

# State of Ohio Monthly Financial Report

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MAY 10, 2023

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

From: Kimberly Murnieks, Director



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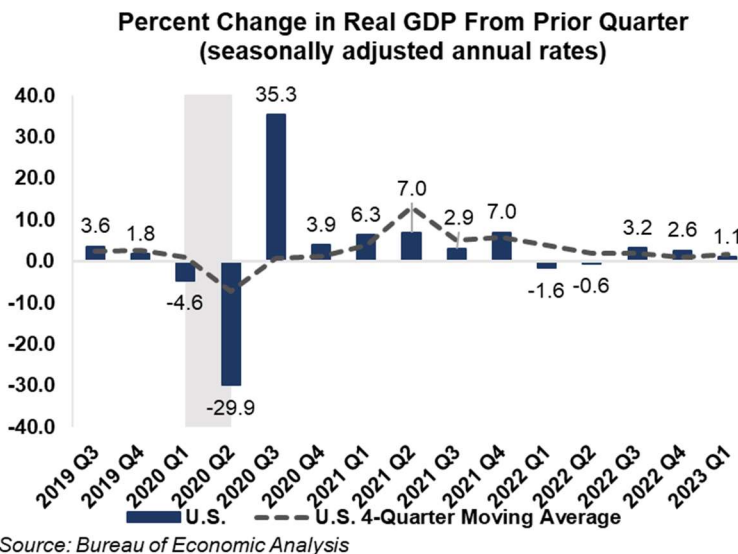
# Report Overview



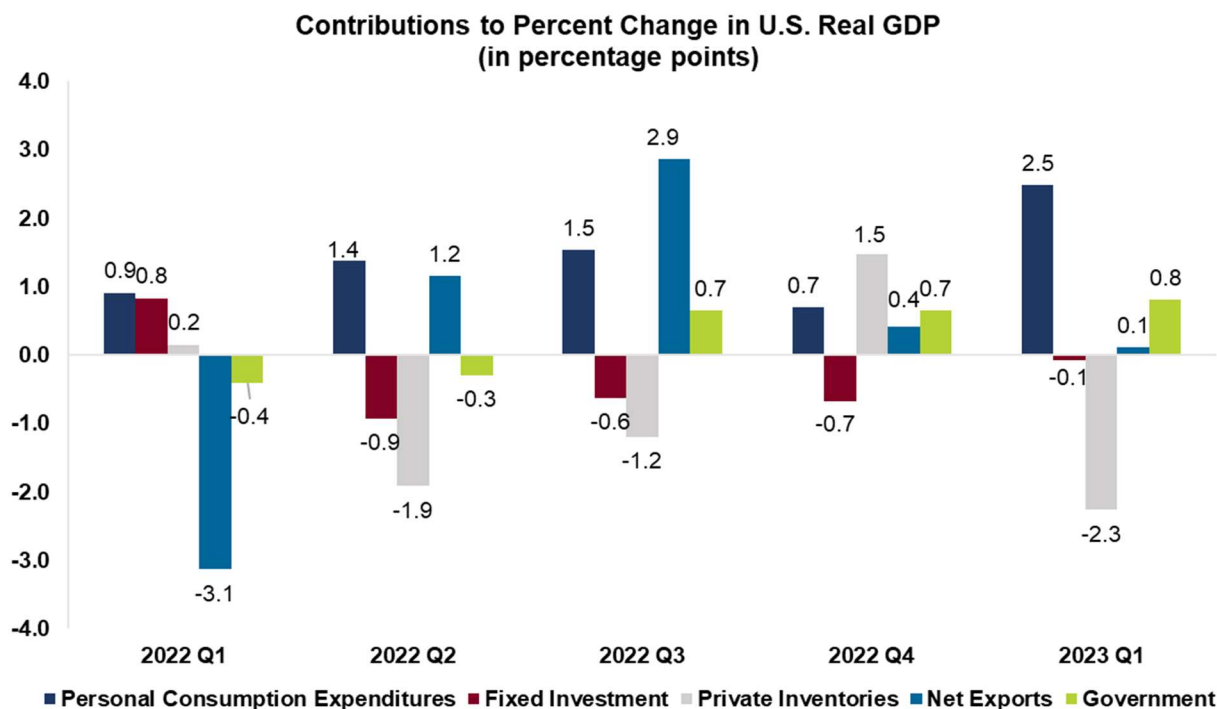
# Economic Activity

## Economic Outlook

According to the Bureau of Economic Analysis' advanced estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the first quarter of calendar year 2023 at an annualized rate of 1.1 percent. This is the third quarter in a row of growth, after declines in the first half 2022.



The first quarter increase in real GDP resulted from growth in the personal consumption expenditures category (2.5 percentage points), government expenditures (0.8 percentage point), and net exports (0.1 percentage point). These positive contributions were partially offset by decreases in private inventories (-2.3 percentage points) and fixed investment (-0.1 percentage point).



The **Federal Reserve's Beige Book** evaluates current economic conditions across its 12 districts. According to the April 2023 report, economic activity in the Fourth District, which includes Ohio, was relatively flat compared to March's report. Uncertainty in the banking center on the national level had very little impact on regional economic activity or credit availability. Increased reports of hiring freezes or layoffs illustrated a softening of demand in the labor market, though many industries reported increased wages were necessary to retain skilled workers. Similarly, real estate and construction sectors reported lower demand as a result of high interest rates.

In March 2023, the Conference Board's **Leading Economic Index** decreased 1.2 percent to 108.4, after declining 0.5 percent in February. The index fell for the twelfth consecutive month and in the last six months decreased 4.5 percent. The Conference Board's senior manager of business cycle indicators reported that weakness among indicators making up the index was widespread in March, suggesting that economic conditions will continue to slow widely throughout the national economy in the coming months. The Conference Board currently forecasts that this growing weakness will lead to a recession beginning in the second half of 2023.

Many economists continue to forecast decelerating but stable growth in the near term. The Federal Reserve recently raised interest rates again and signaled that this may be the last rate increase in this tightening cycle. Regional banks showed lingering signs of strain, as reflected in the lowering of some forecasts. Economists and forecasters are closely watching this sector of the banking system while uncertainty persists. However, the job market remains robust with the national economy adding more jobs than expected in the month of April. These historic labor market conditions continue to drive the economy.

### Economic Forecasts

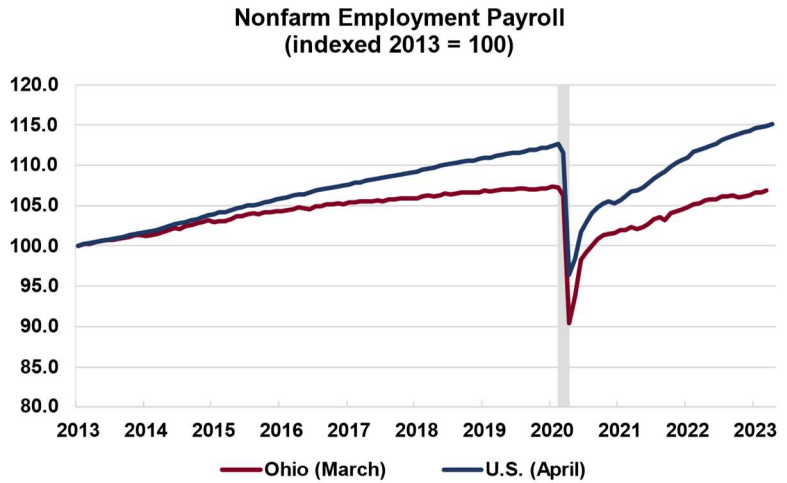
Source	Date	2nd Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	05/04/2023	-0.1%
Federal Reserve Bank of Atlanta (GDPNow)	05/04/2023	2.7%
Moody's Analytics High Frequency GDP Model	05/04/2023	0.5%
Wall Street Journal Economic Forecasting Survey	04/15/2023	0.2%
Conference Board	04/13/2023	2.0%
Wells Fargo	04/13/2023	1.3%



## Ohio Labor Market

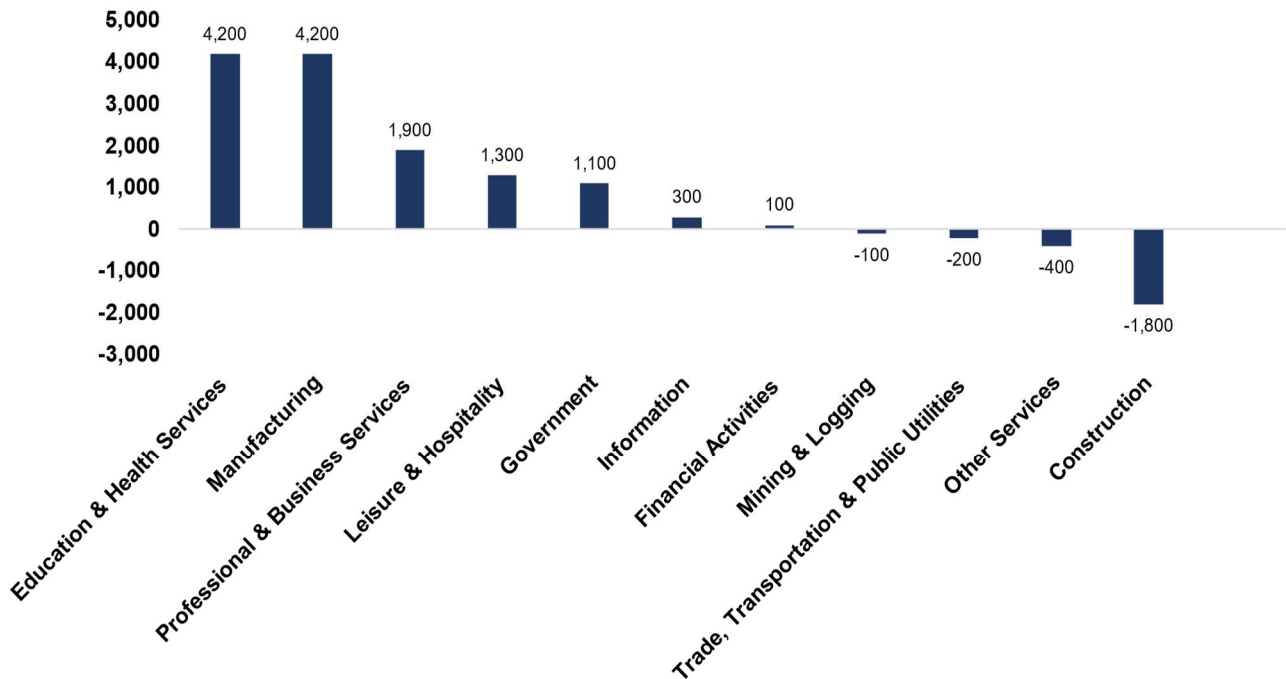
**Ohio's nonfarm payroll employment** increased by an estimated 10,600 jobs between February and March 2023 to 5.6 million jobs, an increase of 1.5 percent over the prior year.

