

State of Ohio

Monthly Financial Report

JULY 10, 2024

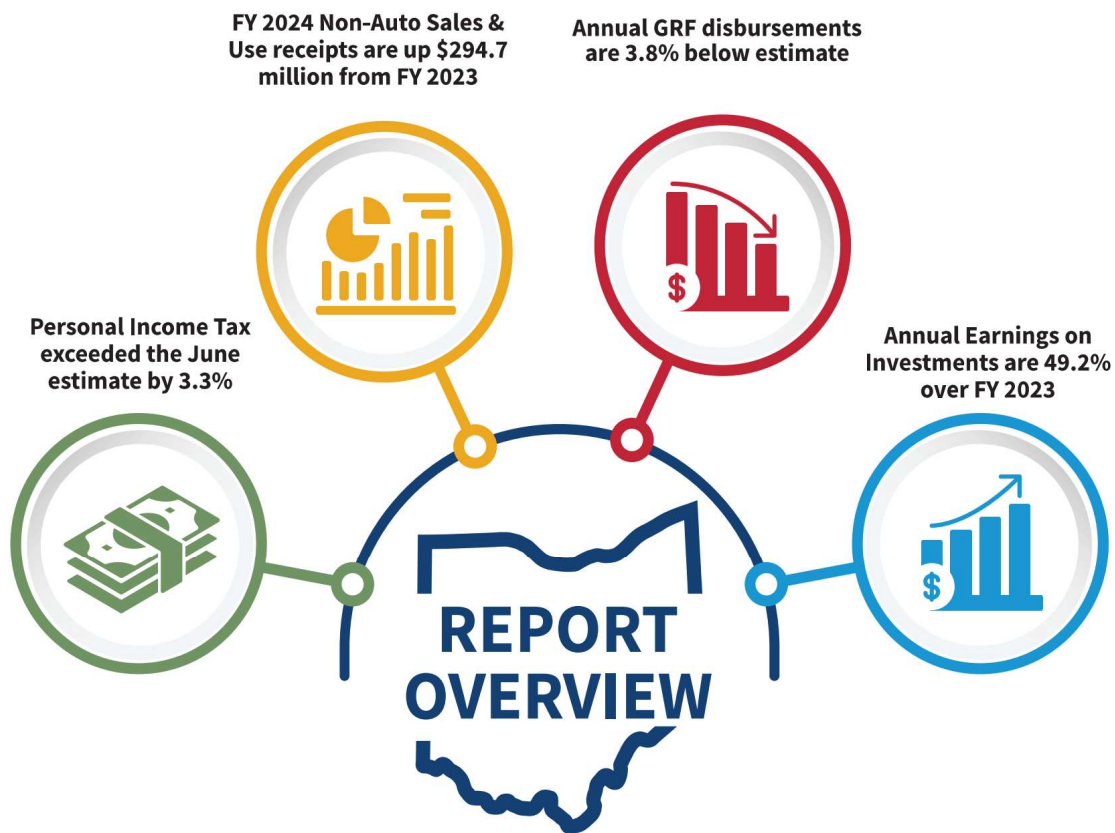
Memorandum to:
The Honorable Mike DeWine, Governor
The Honorable Jon Husted, Lt. Governor

From: Kimberly Murnieks, OBM Director



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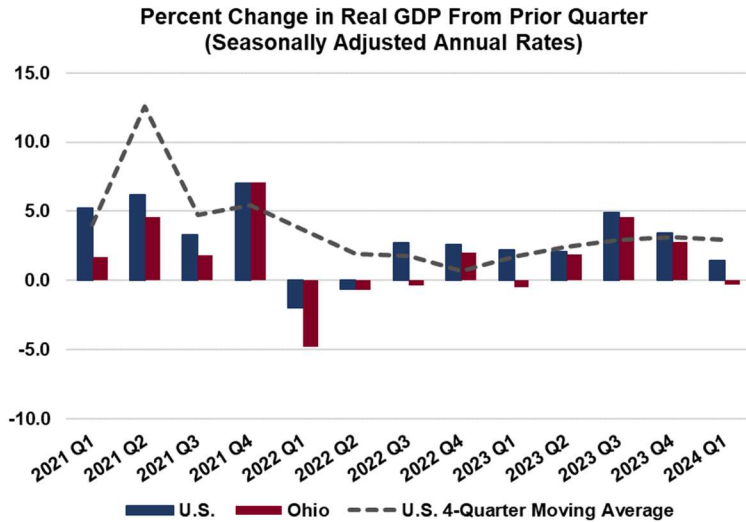


Economic Activity

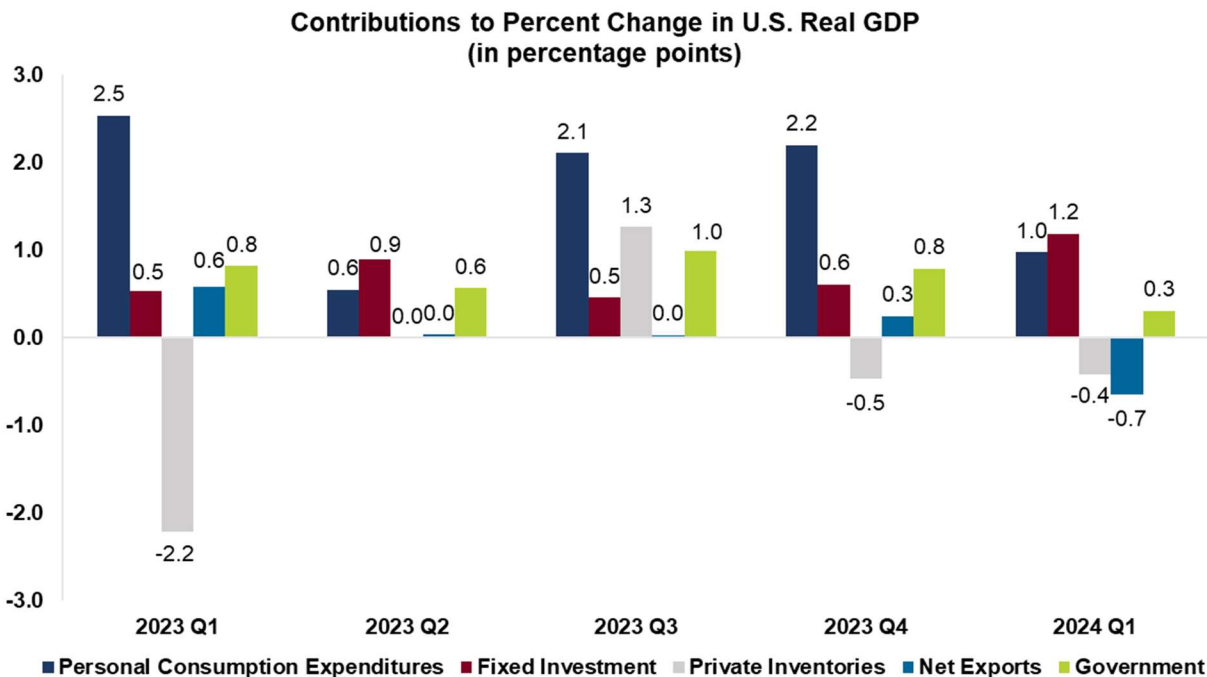
Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the first quarter of calendar year 2024 at an annualized rate of 1.4 percent, a 0.1 percentage point increase from the prior estimate. This is the seventh consecutive quarter of growth.

