,736	7,488,700	143,036	1.9%
Auto Sales & Use	140,342	127,000	13,342	10.5%	1,291,131	1,221,200	69,932	5.7%
Subtotal Sales & Use	933,390	865,900	67,490	7.8%	8,922,868	8,709,900	212,968	2.4%
Personal Income	318,960	282,700	36,260	12.8%	6,796,059	6,362,601	433,458	6.8%
Corporate Franchise	23	0	23	N/A	65	100	(35)	-34.9%
Financial Institutions Tax	72,076	55,100	16,976	30.8%	122,024	88,200	33,824	38.3%
Commercial Activity Tax	429,371	436,800	(7,429)	-1.7%	1,596,851	1,529,400	67,451	4.4%
Petroleum Activity Tax	0	0	0	N/A	6,032	4,000	2,032	50.8%
Public Utility	39,321	29,900	9,421	31.5%	126,815	96,700	30,115	31.1%
Kilowatt Hour	25,857	27,500	(1,643)	-6.0%	194,473	198,300	(3,827)	-1.9%
Natural Gas Distribution	17,316	14,500	2,816	19.4%	37,196	34,300	2,896	8.4%
Foreign Insurance	137,909	135,100	2,809	2.1%	335,485	312,800	22,685	7.3%
Domestic Insurance	1,119	0	1,119	N/A	18,740	19,000	(261)	-1.4%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	58,432	60,900	(2,468)	-4.1%	512,630	539,300	(26,670)	-4.9%
Alcoholic Beverage	3,306	4,500	(1,194)	-26.5%	41,211	42,000	(789)	-1.9%
Liquor Gallonage	4,135	4,200	(65)	-1.6%	38,984	38,800	184	0.5%
Estate	0	0	0	N/A	33	0	33	8596.5%
Total Tax Receipts	2,041,215	1,917,100	124,115	6.5%	18,749,467	17,975,402	774,064	4.3%
NON-TAX RECEIPTS								
Federal Grants	338,697	629,129	(290,432)	-46.2%	8,924,921	9,332,386	(407,465)	-4.4%
Earnings on Investments	0	0	0	N/A	113,367	44,100	69,267	157.1%
License & Fees	6,236	8,392	(2,157)	-25.7%	23,840	24,127	(287)	-1.2%
Other Income	472	1,250	(778)	-62.3%	137,058	153,491	(16,434)	-10.7%
ISTV'S	(2)	0	(2)	N/A	13,931	13,901	31	0.2%
Total Non-Tax Receipts	345,402	638,771	(293,369)	-45.9%	9,213,116	9,568,005	(354,888)	-3.7%
TOTAL REVENUES	2,386,617	2,555,871	(169,254)	-6.6%	27,962,583	27,543,407	419,176	1.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	5,400	0	5,400	N/A	11,035	5,000	6,035	120.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	5,400	0	5,400	N/A	11,035	5,000	6,035	120.7%
TOTAL SOURCES	2,392,016	2,555,871	(163,854)	-6.4%	27,973,618	27,548,407	425,211	1.5%

