

State of Ohio Monthly Financial Report

APRIL 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 GDP INCREASED
1.5% IN CY 2022**

The graphic features a dark red silhouette of the state of Ohio. Centered within the map is a white icon consisting of a percentage sign and an upward-pointing arrow, symbolizing economic growth.



**\$3.4 BILLION IN GRF
REVENUE FOR MARCH**

The graphic features a dark red silhouette of the state of Ohio. Centered within the map is a white icon of a document with a dollar sign, representing revenue.



**PERSONAL INCOME TAX
EXCEEDED THE MARCH
ESTIMATE BY \$32.2
MILLION**

The graphic features a dark red silhouette of the state of Ohio. Centered within the map is a white icon of a checklist with a pencil, indicating a report or update.



**YEAR-TO-DATE NON-AUTO
SALES TAX IS 4.6% ABOVE
FY 2022**

The graphic features a dark red silhouette of the state of Ohio. Centered within the map is a white icon of a bar chart with an upward arrow and a dollar sign, representing an increase in sales tax.

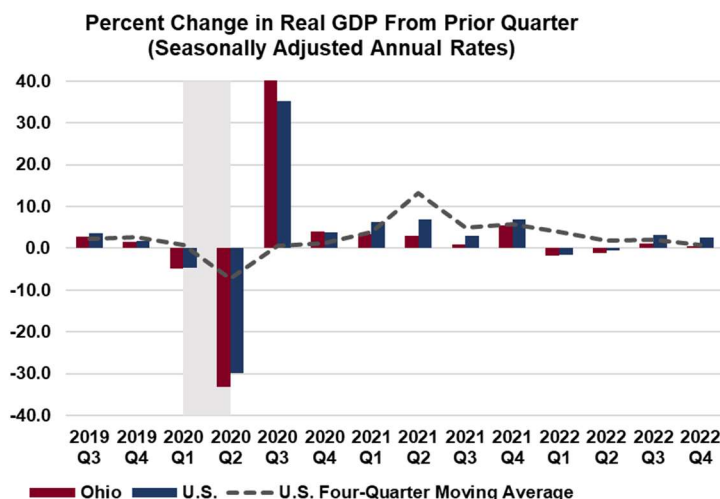


Economic Activity

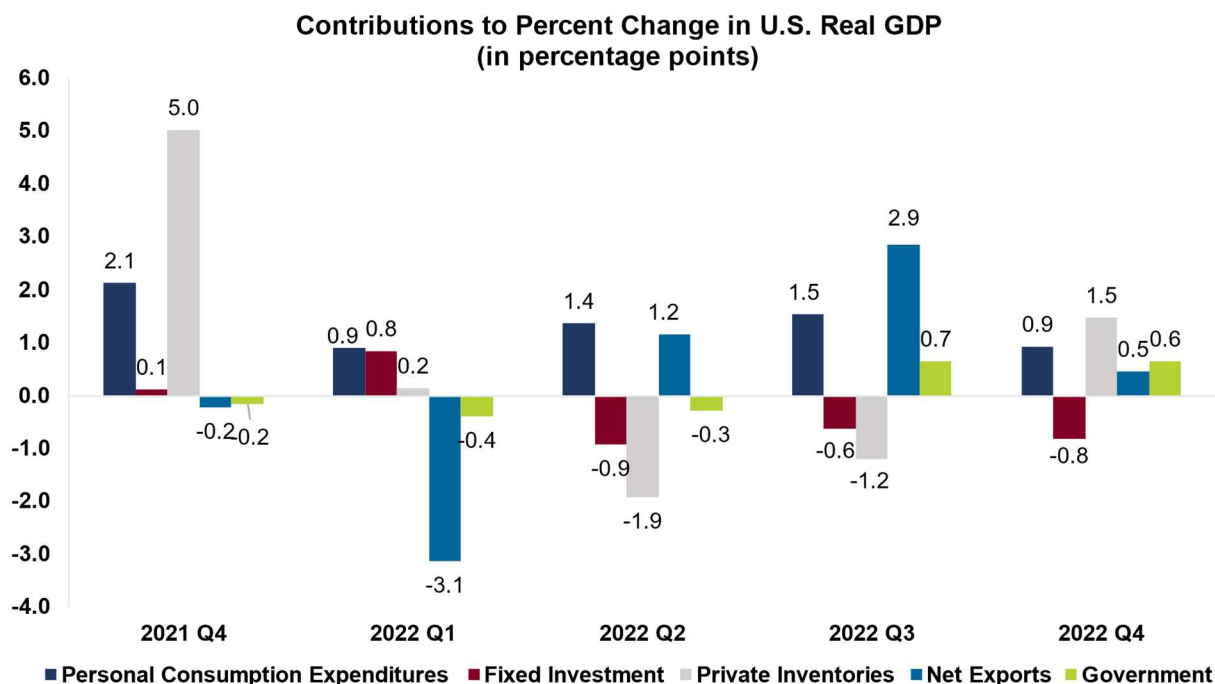
Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the fourth quarter of calendar year 2022 at an annualized rate of 2.6 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).



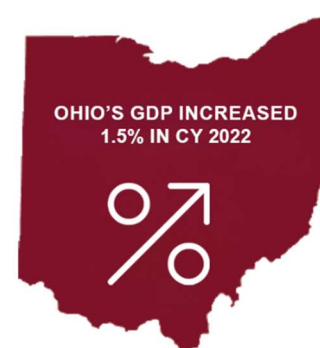
Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis



Ohio's real GDP increased by 0.4 percent during the fourth quarter of 2022, which was 2.2 percentage points below the national average. The change in GDP in Ohio largely reflected positive contributions in durable goods manufacturing (0.7 percentage point), retail trade (0.4 percentage point) and health care and social assistance (0.3 percentage point). These increases were partially offset by decreases in finance and insurance (-0.6 percentage point) and real estate, rental and leasing (-0.4 percentage point).



In February 2023, the Conference Board's **Leading Economic Index** decreased 0.3 percent to 110.0, after declining 0.3 percent in January. The index fell for the eleventh consecutive month and in the last six months decreased 3.6 percent. The Conference Board's senior manager of business cycle indicators reported that despite improving stock prices and higher than forecasted residential building permits, the leading economic index still points to the risk of recession. Recent concerns around the banking sector were not reflected in the index for this month but will likely have a negative impact if financial turmoil persists.

Economic forecasters maintained their expectations for stable economic growth in the first quarter of 2023 despite turmoil in the banking sector. The failure of Silicon Valley Bank and subsequent stress on other regional banks in the United States, along with UBS's acquisition of Credit Suisse in Europe called into question the slow but consistent growth previously anticipated in early 2023. However, the Federal Reserve demonstrated their commitment to lowering inflation and maintaining confidence in the banking sector by continuing to raise interest rates in their March meeting. Labor market conditions and current GDP forecasts suggest that recession is unlikely in the first half of the year, but long-term expectations remain far from consensus.

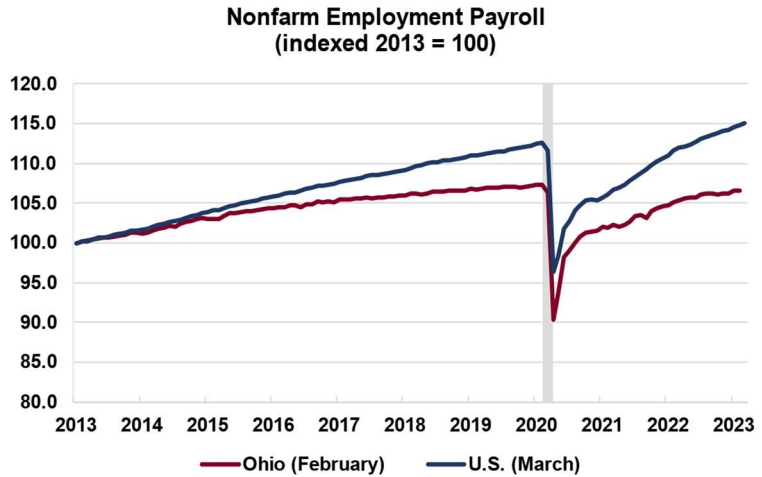
Economic Forecasts

Source	Date	1st Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	03/27/2023	0.5%
Federal Reserve Bank of Atlanta (GDPNow)	03/31/2023	2.5%
Moody's Analytics High Frequency GDP Model	03/31/2023	2.8%
Conference Board	03/15/2023	1.0%
Wells Fargo	03/17/2023	0.7%

Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 900 jobs between January and February 2023 to 5.6 million jobs. Subsequently, February 2023 payrolls increased 1.4 percent over the prior year.

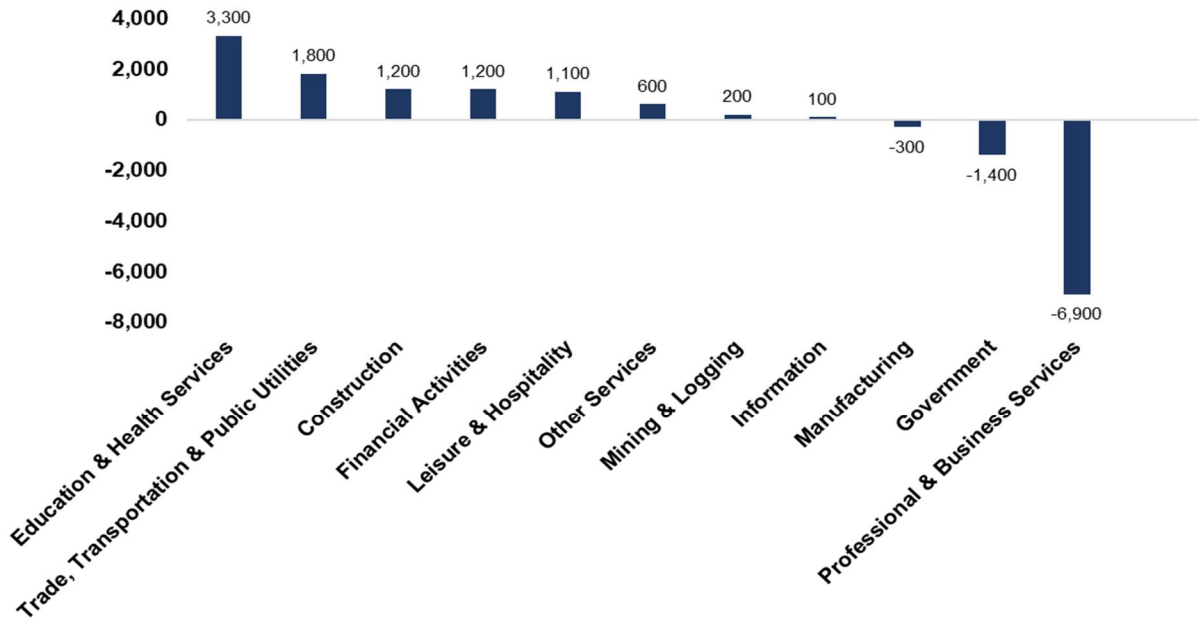
In Ohio, the education and health services industry had the largest employment gains in February, followed by the trade, transportation and public utilities, construction, and financial activities industries. These gains were largely offset by losses in professional and business services, and government.