The first quarter increase in real GDP resulted from growth in fixed investments (1.2 percentage points), personal consumption expenditures (1 percentage point), and government expenditures (0.3 percentage points), and decreases in net exports (-0.7 percentage point), and private inventories (-0.4 percentage point).



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

Ohio's real GDP decreased by an estimated 0.3 percentage point during the first quarter of 2024, which was 1.7 percentage point below the national average. The decrease in GDP in Ohio largely reflected negative contributions in nondurable manufacturing goods (-0.5 percentage point), durable manufacturing goods (-0.3 percentage point), and agriculture, forestry, fishing and hunting (-0.3 percentage point). These decreases were partially offset by increases in retail trade (0.3 percentage point), health care and assistance (0.3 percentage point) and transportation and warehousing (0.2 percentage point).

In May 2024, the Conference Board's **Leading Economic Index** decreased 0.5 percent to 101.2, after decreasing 0.6 percent in April. In the last six months, the Index decreased 2 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that although the six-month rate remains negative, the Index does not currently signal any recession forthcoming. High interest rates and elevated inflation will continue to pose headwinds to consumer spending growth in the near-term.

The economic outlook continues to be solid, supported by ongoing resilience in the labor market and consistent, albeit softer GDP growth. While forecasters continue to caution that more moderate GDP readings may be on the horizon, employment growth was strong through the first half of 2024 and vacancies continued to fall as the labor market finds new balance. Softer consumer spending is expected into the second half of 2024 as headwinds from elevated inflation and interest rates continue to work through the economy. Recent statements from policy makers at the Federal Reserve indicate that further softening in inflation is needed before interest rates would be lowered.

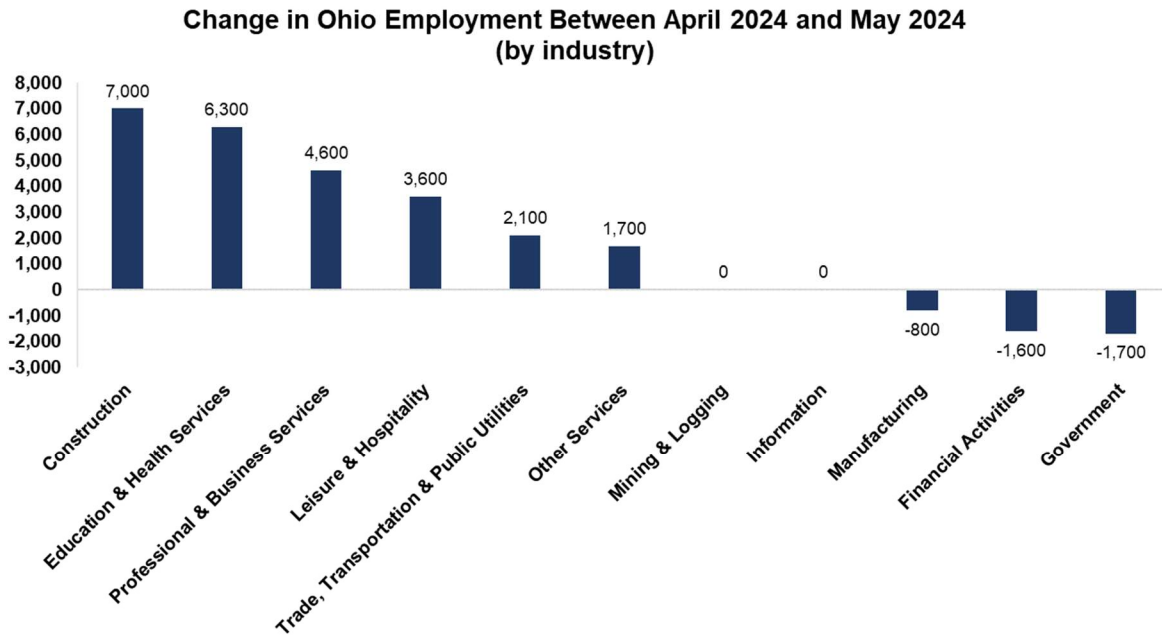
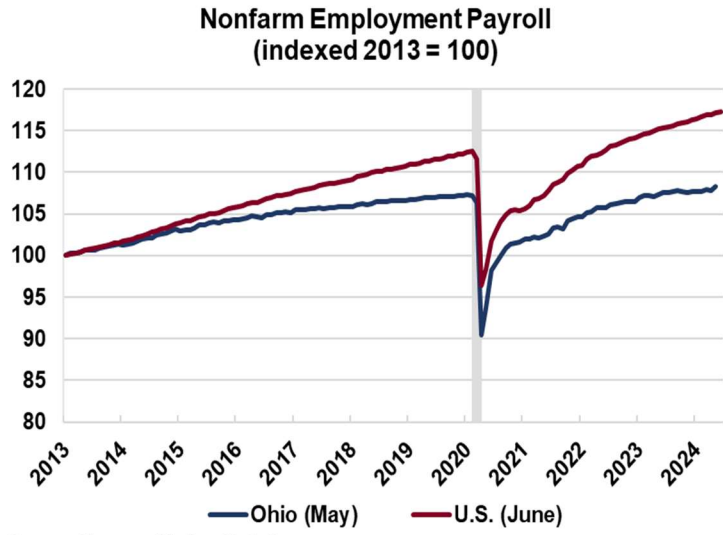
Economic Forecasts

Source	Date	2 nd Quarter 2024 Annualized GDP Forecast
IHS Markit GDP Tracker	07/05/2024	2.1%
Federal Reserve Bank of Atlanta (GDPNow)	07/03/2024	1.5%
Federal Reserve Bank of New York (Nowcast)	06/28/2024	1.9%
Moody's High Frequency GDP	06/25/2024	1.4%
Conference Board	06/13/2024	0.8%
Wells Fargo	06/14/2024	1.9%

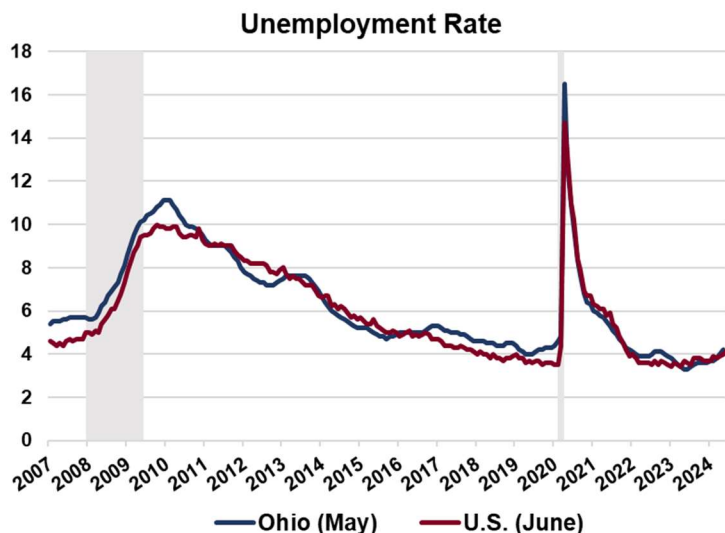
Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 21,200 jobs between April and May 2024 to 5.7 million. With this increase, nonfarm employment is 0.9 percentage point above levels in May 2023.

In Ohio, the construction industry experienced the largest employment gains in May, followed by education and health services, professional and business services, leisure and hospitality, trade, transportation and public utilities, and other services. These gains were partially offset by losses in the government, financial activities, and manufacturing industries.