3/6/2023

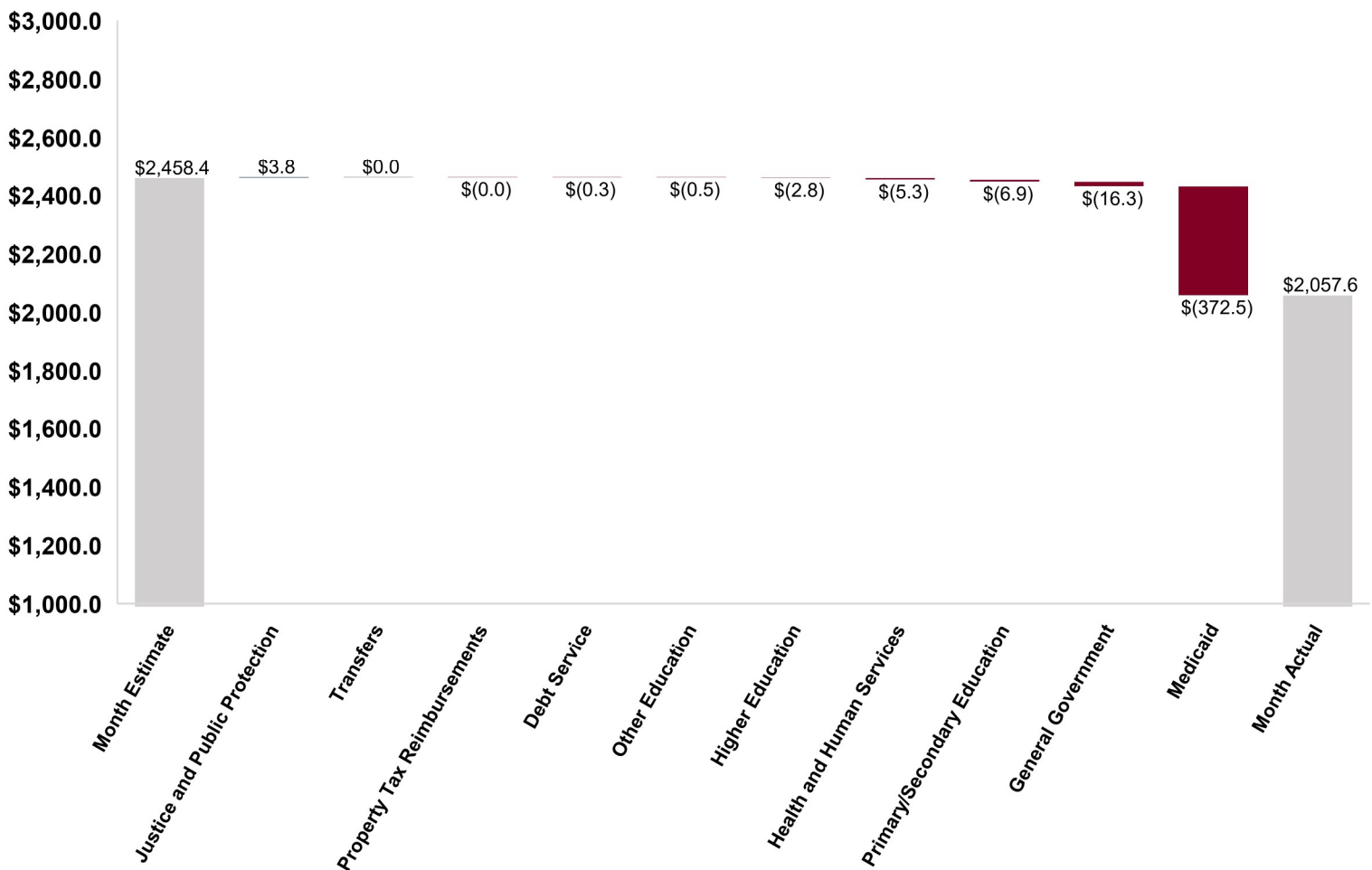
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	FEBRUARY FY 2023	FEBRUARY FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	793,048	717,431	75,617	10.5%	7,631,736	7,295,036	336,701	4.6%
Auto Sales & Use	140,342	123,803	16,539	13.4%	1,291,131	1,216,823	74,309	6.1%
Subtotal Sales & Use	933,390	841,234	92,157	11.0%	8,922,868	8,511,859	411,009	4.8%
Personal Income	318,960	301,954	17,006	5.6%	6,796,059	6,370,718	425,341	6.7%
Corporate Franchise	23	115	(92)	-79.9%	65	644	(579)	-89.9%
Financial Institutions Tax	72,076	61,752	10,324	16.7%	122,024	64,048	57,976	90.5%
Commercial Activity Tax	429,371	425,934	3,437	0.8%	1,596,851	1,462,459	134,392	9.2%
Petroleum Activity Tax	0	0	0	N/A	6,032	3,628	2,404	66.3%
Public Utility	39,321	33,495	5,826	17.4%	126,815	103,484	23,332	22.5%
Kilowatt Hour	25,857	26,391	(534)	-2.0%	194,473	205,091	(10,618)	-5.2%
Natural Gas Distribution	17,316	16,287	1,029	6.3%	37,196	34,898	2,298	6.6%
Foreign Insurance	137,909	134,409	3,500	2.6%	335,485	310,851	24,634	7.9%
Domestic Insurance	1,119	57	1,062	1871.3%	18,740	2,311	16,429	711.0%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	58,432	60,469	(2,037)	-3.4%	512,630	545,852	(33,221)	-6.1%