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted labor force participation rate in February was 61.4 percent, a 0.2 percentage point increase from January 2023. The seasonally adjusted employment-population ratio was 59.0 in February, a 0.2 percent increase from January 2023.

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

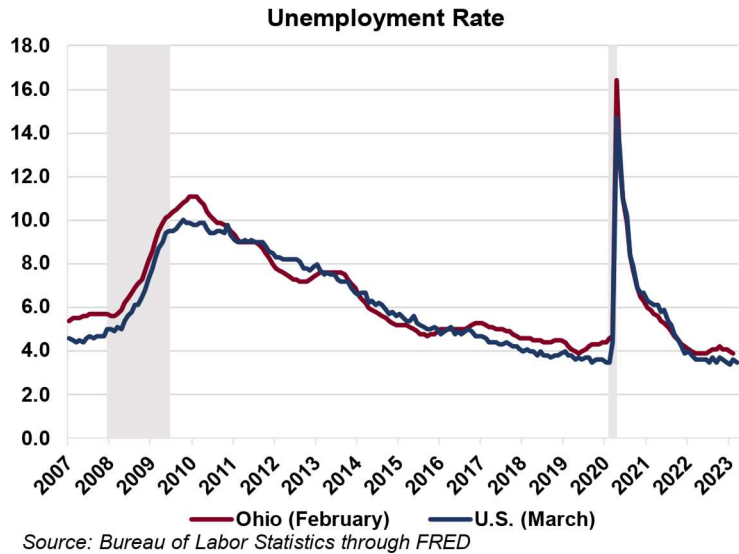


Source: Bureau of Labor Statistics

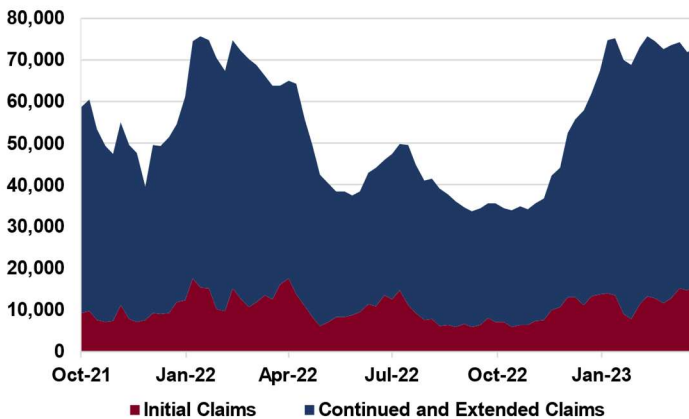


The **Ohio unemployment rate** in February 2023 was 3.9 percent, a decrease of 0.1 percentage point from January 2023's revised rate.

In February 2023, **initial unemployment claims** decreased 13.3 percent for men and increased 17.0 percent for women compared to January 2023. During the same period, initial claims decreased across all racial categories. Those who identified as Hispanic (22.8%), American Indian (22.7%), and White (22.2%) saw the largest decreases. Initial claims increased for those who did not specify a race.



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



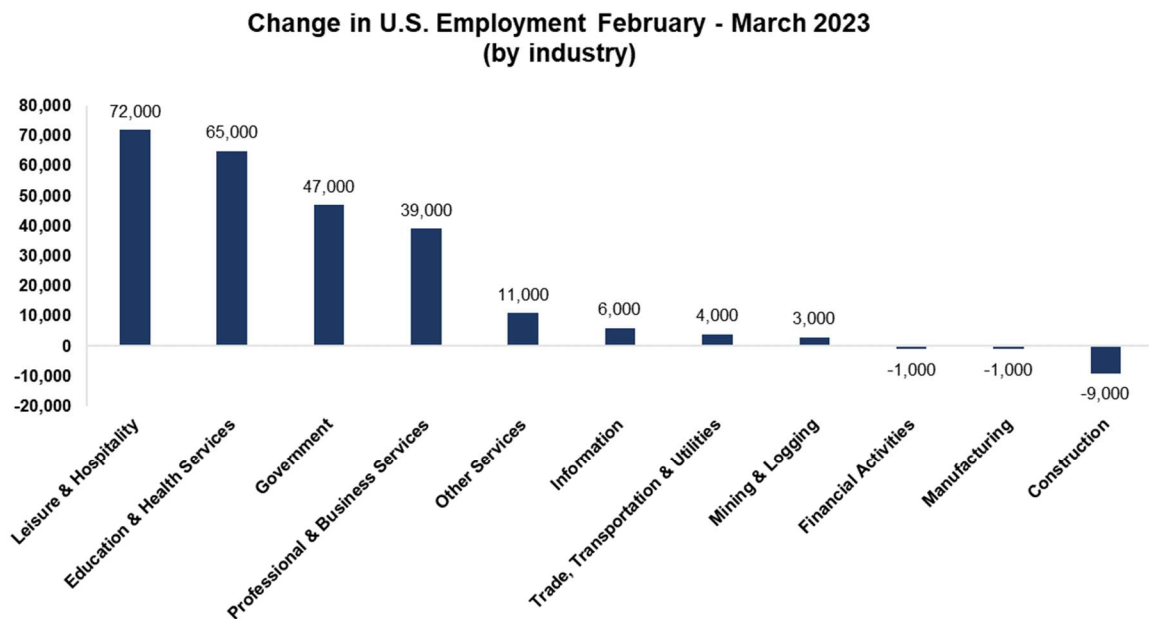
During the week ending March 25, 2023, individuals filed a total of 15,750 initial unemployment claims, a 6.3 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 56,926 claims, a 0.3 percent decrease from the prior week.



U.S. Labor Market

U.S. nonfarm payroll employment increased by 236,000 jobs in March. Job gains were widespread with the highest growth in the leisure and hospitality, education and health services, government, and professional and business services industries. Employment declined in the construction, manufacturing, and financial activities industries.

236,000
Jobs Added



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased by 0.1 percentage point to 62.6 percent in March. The **U.S. employment-population ratio** increased by 0.2 percentage point in March to 60.4 percent. Both measures remained below February 2020 levels by 0.7 percentage point.

The **U.S. unemployment rate** decreased in March to 3.5 percent while the number of unemployed individuals decreased slightly to 5.8 million. The unemployment rate decreased for most racial categories between February and March 2023. Individuals who identified as Hispanic (0.7 percentage point) or Black (0.7 percentage point) had the largest decreases followed by individuals who identified as Asian (0.6 percentage point). Those who identified as White saw no change in unemployment rate in March. The unemployment rate for women decreased 0.1 percentage point between February and March. For men, the unemployment rate was unchanged at 3.6 percent.

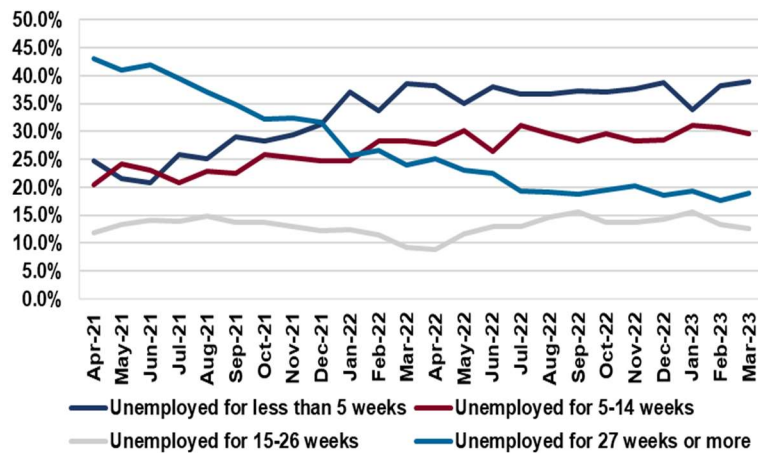
Unemployment Rates by Demographic Group

	January-23	February-23	March-23
Women	3.3%	3.5%	3.4%
Men	3.6%	3.6%	3.6%
Black	5.4%	5.7%	5.0%
White	3.1%	3.2%	3.2%
Asian	2.8%	3.4%	2.8%
Hispanic	4.5%	5.3%	4.6%

In March 2023, 18.9 percent of unemployed individuals in the nation were unemployed for 27 or more weeks. This measure increased 1.3 percentage points from February and remains in line with pre-pandemic levels.

The number of **people not in the labor force who currently want a job** decreased by 3.5 percent to 4.9 million in March 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)



Source: Bureau of Labor Statistics

The number of unemployed people who were on **temporary layoff** increased to 833,000 in March and was 53,000 more than in February 2020.

The number of people with **permanent job losses** increased by 172,000 in March to 1.6 million.



Consumer Income and Consumption

\$22.6 Trillion

\$34.5 billion (0.3%).