Ohio's seasonally adjusted **labor force participation rate** in May 2024 was 61.9 percent, a 0.1 percentage point increase from April. The seasonally adjusted **employment-population ratio** was 59.3 in May 2024, a 0.1 percentage point decrease from April 2024.



Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in May 2024 was 4.2 percent, a 0.2 percentage point increase from April 2024's revised rate and 0.2 percentage point above the national rate at that time.

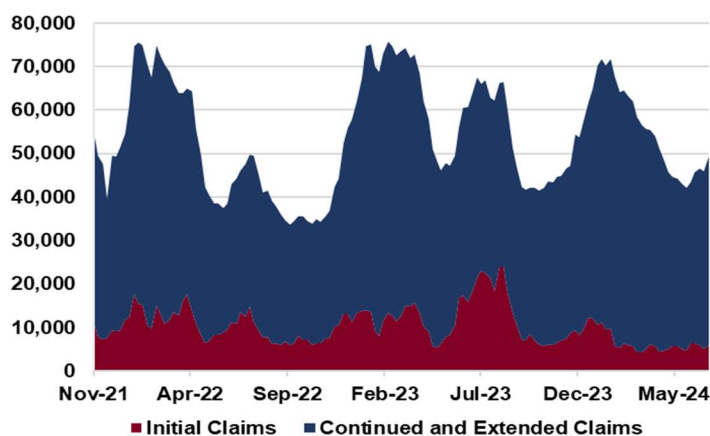
In May 2024, **initial unemployment claims** increased 0.4 percentage point for men and 26.7 percent for women compared to April 2024.

Compared to April, initial claims filed in May decreased for those who identified as American

Indian (-9.4%). Increases in initial claims were seen for individuals who identified as Asian/Pacific Islander (41.8%), Black (24.4%), White (6.8%), Hispanic (6.4%) and for individuals who did not specify their race (14%).

During the week ending June 29, 2024, individuals filed a total of 5,879 initial unemployment claims, a 14.1 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 43,345 claims, a 6.1 percent increase from the prior week.

**Ohio Total Unemployment Claims
(November 6, 2021 through June 29, 2024)**

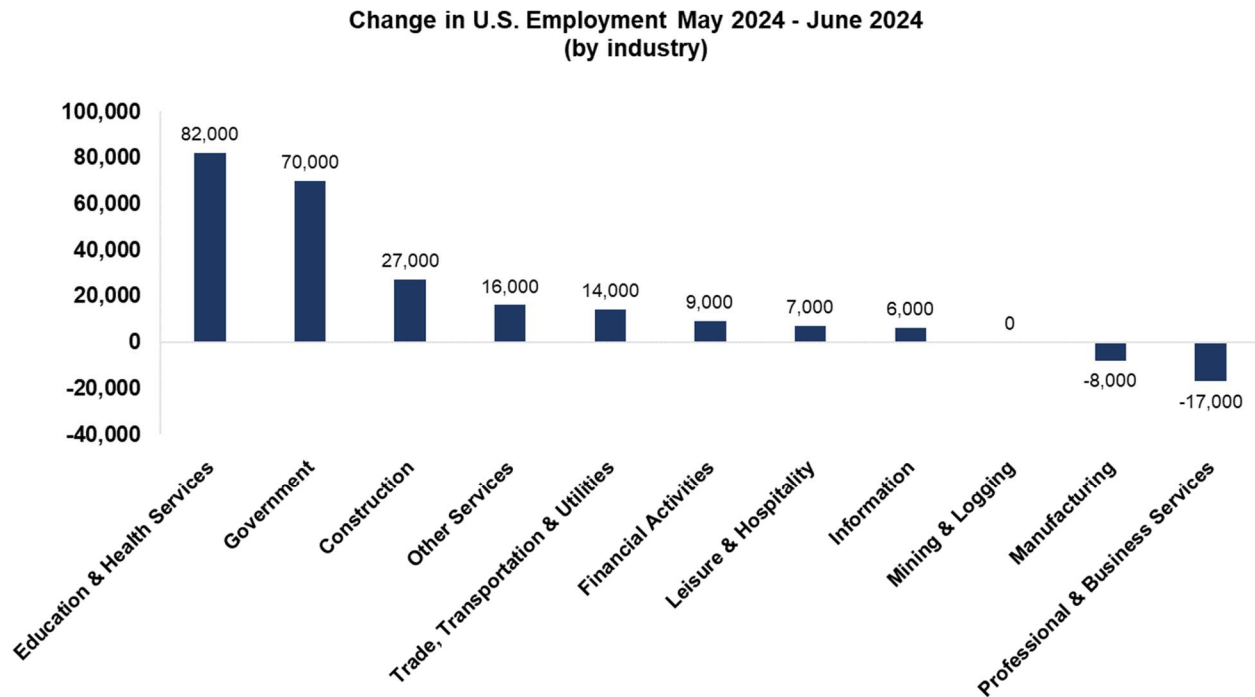


Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment increased by an estimated 206,000 jobs in June. Growth in employment was seen across multiple industries, with education and health services, government, and construction experiencing the largest gains.

206,000
Jobs Added



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased 0.1 percentage point in June to 62.6 percent. The **U.S. employment-population ratio** was unchanged from May at 60.1 percent. Both measures were below February 2020 levels by 0.7 percentage point and one percentage point, respectively.

The **U.S. unemployment rate** increased 0.1 percentage point in June 2024 to 4.1 percent while the number of unemployed individuals increased to 6.8 million. The unemployment rate was unchanged for individuals who identified as White between May and June 2024. Individuals who identified as Black (0.2 percentage point), or Asian (1 percentage point), experienced increases in unemployment rate in June, while individuals who identified as Hispanic experienced a 0.1 percentage point decrease. The unemployment rate for women increased 0.3 percentage point between May and June 2024, while the unemployment rate for men decreased 0.1 percentage point to 4.1 percent.

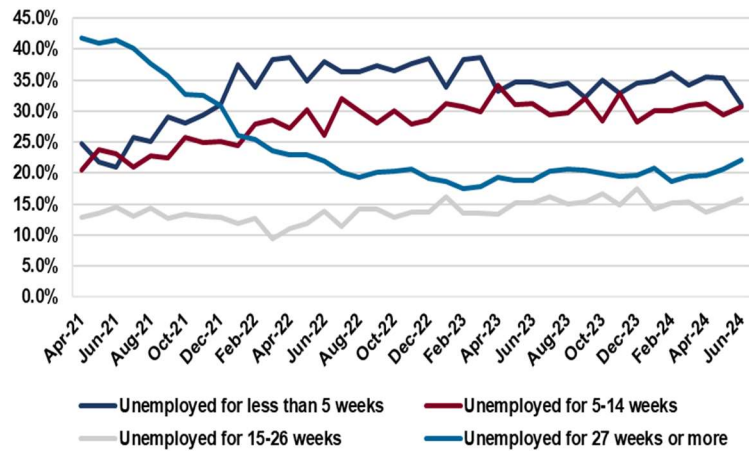
Unemployment Rates by Demographic Group

	April-24	May-24	June-24
Women	3.8%	3.7%	4.0%
Men	3.9%	4.2%	4.1%
Black	5.6%	6.1%	6.3%
White	3.4%	3.5%	3.5%
Asian	2.8%	3.1%	4.1%
Hispanic	4.8%	5.0%	4.9%

In June 2024, 31.1 percent of unemployed individuals in the nation were unemployed for less than 5 weeks, a 7.8 percent decrease from May.