In Ohio, the education and health services, and manufacturing industries had the largest employment gains in March, followed by the professional and business services, leisure and hospitality, and government. These gains were partially offset by losses in construction and other services industries.



Source: Bureau of Labor Statistics

**Change in Ohio Employment Between February and March 2023 (by industry)**



Source: Bureau of Labor Statistics

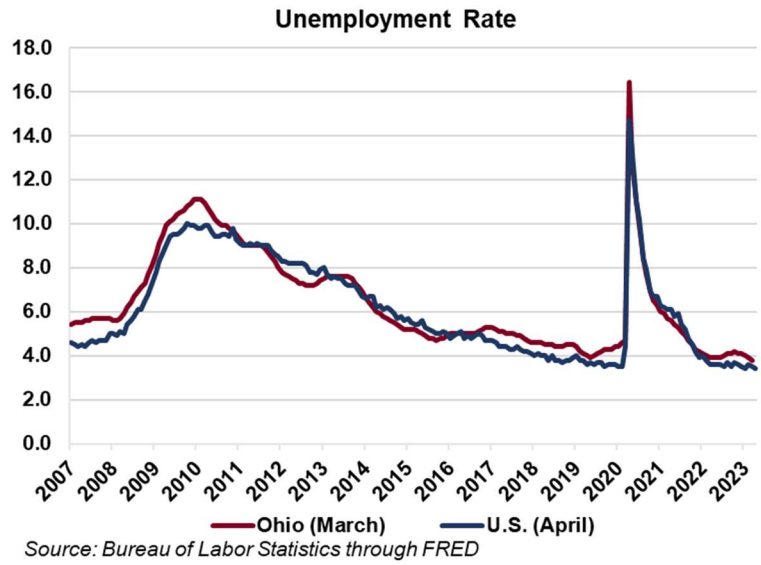


Ohio’s seasonally adjusted **labor force participation rate** in March was 61.5 percent, a 0.1 percentage point increase from February 2023. The seasonally adjusted **employment-population ratio** was 59.2 in March, a 0.2 percent increase from February 2023.

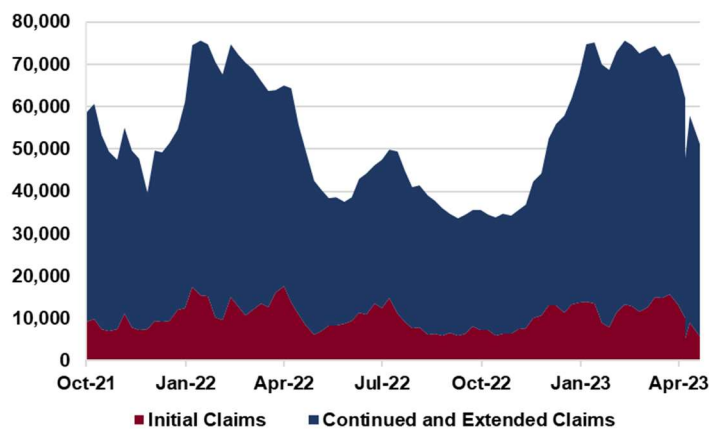


The **Ohio unemployment rate** in March 2023 was an historic low of 3.8 percent, a decrease of 0.1 percentage point from February 2023’s revised rate.

In March 2023, **initial unemployment claims** increased 25.4 percent for men and 36.7 percent for women compared to February 2023. In March, of those who identified their race on their initial claim, 77.4 percent identified as White, and 18.1 percent identified as Black. Between February and March, initial claims increased for all racial categories.



Ohio Total Unemployment Claims (October 2, 2021 through February 25, 2023)



During the week ending April 29, 2023, individuals filed a total of 5,196 initial unemployment claims, a 10.5 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 42,591, a 7.4 percent decrease from the prior week.

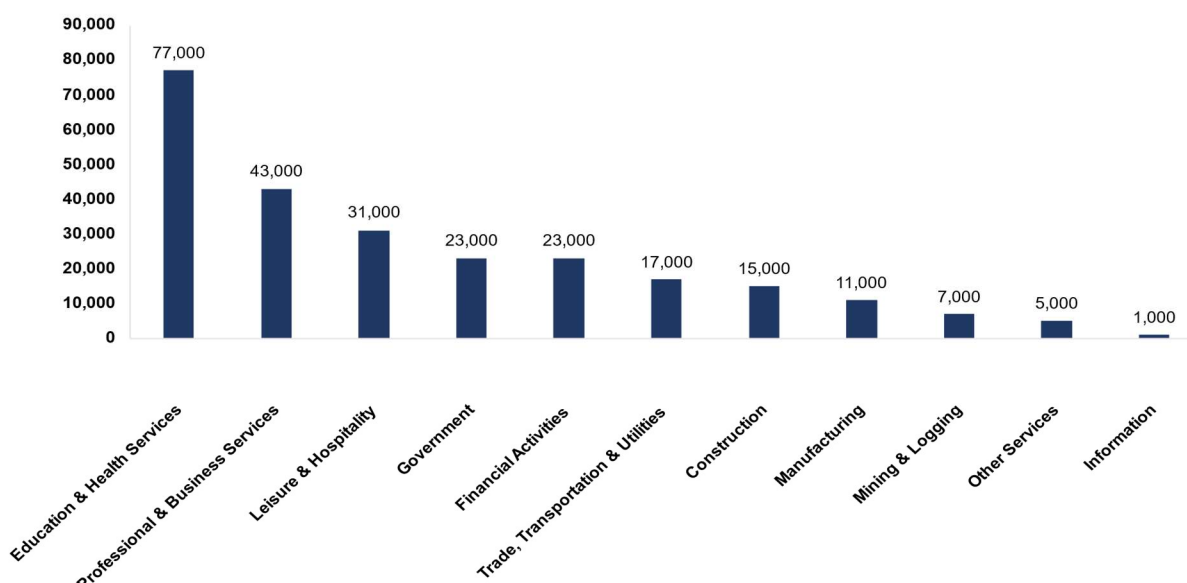


## U.S. Labor Market

**U.S. nonfarm payroll employment** increased by 253,000 jobs in April. Job gains were widespread with the highest growth in the education and health services, professional and business services, and leisure and hospitality industries.

**253,000**  
Jobs Added

**Change in U.S. Employment March - April 2023**  
(by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** was unchanged in April at 62.6 percent. The **U.S. employment-population ratio** also remained unchanged in April at 60.4 percent. Both measures remained below February 2020 levels by 0.7 percentage point.

The **U.S. unemployment rate** decreased in April to 3.4 percent while the number of unemployed individuals decreased slightly to 5.7 million. The unemployment rate decreased or remained unchanged across racial categories between March and April 2023. Individuals who identified as Black (0.3 percentage point) had the largest decreases followed by individuals who identified as Hispanic (0.2 percentage point) and individuals who identified as White (0.1 percentage point). Those who identified as Asian saw no change in unemployment rate in April. The unemployment rates for women and men both decreased 0.1 percentage point between March and April, to 3.3 percent and 3.5 percent respectively.



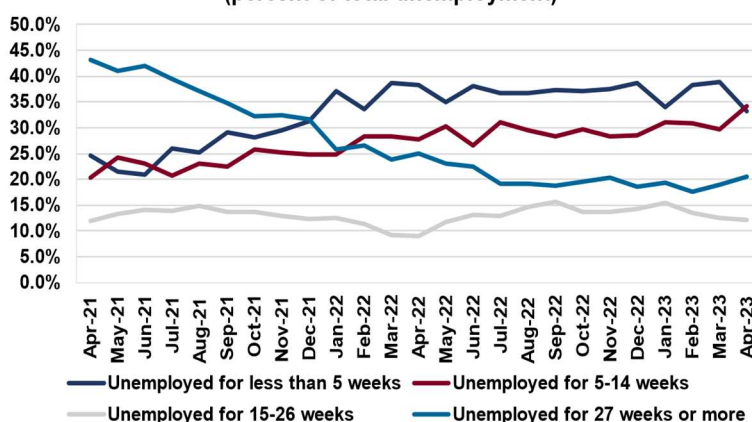
### Unemployment Rates by Demographic Group

	February-23	March-23	April-23
Women	3.5%	3.4%	3.3%
Men	3.6%	3.6%	3.5%
Black	5.7%	5.0%	4.7%
White	3.2%	3.2%	3.1%
Asian	3.4%	2.8%	2.8%
Hispanic	5.3%	4.6%	4.4%

In April 2023, 20.4 percent of unemployed individuals in the nation were unemployed for 27 or more weeks. This measure increased 4.7 percentage points from March and remains in line with pre-pandemic levels.

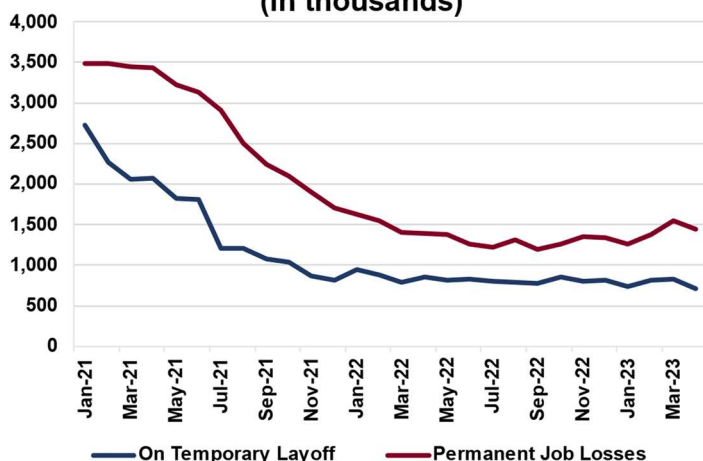
The number of **people not in the labor force who currently want a job** increased by 7 percent to 5.3 million people in April and remains in line with pre-pandemic levels.

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



Source: Bureau of Labor Statistics

U.S. Total Job Losses (in thousands)



The number of unemployed people who were on **temporary layoff** decreased to 709,000 in April and was 71,000 fewer than in February 2020.