Personal income increased by \$72.9 billion (0.3%) in February to \$22.6 trillion. Gains in February were primarily due to increases in wages and salaries of

Personal consumption expenditures increased by \$27.9 billion (0.2%) between January and February. Overall spending on goods was relatively unchanged. Increases in spending on recreational goods and vehicles (0.8%) and other durable goods (0.5%) were offset by decreases in spending on motor vehicles and parts (-4.8%) and furnishings and durable household equipment (-0.2%) for a 1.4 percent decrease in overall spending on durable goods. A decline in spending on clothing and footwear (-0.3%) was offset by increases in gasoline and other energy goods (3.6%) and food and beverages purchased for off-premises consumption (0.7%) and contributed to a 0.9 percent overall increase in spending on nondurable goods in February. Spending on services increased by 0.2 percent in February, primarily due to increases in transportation services (1.1%), financial services and insurance (0.7%), and recreation services (0.5%).

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

	January 2023	February 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,357,687	\$ 2,328,899	-1.2%	2.7%	7.8%
Motor vehicles and parts	\$ 624,040	\$ 599,788	-3.9%	3.3%	-0.2%
Furnishings and durable household equipment	\$ 530,166	\$ 528,283	-0.4%	1.4%	1.4%
Recreational goods and vehicles	\$ 931,327	\$ 936,150	0.5%	4.7%	19.5%
Other durable goods	\$ 341,782	\$ 342,921	0.3%	-0.6%	15.7%
Nondurable Goods	\$ 3,334,695	\$ 3,352,698	0.5%	0.9%	6.0%
Clothing and footwear	\$ 510,901	\$ 505,828	-1.0%	4.6%	16.6%
Gasoline and other energy goods	\$ 423,763	\$ 437,158	3.2%	-1.5%	12.2%
Other nondurable goods	\$ 1,346,479	\$ 1,351,568	0.4%	3.3%	9.5%
Services	\$ 8,886,557	\$ 8,877,250	-0.1%	3.0%	10.8%
Transportation services	\$ 437,870	\$ 442,569	1.1%	2.0%	34.8%
Housing and utilities	\$ 2,167,369	\$ 2,168,737	0.1%	0.3%	0.9%
Recreation services	\$ 503,698	\$ 501,451	-0.4%	6.2%	30.2%

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.

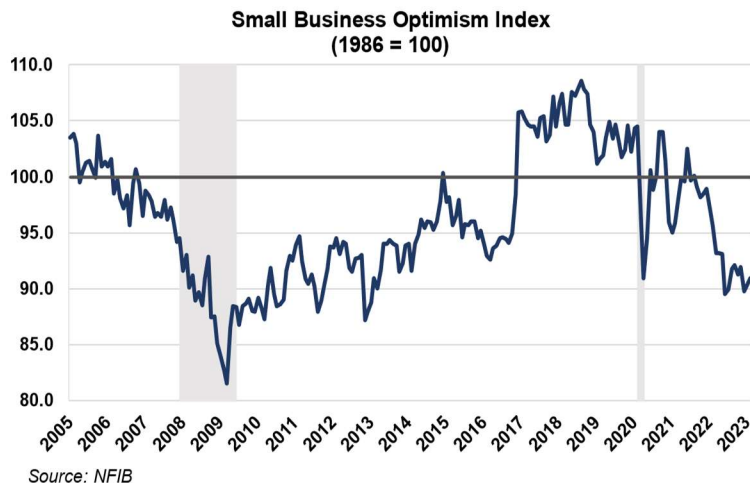
Source: Bureau of Economic Analysis, Table 2.3.6U Real Personal Consumption Expenditures by Type of Product



Personal savings were \$915.8 billion in February 2023, a 5.7 percent increase compared to January’s revised level and was 12.6 percent above the February 2022 level. The **personal savings rate** was 4.6 percent in February, up 4.5 percent from January’s revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) showed an increase of 0.4 percent in February, which followed a 0.5 percent increase in January. The “all items” index increased 6 percent over the last 12 months. February price increases compared to January 2023 were concentrated primarily in shelter (0.8%) which accounted for over 70 percent of the total “all items” increase. The food index increased 0.4 percent over the month and energy prices decreased 0.6 percent in February, following increases in both categories in January.

For the third consecutive month, consumer opinion surveys reported mixed results in confidence. Respondents in the University of Michigan’s **Survey of Consumers** reported a 3.6 percent decrease in consumer sentiment to 63.4 compared to February. Sentiment decreased broadly across the different components of the index, led by persistent inflation concerns. The Conference Board’s **Consumer Confidence Index** increased by 0.8 to 104.2 in March, up from a revised 103.4 in February. The Survey of Consumers was conducted before the bank failures in mid-March while the Consumer Confidence index collected data after these failures, which may have accounted for some of the differences in findings.



The **Small Business Optimism Index** increased 0.6 points to 90.9 in February, the 14th consecutive month that the index was below 98, the 48-year average. Twenty-eight percent of owners reported inflation as their single most important concern, up two points from January 2023. Of the 60 percent of small business owners who reported hiring or trying to hire in February, 90 percent reported few or no qualified applicants.

Travel and Tourism

Average airline checkpoint traffic increased 11.3 percent in March compared to February. **Total travel throughput** in March 2023 was 10.9 percent higher than in March 2022 and 2.2 percent lower than March 2019.

The **hotel occupancy rate** for the week ending March 25, 2023, was 64.9 percent, 0.6 percent below the comparable week in 2022 and 6.3 percent below 2019. The **average daily rate** for a hotel room was \$158.61, a 4.7 percent increase from 2022 and a 19.5 percent increase from 2019. **Revenue per available room** was \$102.98, which was 4.1 percent more than in 2022 and 12.0 percent more than in 2019.

Industrial Activity

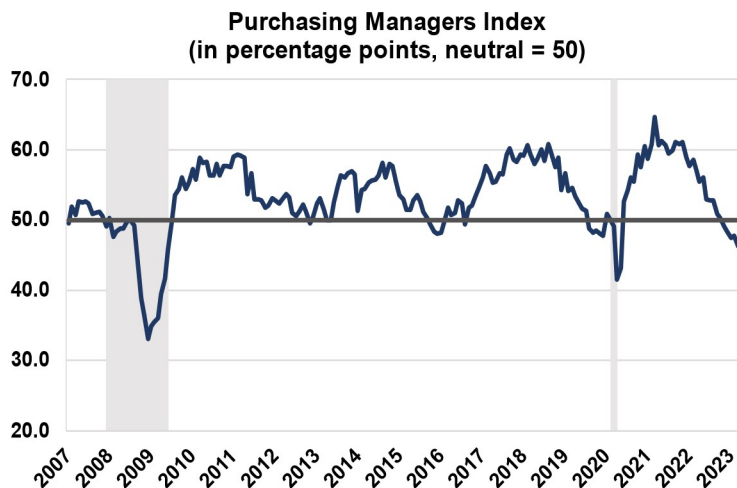
According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** was unchanged between January and February following a revised 0.3 percentage point increase in January and was 0.2 percent lower than February 2022.

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

Manufacturing Sector	Percent Change December 2022 to January 2023	Percent Change January to February 2023	Percent Change February 2022 to February 2023
Aerospace and Other Transportation Equipment	0.7%	0.0%	5.4%
Chemicals	3.1%	1.2%	1.7%
Electrical Equipment	1.0%	0.9%	-1.6%
Fabricated Metal Products	0.0%	-0.1%	-0.5%
Food Beverage and Tobacco Products	1.9%	0.1%	-1.3%
Machinery	2.9%	-0.4%	-1.9%
Motor Vehicles and Parts	0.6%	-0.3%	10.8%
Petroleum and Coal	2.1%	-0.4%	1.3%
Plastics and Rubber Products	0.2%	-1.8%	-5.9%
Primary Metals	0.8%	0.0%	-5.9%

Preliminary data show the **Manufacturing Production Index** increased 0.1 percentage point in February 2023 to 100.2 and was 1 percent lower than February 2022. Nationally, manufacturing in three of Ohio's top 10 industries increased production between January and February 2023. Increases in chemicals (1.2%), electrical equipment (0.9%), and food beverage and tobacco products (0.1%) were partially offset by decreases in the plastics and rubber products (-1.8%), machinery (-0.4%), and petroleum and coal (-0.4%) industries.





Source: Institute for Supply Management

In March 2023, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was 46.3, a decrease of 1.4 percentage points from February's reading. The index remained below 50 for the fifth month, indicating contraction in the manufacturing sector.

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

Fabricated metals, petroleum and coal products, primary metals, and machinery reported growth in the last month. The industries reporting the largest contraction were plastic and rubber products; food, beverage, and tobacco products; and chemical products. According to the chair of the survey committee, participants continued to report slowing outputs to better match decreased demand for the first half of the year but were preparing for growth in the late summer and early fall of 2023. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) describe this continued deceleration across a variety of industries.

“Sales are slowing at an increasing rate, which is allowing us to burn through back orders at a faster-than-expected rate. [Transportation Equipment]”

“Sales a bit down, and budgets being cut with a greater emphasis on savings. [Chemical Products]”

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 16.2 percent between January and February 2023 and were 14.5 percent below the number of permits issued in February 2022.

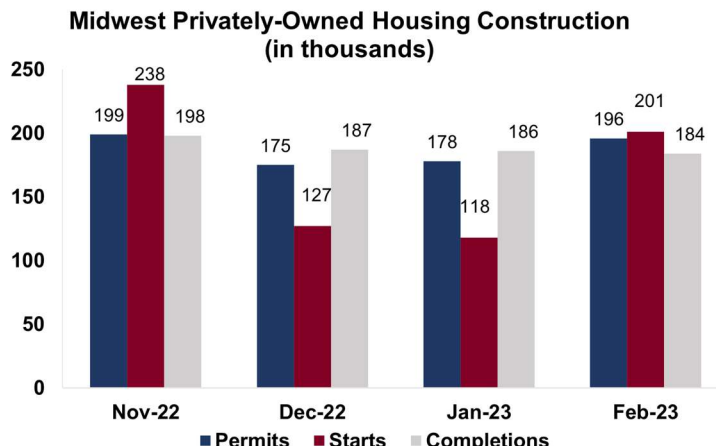
Privately-owned housing starts in the Midwest increased 70.3 percent between January and February and were 14.1 percent below February 2022 levels.