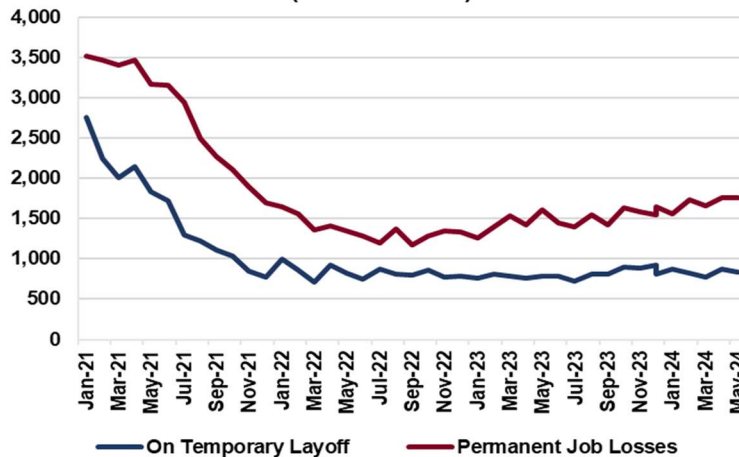
The number of **people not in the labor force who currently want a job** decreased by 8.4 percent to 5.2 million people in June.

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** decreased to 813,000 in June 2024.

The number of people with **permanent job losses** decreased by 121,000 in June to 1.6 million people.

Consumer Income and Consumption

\$23.9 Trillion

Personal income preliminarily increased by \$114.1 billion (0.3%) in May 2024 to \$23.9 trillion. The gains in May were primarily due to increases in wages and salaries of \$83.5 billion (0.7%).

Consumer Spending by Industry, for Select Industries (\$ in millions of chained 2017 dollars)

	April 2024	May 2024	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,037,383	\$ 2,059,867	0.3%	2.4%	4.3%
Motor vehicles and parts	\$ 576,390	\$ 575,806	1.1%	1.7%	5.8%
Furnishings and durable household equipment	\$ 421,778	\$ 425,652	0.9%	2.9%	2.8%
Recreational goods and vehicles	\$ 792,481	\$ 813,154	2.6%	6.0%	13.1%
Other durable goods	\$ 287,973	\$ 290,376	0.8%	5.9%	5.1%
Nondurable Goods	\$ 3,375,689	\$ 3,386,538	0.3%	1.6%	1.5%
Clothing and footwear	\$ 497,110	\$ 502,633	1.1%	1.9%	0.9%
Gasoline and other energy goods	\$ 312,263	\$ 316,426	1.3%	-0.1%	0.6%
Other nondurable goods	\$ 1,417,151	\$ 1,419,999	0.2%	2.8%	4.5%
Services	\$ 10,286,878	\$ 10,296,814	0.1%	2.8%	5.0%
Transportation services	\$ 469,089	\$ 475,656	1.4%	0.9%	0.4%
Housing and utilities	\$ 2,579,614	\$ 2,577,657	-0.1%	1.1%	1.2%
Food services and accommodations	\$ 1,067,037	\$ 1,061,575	-0.5%	1.9%	4.5%
Financial services and insurance	\$ 1,067,291	\$ 1,070,256	0.3%	2.7%	4.4%

Note: The table above provides details on real personal consumption spending in chained 2017 dollars, which differs from the figures in the text that are not adjusted for inflation.

Source: Bureau of Economic Analysis, Table 2.8.6 Real Personal Consumption Expenditures by Major Type of Product

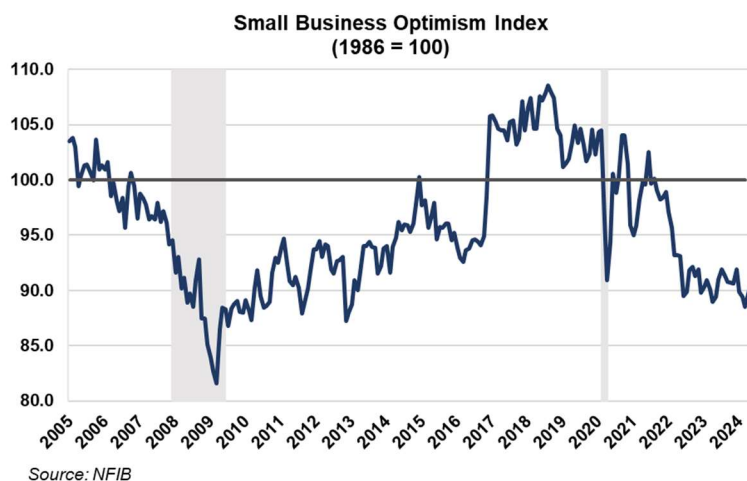
Personal consumption expenditures increased by \$47.8 billion (0.2%) between April and May 2024. Overall spending on goods increased by 0.2 percentage point in May. Spending on durable goods increased by 0.3 percentage point, with increased spending on recreational goods and vehicles (0.9%), and other durable goods (0.4%) partially offset by decreased spending on furnishings and household equipment (-0.1%). Spending on nondurable goods increased 0.2 percentage point, driven by increased spending on other nondurable goods (0.9%), and clothing and footwear (0.8%) partially offset by decreased spending on gasoline and other energy goods (-2.1%). Spending on services increased 0.3 percentage point in May 2024, driven by increased spending on health care (0.9%),

transportation services (0.7%), and housing and utilities (0.3%) that was partially offset by decreased spending on food services and accommodations (-0.3%), and other services (-0.1%).

Personal saving totaled \$806.1 billion in May 2024, a 4.9 percent increase compared to April's revised level and was 24 percent below the May 2023 level. The **personal saving rate** was 3.9 percent in May 2024, an increase of 0.2 percentage point from April 2024.

The **Consumer Price Index for All Urban Consumers** (CPI) was unchanged (0.0%) in May 2024 compared to April 2024, which followed a 0.3 percentage point increase between March and April. The "all items" index increased 3.3 percent over the last year. Compared to April, price increases in May were primarily concentrated in shelter (0.4%) and food (0.1%), while energy prices decreased 2 percent.

Both consumer opinion surveys reported incremental changes in confidence in May 2024. Respondents in the University of Michigan's **Survey of Consumers** reported a slight decrease (-1.3%) in consumer sentiment to 68.2 in June compared to May, falling below a reading of 69 for the first time since November 2023. The Conference Board's **Consumer Confidence Index** decreased by 0.9 percentage point to 100.4 in June, down from a revised 101.3 in May. Despite the modest decrease in June, the Index remains within the same relatively narrow range that it has held for two years.



The **Small Business Optimism Index** increased 0.8 percentage points to 90.5 in May, the 27th consecutive month the index was below 98, the 50-year average. Inflation remained the top concern for 22 percent of small business owners, with quality of labor being the second highest issue reported by 20 percent of small business owners. Labor costs were cited by 10 percent as the third largest concern among owners.

Travel and Tourism

Ohio's three largest transit authorities, the Greater Cleveland Regional Transit Authority, Central Ohio Transit Authority, and Southwest Ohio Regional Transit Authority provided an estimated combined 3.8 million unlinked passenger trips in June 2024. This was 1.7 percent below May 2024 ridership levels, and 22.5 percent above June 2023 ridership levels.

Nationally, 82 million travelers went through TSA checkpoints in June. Average airline checkpoint traffic increased 2.1 percent in June 2024 compared to May 2024. **Total travel throughput** in June 2024 was 6.1 percent higher than in June 2023.