The number of people with **permanent job losses** decreased by 107,000 in April to 1.4 million.



## Consumer Income and Consumption

**\$22.7 Trillion**

**Personal income** increased by \$67.9 billion (0.3%) in March to \$22.7 trillion. Gains in March were primarily due to increases in wages and salaries of \$38.8 billion (0.3%).

**Personal consumption expenditures** increased by \$8.2 billion (less than 0.1%) between February and March. Overall spending on goods decreased (0.6%) during the same period. Decreases in spending on goods were broad-based in March with the largest decreases in motor vehicles and parts (1.8%) and furnishings and durable household equipment (0.8%), for a 0.9 percent decrease in overall spending on durable goods. Spending declined on gasoline and other energy goods (2.3%), clothing and footwear (1.1%), and food and beverages purchase for off-premises consumption (0.3%). These declines were partially offset by increases in other nondurable goods (0.2%) which contributed to an overall 0.4 percent decrease in spending on nondurable goods in March. Spending on services increased by 0.4 percent in March, primarily due to increases in housing and utilities (1.1%), health care (0.8%), and food services and accommodations (0.6%).

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

	February 2023	March 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
<b>Durable Goods</b>	\$ 2,332,938	\$ 2,3214,106	-0.8%	2.5%	-6.6%
Motor vehicles and parts	\$ 621,431	\$ 610,290	-1.8%	4.1%	-15.9%
Furnishings and durable household equipment	\$ 521,995	\$ 518,321	-0.7%	1.2%	-9.4%
Recreational goods and vehicles	\$ 919,730	\$ 9320,619	0.1%	4.1%	3.7%
Other durable goods	\$ 337,098	\$ 335,749	-0.4%	-2.6%	1.2%
<b>Nondurable Goods</b>	\$ 3,328,996	\$ 3,324,576	-0.1%	0.1%	-1.8%
Clothing and footwear	\$ 495,158	\$ 488,154	-1.4%	0.7%	-3.3%
Gasoline and other energy goods	\$ 437,313	\$ 447,817	2.4%	0.4%	6.4%
Other nondurable goods	\$ 1,340,455	\$ 1,334,685	-0.4%	1.7%	1.0%
<b>Services</b>	\$ 8,863,450	\$ 8,876,472	0.1%	2.4%	8.7%
Transportation services	\$ 442,645	\$ 436,929	-1.3%	0.3%	24.0%
Housing and utilities	\$ 2,171,351	\$ 2,190,325	0.9%	1.4%	2.3%
Recreation services	\$ 497,894	\$ 495,610	-0.5%	3.3%	21.7%

*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.*

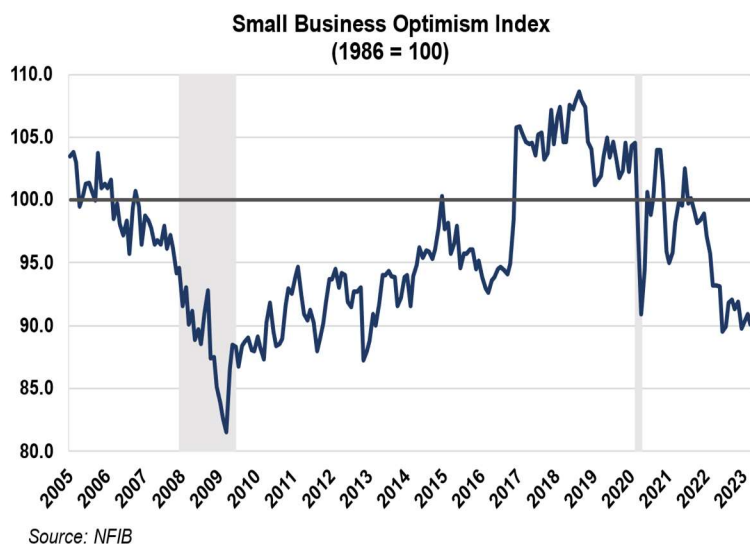
*Source: Bureau of Economic Analysis, Table 2.3.6U Real Personal Consumption Expenditures by Type of Product*



**Personal savings** were \$1.0 trillion in March 2023, a 5.3 percent increase compared to February’s revised level and 44 percent above the March 2022 level. The **personal savings rate** was 5.1 percent in March, up 6.3 percent from February’s revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) showed an increase of 0.1 percent in March, which followed a 0.4 percent increase in February. The “all items” index increased 5 percent over the last 12 months. March price increases compared to February 2023 were concentrated primarily in shelter (0.6%). The food index was unchanged in March and energy prices decreased 2.3 percent in March, following decreases in February.

For the fourth consecutive month, consumer opinion surveys reported mixed results in confidence in April. Respondents in the University of Michigan’s **Survey of Consumers** reported a 1.5 percent increase in consumer sentiment to 63.5 compared to March. Sentiment improved among lower income consumers and was partially offset by declines among higher income respondents; consumers expected inflation to persist in the short term. The Conference Board’s **Consumer Confidence Index** decreased by 2.7 to 101.3 in April, down from a revised 104 in March. Similarly to the Survey of Consumers, the senior director of economics at the Conference Board noted that expectations had deteriorated particularly among higher income households in April.



The **Small Business Optimism Index** decreased 0.8 point to 90.1 in March, the 15<sup>th</sup> consecutive month that the index was below 98, the 48-year average. Twenty-four percent of owners reported inflation as their single most important concern, down four points from February 2023. Owners reported continued difficulties hiring with 43 percent of owners reporting that job openings were hard to fill in March.

## Travel and Tourism

Average airline checkpoint traffic increased 0.9 percent in April compared to March. **Total travel throughput** in April 2023 was 9.6 percent higher than in April 2022 and 0.3 percent lower than April 2019.

The **hotel occupancy rate** for the week ending April 29, 2023, was 66.6 percent, 0.1 percent above the comparable week in 2022. The **average daily rate** for a hotel room

was \$156.14, a 5.5 percent increase from 2022. **Revenue per available room** was \$104.01, which was 5.6 percent more than in 2022.

## Industrial Activity

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.4 percent between February and March 2023 following a revised 0.2 percentage point increase in February and was 0.5 percent higher than in March 2022.

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

Manufacturing Sector	Percent Change January to February 2023	Percent Change February to March 2023	Percent Change March 2022 to March 2023
Aerospace and Other Transportation Equipment	-1.4%	0.7%	3.4%
Chemicals	2.1%	-0.9%	0.8%
Electrical Equipment	0.4%	-1.7%	-3.2%
Fabricated Metal Products	0.4%	-0.9%	-1.3%
Food Beverage and Tobacco Products	0.5%	-0.4%	-0.6%
Machinery	0.3%	-0.7%	-0.3%
Motor Vehicles and Parts	0.4%	-1.5%	1.9%
Petroleum and Coal	1.3%	1.3%	-1.6%
Plastics and Rubber Products	-0.2%	0.7%	-2.4%
Primary Metals	1.4%	0.2%	-1.5%

Preliminary data show the **Manufacturing Production Index** decreased 0.5 percentage point in March 2023 to 99.5 and was 1.1 percent lower than March 2022. Nationally, manufacturing in three of Ohio's top 10 industries increased production between February and March 2023. Increases in aerospace and other transportation equipment (3.4%), motor vehicles and parts (1.9%), and chemicals (0.8%) were offset by decreases in the electrical equipment (-3.2%), plastics and rubber products (-2.4%), petroleum and coal (-1.6%) and other manufacturing industries.





Source: Institute for Supply Management

In April 2023, the Institute for Supply Management reported that the **Purchasing Managers Index (PMI)** for the United States was 47.1, an increase of 0.8 percentage point from March's reading. The index remained below 50 for the sixth month, indicating contraction in the manufacturing sector.

Across the nation, three of the 10 most important industries to Ohio's manufacturing sector increased production in April.

Petroleum and coal products, fabricated metals, and transportation equipment reported growth in the last month. The industries reporting the largest contraction were electrical equipment, plastic and rubber products, chemical products, and machinery. According to the chair of the survey committee, demand continued to ease at a slower pace than in March. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) described mixed business conditions across industries.

*“ We seem to be in a season of contradictions. Business is slowing, but in some ways, it isn't. Prices for some commodities are stabilizing, but not for others. Some product shortages are over, others aren't. Trucking is more plentiful, except when it isn't. There's uncertainty one day, but not the next. The next couple of months should provide answers – or not. It's hard to make projections at the moment. [Primary Metals] ”*

*“ Business is steady. Closely monitoring demand going forward to detect a negative trend. [Transportation Equipment] ”*

## Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 56.7 percent between February and March 2023 and were 22.3 percent above the number of permits issued in March 2022.

Privately-owned housing starts in the Midwest decreased 23.6 percent between February and March and were 44.4 percent below March 2022 levels.

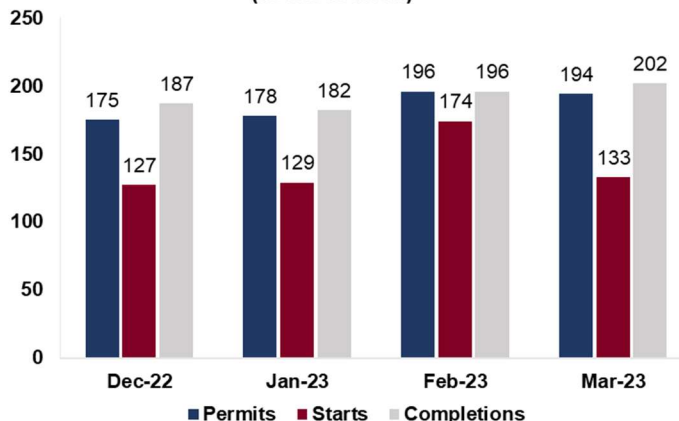


In March, privately-owned housing completions in the Midwest increased 3.1 percent compared to February and were 5.2 percent above March 2022.

New home sales in the Midwest increased 6 percent between February and March and were 27.5 percent above March 2022.