Alcoholic Beverage	3,306	2,638	668	25.3%	41,211	42,399	(1,188)	-2.8%
Liquor Gallonage	4,135	4,020	115	2.9%	38,984	39,282	(298)	-0.8%
Estate	0	0	0	N/A	33	7	26	368.2%
Total Tax Receipts	2,041,215	1,908,754	132,461	6.9%	18,749,467	17,697,530	1,051,937	5.9%
NON-TAX RECEIPTS								
Federal Grants	338,697	911,887	(573,191)	-62.9%	8,924,921	7,583,433	1,341,488	17.7%
Earnings on Investments	0	0	0	N/A	113,367	20,960	92,407	440.9%
License & Fee	6,236	8,329	(2,093)	-25.1%	23,840	24,371	(531)	-2.2%
Other Income	472	874	(402)	-46.0%	137,058	166,013	(28,956)	-17.4%
ISTV'S	(2)	11	(13)	-118.7%	13,931	225,913	(211,981)	-93.8%
Total Non-Tax Receipts	345,402	921,101	(575,699)	-62.5%	9,213,116	8,020,690	1,192,426	14.9%
TOTAL REVENUES	2,386,617	2,829,855	(443,238)	-15.7%	27,962,583	25,718,220	2,244,363	8.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	5,400	750	4,650	619.9%	11,035	52,350	(41,316)	-78.9%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	5,400	750	4,650	619.9%	11,035	52,350	(41,316)	-78.9%
TOTAL SOURCES	2,392,016	2,830,605	(438,588)	-15.5%	27,973,618	25,770,570	2,203,048	8.5%