In the United States, the **hotel occupancy rate** was 71.9 percent for the week ending June 29, 2024, 3.2 percent higher than the comparable week in 2023. The **average daily rate** for a hotel room was \$162.81, a 3.6 percent increase from 2023. **Revenue per available room** was \$117.13, 6.9 percent higher than in the same week in 2023.

Industrial Activity

According to data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.9 percentage point between April 2024 and May 2024 and was 0.4 percentage point above May 2023.

The **Manufacturing Production Index** increased 0.9 percentage point in May 2024 to 99.8 and was 0.1 percentage point higher than May 2023. Nationally, manufacturing in all 10 of Ohio's top 10 industries increased production between April and May 2024. Increases in production were led by petroleum and coal products (4.2%), machinery (2.3%), chemicals (1.8%), primary metals (0.7%), motor vehicles and parts (0.6%), and fabricated metal products (0.5%).

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

Manufacturing Sector	Percent Change March 2024 and April 2024	Percent Change April 2024 and May 2024	Percent Change May 2023 and May 2024
Aerospace and Other Transportation Equipment	1.1%	0.3%	3.8%
Chemicals	-0.5%	1.8%	0.8%
Electrical Equipment	-0.2%	0.1%	0.6%
Fabricated Metal Products	-0.1%	0.5%	0.0%
Food Beverage and Tobacco Products	0.7%	0.3%	-1.8%
Machinery	-0.9%	2.3%	-1.5%
Motor Vehicles and Parts	-1.9%	0.6%	-0.5%
Petroleum and Coal	-4.2%	2.8%	3.1%
Plastics and Rubber Products	0.8%	0.3%	1.2%
Primary Metals	0.1%	0.7%	-2.4%

In June 2024, the Institute for Supply Management (ISM) reported the **Purchasing Managers Index** (PMI) for the United States was 48.5, a decrease of 0.2 percentage point from May's reading. The Index stayed below 50 for the third month in a row, indicating contraction in the manufacturing sector.



Across the nation, eight of the 17 industries tracked by ISM increased production in May. Printing and Related Support Activities; Petroleum and Coal Products; and Primary Metals increased the most. Industries reporting the largest contractions were Textile Mills; Machinery; and Fabricated Metal Products. According to the chair of the survey committee, the manufacturing sector contraction resulted from weak demand and a decline in outputs; however, inputs

continued to meet future demand growth. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management suggests that demand is scaling back across many industries.

Order levels in two of our main divisions are indicating weak demand, and now we must work to reduce inventory levels. [Fabricated Metal Products]

Consumer demand and inventories are no longer stable at retail and food service establishments. [Food, Beverage & Tobacco Products]

Ohio and Midwest Construction and Housing Market

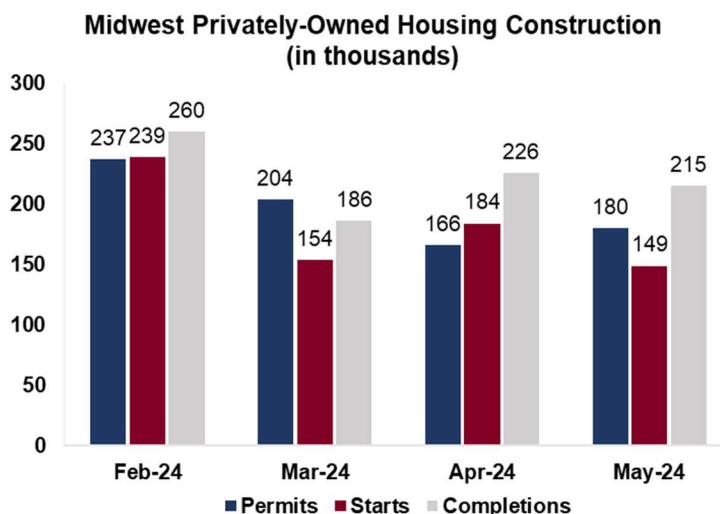
In Ohio, **building permits** for privately-owned housing units increased 4.1 percent between April and May 2024 and were 21.4 percent above the number of permits issued in May 2023.

Privately-owned housing starts in the Midwest decreased 19 percent between April and May 2024 and were 43.1 percent below May 2023 levels.

In May 2024, privately-owned housing completions in the Midwest decreased 4.9 percent compared to April 2024 and were 10.8 percent above May 2023.

New home sales in the Midwest decreased 8.6 percent between April and May 2024 but were 13.3 percent above April 2023.

In May 2024, 12,642 homes sold in Ohio, a 3.2 percent increase from May 2023. The average sales price in Ohio was \$305,041, a 9.1 percent increase compared to May 2023. The president of Ohio REALTORS reported that overall, the sales data continue to show that Ohio’s housing market remains strong and is encouraging for both potential buyers and current homeowners.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest decreased ten points from May to June 2024 to 40, three points below the national level. The national index fell two points in June compared to May.

U.S. Construction and Housing Market

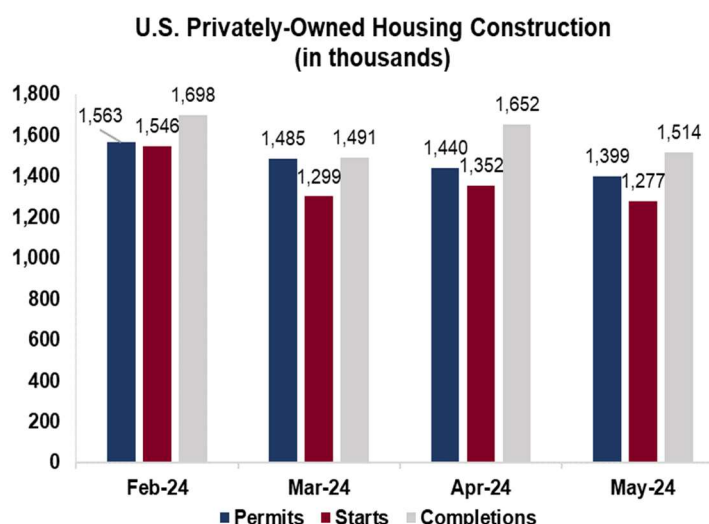
The U.S. Census Bureau reported **total construction spending** in May 2024 at a seasonally adjusted rate of \$2.1 trillion, a 0.1 percentage point decrease from the revised April estimate. The May 2024 spending estimate was 6.4 percent above spending in May 2023.

Public sector construction spending increased an estimated 0.5 percentage point in May 2024 compared to the revised April estimate, bringing the seasonally adjusted annual total to \$487.6 billion. Public spending on nonresidential construction increased 0.4 percentage point from April's revised estimate to \$475.4 billion in May 2024 and was 9.6 percent above May 2023 levels.

Private sector construction spending decreased 0.3 percentage point between April and May 2024 at a seasonally adjusted annual total of \$1.6 trillion and was 5.4 percent above May 2023 levels. Private residential construction in May was 0.2 percentage point below April's revised level and was 6.5 percent above May 2023's spending. Private nonresidential construction decreased by 0.3 percentage point in May 2024 compared to April 2024 but was 4.1 percent above May 2023.

In the United States, the number of **building permits** issued for privately-owned housing units decreased 2.8 percent between April and May 2024 and was 8.7 percent below the number of permits issued in May 2023.

Nationally, privately-owned housing starts decreased 5.5 percent between April and May 2024 and were 19.3 percent below May 2023 levels.



Source: U.S. Census Bureau through FRED

In May, **newly built single-family home sales** decreased by 11.3 percent compared to April and were 16.5 percent below sales in May 2023. The national median sales price in May 2024 was \$417,400, a 0.1 percentage point decrease compared to the revised April median sales price and was 0.9 percentage point lower compared to May 2023.