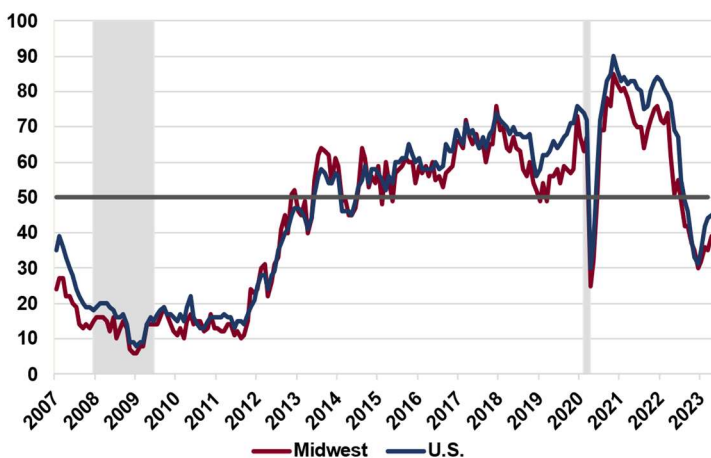
Activity in the Ohio housing market slowed while prices continued to increase in March. Total sales were 8.5 percent below March 2022 but the average sale price in Ohio was \$253,826, a 2.5 percent increase compared to March 2022. The president of Ohio REALTORS reported higher mortgage rates and ongoing tight inventory levels continued to negatively impact the Ohio housing market in March 2023.

Midwest Privately-Owned Housing Construction (in thousands)



Source: U.S. Census Bureau through FRED

Housing Market Index



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased four points in April to 39, six points below the national level. The national index increased for the fifth consecutive month after decreasing for most of the calendar year 2022.

## U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in March 2023 at a seasonally adjusted annual rate of \$1.8 trillion, a 0.3 percent increase from the revised February estimate. The March 2023 estimate is 3.8 percent above March 2022 and 14.6 percent above March 2021.

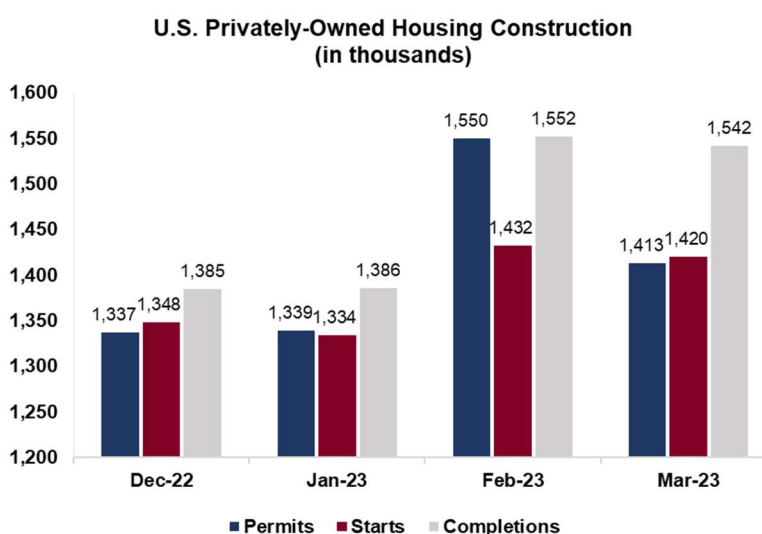


Public sector construction spending increased 0.2 percent between February and March, bringing the seasonally adjusted annual total to \$400 billion. Spending on educational construction increased 0.7 percent in March to \$86.9 billion, 9.1 percent above March 2022 levels. Highway construction spending in March was 0.1 percent below the revised February estimate and 21.4 percent above March 2022.

Private sector construction spending increased 0.3 percent between February and March to a seasonally adjusted annual total of \$1.44 trillion and was 1 percent above the March 2022 level. Residential construction in March was 0.2 percent below February's revised level and 10 percent below March 2022's level. Nonresidential construction in March increased 1 percent from the revised February estimate and was 21.3 percent above March 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 8.8 percent between February and March but fell 24.8 percent from the number of permits issued in March 2022.

Nationally, privately-owned housing starts decreased 0.8 percent between February and March and were 17.2 percent below March 2022 levels.



Source: U.S. Census Bureau through FRED

In March, **newly built single-**

**family home sales** increased by 9.6 percent compared to February but remained 3.4 percent below sales in March 2022. The national median sales price in March 2023 was \$449,800, a 3.8 percent increase compared to February, and 3.2 percent higher compared to March 2022.

According to the National Association of Realtors, **existing home sales** decreased 2.4 percent in March compared to February. March's existing home sales declined to an annual rate of 4.44 million housing units, a 22 percent decrease from March 2022. The median sale price of all existing homes declined 0.9 percent from a year ago to \$375,700. Available inventory in March 2023 totaled 980,000 units, a 1 percent increase from February and 5.4 percent above the March 2022 inventory level.

## Revenues

April tax receipts did not reach the estimate, marking the first time this year in which monthly receipts did not exceed expectations. April GRF tax revenues were \$178.1 million (-6%) below estimate, with the personal income tax accounting for most of the negative variance. For the year, total tax revenue has exceeded estimate by \$626.6 million (2.7%). April tax revenues decreased by \$575.1 million (-17.2%) from last year, attributable to income tax which is coming off an historically elevated April 2022. Total year-to-date tax revenues have increased by \$485.9 million (2.1%).

Aggregate GRF receipts, including tax and non-tax, totaled \$3.3 billion in April and were \$334.5 million (-9.2%) below estimate. As noted above, tax revenues were \$178.1 million (-6%) below estimate and non-tax receipts were \$156.4 million (-22.9%) below estimate. 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	\$ 626.6	2.7%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (359.9)	-3.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 6.7	134.3%
<b>Total Revenue Variance</b>		<b>\$ 273.4</b>	<b>0.8%</b>
<b>Non-Federal Revenue Variance</b>		<b>\$ 762.2</b>	<b>3.3%</b>
<b>Federal Grants Variance</b>		<b>\$ (488.8)</b>	<b>-4.3%</b>



The table below shows that sources below estimate (a negative variance of \$412 million) in April outweighed the size of sources above estimate (a positive variance of \$78.2 million), resulting in a \$333.8 million net negative variance from estimate.

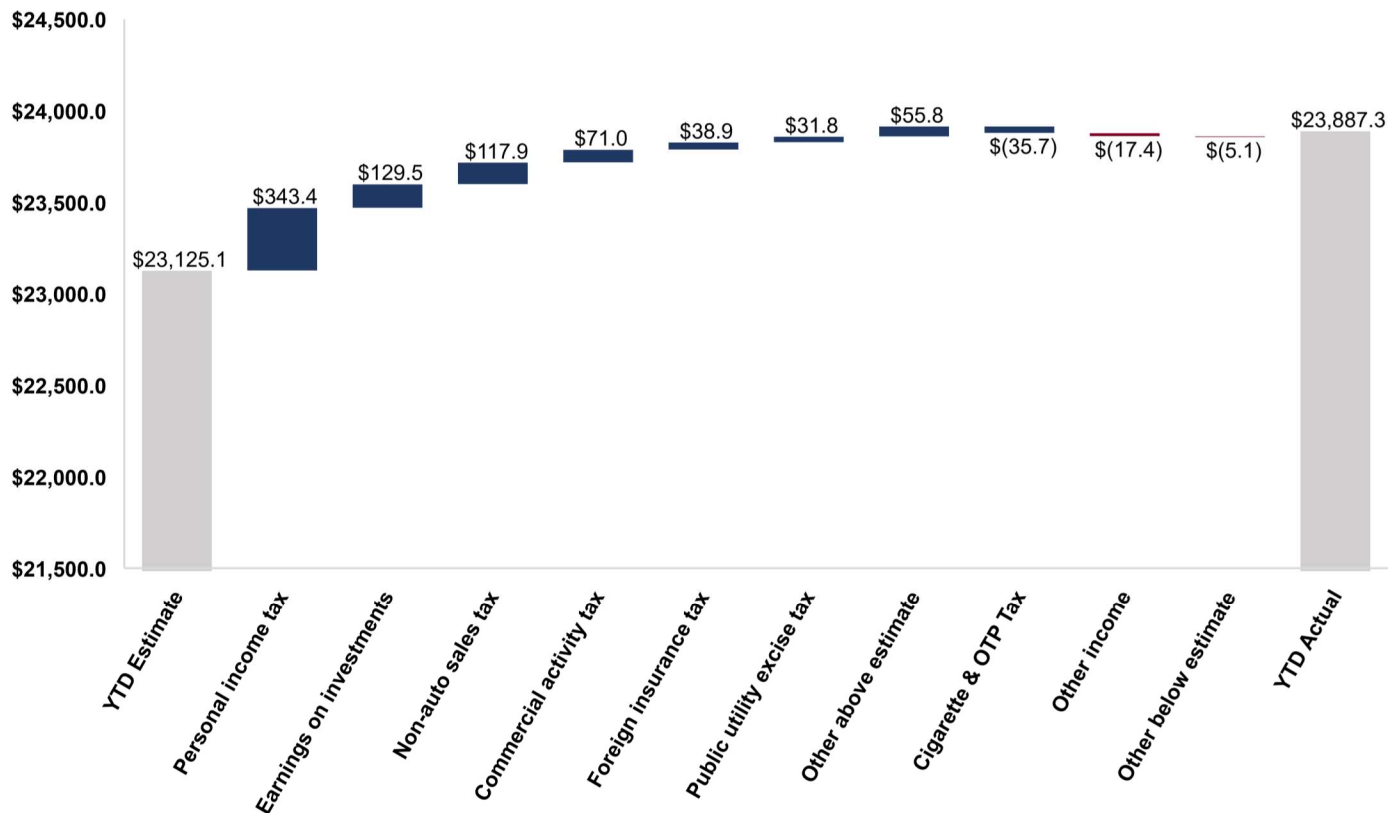
**GRF Revenue Sources Relative to Monthly Estimates – April 2023**  
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Earnings on Investments	\$ 60.2	Federal Grants	\$ (219.6)
Financial Institutions Tax	\$ 6.8	Personal Income Tax	\$ (122.3)
Commercial Activity Tax	\$ 4.8	Non-Auto Sales Tax	\$ (39.4)
Licenses & Fees	\$ 3.8	Auto Sales Tax	\$ (25.9)
Other revenue sources above estimate	\$ 2.6	Natural Gas Distribution Tax	\$ (2.7)
		Other revenue sources below estimate	\$ (2.0)
<b>Total Above</b>	<b>\$ 78.2</b>	<b>Total Below</b>	<b>\$ (412.0)</b>