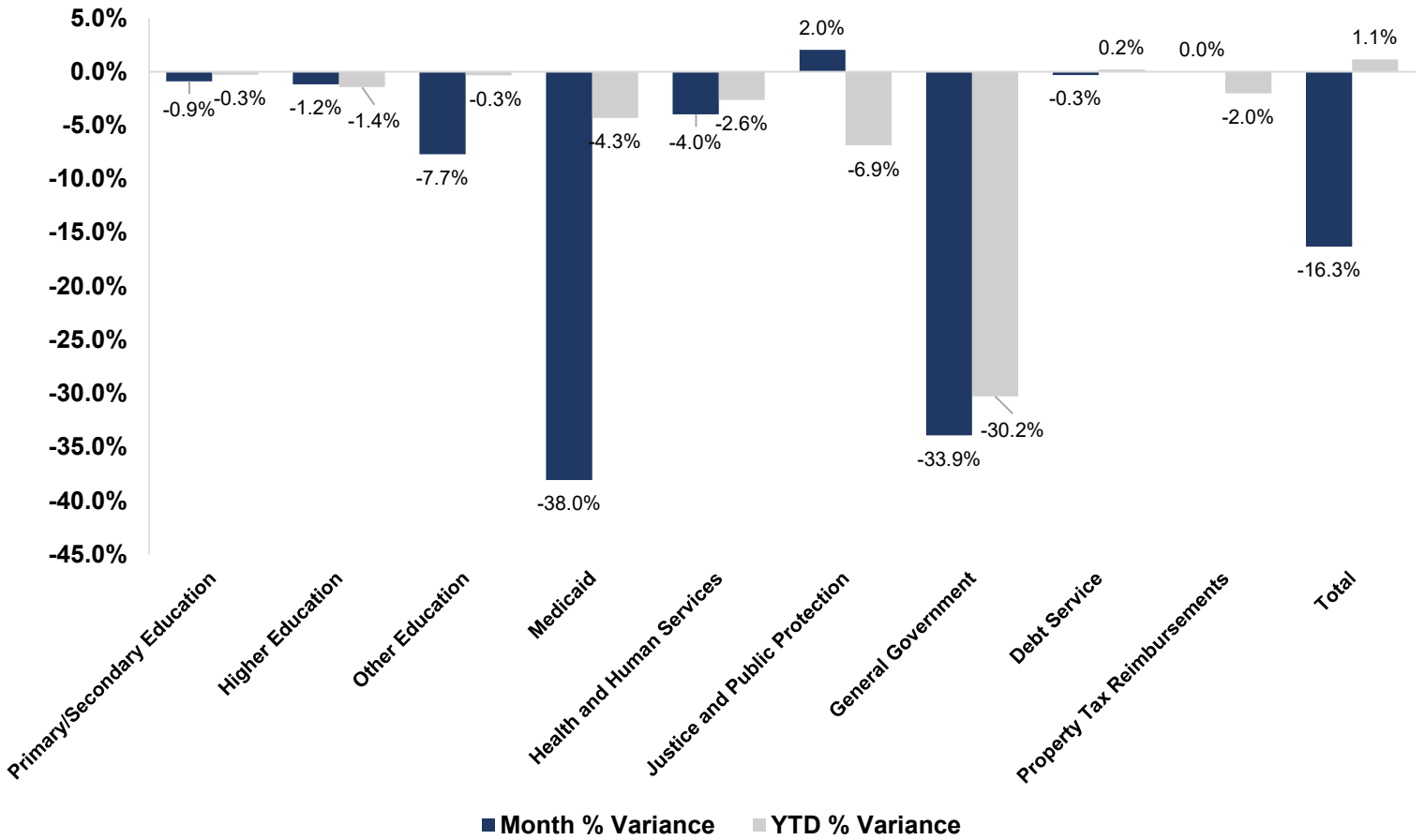
Disbursements

February GRF disbursements, across all uses, totaled \$2.1 billion and were \$400.8 million (-16.3%) below estimate. This variance was primarily attributable to below estimate disbursements in the Medicaid category. The variance was partially offset by above estimated disbursements in Justice and Public Protection. On a year-over-year basis, February total uses were \$539.3 million (-20.8%) lower than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

February 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. February disbursements for this category totaled \$763.9 million and were \$6.9 million (-0.9%) below estimate. This variance was primarily attributable to below estimated expenditures for student assessments as payments for SAT and ACT exams will now disburse at the end of the fiscal year. The second payment in February for traditional school districts included the \$46.7 million Excess Cost Adjustment. Districts educating special education students, who are not residents of the district, may charge the district of residence for excess costs when the total cost to educate a student with a disability exceeds the amount of state funding the educating district received. The additional funding was provided to districts in February, while funds are deducted from resident districts in the remaining foundation payments this fiscal year.

\$763.9 MILLION

Year-to-date disbursements are \$6.2 billion, which is \$17.8 million (-0.3%) below estimate. On a year-over-year basis, disbursements in this category are \$136.2 million (21.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$5.9 million (0.1%) higher than the same point in FY 2022.

Medicaid

Note: Medicaid enrollment and spending estimates included in this report are based on projections made in July at the start of FY 2023. These projections assumed authorization of the federally declared public health emergency (PHE) through October 13, 2022, with the continuous eligibility requirement and the enhanced FMAP through December 2022. The PHE has been reauthorized through April 13, 2023, with further guidance outlining the resumption of routine Medicaid eligibility determinations and the phase down of the enhanced FMAP, both beginning in April. These changes will result in deviations from both the enrollment and spending estimates included in this report beginning in January.

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

February GRF disbursements for the Medicaid Program totaled \$606.8 million and were \$372.5 million (-38%) below estimate and \$698.3 million (-53.5%) below disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$12.9 billion and were \$582.1 million (-4.3%) below estimate.

The monthly GRF variance was due primarily to the shift in spending associated with the continuation of the federally declared public health emergency. With the continued receipt of additional federal reimbursement through the enhanced FMAP, some funding was shifted to non-GRF federal funding sources in February. Full implementation of the Department's Next Generation Managed Care Program began in February. There were some timing related issues with the implementation causing some payments to be delayed but it is expected that any issues will be corrected in future months. The Department has issued guidance on a bridge payment program for impacted providers.

Additionally, with full implementation of Next Generation Managed Care, the Department began correction of the alignment in managed care and fee-for-service caseloads. Managed care caseloads are now approximately 73,300 above estimate while fee-for-service caseloads are 15,800 above estimate. Both caseload variances are due to the continuation of the federal public health emergency and the associated continuous eligibility requirement.

February all-funds disbursements for the Medicaid Program totaled \$2.7 billion and were \$111.3 million (-3.9%) below estimate and \$9.4 million (0.3%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$23.8 billion and were \$457.6 million (-1.9%) below estimate.