According to the National Association of Realtors, **existing home sales** decreased 0.7 percentage point in May compared to April. May's 2024 existing home sales decreased 2.8 percent from May 2023 to an annual rate of 4.1 million housing units. The median sale price of all existing homes increased 5.8 percent from a year ago to \$419,300. Available inventory in May 2024 totaled 1.3 million units, a 6.7 percent increase compared to April 2024 and 18.5 percent compared to May 2023's inventory level.

Revenues

June GRF tax revenues were \$55.3 million (-2.1%) below estimate. The auto sales tax was the primary reason for the June result, missing its estimate by \$39.1 million (-21%). Personal income tax outperformed all taxes in June, beating estimates by \$29.1 million (3.3%). Tax receipts for the fiscal year were \$484.7 million (1.7%) lower than expected. Overall, total state-source revenues and transfers were \$120 million (-0.4%) below the FY 2024 estimate.

GRF sources for June totaled \$3.4 billion and were \$122 million (3.8%) above the estimate. As noted above, tax revenues had a negative variance of \$55.3 million (-2.1%) from the estimate. Non-tax revenues were \$177.2 million (29.7%) above the estimate while transfers were \$68,000 above estimate. For the year, transfers were above estimate while tax revenues and non-tax revenues were below estimate, as shown in the table below.

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

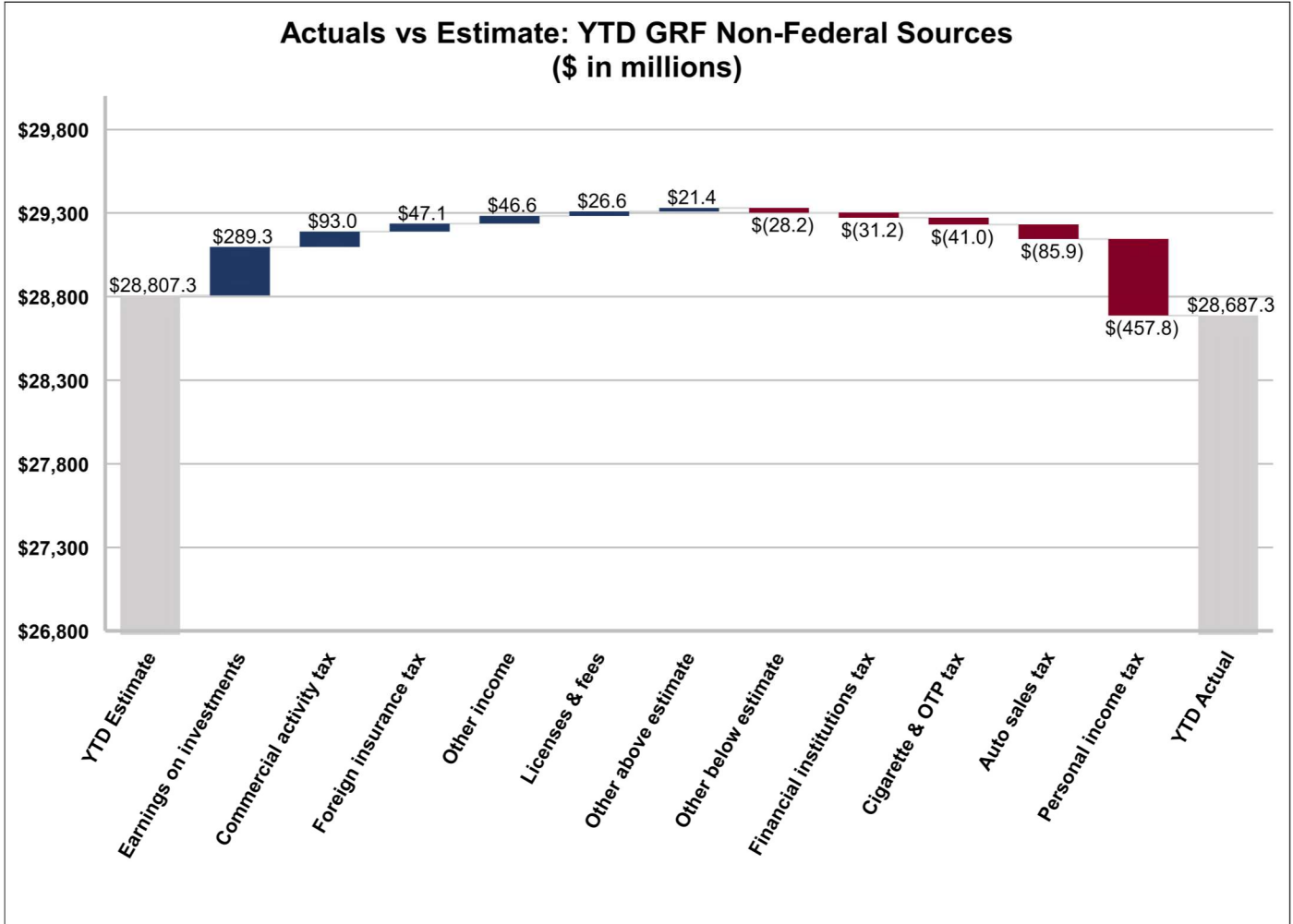
Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, estate	\$ (484.7)	-1.7%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (458.8)	-3.3%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 15.4	N/A
Total Receipts and Transfer Variance		\$ (928.1)	-2.2%
Non-Federal Receipts and Transfer Variance		\$ (120.0)	-0.4%
Federal Grants Variance		\$ (808.2)	-6.0%

The following table shows that in June, the number of sources above the estimate (a positive variance of \$234.1 million) exceeded the number of sources below the estimate (a negative variance of \$112.1 million), resulting in a net positive variance of \$122 million from the estimate.

GRF Revenue Sources Relative to Monthly Estimates – June 2024
(\$ in millions)