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



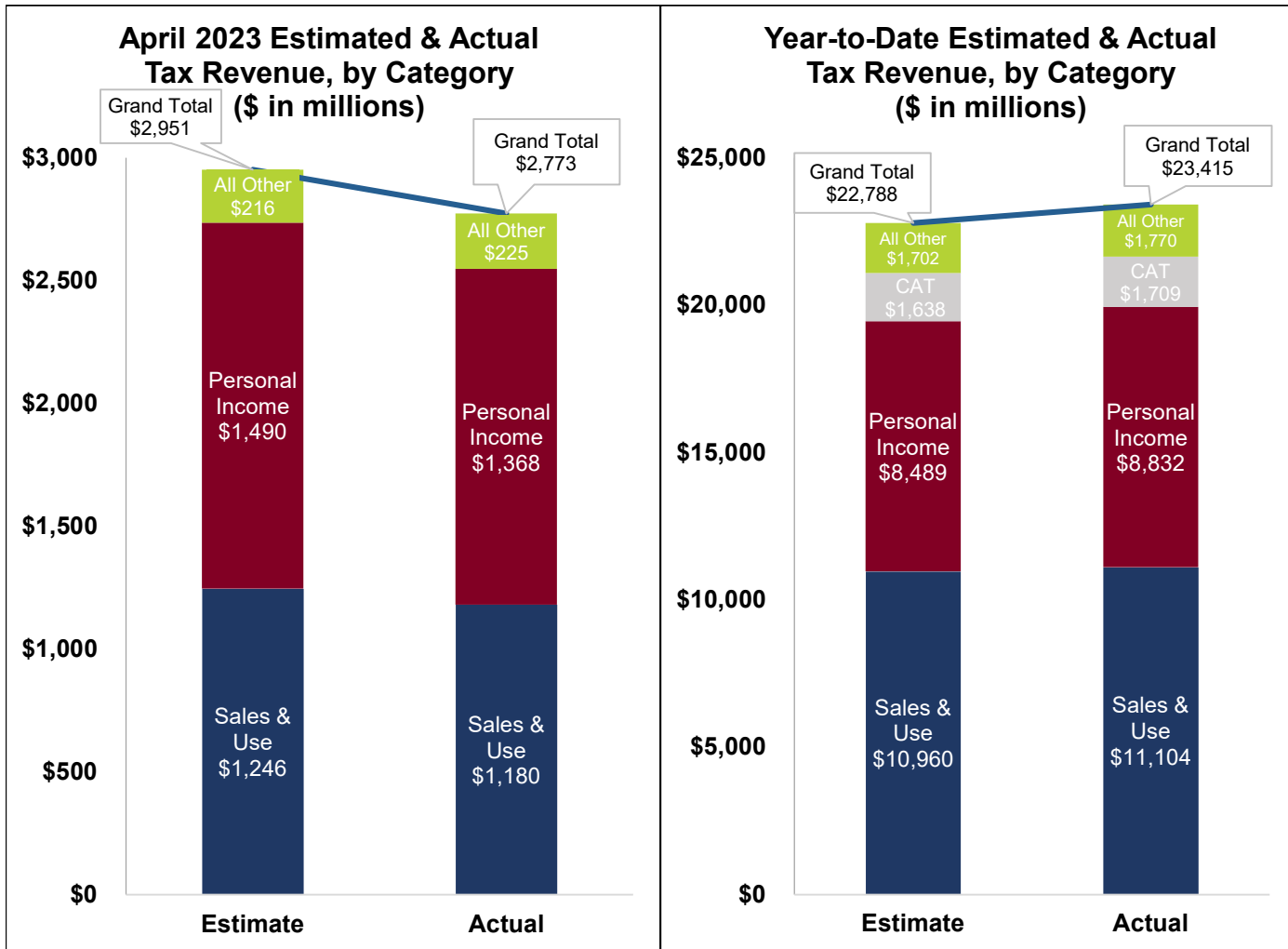
### Actuals vs Estimates: YTD GRF Non-Federal Sources (\$ in millions)



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 \$762.2 million.



The following two graphs show the composition of estimated and actual GRF tax revenues for April 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. 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.



For April, total receipts and transfers were \$460.8 million (-12.2%) below the previous year. Tax receipts decreased by \$575.1 million (-17.2%), non-tax receipts increased by \$115.2 million (27.9%), and transfers decreased by \$871,000 (-56.2%). For the year-to-date, tax receipts are \$485.9 billion (2.1%) above last year and non-tax receipts are \$885.9 million (8.6%) above the prior year. Transfers are \$45.4 million (-79.5%) below last year on a year-to-date basis.



The source with the largest year-over-year increase during April was earnings on investments at \$70.8 million (518.1%) above last year. The next-largest increases were federal grants at \$41.2 million (10.7%) and financial institutions tax at \$7.9 million (34.1%). The largest declines were experienced by personal income tax at \$529.9 million (-27.9%), followed by auto sales tax at \$28.7 million (-14.9%) and non-auto sales tax at \$13.1 million (-1.3%).

## Non-Auto Sales Tax

GRF non-auto sales and use tax collections in April totaled \$1 billion and were \$39.4 million (-3.7%) below the estimate. Through April, the source is \$117.9 million (1.3%) above estimate. Monthly revenue decreased by \$13.1 million (-1.3%) from last year while year-to-date revenue is now \$361.5 million (4%) 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 5.2 percent.

April marked the first month this fiscal year in which collections declined from FY 2022. Without discounting the April results, they deserve additional context. The month's collections rank as the third highest in the current fiscal year, exceeded only by December and January. Only beginning in FY 2021 did April become a month in which receipts have exceeded \$1 billion. Since FY 2019, April receipts have grown at a 6.9 percent average annual rate; only December has shown a higher growth rate. During the four years preceding the onset of the pandemic, April ranked between the fourth and seventh highest collection months. April's results might partially reflect a modest settling back from the high-growth dynamics that drove up revenues during the last several years.

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 4.1 percent year-over-year increase in national non-seasonally adjusted sales during March 2023. This compares to year-over-year growth of 6.6 percent in February and 7.6 percent in January. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 4.4 percent, 9.3 percent, and 5.1 percent in March, February, and January, respectively.

The MARTS data also show sales growth on a month-over-month basis for retail categories subject to Ohio sales tax. Based on seasonally adjusted figures, March 2023 sales for the above-indicated retail categories decreased by 0.6 percent from February, following a 0.2 percent increase in February from January, and an unusually large 2.7 percent increase in January from December.

## Auto Sales Tax

April auto sales tax revenues were \$164.2 million, an amount that was \$25.9 million (-13.6%) below estimate. This source is \$26.3 million (1.6%) above estimate for the fiscal year. Revenues were \$28.7 million (-14.9%) below last April. For the year, revenues are \$32.1 million (2.0%) above FY 2022.

National new light vehicle unit sales bounced up in April from recently observed levels. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 15.9 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 7.2 percent above March and up 11.4 percent from a year ago. In fact, April had the strongest showing since May 2021, with the exception of January 2023. On an unadjusted basis, April light vehicle unit sales were at 1.3 million units. This is 9.0 percent above last April and 1.5 percent below March.

New vehicle transaction prices remain higher than a year ago. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,251 in April, up 2.8 percent relative to last year and down 0.9 percent from March. The Bureau of Labor Statistics Consumer Price Index (CPI-U) is also an indicator of new vehicle price growth. The most recent release shows 6.1 percent price growth in March compared to the prior year. March's price index represents a 0.4 percent increase from the previous month, indicating that prices picked up some momentum relative to the growth levels observed in January and February.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during April to be three million, not annualized and not seasonally adjusted, down one percent from last year and down six percent from last month. Although used vehicle prices have grown considerably since the onset of the pandemic, the market has been slowly normalizing and some of the calendar year 2021 price run-up was reversed during 2022 as supply issues gradually improved. Month-to-month growth resumed in the first quarter of 2023, but there was weakening in April. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of April 2023 was 2.7 percent below the previous month. This measure was 4 percent lower than April 2022.

## Personal Income Tax

April GRF personal income tax receipts totaled \$1.37 billion and were \$122.3 million (-8.2%) below the estimate. For the year-to-date, revenue is \$343.4 million (4%) above estimate. On a year-over-year basis, April income tax collections decreased by \$529.9 million (-27.9%). Year-to-date revenue for FY 2023 is \$111.4 million (-1.2%) less than the prior year.

Withholding collections amounted to \$893.9 million in April and were \$44.7 million (-4.8%) below estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$396.1 million (4.4%). This component was \$44.0 million (-4.7%) below last April; it is \$671.9 million (7.8%) above last year for the fiscal year-to-date.

The withholding category includes tax paid by certain types of pass-through entities on their taxable income, which comprises a different stream of revenue than that emanating from income tax withheld by employers and paid to the state. After excluding pass-through entity tax payments, April withholding collections increased by \$56.6 million (7.1%) from last year and year-to-date withholding has grown by \$460.0 million (5.6%). Furthermore, a three percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$520.7 million (6.1%) higher than the previous year if the withholding tax rate reduction had not taken effect.

Annual tax return payments did not reach the estimate in April, ending \$68.7 million (-6.4%) below the mark. It appears that some payments made in April were not processed and booked into the state accounting system until early May. If these payments had been booked as April revenue, this category would have reached the monthly estimate. Even so, payments for this category are \$28.0 million (2.4%) above estimate for the elapsed (January-April) filing season, largely due to stronger than anticipated payments during March. For the fiscal year-to-date, annual return tax collections are \$139.0 million (10.9%) above estimate. Fiscal year-to-date collections are now \$349.7 million (-19.9%) below the prior year. The revenue forecast anticipated a significant decrease from the historic highs of the previous year, explaining the positive year-to-date variance from the estimate.

Quarterly estimated payments came in \$30.6 million (23.6%) above estimate during April and were \$5.2 million (-3.1%) lower than last year. For the fiscal year, this component has exceeded estimate by \$71.8 million (8.9%) and has decreased by \$21.7 million (-2.4%) from the prior year. The combined March and April results reflect the first quarterly payments for calendar year 2023; a positive \$40.4 million (27%) variance across the two months might be a promising first sign of performance in this calendar year.

The two remaining tax collection categories (Trust and Other) were collectively \$18.6 million (-37.7%) below the April estimate. They are \$2.5 million (-1.8%) below estimate for the fiscal year. May is an important month for trust tax collections so any useful observations about the filing season will need to await the May results.