In February, privately-owned housing completions in the Midwest decreased 1.1 percent compared to January and were 6.1 percent below February 2022.

New home sales in the Midwest decreased 1.4 percent between January and February and were 20.2 percent below February 2022.

Activity in the Ohio housing market slowed while prices continued to rise in February. Total sales were 13.5 percent below February 2022 but the average sale price in Ohio was \$245,459, a 4.0 percent increase compared to February 2022.

The president of Ohio REALTORS reported increases in the inventory of homes available for sale and improved expectations around interest rates as the typically busy summer season approaches.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest decreased one point in March to 35, nine points below the national level. The national index increased for the fourth consecutive month after decreasing for the majority of calendar year 2022.



U.S. Construction and Housing Market

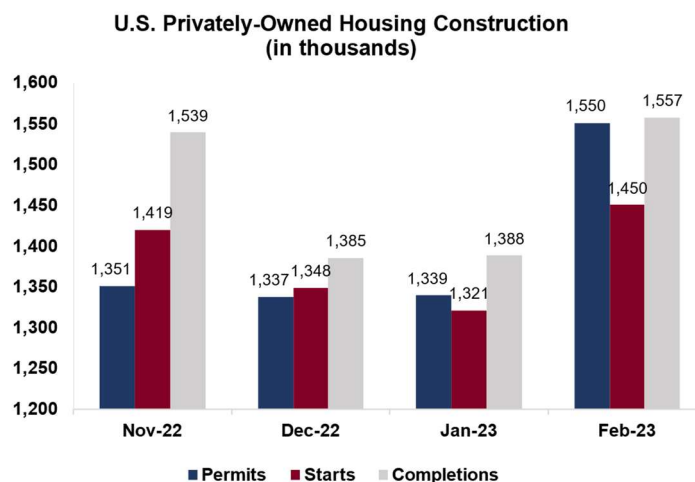
The U.S. Census Bureau reported **total construction spending** in February 2023 at a seasonally adjusted annual rate of \$1.8 trillion, a 0.1 percent decrease from the revised January estimate. The February 2023 estimate was 5.2 percent above February 2022 and 17.5 percent above February 2021.

Public sector construction spending decreased 0.2 percent between January and February, bringing the seasonally adjusted annual total to \$391.0 billion. Spending on educational construction decreased 0.9 percent in February to \$84.6 billion, 5.2 percent above February 2022 levels. Highway construction spending in February was 0.3 percent below the revised January estimate and 18.8 percent above February 2022.

Private sector construction spending was virtually unchanged between January and February, leaving the seasonally adjusted annual total at \$1.45 trillion. Private sector construction spending remained 3.3 percent above the February 2022 level. Residential construction in February was 0.1 percent below January and 13.4 percent below February 2022's level. Nonresidential construction in February decreased 0.2 percent from the revised January estimate and remained 12.8 percent above February 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units increased 15.8 percent between January and February but fell 16.5 percent from the number of permits issued in February 2022.

Nationally, privately-owned housing starts increased 9.8 percent between January and February and were 18.4 percent below February 2022 levels.



Source: U.S. Census Bureau through FRED

In February, **newly built single-family home sales** increased by 1.1 percent compared to January but remained 19 percent below sales in February 2022. The national median sales price in February 2023 was \$498,700, a 2.7 percent increase compared to January, and 2.5 percent higher compared to February 2022.

According to the National Association of Realtors, **existing home sales** increased 14.5 percent in February compared to January. February's existing home sales declined to an annual rate of 4.58 million housing units, a 22.6 percent decrease from February 2022. The median sale price of all existing homes declined 0.2 percent from a year ago to \$363,000, the first decline in year-over-year existing median home sale prices in 131 months. Available inventory in February 2023 totaled 980,000 units, unchanged from January, and 15.3 percent above the February 2022 inventory level.

Revenues

Tax receipts have outperformed expectations each of the last eight months. March GRF tax revenues exceeded the estimate by \$30.6 million (1.6%). The personal income tax was the largest contributor to the month's positive variance, exceeding the estimate by \$32.2 million (5.1%). For the year, total tax revenues have performed above expectations by \$804.7 million (4.1%). March tax revenues grew by \$9.1 million (0.5%) from last year, with year-to-date revenues climbing by 5.4 percent.

Aggregate (tax and non-tax) GRF receipts totaled \$3.4 billion in March and were \$182 million (5.7%) above estimate. As noted above, tax revenues were \$30.6 million (1.6%) above estimate and non-tax receipts exceeded estimate by \$151.4 million (11.5%). 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	\$ 804.7	4.1%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (203.5)	-1.9%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 6.0	120.7%
Total Revenue Variance		\$ 607.2	2.0%
Non-Federal Revenue Variance		\$ 876.4	4.4%
Federal Grants Variance		\$ (269.2)	-2.5%

The table below shows that sources above estimate (a positive variance of \$220.4 million) in March outweighed the size of sources below estimate (a negative variance of \$38.4 million), resulting in a \$182 million net positive variance from estimate.

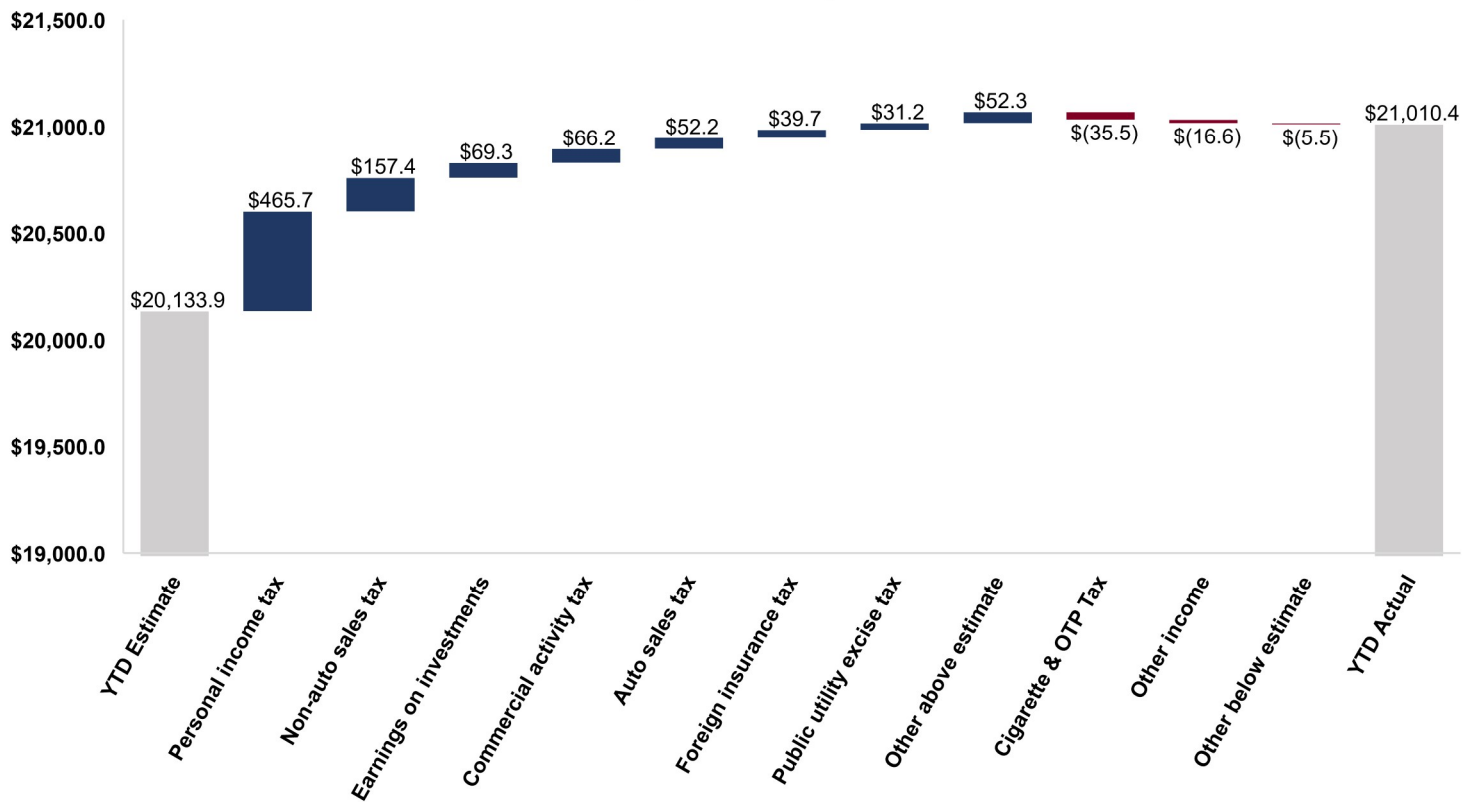
GRF Revenue Sources Relative to Monthly Estimates – March 2023
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Federal Grants	\$ 138.3	Auto Sales Tax	\$ (17.1)
Personal Income Tax	\$ 32.2	Cigarette and Other Tobacco Products Tax	\$ (8.8)
Foreign Insurance Tax	\$ 17.0	Financial Institutions Tax	\$ (8.7)
Non-Auto Sales Tax	\$ 14.3	Other sources below estimate	\$ (3.2)
Licenses and Fees	\$ 13.3		
Other sources above estimate	\$ 5.3		
Total Above	\$ 220.4	Total Below	\$ (38.4)