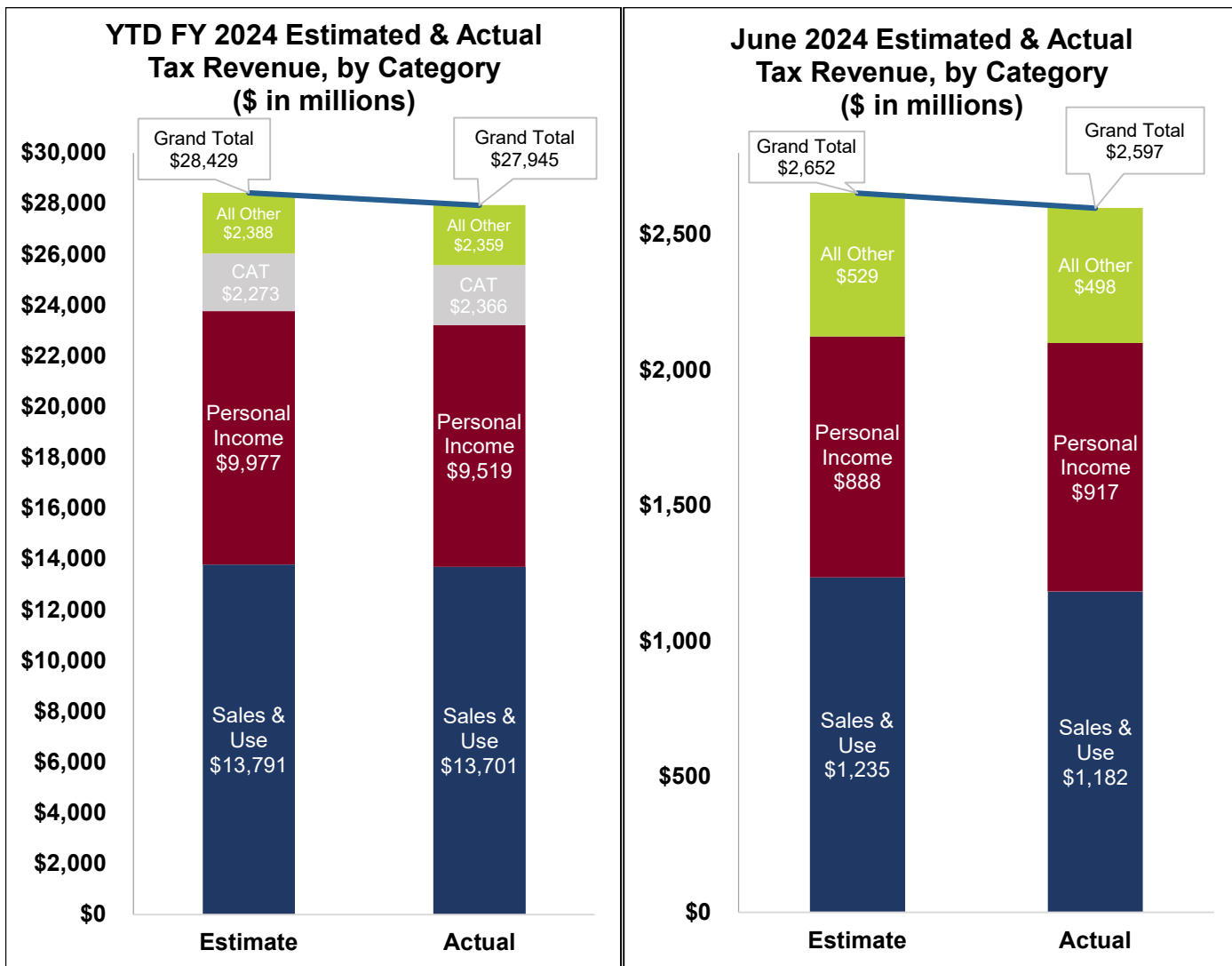
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Federal Grants	\$ 75.8	Auto Sales Tax	\$ (39.1)
Earnings on Investments	\$ 73.6	Cigarette and Other Tobacco Products Tax	\$ (16.5)
Personal Income Tax	\$ 40.1	Non-Auto Sales Tax	\$ (14.1)
Natural Gas Distribution Tax	\$ 5.1	ISTVs	\$ (13.9)
Other revenue sources above estimate	\$ 2.6	Financial Institutions Tax	\$ (9.7)
		Foreign Insurance Tax	\$ (8.9)
		Other revenue sources below estimate	\$ (10.0)
Total Above	\$ 234.1	Total Below	\$ (112.1)

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



The preceding chart shows how various sources have contributed to the variance between actual and estimated non-federal revenues and transfers through June 2024. For the fiscal year, the difference was \$120 million below the forecast.

The following chart shows estimated and actual GRF tax revenues for the year and for June 2024, categorized by tax source. Sales and use tax revenues accounted for 49 percent of total tax revenues during the year while personal income tax accounted for 34.1 percent.



In June, total receipts and transfers decreased by \$123.5 million (-3.5%) compared to last year. Tax revenues decreased \$138.9 million (-5.1%), while non-tax revenues increased \$16.8 million (2.2%) and transfers decreased \$1.4 million. For the year, tax receipts ended up \$971.2 million (-3.4%) below last year, and non-tax receipts were \$205.7 million (-1.5%) below last year. Transfers were \$2.2 million (16.3%) above last year.

The source with the largest year-over-year dollar increase in June was non-auto sales tax at \$12.7 million (1.2%), followed by federal grants at \$12.2 million (1.9%), and natural gas distribution tax at \$11.4 million. The largest decreases were in personal income tax at \$46.7 million (-4.8%), auto sales tax at \$40.3 million (-21.5%), and domestic insurance tax at \$30.3 million (-8.3%). The largest FY 2024 increases were in non-auto sales tax at \$294.7 million (2.6%), followed by commercial activity tax at \$214.2 million (10%), and earnings on investments at \$149.8 million (49.2%). The largest year-to-date decreases were in personal income tax at \$1.3 billion (-11.8%), and federal grants at \$285.7 million (-2.2%).

Non-Auto Sales Tax

For June, GRF non-auto sales and use tax collections totaled \$1.04 billion, \$14.1 million (-1.3%) below the estimate. Total FY 2024 non-auto sales tax revenue was nearly identical to the annual estimate, with a variance of 0.0% (-\$4.7 million). June revenue was \$12.7 million (1.2%) higher than the previous year, and for the year, this revenue source grew by \$294.7 million (2.6%) from FY 2023 levels.

This year's growth was modestly boosted by last year's unusually large refund payments which suppressed last year's first-quarter GRF collections. If the July-September 2022 refunds had equaled the amounts paid this year, year-to-date GRF non-auto sales tax revenue would have increased by 1.3 percent. An alternative view comes from observing growth during the October 2023-June 2024 period: across those nine months, revenues increased 1.2 percent from their FY 2023 level. June matched that nine-month growth rate.



The latest data from the U.S. Census Bureau's Advance Monthly Retail Trade Survey (MARTS) program shows year-over-year growth in May. Focusing on stores primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the data from MARTS indicates a 3.2 percent increase in national sales, not seasonally adjusted, during May 2024. In April and March, year-over-year growth was 4.7 percent and 3.1 percent, respectively. By comparison, Ohio's non-auto GRF sales tax revenue increased by 2.4 percent in May, increased by 1 percent in April, and decreased by 0.5 percent in March.

The MARTS data show varying directions in recent month-over-month sales performance. On a seasonally adjusted basis, May 2024 sales for the retail categories

listed above were 0.4 percent higher than April, following a 0.8 percent decrease in April from March and a 0.9 percent increase in March from February.

Auto Sales Tax

June auto sales tax revenues were \$146.9 million, which is \$39.1 million (-21%) below estimate. Revenues ended the year at \$85.9 million (-4.3%) below the estimate. Revenues were \$40.3 million (-21.5%) below last June and for the year were \$77.4 million (-3.9%) below FY 2023.

Auto sales tax revenues decreased from a year ago during all but three months of FY 2024. However, June experienced the year's largest monthly decline, nearly twice the size of the next-largest decrease which occurred in September. The CDK Global cyberattack in late June greatly diminished the business functionality of many auto dealers. This event may have contributed to the negative June auto sales tax outcome. OBM continues to monitor developments pertaining to this issue.

Quarterly data from the Ohio Bureau of Motor Vehicles (BMV) provides details on FY 2024 taxable motor vehicle transactions, including a break-out between new and used vehicles. During the April-June 2024 quarterly period, aggregate motor vehicle sales decreased by \$229.1 million (-2.4%) from FY 2023; for the fiscal year, they decreased by \$1.1 billion (-2.9%). New vehicle sales decreased by \$83.8 million (-2.2%) for the quarter while used vehicle sales declined by \$145.3 million (-2.6%). During FY 2024, new vehicle purchases grew by \$177.9 million (1.3%) and used vehicle purchases dropped by \$1.2 billion (-5.5%).