April refunds were \$20.2 million (3%) above estimate for the month. For the year-to-date, refunds are \$246.9 million (11%) above estimate. The month's refunds were \$47.4 million (7.4%) above last year while refunds for the current fiscal year have increased by \$357.8 million (16.8%) from FY 2022. The tax year 2022 filing season is now mostly completed, with total refund issuances over the January-April period exceeding estimate by \$145.9 million (7.9%). Refunds have increased by \$236.5 million (13.5%) from last filing season.

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

	Actual April	Estimate April	\$ Var	Actual Apr-2023	Actual Apr-2022	\$ Var Y-to-Y
Withholding	\$ 893.9	\$ 938.6	\$ (44.7)	\$ 893.9	\$ 938.0	\$ (44.0)
Quarterly Est.	\$ 160.2	\$ 129.6	\$ 30.6	\$ 160.2	\$ 165.4	\$ (5.2)
Annual Returns/40 P	\$ 1,007.1	\$ 1,075.8	\$ (68.7)	\$1,007.1	\$ 1,413.0	\$ (405.9)
Trust Payments	\$ 17.8	\$ 40.5	\$ (22.7)	\$ 17.8	\$ 45.5	\$ (27.7)
Other	\$ 12.9	\$ 8.8	\$ 4.1	\$ 12.9	\$ 12.3	\$ 0.6
Less: Refunds	\$ (690.4)	\$ (670.2)	\$ (20.2)	\$ (690.4)	\$ (643.0)	\$ (47.4)
Local Distributions	\$ (33.8)	\$ (33.0)	\$ (0.8)	\$ (33.8)	\$ (33.4)	\$ (0.4)
Net to GRF	\$ 1,367.8	\$ 1,490.1	\$ (122.3)	\$1,367.8	\$ 1,897.7	\$ (529.9)

### Commercial Activity Tax

GRF revenues from the CAT were \$4.8 million (5.4%) above the estimate for the month. Revenues are now \$71 million (4.3%) above estimate for the fiscal year. CAT receipts in April decreased by \$4.2 million (-4.3%) from last year while fiscal year-to-date receipts are \$124.8 million (7.9%) above the previous year.



Most CAT revenue comes from quarterly tax payments, so it is useful to examine the tax in quarterly increments. Through March 2023, there have been ten consecutive quarters with a positive variation from estimate. The April revenue variance bodes well for the fourth quarter of FY 2023. Although the preponderance of quarterly revenue will be received in May when tax payments are due, performance during the month preceding the due date is typically a sign of whether revenues will reach estimate for the quarter.

### GRF Non-Tax Receipts

GRF non-tax receipts totaled \$528.1 million and were \$156.4 million (-22.9%) below estimate for the month of April. Year-to-date non-tax receipts totaled \$11.2 billion and were \$359.9 million (-3.1%) below estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$219.6 million (-34.1%) below estimate for the month. The variance was primarily attributable to lower than estimated Medicaid GRF disbursements which is partially offset by above estimated investment returns, which were \$60.2 million (247.7%) above estimate. Earnings on investments are heavily influenced by national interest rate trends, which have increased in recent months.





5/8/2023

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATE	\$	%	ACTUAL	ESTIMATE	\$	%
	APRIL	APRIL	VAR	VAR	Y-T-D	Y-T-D	VAR	VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	1,016,153	1,055,600	(39,447)	-3.7%	9,481,215	9,363,300	117,914	1.3%
Auto Sales & Use	164,203	190,100	(25,897)	-13.6%	1,622,636	1,596,300	26,337	1.6%
Subtotal Sales & Use	1,180,356	1,245,700	(65,344)	-5.2%	11,103,851	10,959,600	144,251	1.3%
Personal Income	1,367,785	1,490,100	(122,315)	-8.2%	8,832,078	8,488,701	343,378	4.0%
Corporate Franchise	11	0	11	N/A	99	0	99	36242.5%
Financial Institutions Tax	31,223	24,400	6,823	28.0%	184,548	152,600	31,947	20.9%
Commercial Activity Tax	93,507	88,700	4,807	5.4%	1,709,346	1,638,300	71,047	4.3%
Petroleum Activity Tax	0	0	0	N/A	11,367	6,900	4,467	64.7%
Public Utility	715	100	615	615.1%	131,238	99,400	31,838	32.0%
Kilowatt Hour	27,013	26,400	613	2.3%	246,970	251,800	(4,830)	-1.9%
Natural Gas Distribution	76	2,800	(2,724)	-97.3%	37,273	37,100	172	0.5%
Foreign Insurance	139	900	(761)	-84.6%	400,231	361,300	38,931	10.8%
Domestic Insurance	543	100	443	442.8%	19,316	18,300	1,016	5.6%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	62,205	62,400	(195)	-0.3%	638,517	674,200	(35,684)	-5.3%
Alcoholic Beverage	5,027	4,800	227	4.7%	52,205	52,000	205	0.4%
Liquor Gallonage	4,736	5,000	(264)	-5.3%	47,837	48,100	(263)	-0.5%
Estate	0	0	0	N/A	34	0	34	8868.8%
<b>Total Tax Receipts</b>	<b>2,773,334</b>	<b>2,951,400</b>	<b>(178,066)</b>	<b>-6.0%</b>	<b>23,414,910</b>	<b>22,788,302</b>	<b>626,608</b>	<b>2.7%</b>
<b>NON-TAX RECEIPTS</b>								
Federal Grants	425,204	644,763	(219,559)	-34.1%	10,749,105	11,237,871	(488,766)	-4.3%
Earnings on Investments	84,492	24,300	60,192	247.7%	197,859	68,400	129,459	189.3%
License & Fees	17,990	14,231	3,759	26.4%	110,289	93,532	16,757	17.9%
Other Income	435	1,250	(815)	-65.2%	138,587	155,990	(17,403)	-11.2%
ISTV'S	1	0	1	N/A	13,944	13,901	43	0.3%
<b>Total Non-Tax Receipts</b>	<b>528,122</b>	<b>684,543</b>	<b>(156,421)</b>	<b>-22.9%</b>	<b>11,209,784</b>	<b>11,569,694</b>	<b>(359,910)</b>	<b>-3.1%</b>
<b>TOTAL REVENUES</b>	<b>3,301,457</b>	<b>3,635,943</b>	<b>(334,487)</b>	<b>-9.2%</b>	<b>34,624,694</b>	<b>34,357,996</b>	<b>266,698</b>	<b>0.8%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	679	0	679	N/A	11,713	5,000	6,713	134.3%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers</b>	<b>679</b>	<b>0</b>	<b>679</b>	<b>N/A</b>	<b>11,713</b>	<b>5,000</b>	<b>6,713</b>	<b>134.3%</b>
<b>TOTAL SOURCES</b>	<b>3,302,135</b>	<b>3,635,943</b>	<b>(333,808)</b>	<b>-9.2%</b>	<b>34,636,407</b>	<b>34,362,996</b>	<b>273,411</b>	<b>0.8%</b>