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



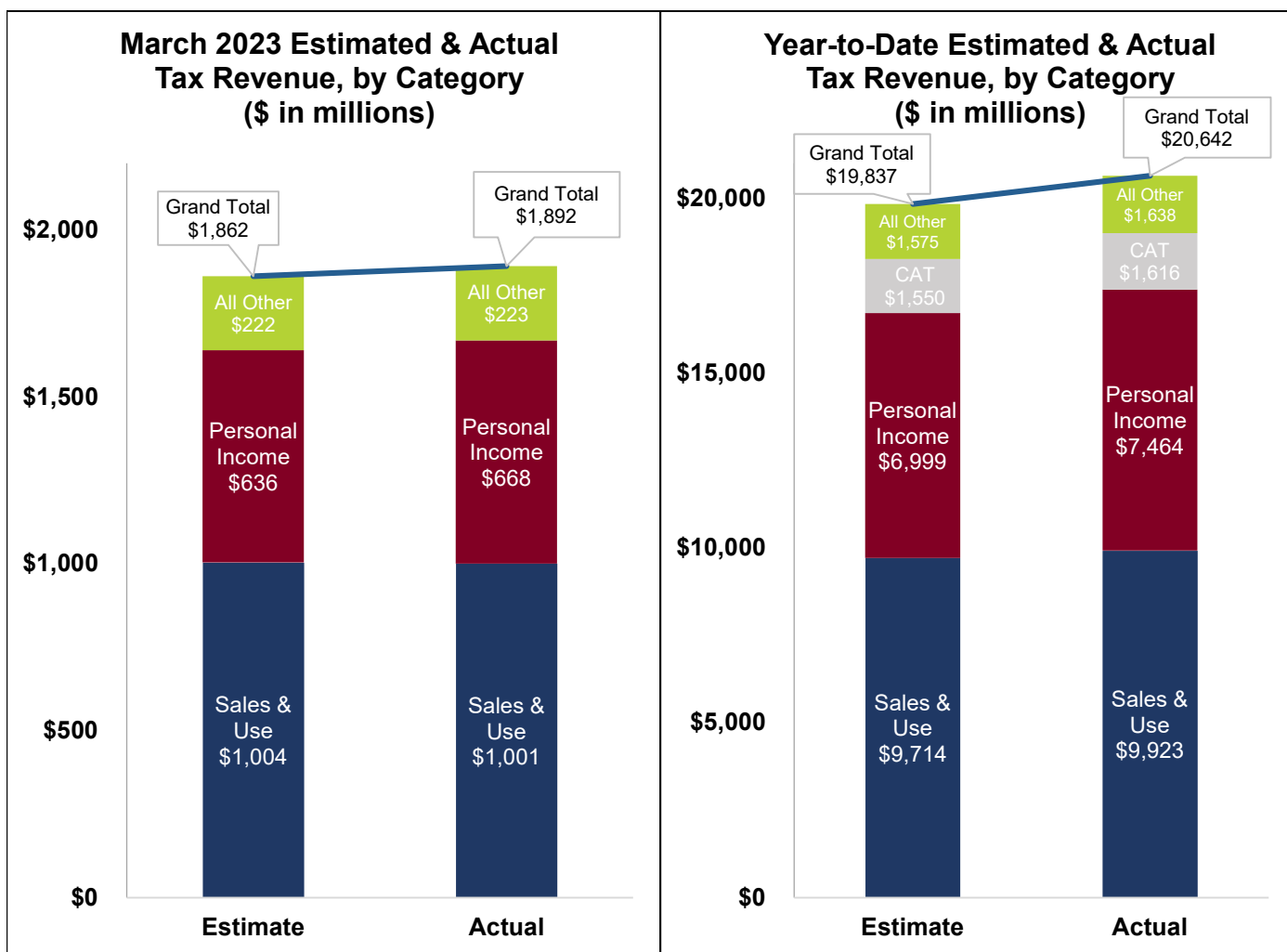
Actuals vs Estimates: YTD GRF Non-Federal Sources (\$ in millions)



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 \$876.4 million.



The following two graphs show the composition of estimated and actual GRF tax revenues for March 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 March, total receipts and transfers were \$415.7 million (-11%) below the previous year. Tax receipts increased by \$9.1 million (0.5%), non-tax receipts decreased by \$421.7 million (-22.3%), and transfers decreased by \$3.2 million. For the year-to-date, tax receipts are \$1.1 billion (5.4%) above last year and non-tax receipts are \$770.7 million (7.8%) above the prior year. Transfers are \$44.5 million (-80.1%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during March was non-auto sales tax, at \$37.9 million (4.8%) above last year. The next-largest increases were foreign insurance tax at \$23.2 million (56.1%) and licenses & fees at \$13.8 million (25.3%). The largest declines were experienced by Federal grants at \$431.8 million (-23.6%), followed by auto sales tax at \$13.6 million (-7.5%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collection in March totaled \$833.2 million and was \$14.3 million (1.7%) above the estimate. Through March, the source is \$157.4 million (1.9%) above estimate. Monthly revenue increased by \$37.9 million (4.8%) from last year while year-to-date revenue is now \$374.6 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 six percent.



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 6.5 percent year-over-year increase in national non-seasonally adjusted sales during February 2023. This compares to year-over-year growth of 7.6 percent in January and 4.8 percent in December. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 9.6 percent, 4.8 percent, and 2.9 percent in February, January, and December, 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, February 2023 sales for the above-indicated retail categories increased by 0.4 percent from January, following an usually large 2.7 percent increase in January from December, and a 0.5 percent decline in December from November.

Auto Sales Tax

March auto sales tax revenues were \$167.3 million, an amount that was \$17.7 million (-9.6%) below estimate. This source is \$52.2 million (3.7%) above estimate for the fiscal year. Revenues were \$13.6 million (-7.5%) below last March. For the year, revenues are \$60.7 million (4.3%) above FY 2022.

Auto sales tax receipts have shown strength throughout FY 2023, with March representing the first substantial year-over-year decline. Given the very strong performance during the several preceding months, March's outcome may reflect unanticipated changes in the timing of consumer purchases. Another timing-related factor pertains to permissive sales tax. There was a notable increase in auto sales tax receipts during January. Because there is a two-month lag between initial receipt and distribution of permissive sales tax to counties and transit authorities, the March distribution resulted in a larger than normal net subtraction from March GRF tax receipts. All-funds (combined state and permissive) tax receipts, which remove the effects of the permissive subtraction, show a milder year-over-year decrease in March, amounting to 2.9 percent.

The national new light vehicle unit sales figures declined in March. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 14.8 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 1.2 percent below February although up 9.3 percent from a year ago. On an unadjusted basis, March light vehicle unit sales were at 1.4 million units. This is 8.6 percent above last March and 19.3 percent above February.

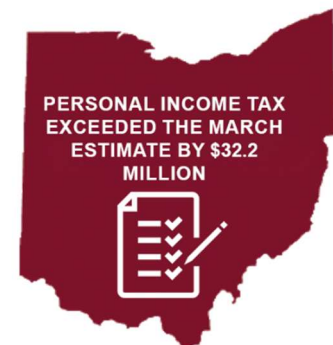
New vehicle transaction prices remain higher than a year ago. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,397 in March, up 5.6 percent relative to last year and even with February. The Bureau of Labor Statistics Consumer Price Index (CPI-U) is also an indicator of new vehicle price growth. The most recent release shows 5.8 percent price growth in February compared to the prior year, matching January's growth rate. Both months showed the slowest year-over-year growth rate since June 2021. February also exhibited a 0.2 percent increase from the previous month, continuing the post-March 2022 slowdown in month-to-month growth.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during March to be 3.4 million, not annualized and not seasonally adjusted, up six percent from last month and down three percent from last year. 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. However, month-to-month growth has recently resumed. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of March 2023 was 1.7 percent above the previous month, and only 2.2 percent lower than the previous year. Since December, the index has increased by 8.8 percent.

Ohio-specific data for the first quarter of calendar year 2023 provide new details on the evolving motor vehicle market. According to data from the Bureau of Motor Vehicles, aggregate used vehicle sales increased on a year-over-year basis by \$84.1 million (1.6%) while new vehicle sales increased by \$376 million (12.5%). Total (new and used) motor vehicle sales in the first quarter increased by \$460.1 million (5.5%) from last year. The number of transactions increased by three percent in the first quarter, with new and used vehicle transactions growing at nearly identical rates. Average prices went in different directions, however. There was a 9.4 percent increase in new vehicle prices while used vehicle prices dropped by 1.4 percent; composite price growth was 2.5 percent. Through the first three quarters of FY 2023, total taxable sales have increased by 7.2 percent from last year and average prices have grown 9.4 percent.

Personal Income Tax

March GRF personal income tax receipts totaled \$668.2 million and were \$32.2 million (5.1%) above the estimate. For the year-to-date, revenue is \$465.7 million (6.7%) above estimate. On a year-over-year basis, March income tax collections decreased by \$6.9 million (-1%). Year-to-date revenue for FY 2023 is \$435.3 million (4.6%) above the prior year.



Withholding collections amounted to \$1.1 billion in March and were \$12.5 million (-1.2%) below estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$440.8 million (5.5%). This component was \$23.6 million (2.3%) above last March; it is \$715.9 million (9.3%) above last year for the fiscal year-to-date.

Pass-through entities comprise a portion of the withholding category. Due to changes in pass-through entity taxation that were explained in the Monthly Financial Report published in March, this taxpayer subset has increased the dynamism of the withholding category in recent months. After removing pass-through entities, March withholding collections increased by \$33.8 million (3.4%) from last year and year-to-date withholding grew by \$403.4 million (5.4%). 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 \$462.4 million (6%) higher than the previous year if the withholding tax rate reduction had not taken effect.

Annual tax return payments performed strongly in March, eclipsing the estimate by enough to overcome the negative variances of other income tax categories. These payments amounted to \$152 million and were \$75.1 million (97.7%) over the estimate. For the year-to-date, annual return tax collections are \$207.7 million (106.8%) above estimate. Despite the elevated year-to-date results, the overwhelming size of April's tax payments will largely determine the component's outcome for the fiscal year.

Quarterly estimated payments came in \$9.8 million (49.6%) above estimate during March and increased by \$8.9 million (43.2%) from last year. For the fiscal year, this component has exceeded estimate by \$41.2 million (6.1%) and has decreased by \$16.5 million (-2.2%) from the prior year. The March results could be a positive sign for April, when the first quarterly payments for calendar year 2023 are due.

The two remaining tax collection categories (Trust and Other) were collectively \$3.6 million (-19.2%) below the March estimate. They are \$16.1 million (17.6%) above estimate for the fiscal year.