The all-funds monthly variance was primarily attributable to delays in payments caused by the timing of full implementation of Next Generation Managed Care modules as noted above. These delays are likely to correct in March. Additionally, spending in the Medicare Premium Assistance category was below estimate as some Medicare Buy In rates were lower than anticipated and due to the impact of the enhanced FMAP on Medicare Part D payments. Finally, administration-related expenses were below estimate by \$12.1 million (-12.1%). These expenses have been impacted by the staggered Next Generation Managed Care schedule, however, now that full implementation has begun, it is expected that portions of this variance will shrink for the remainder of the fiscal year.

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

	Feb. Estimate	Feb. Actual	Variance	Variance %
GRF	\$ 979.32	\$ 606.81	\$ (372.51)	-38.0%
Non-GRF	\$ 1,858.72	\$ 2,119.89	\$ 261.17	14.1%
All Funds	\$ 2,838.04	\$ 2,726.70	\$ (111.34)	-3.9%



Medicaid Enrollment

Total February enrollment was 3.56 million, which was approximately 90,400 (2.6%) above estimate for the fiscal year and 205,600 (6.1%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.49 million and was approximately 23,350 (0.7%) above estimate.

February enrollment by major eligibility category was: Covered Families and Children, 1.92 million; Group VIII Expansion, 973,500; and Aged, Blind and Disabled (ABD), 515,100.

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

Department of Public Safety

The Department of Public Safety's February disbursements totaled \$3.1 million and were \$2.9 million (-49%) below estimate. The Department's Emergency Management Agency awards security grants of up to \$100,000 to nonprofit organizations, houses of worship, chartered nonpublic schools, and licensed preschools to pay for eligible security improvements, purchase qualified equipment, or acquire the services of a resource officer. February's disbursements were below estimate primarily due to the timing of grant processing. The department continues to review grant applications and anticipates awards in early spring.

Department of Transportation

February disbursements for the Department of Transportation totaled \$2.8 million and were \$1.9 million (-36%) below estimate. The February variance is primarily due to supplier issues with bus deliveries in the Department's Transit Preservation Partnership program. The program provides funds for capital, operating, and planning projects to rural and urban transit systems around the state. In FY 2022, the Department awarded \$44.4 million for 122 projects.

Department of Youth Services

February disbursements for the Department of Youth Services totaled \$12.4 million and were \$1.1 million (9.7%) over the estimate. This variance is due to RECLAIM Ohio, the agency's subsidy funding program for diversion and prevention, and Parole Operations, which supports youth supervision of released offenders, being \$845,800 and \$261,600 over for the month. The agency remains under expected spending by 1.8% as of the end of February.

Department of Development

Disbursements for the Department of Development were \$12.4 million (-70.9%) below estimate for the month of February. This variance was primarily attributable to the timing of an economic development payment. This payment was originally planned to disburse in February but will disburse in future months instead.



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.

February disbursements in this category totaled \$189.9 million and were \$3.8 million (2%) above estimate. This is partly due to disbursements in the Department of Youth Services, as explained above. Year-to-date disbursements were \$1.8 billion and were \$134.9 million (-6.9%) below estimate. On a year-over-year basis, disbursements in this category were \$7.8 million (4.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$24 million (1.3%) 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.

February disbursements in this category totaled \$31.7 million and were \$16.3 million (-33.9%) below estimate. Year-to-date disbursements were \$369.9 million and were \$160.3 million (-30.2%) below estimate. On a year-over-year basis, disbursements in this category were \$3 million (10.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$24.8 million (7.2%) 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.

February disbursements in this category totaled \$127.5 million and were \$5.3 million (-4%) below estimate. Year-to-date disbursements were \$1.2 billion and were \$31.6 million (-2.6%) below estimate. On a year-over-year basis, disbursements in this category were \$6.5 million (5.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$148.7 million (14.6%) higher than at the same point in FY 2022.

Higher Education

February disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$231.4 million and were \$2.8 million (-1.2%) below the estimate. This variance was primarily attributable to spending in the Choose Ohio First and National Guard Scholarship programs, which were \$2.7 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions. Year-to-date disbursements were \$1.7 billion and were \$24.1 million (-1.4%) below estimate. On a year-over-year basis, disbursements in this category were \$6.4 million (2.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$28.9 million (1.8%) higher than at the same point in FY 2022.

Property Tax Reimbursement

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption. February reimbursements totaled -\$22,107, though none were estimated. Year-to-date reimbursements totaled \$912.1 million and were approximately \$18.9 million (-2%) below estimate. The negative disbursement in February was the result of a voided warrant, while 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.