5/8/2023

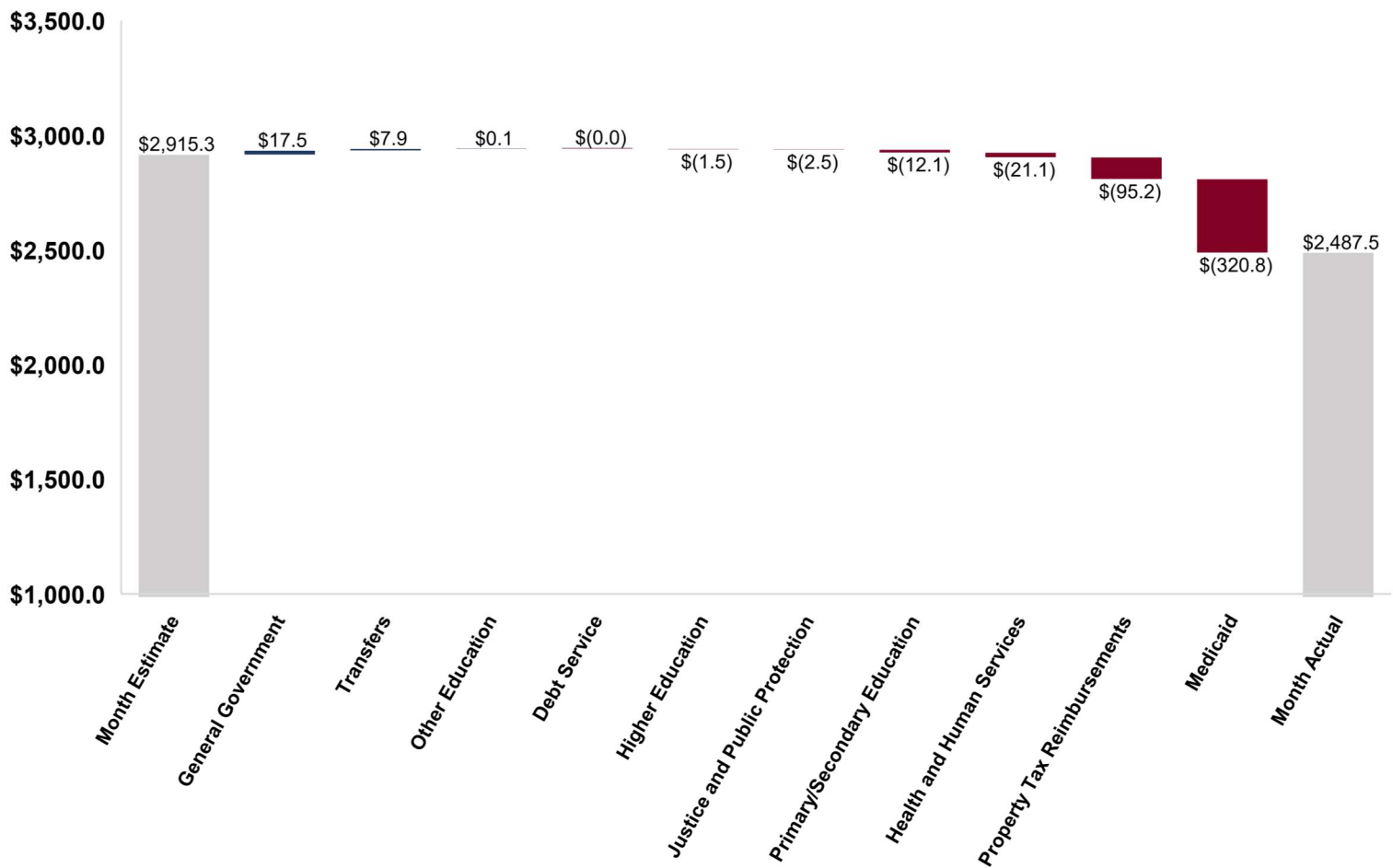
**Table 2**  
**GENERAL REVENUE FUND RECEIPTS**  
**ACTUAL FY 2023 VS ACTUAL FY 2022**  
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	APRIL FY 2023	APRIL FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	1,016,153	1,029,259	(13,106)	-1.3%	9,481,215	9,119,724	361,490	4.0%
Auto Sales & Use	164,203	192,869	(28,667)	-14.9%	1,622,636	1,590,571	32,065	2.0%
Subtotal Sales & Use	1,180,356	1,222,129	(41,773)	-3.4%	11,103,851	10,710,296	393,556	3.7%
Personal Income	1,367,785	1,897,697	(529,912)	-27.9%	8,832,078	8,943,507	(111,429)	-1.2%
Corporate Franchise	11	21	(10)	-46.5%	99	689	(590)	-85.6%
Financial Institutions Tax	31,223	23,288	7,935	34.1%	184,548	135,910	48,638	35.8%
Commercial Activity Tax	93,507	97,755	(4,248)	-4.3%	1,709,346	1,584,536	124,811	7.9%
Petroleum Activity Tax	0	0	0	N/A	11,367	6,474	4,894	75.6%
Public Utility	715	0	715	N/A	131,238	106,382	24,856	23.4%
Kilowatt Hour	27,013	27,679	(667)	-2.4%	246,970	263,009	(16,039)	-6.1%
Natural Gas Distribution	76	336	(259)	-77.3%	37,273	35,245	2,028	5.8%
Foreign Insurance	139	1,942	(1,803)	-92.9%	400,231	354,171	46,060	13.0%
Domestic Insurance	543	20	523	2626.8%	19,316	2,311	17,006	735.9%
Other Business & Property	0	8	(8)	N/A	0	8	(8)	N/A
Cigarette and Other Tobacco	62,205	68,442	(6,238)	-9.1%	638,517	684,656	(46,140)	-6.7%
Alcoholic Beverage	5,027	4,400	626	14.2%	52,205	53,487	(1,282)	-2.4%
Liquor Gallonage	4,736	4,765	(29)	-0.6%	47,837	48,257	(420)	-0.9%
Estate	0	1	(1)	N/A	34	51	(17)	-32.9%
Total Tax Receipts	2,773,334	3,348,483	(575,149)	-17.2%	23,414,910	22,928,988	485,922	2.1%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	425,204	384,023	41,181	10.7%	10,749,105	9,798,258	950,846	9.7%
Earnings on Investments	84,492	13,670	70,822	518.1%	197,859	34,630	163,229	471.4%
License & Fee	17,990	14,123	3,868	27.4%	110,289	93,133	17,157	18.4%
Other Income	435	1,114	(679)	-61.0%	138,587	171,911	(33,324)	-19.4%
ISTV'S	1	1	1	102.7%	13,944	225,913	(211,970)	-93.8%
Total Non-Tax Receipts	528,122	412,930	115,192	27.9%	11,209,784	10,323,846	885,938	8.6%
<b>TOTAL REVENUES</b>	<b>3,301,457</b>	<b>3,761,413</b>	<b>(459,957)</b>	<b>-12.2%</b>	<b>34,624,694</b>	<b>33,252,833</b>	<b>1,371,861</b>	<b>4.1%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	679	1,550	(871)	-56.2%	11,713	57,085	(45,371)	-79.5%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	679	1,550	(871)	-56.2%	11,713	57,085	(45,371)	-79.5%
<b>TOTAL SOURCES</b>	<b>3,302,135</b>	<b>3,762,963</b>	<b>(460,828)</b>	<b>-12.2%</b>	<b>34,636,407</b>	<b>33,309,918</b>	<b>1,326,490</b>	<b>4.0%</b>

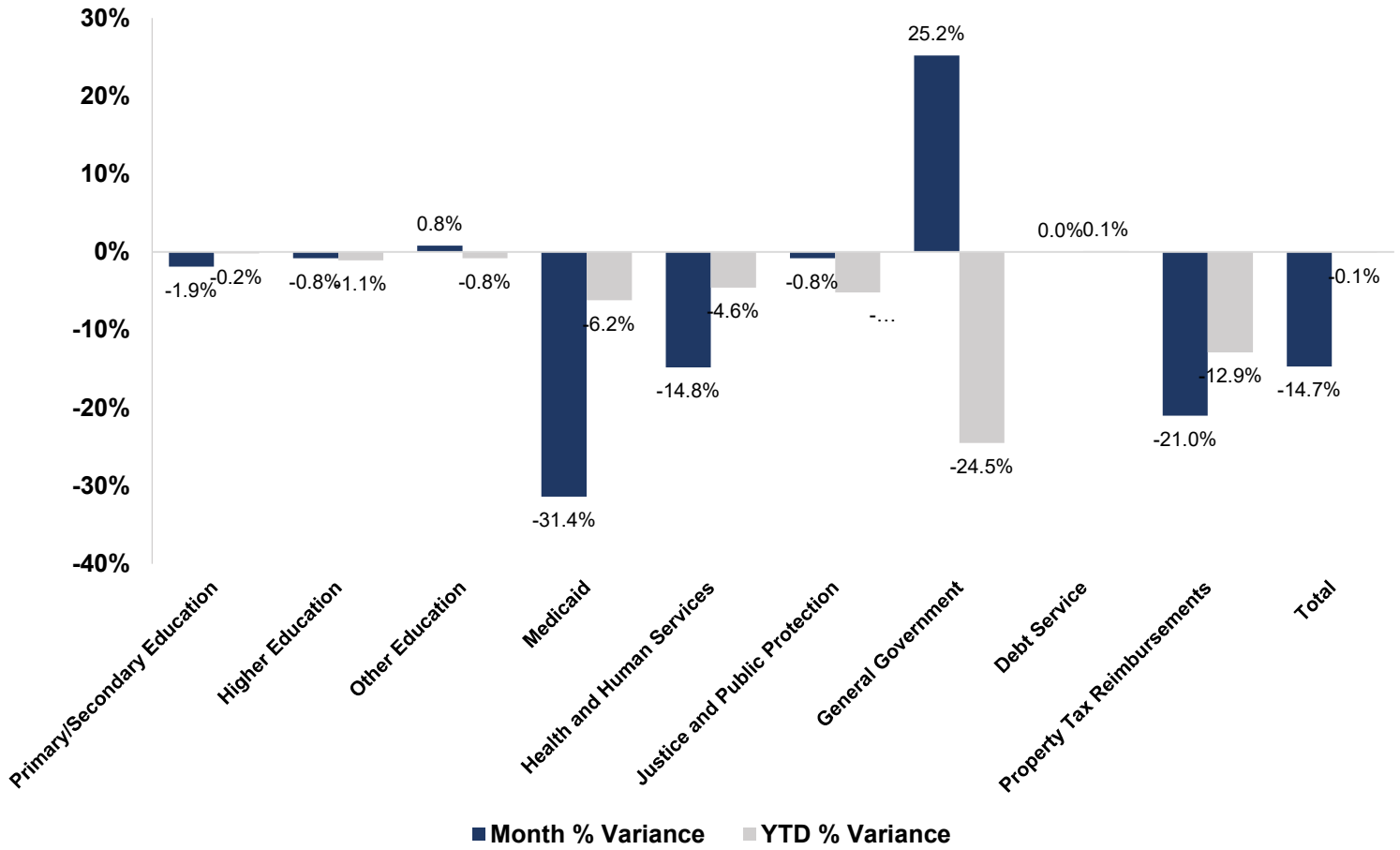
# Disbursements

April GRF disbursements, across all uses, totaled \$2.5 billion and were \$427.8 million (-14.7%) below estimate. This variance was primarily attributable to below estimated disbursements in Medicaid and partially offset by disbursements above the estimate in the General Government category. On a year-over-year basis, April total uses were \$340 million (-12%) lower than those of the same month in the previous fiscal year, with property tax reimbursements largely responsible for the difference.

**April 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. April disbursements for this category totaled \$618.6 million and were \$12.1 million (-1.9%) below estimate. This variance was primarily attributable to disbursements for student assessments, which were \$10.7 million (-94%) below estimate due to invoice delays from the assessment vendor. Payments occur quarterly for various state assessments, including the Alternate Assessment for Students with the Most Significant Cognitive Disabilities, the English Language Proficiency Assessments, and the Ohio State Tests for English Language Arts, Mathematics, Science, and Social Studies. The payments planned for April will occur in May.

**\$618.6 MILLION**

Year-to-date disbursements total \$7.5 billion, which is \$18.2 million (-0.2%) below estimate. On a year-over-year basis, disbursements in this category were \$171.7 million (-21.7%) lower than for the same month in the previous fiscal year while year-to-date expenditures are \$161.7 million (2.2%) higher than the same point in FY 2022. The year-over-year variance is due to one less foundation payment occurring in April FY 2023 compared to April 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 Federal Medical Assistance Percentage (FMAP) through December 2022. The PHE has been reauthorized through May 11, 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

April GRF disbursements for the Medicaid Program totaled \$699.7 million and were \$320.8 million (-31.4%) below estimate and \$84.8 million (13.8%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$15.4 billion and were \$1 billion (-6.2%) 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 April.

April all-funds disbursements for the Medicaid Program totaled \$2.9 billion and were \$19 million (-0.7%) below estimate and \$770.7 million (36.7%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$29.9 billion and were \$562.9 million (-1.8%) below estimate.

The all-funds monthly variance was primarily attributable to a delayed reconciliation payment by the Department of Developmental Disabilities. The payment is now expected to occur in May. Additionally, spending in the Premium Assistance category was below estimate due to the impact of the enhanced FMAP on Medicare Part D payments and lower than anticipated rates in some portions of the Medicare Buy-In category. The variance was partially offset by higher-than-expected expenditures in the Managed Care Program due to increased enrollment related to the extension of the federally declared public health emergency.

The year-to-date variance was primarily attributable to the Managed Care Program where the delays in implementation of the Next Generation Managed Care program temporarily shifted some costs to the fee-for-service program. With implementation of this program in February, the department continues to correct the alignment of caseloads between the programs. Managed Care caseloads are now about 210,000 above estimate, while fee-for-service caseloads are roughly 15,000 below estimate. Additionally, year-to-date administration-related expenses remain below estimate. The department plans to eliminate a portion of this variance in the last two months of the fiscal year as it continues to implement the Next Generation Managed Care.