March refunds were \$34.1 million (6.4%) above estimate for the month. For the year-to-date, refunds are \$226.7 million (14.4%) above estimate. The month's refunds were \$55.5 million (10.9%) above last year while refunds for the current fiscal year have increased by \$310.5 million (20.8%) from FY 2022. The tax year 2022 filing season is well underway, with total refund issuances over the January-March period exceeding estimate by \$125.7 million (10.7%). Refunds have increased by \$189.1 million (17.1%) from last filing season.

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

	Actual March	Estimate March	\$ Var	Actual Mar-2023	Actual Mar-2022	\$ Var Y-to-Y
Withholding	\$ 1,071.4	\$ 1,083.9	\$ (12.5)	\$ 1,071.4	\$ 1,047.8	\$ 23.6
Quarterly Est.	\$ 29.5	\$ 19.7	\$ 9.8	\$ 29.5	\$ 20.6	\$ 8.9
Annual Returns/40 P	\$ 152.0	\$ 76.9	\$ 75.1	\$ 152.0	\$ 122.9	\$ 29.1
Trust Payments	\$ 1.6	\$ 3.2	\$ (1.6)	\$ 1.6	\$ 3.6	\$ (2.0)
Other	\$ 13.4	\$ 15.4	\$ (2.0)	\$ 13.4	\$ 21.0	\$ (7.6)
Less: Refunds	\$ (563.0)	\$ (528.9)	\$ (34.1)	\$ (563.0)	\$ (507.5)	\$ (55.5)
Local Distributions	\$ (36.7)	\$ (34.2)	\$ (2.5)	\$ (36.7)	\$ (34.2)	\$ (2.5)
Net to GRF	\$ 668.2	\$ 636.0	\$ 32.2	\$ 668.2	\$ 674.2	\$ (6.0)

Commercial Activity Tax

March is among the lower revenue intake months for the Commercial Activity Tax (CAT), immediately following a month in which quarterly tax payments are due. GRF revenues were \$1.2 million (-6%) below the estimate for the month. Revenues are now \$66.2 million (4.3%) above the estimate for the fiscal year. CAT receipts in March decreased by \$5.3 million (-21.9%) from last year while fiscal year-to-date receipts are \$129.1 million (8.7%) 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 third quarter of FY 2023 exceed estimated receipts by \$15.8 million (2.9%). The forecast anticipated modest 2.2 percent growth. With actual year-over-year growth of 5.1 percent, once again this source has exceeded its expected quarterly intake.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.5 billion and were \$151.4 million (11.5%) above estimate for the month of March. Year-to-date non-tax receipts totaled \$10.7 billion and were \$203.5 million (-1.9%) below estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$138.3 million (11%) above estimate for the month. This variance was primarily attributable to the timing of end of month accounting adjustments to the Department of Medicaid's federal share disbursements. This variance is expected to correct in future months.



4/7/2023

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL MARCH	ESTIMATE MARCH	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	833,325	819,000	14,325	1.7%	8,465,062	8,307,700	157,361	1.9%
Auto Sales & Use	167,302	185,000	(17,698)	-9.6%	1,458,434	1,406,200	52,234	3.7%
Subtotal Sales & Use	1,000,628	1,004,000	(3,372)	-0.3%	9,923,496	9,713,900	209,596	2.2%
Personal Income	668,234	636,000	32,234	5.1%	7,464,293	6,998,601	465,692	6.7%
Corporate Franchise	23	(100)	123	122.6%	88	0	88	32160.5%
Financial Institutions Tax	31,301	40,000	(8,699)	-21.7%	153,325	128,200	25,125	19.6%
Commercial Activity Tax	18,988	20,200	(1,212)	-6.0%	1,615,839	1,549,600	66,239	4.3%
Petroleum Activity Tax	5,335	2,900	2,435	84.0%	11,367	6,900	4,467	64.7%
Public Utility	3,707	2,600	1,107	42.6%	130,523	99,300	31,223	31.4%
Kilowatt Hour	25,484	27,100	(1,616)	-6.0%	219,957	225,400	(5,443)	-2.4%
Natural Gas Distribution	0	0	0	N/A	37,196	34,300	2,896	8.4%
Foreign Insurance	64,607	47,600	17,007	35.7%	400,093	360,400	39,692	11.0%
Domestic Insurance	34	(800)	834	104.2%	18,774	18,200	573	3.1%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	63,682	72,500	(8,818)	-12.2%	576,312	611,800	(35,488)	-5.8%
Alcoholic Beverage	5,967	5,200	767	14.7%	47,178	47,200	(22)	0.0%
Liquor Gallonage	4,118	4,300	(182)	-4.2%	43,102	43,100	2	0.0%
Estate	1	0	1	N/A	34	0	34	8869.3%
Total Tax Receipts	1,892,109	1,861,500	30,609	1.6%	20,641,576	19,836,902	804,673	4.1%
NON-TAX RECEIPTS								
Federal Grants	1,398,980	1,260,722	138,257	11.0%	10,323,901	10,593,108	(269,207)	-2.5%
Earnings on Investments	0	0	0	N/A	113,367	44,100	69,267	157.1%
License & Fees	68,459	55,174	13,285	24.1%	92,299	79,301	12,998	16.4%
Other Income	1,095	1,250	(155)	-12.4%	138,152	154,741	(16,589)	-10.7%
ISTV'S	12	0	12	N/A	13,943	13,901	42	0.3%
Total Non-Tax Receipts	1,468,545	1,317,146	151,399	11.5%	10,681,662	10,885,151	(203,489)	-1.9%
TOTAL REVENUES	3,360,654	3,178,646	182,008	5.7%	31,323,237	30,722,053	601,184	2.0%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	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	0	0	0	N/A	11,035	5,000	6,035	120.7%
TOTAL SOURCES	3,360,654	3,178,646	182,008	5.7%	31,334,272	30,727,053	607,219	2.0%

4/7/2023

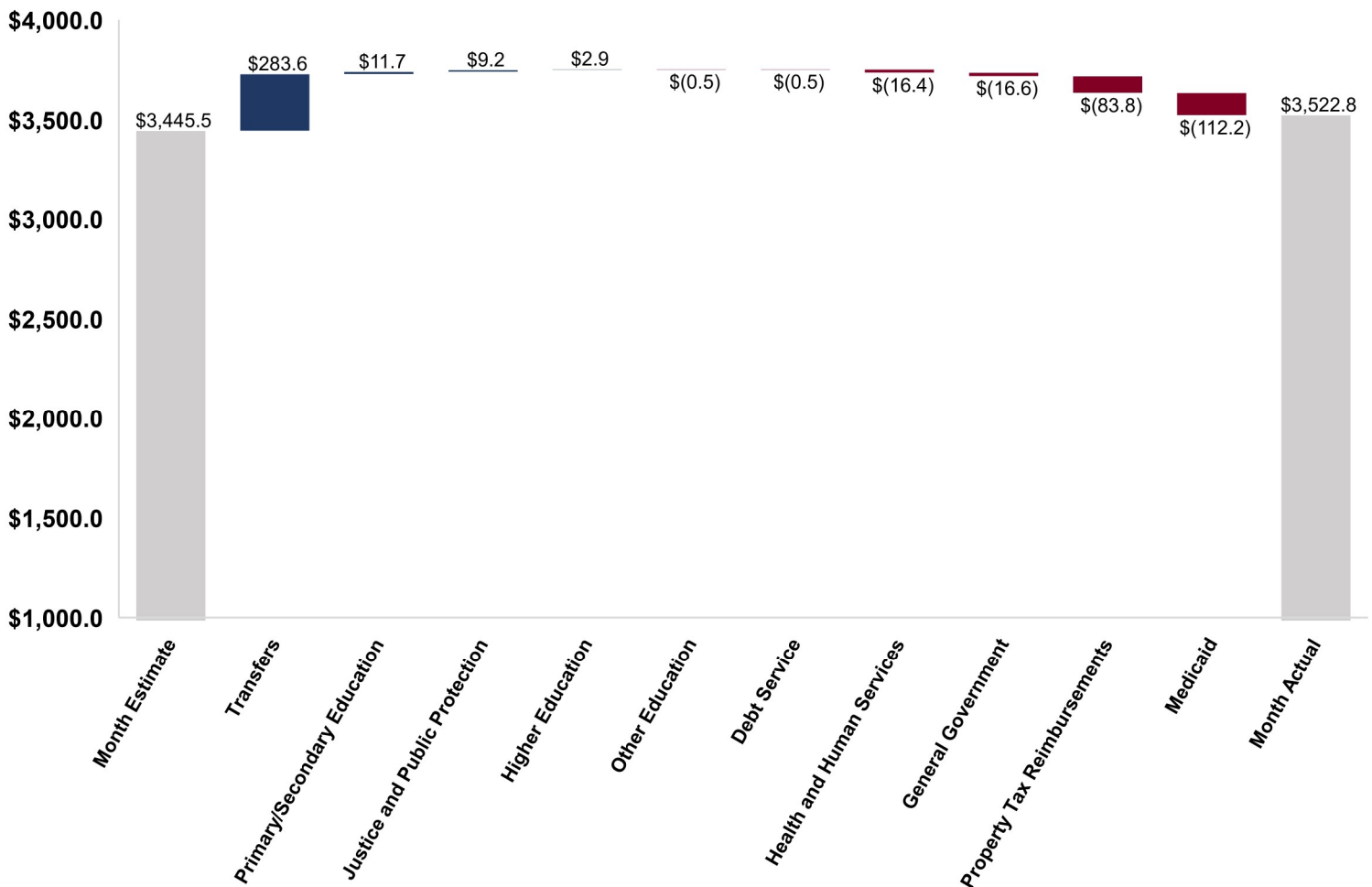
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	MARCH FY 2023	MARCH FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	833,325	795,429	37,896	4.8%	8,465,062	8,090,465	374,597	4.6%
Auto Sales & Use	167,302	180,879	(13,577)	-7.5%	1,458,434	1,397,702	60,732	4.3%
Subtotal Sales & Use	1,000,628	976,308	24,320	2.5%	9,923,496	9,488,167	435,329	4.6%
Personal Income	668,234	675,092	(6,858)	-1.0%	7,464,293	7,045,810	418,483	5.9%
Corporate Franchise	23	24	(1)	-4.5%	88	668	(580)	-86.8%
Financial Institutions Tax	31,301	48,574	(17,273)	-35.6%	153,325	112,622	40,703	36.1%
Commercial Activity Tax	18,988	24,322	(5,333)	-21.9%	1,615,839	1,486,781	129,058	8.7%
Petroleum Activity Tax	5,335	2,846	2,490	87.5%	11,367	6,474	4,894	75.6%
Public Utility	3,707	2,898	809	27.9%	130,523	106,382	24,141	22.7%
Kilowatt Hour	25,484	30,239	(4,755)	-15.7%	219,957	235,329	(15,373)	-6.5%
Natural Gas Distribution	0	11	(11)	N/A	37,196	34,909	2,287	6.6%
Foreign Insurance	64,607	41,378	23,229	56.1%	400,093	352,229	47,863	13.6%
Domestic Insurance	34	(20)	54	272.8%	18,774	2,291	16,483	719.5%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	63,682	70,362	(6,681)	-9.5%	576,312	616,214	(39,902)	-6.5%
Alcoholic Beverage	5,967	6,688	(721)	-10.8%	47,178	49,086	(1,909)	-3.9%
Liquor Gallonage	4,118	4,211	(93)	-2.2%	43,102	43,492	(391)	-0.9%
Estate	1	43	(42)	-97.6%	34	50	(15)	-31.1%
Total Tax Receipts	1,892,109	1,882,975	9,134	0.5%	20,641,576	19,580,504	1,061,071	5.4%
NON-TAX RECEIPTS								
Federal Grants	1,398,980	1,830,802	(431,823)	-23.6%	10,323,901	9,414,236	909,665	9.7%
Earnings on Investments	0	0	0	N/A	113,367	20,960	92,407	440.9%
License & Fee	68,459	54,639	13,820	25.3%	92,299	79,010	13,289	16.8%
Other Income	1,095	4,784	(3,689)	-77.1%	138,152	170,797	(32,645)	-19.1%
ISTV'S	12	0	11	13885.4%	13,943	225,913	(211,970)	-93.8%
Total Non-Tax Receipts	1,468,545	1,890,225	(421,680)	-22.3%	10,681,662	9,910,915	770,746	7.8%
TOTAL REVENUES	3,360,654	3,773,200	(412,546)	-10.9%	31,323,237	29,491,420	1,831,818	6.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	3,184	(3,184)	N/A	11,035	55,535	(44,500)	-80.1%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	3,184	(3,184)	N/A	11,035	55,535	(44,500)	-80.1%
TOTAL SOURCES	3,360,654	3,776,384	(415,730)	-11.0%	31,334,272	29,546,954	1,787,318	6.0%