February disbursements in this category totaled \$5.8 million and were \$485,000 (-7.7%) below estimate. On a year-over-year basis, disbursements in this category were \$280,000 (5.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$412,000 (-0.6%) lower than at the same point in FY 2022.

Debt Service

February payments for debt service totaled \$100.6 million and were \$329,241 (-0.3%) below estimate. Year-to-date disbursements in this category totaled \$1.2 billion and were \$2.2 million (0.2%) above estimate. The monthly variance was primarily attributable to the timing of expected debt service payments between January and February, corresponding with a positive variance last month.



3/6/2023
Preliminary

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL FEBRUARY	ESTIMATED FEBRUARY	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	763,853	770,742	(6,889)	-0.9%	6,195,108	6,212,903	(17,795)	-0.3%
Higher Education	231,366	234,159	(2,793)	-1.2%	1,650,403	1,674,538	(24,135)	-1.4%
Other Education	5,821	6,305	(485)	-7.7%	67,357	67,590	(234)	-0.3%
Medicaid	606,813	979,322	(372,510)	-38.0%	12,928,105	13,510,175	(582,071)	-4.3%
Health and Human Services	127,515	132,789	(5,274)	-4.0%	1,166,993	1,198,637	(31,644)	-2.6%
Justice and Public Protection	189,883	186,116	3,766	2.0%	1,832,156	1,967,090	(134,934)	-6.9%
General Government	31,735	48,007	(16,272)	-33.9%	369,855	530,205	(160,349)	-30.2%
Property Tax Reimbursements	(22)	0	(22)	N/A	912,139	931,000	(18,861)	-2.0%
Debt Service	100,588	100,917	(329)	-0.3%	1,205,273	1,203,078	2,194	0.2%
Total Expenditures & ISTV's	2,057,552	2,458,359	(400,807)	-16.3%	26,327,389	27,295,218	(967,829)	-3.5%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	7	0	7	N/A	1,241,135	684,900	556,235	81.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	7	0	7	N/A	1,968,166	684,900	1,283,266	187.4%
Total Fund Uses	2,057,559	2,458,359	(400,800)	-16.3%	28,295,555	27,980,118	315,437	1.1%

3/6/2023

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	FEBRUARY FY 2023	FEBRUARY FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	763,853	627,672	136,181	21.7%	6,195,108	6,189,202	5,906	0.1%
Higher Education	231,366	225,000	6,367	2.8%	1,650,403	1,621,535	28,869	1.8%
Other Education	5,821	5,541	280	5.1%	67,357	67,768	(412)	-0.6%
Medicaid	606,813	1,305,082	(698,270)	-53.5%	12,928,105	10,958,615	1,969,489	18.0%
Health and Human Services	127,515	121,063	6,452	5.3%	1,166,993	1,018,306	148,687	14.6%
Justice and Public Protection	189,883	182,041	7,841	4.3%	1,832,156	1,808,144	24,012	1.3%
General Government	31,735	28,773	2,962	10.3%	369,855	345,027	24,828	7.2%
Property Tax Reimbursements	(22)	0	(22)	N/A	912,139	913,053	(914)	-0.1%
Debt Service	100,588	101,661	(1,073)	-1.1%	1,205,273	1,116,118	89,155	8.0%
Total Expenditures & ISTV's	2,057,552	2,596,833	(539,282)	-20.8%	26,327,389	24,037,768	2,289,621	9.5%
Transfers Out:								
BSF Transfer	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	7	0	7	N/A	1,241,135	2,979,663	(1,738,528)	-58.3%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	7	0	7	N/A	1,968,166	2,979,663	(1,011,497)	-33.9%
Total Fund Uses	2,057,559	2,596,833	(539,275)	-20.8%	28,295,555	27,017,431	1,278,123	4.7%

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.

****The FY 2023 Estimated Unencumbered Ending Fund Balance included in this report is based on the GRF revenue forecast for FY 2023, which was published in the August 2022 Monthly Financial Report. OBM recently released an updated FY 2023 forecast, and forecasts for FY 2024 and 2025, as part of the [Governor's Executive Budget on January 31, 2023](#).

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	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.S. Nonfarm Payroll Employment	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.
U.S. Unemployment Rate	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.
Worker Adjustment and Retraining Notification (WARN) Act	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.