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

	<b>Apr. Estimate</b>	<b>Apr. Actual</b>	<b>Variance</b>	<b>Variance %</b>
GRF	\$ 1,020.5	\$ 699.7	\$ (320.8)	-31.4%
Non-GRF	\$ 1,868.5	\$ 2,170.3	\$ 301.8	16.1%
All Funds	\$ 2,889.0	\$ 2,870.0	\$ (19.0)	-0.7%

#### **Medicaid Enrollment**

Total April enrollment was 3.59 million, which was 177,191 (5.2%) above estimate and 215,448 (6.4%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.51 million and was 52,702 (1.5%) above estimate.



April enrollment by major eligibility category was: Covered Families and Children, 1.93 million; Group VIII Expansion, 1.01 million; and Aged, Blind and Disabled (ABD), 519,854.

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

## Department of Job and Family Services

April disbursements for the Department of Job and Family Services totaled \$42.1 million and were \$17.7 million (29%) below estimate. The variance is primarily due to increased spending in previous months to meet the required state maintenance of effort for the Temporary Assistance for Needy Families (TANF) grant. Due to increased spending in prior months, the Department expects a variance on maintenance of effort spending for the remainder of the fiscal year.

## Department of Public Safety

The Department of Public Safety's April disbursement totaled \$16.4 million which was \$9.9 million (152.8%) above estimate. The Department recoded approximately \$11 million of prior spending from the Security, Investigations, and Policing Fund to the additional General Revenue Fund appropriation for the Ohio State Highway Patrol. The Patrol uses the Security, Investigations, and Policing Fund for non-highway related duties such as providing security at the state fair, providing year-round traffic control and security for the Ohio Expositions Commission, and undertaking major criminal investigations that involve state property interests.

## Department of Agriculture

April disbursements for the Department of Agriculture totaled \$8.1 million and were \$3.5 million (53.5%) above estimate. The variance is due to additional appropriations in H.B. 45 of the 134<sup>th</sup> General Assembly, which were not included in the agency's original estimates. H.B. 45 appropriated an additional \$4.5 million to be used as grants to eligible county and independent agricultural societies. To date, \$3.5 million of the grant funding is disbursed, and each of the ninety-four eligible agricultural societies will receive \$47,872.

## 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.

April disbursements in this category totaled \$296.1 million and were \$2.5 million (-0.8%) below estimate. Year-to-date disbursements were \$2.3 billion and were \$128.3 million (-5.2%) below estimate. On a year-over-year basis, disbursements in this category were \$10.9 million (3.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$28.7 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.

April disbursements in this category totaled \$87 million and were \$17.5 million (25.2%) above estimate primarily due to the timing of a Department of Development subsidy payment for local road improvements for economic development purposes. Year-to-date disbursements were \$490.6 million and were \$159.5 million (-24.5%) below estimate. On a year-over-year basis, disbursements in this category were \$39.5 million (83.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$64.6 million (15.2%) 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.

April disbursements in this category totaled \$122 million and were \$21.1 million (-14.8%) below estimate. Year-to-date disbursements were \$1.4 billion and were \$69.2 million (-4.6%) below estimate. On a year-over-year basis, disbursements in this category were \$26.7 million (-18%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$116.4 million (8.9%) higher than at the same point in FY 2022.





## Higher Education

April disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$195.4 million and were \$1.5 million (-0.8%) below the estimate. This variance was primarily attributable to spending in the Choose Ohio First Scholarship program, which was \$3.2 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions. Year-to-date disbursements were \$2.1 billion and were \$22.8 million (-1.1%) below estimate. On a year-over-year basis, disbursements in this category were \$4 million (2.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$27.8 million (1.4%) 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. April reimbursements totaled \$357.7 million and were \$95.2 million (-21%) below estimate. Year-to-date reimbursements totaled \$1.3 billion and were \$197.9 million (-12.9%) 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.

April disbursements in this category totaled \$9.5 million and were \$80,000 (0.8%) above estimate. On a year-over-year basis, disbursements in this category were \$501,000 (5.6%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$647,000 (0.8%) higher than at the same point in FY 2022.

## Debt Service

April payments for debt service totaled \$93.7 million and were \$4,000 below estimate. Year-to-date disbursements in this category total \$1.4 billion and are \$1.7 million (0.1%) above estimate. The year-to-date variance is 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.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL APRIL	ESTIMATED APRIL	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	618,560	630,616	(12,056)	-1.9%	7,510,587	7,528,783	(18,196)	-0.2%
Higher Education	195,431	196,965	(1,534)	-0.8%	2,052,617	2,075,408	(22,791)	-1.1%
Other Education	9,479	9,399	80	0.8%	80,553	81,163	(610)	-0.8%
Medicaid	699,667	1,020,450	(320,783)	-31.4%	15,393,230	16,408,279	(1,015,049)	-6.2%
Health and Human Services	121,979	143,126	(21,146)	-14.8%	1,424,618	1,493,836	(69,218)	-4.6%
Justice and Public Protection	296,071	298,581	(2,510)	-0.8%	2,316,393	2,444,681	(128,288)	-5.2%
General Government	86,962	69,469	17,493	25.2%	490,645	650,131	(159,487)	-24.5%
Property Tax Reimbursements	357,734	452,983	(95,248)	-21.0%	1,330,794	1,528,670	(197,875)	-12.9%
Debt Service	93,696	93,700	(4)	0.0%	1,446,762	1,445,028	1,734	0.1%
<b>Total Expenditures &amp; ISTV's</b>	<b>2,479,580</b>	<b>2,915,289</b>	<b>(435,709)</b>	<b>-14.9%</b>	<b>32,046,199</b>	<b>33,655,980</b>	<b>(1,609,781)</b>	<b>-4.8%</b>
<b>Transfers Out:</b>								
BSF Transfer Out	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	7,938	0	7,938	N/A	1,532,639	684,900	847,739	123.8%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>7,938</b>	<b>0</b>	<b>7,938</b>	<b>N/A</b>	<b>2,259,670</b>	<b>684,900</b>	<b>1,574,770</b>	<b>229.9%</b>
<b>Total Fund Uses</b>	<b>2,487,518</b>	<b>2,915,289</b>	<b>(427,771)</b>	<b>-14.7%</b>	<b>34,305,869</b>	<b>34,340,880</b>	<b>(35,011)</b>	<b>-0.1%</b>

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL FY 2023	APRIL FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	618,560	790,273	(171,713)	-21.7%	7,510,587	7,348,848	161,739	2.2%
Higher Education	195,431	191,413	4,018	2.1%	2,052,617	2,024,798	27,819	1.4%
Other Education	9,479	8,978	501	5.6%	80,553	79,906	647	0.8%
Medicaid	699,667	614,878	84,790	13.8%	15,393,230	14,095,567	1,297,664	9.2%
Health and Human Services	121,979	148,666	(26,686)	-18.0%	1,424,618	1,308,250	116,368	8.9%
Justice and Public Protection	296,071	285,189	10,882	3.8%	2,316,393	2,287,718	28,675	1.3%
General Government	86,962	47,505	39,457	83.1%	490,645	426,049	64,596	15.2%
Property Tax Reimbursements	357,734	563,314	(205,579)	-36.5%	1,330,794	1,604,718	(273,924)	-17.1%
Debt Service	93,696	92,267	1,429	1.5%	1,446,762	1,366,348	80,414	5.9%
<b>Total Expenditures &amp; ISTV's</b>	<b>2,479,580</b>	<b>2,742,482</b>	<b>(262,902)</b>	<b>-9.6%</b>	<b>32,046,199</b>	<b>30,542,201</b>	<b>1,503,998</b>	<b>4.9%</b>
<b>Transfers Out:</b>								
BSF Transfer	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	7,938	85,031	(77,092)	-90.7%	1,532,639	3,073,894	(1,541,255)	-50.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>7,938</b>	<b>85,031</b>	<b>(77,092)</b>	<b>-90.7%</b>	<b>2,259,670</b>	<b>3,073,894</b>	<b>(814,224)</b>	<b>-26.5%</b>
<b>Total Fund Uses</b>	<b>2,487,518</b>	<b>2,827,512</b>	<b>(339,995)</b>	<b>-12.0%</b>	<b>34,305,869</b>	<b>33,616,095</b>	<b>689,774</b>	<b>2.1%</b>

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

<b>July 1, 2022, Beginning Cash Balance*</b>	<b>6,547,037.9</b>
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
<b>Total Sources Available for Expenditures &amp; Transfers</b>	<b>48,349,683.1</b>
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
<b>Total Estimated Uses</b>	<b>42,567,184.4</b>
<b>FY 2023 ESTIMATED UNENCUMBERED ENDING FUND BALANCE****</b>	<b>5,782,498.7</b>

\*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](#).

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

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## Glossary

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

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

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

<b>State-Level Coincident Index</b>	Produced by the Federal Reserve Bank of Philadelphia, this index is a composite of four labor market indicators – nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and real wage and salary disbursements.
<b>Survey of Consumers</b>	The University of Michigan's Survey of Consumers reports a measure of consumer confidence in the overall health of the economy in the United States. Information is gathered from a monthly telephone survey of consumer expectations for the economy.
<b>Temporary Layoff</b>	People who have been given a date to return to work or who expect to return to work within six months. Those on temporary layoff do not need to be looking for work to be classified as unemployed.
<b>Total Construction Spending</b>	The Census Bureau's estimate of the total dollar value of construction work done in the United States for the month on new structures or improvements to existing structures for private and public sectors. Estimates include the cost of architectural and engineering work, the cost of labor and materials, overhead costs, interest, and taxes paid during construction, and contractor's profits.
<b>Total Industrial Production</b>	A measure produced by the Board of Governors of the Federal Reserve System, the index measures the real output of the manufacturing, mining, and electric and gas utilities industries. The reference period for the index is 2017.
<b>Total Travel Throughput</b>	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.
<b>Total Turnpike Revenue</b>	The amount of revenue received through the operation of the Ohio Turnpike.
<b>Turnpike Commercial Vehicle Miles Traveled</b>	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.
<b>Turnpike Passenger Vehicle Miles Traveled</b>	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.



<b>U.S. Labor Force Participation Rate</b>	This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.
<b>U.S. Nonfarm Payroll Employment</b>	A measure of the number of workers in the United States excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.
<b>U.S. Unemployment Rate</b>	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.
<b>Worker Adjustment and Retraining Notification (WARN) Act</b>	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.