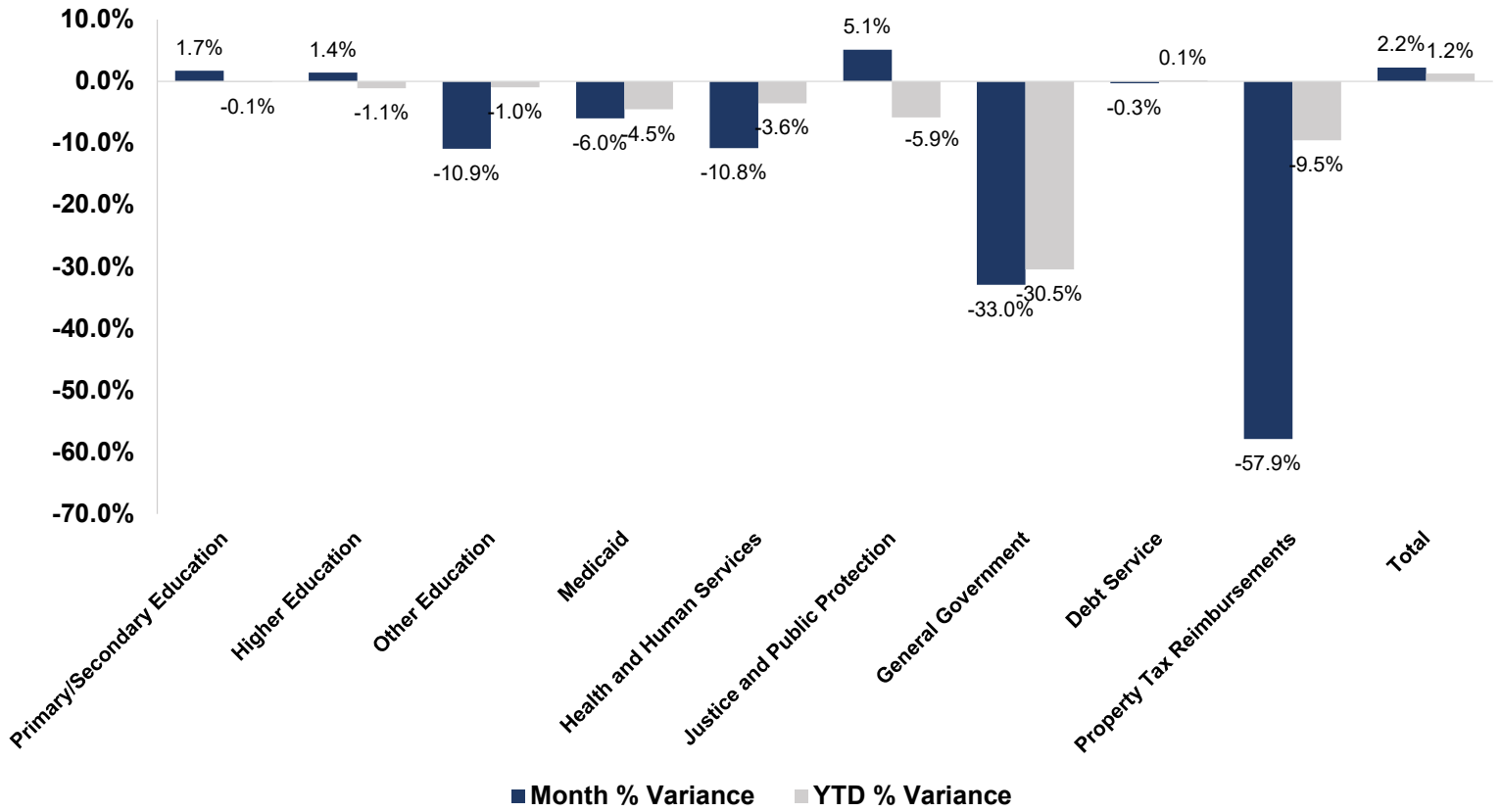
Disbursements

March GRF disbursements, across all uses, totaled \$3.5 billion and were \$77.3 million (2.2%) above estimate. This variance was primarily attributable to transfer disbursements above estimate. The variance was partially offset by disbursements below estimate in Medicaid. On a year-over-year basis, March total uses were \$248.4 million (-6.6%) lower than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

March 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. March disbursements for this category totaled \$696.9 million and were \$11.7 million (1.7%)

\$696.9 MILLION

above estimate. This variance was primarily attributable to disbursements above estimate for the school funding program. The second foundation payment in March for traditional school districts included the \$51.3 million Excess Cost Adjustment and the \$59.6 million tuition 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. Tuition is an amount of money paid to districts to offset the costs of educating students who are legal residents of another district. Additional funding was provided to districts in March, while funds are deducted from resident districts in the remaining foundation payments.

Year-to-date disbursements were \$6.9 billion, which was \$6.1 million (-0.1%) below estimate. On a year-over-year basis, disbursements in this category were \$327.5 million (88.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$333.5 million (5.1%) higher than the same point in FY 2022. The year-over-year and year-to-date variances are due to one additional foundation payment occurring in March FY 2023 compared to March 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

March GRF disbursements for the Medicaid Program totaled \$1.8 billion and were \$112.2 million (-6%) below estimate and \$756.6 million (-30%) below disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$14.7 billion and were \$694.3 million (-4.5%) 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 March. Additionally, full implementation of the Department of Medicaid's Next Generation Managed Care Program continued to impact spending. Timing issues with the implementation caused some payments to be delayed but it is expected that any issues will be corrected in future months.

March all-funds disbursements for the Medicaid Program totaled \$3.2 billion and were \$86.3 million (-2.6%) below estimate and \$1.1 billion (-26.3%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$27 billion and were \$543.9 million (-2%) below estimate.

The all-funds monthly variance was primarily attributable to a delayed reconciliation payment by the Department of Developmental Disabilities. The payment will occur in the coming months. Additionally, spending in the Premium Assistance category was below estimate due to the impact of the enhanced FMAP on Medicare Part D payments and to lower than anticipated rates in some portions of the Medicare Buy-In category.

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 of Medicaid continues to correct the alignment of caseloads between the programs. Managed care caseloads are now about 168,000 above estimate, while fee-for-service caseloads are roughly 27,000 below estimate. Additionally, year-to-date administration-related expenses remain below estimate. A portion of this variance will be eliminated as payments associated with the implementation of Next Generation Managed Care are disbursed during the remaining months of FY 2023.

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

	Mar. Estimate	Mar. Actual	Variance	Variance %
GRF	\$ 1,877.7	\$ 1,765.5	\$ (112.2)	-6.0%
Non-GRF	\$ 1,393.3	\$ 1,419.2	\$ 25.9	1.9%
All Funds	\$ 3,271.0	\$ 3,184.6	\$ (86.3)	-2.6%



Medicaid Enrollment

Total March enrollment was 3.58 million, which was 140,411 (4.1%) above estimate and 215,999 (6.4%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.50 million and was 38,687 (1.1%) above estimate.

February enrollment by major eligibility category was: Covered Families and Children, 1.93 million; Group VIII Expansion, 990,326; and Aged, Blind and Disabled (ABD), 516,258.

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

Department of Public Safety

The Department of Public Safety's March disbursement totaled \$3.7 million which was \$1.7 million (-31.4%) below estimate. The majority of the variance is in the Emergency Management Agency grants which reimburse local entities for disaster and security expenses. The Department has two federal disaster grants nearing the end of their performance period with large project payouts still to come under the local disaster assistance grants and nearly \$7.5 million encumbered in reimbursable security grants.

Department of Transportation

March disbursements for the Department of Transportation totaled \$3.4 million and were \$2.3 million (-40.7%) below estimate. The Department continues to have issues with suppliers and vendors for buses and paratransit vehicles in their Transit Preservation Partnership program. The program reimburses subrecipients for capital, operating, and planning projects to rural and urban transit systems around the state. Overall, the Department remains under expected spending by 34.2 percent as of the end of March.

Department of Rehabilitation and Correction

March disbursements for the Department of Rehabilitation and Correction totaled \$136.7 million and were \$8 million (6.3%) over the estimate. The variance is due to institutional operations exceeding the estimated amount by \$8.2 million, for unanticipated maintenance projects. Year-to-date, the agency remains under expected spending by 2.5 percent as of the end of March.

Ohio Public Defender Commission

March disbursements for the Public Defender Commission totaled \$12.3 million and are \$4.1 million (50.4%) over estimate. The variance is due to county reimbursements exceeding their expected amount by \$4 million. The County Reimbursement program fully covered reimbursements this month, but it was expected that Indigent Defense Support program funding would share some of the cost. The fund for Indigent Defense Support - County Share, which receives revenue from various court fees assessed and collected at the county level, has received historically low revenues for the first eight months of the fiscal year even as the number of cases has not decreased. Indigent Defense Support - County Share is planned to cover the entire reimbursement for next month. The agency remains under expected spending by 7.9 percent, as of the end of March.

Department of Development

Disbursements for the Department of Development were \$13.1 million (74.7%) below estimate for the month of March. This variance was primarily attributable to the timing of an economic development payment. This payment was originally planned to be disbursed in March but will be disbursed in future months instead.

Department of Health

The Department of Health disbursed \$7.6 million in March, which was \$2.2 million (-22.8%) below estimate. This variance was primarily due to underspending in the Chronic Disease, Injury Prevention, and Drug overdose program. Program expenses were shifted to non-GRF line items and will revert in coming months. The Chronic Disease, Injury Prevention, and Drug Overdose program supports efforts to prevent and control chronic diseases, promote access to health care, and reduce health disparities. Program initiatives include the prevention and reduction of obesity, chronic diseases, tobacco use, and drug overdoses.

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.

March disbursements in this category totaled \$188.2 million and were \$9.2 million (5.1%) above estimate. Year-to-date disbursements were \$2 billion and were \$125.8 million (-5.9%) below estimate. On a year-over-year basis, disbursements in this category were \$6.2 million (-3.2%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$17.8 million (0.9%) 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.

March disbursements in this category totaled \$33.8 million and were \$16.6 million (-33%) below estimate. Year-to-date disbursements were \$403.7 million and were \$177 million (-30.5%) below estimate. On a year-over-year basis, disbursements in this category were \$310,000 (0.9%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$25.1 million (6.6%) 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.

March disbursements in this category totaled \$135.6 million and were \$16.4 million (-10.8%) below estimate. Year-to-date disbursements were \$1.3 billion and were \$48.1 million (-3.6%) below estimate. On a year-over-year basis, disbursements in this category were \$5.6 million (-4%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$143.1 million (12.3%) higher than at the same point in FY 2022.

Transfers Out

Transfers out totaled \$283.6 million for March and \$2.3 billion year-to-date. The year-to-date variance of \$1.6 billion (222.8%) above estimate is due to a transfer to the Budget Stabilization Fund that occurred in January 2023 and transfers to various capital funds to support capital appropriations authorized in the FY 2023-2024 capital budget. To date, OBM has transferred \$837.2 million in cash to capital funds in lieu of issuing new debt, saving taxpayers approximately \$376 million in gross interest.

Higher Education

March disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$206.8 million and were \$2.8 million (1.4%) above estimate. This variance was primarily attributable to spending in the National Guard Scholarship program, which was \$4.6 million above estimate due to higher-than-expected requests for reimbursement from higher education institutions. Year-to-date disbursements were \$1.9 billion and were \$21.3 million (-1.1%) below estimate. On a year-over-year basis, disbursements in this category were \$5.1 million (-2.4%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$23.8 million (1.3%) 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. March reimbursements totaled \$60.9 million and were \$83.8 million (-57.9%) below estimate. Year-to-date reimbursements totaled \$973.1 million and were approximately \$102.6 million (-9.5%) 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.

March disbursements in this category totaled \$3.7 million and were \$456,000 (-10.9%) below estimate. On a year-over-year basis, disbursements in this category were \$558,000 (17.6%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$146,000 (0.2%) higher than at the same point in FY 2022.

Debt Service

March payments for debt service totaled \$147.8 million and were \$456,000 (-0.3%) below estimate. Year-to-date disbursements in this category totaled \$1.4 billion and were \$1.7 million (0.1%) above estimate. The monthly variance was primarily attributable to the timing of expected debt service payments between February and March.

4/7/2023

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL MARCH	ESTIMATED MARCH	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	696,919	685,264	11,654	1.7%	6,892,027	6,898,168	(6,141)	-0.1%
Higher Education	206,782	203,905	2,878	1.4%	1,857,186	1,878,443	(21,257)	-1.1%
Other Education	3,717	4,174	(456)	-10.9%	71,074	71,764	(690)	-1.0%
Medicaid	1,765,458	1,877,654	(112,196)	-6.0%	14,693,563	15,387,829	(694,266)	-4.5%
Health and Human Services	135,645	152,073	(16,428)	-10.8%	1,302,639	1,350,710	(48,072)	-3.6%
Justice and Public Protection	188,167	179,010	9,157	5.1%	2,020,323	2,146,100	(125,777)	-5.9%
General Government	33,827	50,458	(16,630)	-33.0%	403,683	580,663	(176,980)	-30.5%
Property Tax Reimbursements	60,921	144,687	(83,766)	-57.9%	973,060	1,075,687	(102,627)	-9.5%
Debt Service	147,793	148,250	(456)	-0.3%	1,353,066	1,351,328	1,738	0.1%
Total Expenditures & ISTV's	3,239,230	3,445,474	(206,243)	-6.0%	29,566,620	30,740,691	(1,174,072)	-3.8%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	283,566	0	283,566	N/A	1,524,701	684,900	839,801	122.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	283,566	0	283,566	N/A	2,251,732	684,900	1,566,832	228.8%
Total Fund Uses	3,522,797	3,445,474	77,323	2.2%	31,818,352	31,425,591	392,760	1.2%

4/7/2023

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	MARCH FY 2023	MARCH FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	696,919	369,373	327,546	88.7%	6,892,027	6,558,575	333,452	5.1%
Higher Education	206,782	211,850	(5,068)	-2.4%	1,857,186	1,833,385	23,801	1.3%
Other Education	3,717	3,160	558	17.6%	71,074	70,928	146	0.2%
Medicaid	1,765,458	2,522,073	(756,615)	-30.0%	14,693,563	13,480,689	1,212,874	9.0%
Health and Human Services	135,645	141,277	(5,632)	-4.0%	1,302,639	1,159,584	143,055	12.3%
Justice and Public Protection	188,167	194,386	(6,219)	-3.2%	2,020,323	2,002,529	17,794	0.9%
General Government	33,827	33,517	310	0.9%	403,683	378,544	25,138	6.6%
Property Tax Reimbursements	60,921	128,352	(67,431)	-52.5%	973,060	1,041,404	(68,344)	-6.6%
Debt Service	147,793	157,963	(10,170)	-6.4%	1,353,066	1,274,081	78,985	6.2%
Total Expenditures & ISTV's	3,239,230	3,761,951	(522,721)	-13.9%	29,566,620	27,799,720	1,766,900	6.4%
Transfers Out:								
BSF Transfer	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	283,566	9,200	274,366	2,982.2%	1,524,701	2,988,863	(1,464,162)	-49.0%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	283,566	9,200	274,366	2,982.2%	2,251,732	2,988,863	(737,131)	-24.7%
Total Fund Uses	3,522,797	3,771,151	(248,355)	-6.6%	31,818,352	30,788,583	1,029,769	3.3%

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

OBM staff that contributed to the development of this report are:

Jason Akbar, Miranda Ames, Khada Chapagai, Frederick Church, Todd Clark, Tara Clayton, Luis da Cruz, Adam Damin, Chris Guerrini, Chris Hall, Diane Hare, Richard Hurley, Paul Ingiosi, Charlotte Kirschner, Sári Klepacz, Taylor Pair, Steven Peishel, Mikaela Perkins, Craig Rethman, Stephen Riester, Matthew Sladek, Melissa Snider, Nick Strahan, and Jasmine Winston.



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 income left after they pay taxes and spend money. It is the percentage of the disposable income that people save.
Purchasing Managers Index	Produced by the Institute for Supply Management that measures expansions and contractions of the manufacturing economy. An index score reading above 50 percent indicates that the manufacturing economy is generally expanding, while below 50 percent it is generally contracting.
Real Gross Domestic Product	Produced by the Bureau of Economic Analysis, this is a measure of the inflation adjusted value of the goods and services produced by labor and property located in the United States.
Revenue Per Available Room	This is a standard performance measure used in the hotel industry calculated by multiplying a hotel's average daily room rate by its occupancy rate.
Small Business Optimism Index	The National Federation of Independent Business calculates this index to provide an indication of the health of small businesses in the United States through a composite of 10 seasonally adjusted components.

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

U.S. Labor Force Participation Rate	<p>This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.</p>
U.S. Nonfarm Payroll Employment	<p>A measure of the number of workers in the United States excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.</p>
U.S. Unemployment Rate	<p>A measure of the share of workers in the United States labor force who do not currently have a job but are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.</p>
Worker Adjustment and Retraining Notification (WARN) Act	<p>The WARN Act requires employers to provide written notices of at least 60 days in advance of covered plant closings and mass layoffs in Ohio to the Ohio Department of Job and Family Services.</p>