Details on transaction volumes and prices cast further light on new and used vehicle market changes. The total number of taxable motor vehicle transactions in FY 2024 were 10,288 (-0.5%) below the prior year, with new vehicle transactions growing by only 973 (0.3%) and used vehicle transactions declining by 11,261 (-0.7%). Average prices for new and used vehicles also went in different directions during FY 2024: new vehicle prices grew by \$372 (1%) from last year while used vehicle prices declined \$680 (-4.8%), with composite prices decreasing by 2.4 percent. Even with the recent decline in used vehicle prices, they remain 38.1 percent above the pandemic-era low reached in the third quarter of 2020. New vehicle prices are currently 20.4 percent above the same quarter.

According to the U.S. Department of Commerce's Bureau of Economic Analysis, June national sales of new light vehicles reached a seasonally adjusted annual rate (the number of sales that occurred during the month adjusted for seasonal variations and expressed as an annualized total) of 15.3 million units. June sales were down 4 percent from May and down 4.8 percent from a year ago. On an unadjusted basis, light vehicle unit sales in June were at 1.32 million units. This is 7.6 percent below the previous month and 3.4 percent below last June.

While transaction prices for new vehicles remain high, price growth for the nation slowed significantly in calendar year 2023, and this trend has continued in 2024. The latest

release of the Consumer Price Index for All Urban Consumers (CPI-U) data from the U.S. Bureau of Labor Statistics shows a 0.5 percent month-over-month decrease in May, representing the fourth consecutive monthly decline and the largest monthly decline since April 2020. Recent year-over-year price changes show a downturn in prices. The CPI-U for new motor vehicles in May 2024 was down 0.8 percent from May 2023, marking the third consecutive month of annual price declines. Until March of this year, there have been no year-over-year declines since June 2020. Despite a large price slowdown in 2023 and modest reductions in 2024, new vehicle prices remain significantly above pre-pandemic levels, with the CPI-U for new motor vehicles being 18.2 percent higher than in February 2020.

Turning to national used vehicle data, May 2024 retail sales reached an elevated 1.62 million units according to data reported by Cox Automotive. This figure is 16.9 percent higher than May 2023. Sales volume in May 2024 represents the highest monthly level since March 2022. Retail unit sales during the first five months of this calendar year are four percent higher than the previous year.

Used vehicle prices peaked in January 2022 and have trended downward since then. The Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, is 12.1 percent lower in May 2024 than the preceding May; the Index is 17.1 percent below March 2023 when prices attained their most recent peak. Retail prices tend to move in the same direction as wholesale prices but with a lag. The May CPI-U for used vehicles is down by 8.6 percent from its peak in May 2023. However, used-vehicle prices remain significantly higher than pre-pandemic levels, with the May 2024 CPI-U index being 30.3 percent higher than in January 2020.

Personal Income Tax

June GRF personal income tax receipts totaled \$916.9 million, which is \$29.1 million (3.3%) above the estimate. Total FY 2024 personal income tax revenue was \$457.8 million (-4.6%) below the estimate. On a year-over-year basis, June income tax collections are down \$46.7 million (-4.8%). Revenue for the year ended \$1.28 billion (-11.8%) lower than last year.

Income tax bracket and rate reductions enacted in the FY 2024-2025 operating budget bill, which took effect in taxable year 2023, impacted income tax collections and refunds during the tax return filing season that commenced in January. Reduced revenues from those changes explains the year-over-year decline in personal income tax revenue during FY 2024.



For the month, monthly withholding collections totaled \$821.8 million and were \$8.8 million (-1.1%) below the estimate. For the fiscal year, this component was \$141 million (1.3%) above estimate. Monthly withholding was \$89.6 million (9.8%) below last June and for the year was \$218.6 million (-2%) below FY 2023. June 2024 contained two fewer business days than the prior year, so the reduced number of pay-in days contributed to

the collections decline from June 2023.

The monthly withholding category primarily consists of income tax withheld by employers and paid to the state. It also includes estimated taxes paid by certain types of pass-through entities on their taxable income (these are pass-through entity withholding taxpayers, using the IT-1140ES estimated payment return). Beginning in tax year 2022 the Electing Pass-Through Entity (EPTE) tax became a filing and payment option. For the seven months following the June 2022 enactment, EPTE estimated taxes were paid using the IT-1140ES as an interim form, and these collections are included in the monthly withholding category. Beginning in February 2023, EPTE estimated tax payments were made using the IT-4738ES form and these collections are included in the estimated payments category. Pass-through entity tax payments have shifted significantly from IT-1140ES returns to the IT-4738ES tax returns. This pronounced shift explains the decrease in FY 2024 year-to-date collections for this category from FY 2023 levels.

The details within the withholding category reveal dynamic performance for employer withholding this fiscal year. A reduction in the employer withholding tax rates went into effect in November 2023. The rate reductions were not uniform across the various withholding tax brackets but were estimated to result in an overall 10 percent decrease in withholding tax collections. Total FY 2024 employer withholding collections were \$149.9 million (1.4%) above last year, which is respectable growth considering the rate reduction in effect for two-thirds of the year.

Annual withholding represents amounts associated with annual returns filed by pass-through entity withholding taxpayers. The figures reported for this category are after accounting adjustments attributable to taxpayers who remitted their estimated payments using the IT1140ES return but ultimately filed their annual return as either an EPTE taxpayer or as a composite income taxpayer. For this income tax category, the monthly adjustment is consistently a negative amount. June collections were \$2.8 million but the month's -\$4.1 million adjustment resulted in the reported -\$1.3 million figure. Nonetheless, the -\$1.3 million amount represents a \$7.9 million positive variance from the -\$9.2 million estimate. For the year, collections were \$109.8 million. After applying the adjustments, the total reported figure for this category is a negative amount, -\$157.6 million. The estimate anticipated a positive amount of \$82.6 million for FY 2024, resulting in a negative variance of -\$240.2 million.

Annual tax return payments during June were \$20.4 million, which was \$14.6 million (-41.6%) below estimate. For FY 2024, these payments exceeded estimates by \$190.2 million, which is 14.2 percent higher than expected. This payment category decreased by \$37.2 million (-64.5%) in June compared to last year; it declined by \$166.1 million (-9.8%) for the year.

The annual return category includes payments that accompany individual annual income tax returns. It also includes collections from pass-through entities that use the EPTE tax filing option as well as pass-through entities that file as composite income taxpayers. Collections for this particular income tax reporting category have been inflated by the type

of accounting adjustments mentioned above: just as annual withholding collections were adjusted downward, annual return collections have received a positive adjustment of \$267.5 million for the year. Without the adjustment, this component would have been \$1.26 billion rather than the \$1.53 billion official amount. Of this \$1.26 billion “pre-adjusted” collections amount, \$431.3 million is attributable to pass-through entity (EPTE and Composite Income Tax) annual tax returns and the remaining \$827.9 million attributable to payments made on individual income tax returns (via the IT-1140 return or 40P payment voucher). Including the annual withholding category, total pass-through entity annual return tax collections have decreased \$278.3 million (-34%) from the previous year. In comparison, individual income annual return tax collections have decreased \$134.2 million (-13.9%).

June is a crucial month for estimated payments since the second quarterly payment is due during this month. These payments totaled \$18.3 million (10.3%) above estimate and \$3.1 million (-1.5%) below last year. Total FY 2024 collections exceeded the estimate by \$341.7 million (34.5%) and were \$216.8 million (19.4%) higher than last year. As explained above, the availability of the EPTE tax filing option and the delayed issuance of an EPTE-specific tax form has resulted in a shift of collections from the monthly withholding category to this category. After combining the pass-through entity portion of the quarterly estimated payments and monthly withholding categories, total estimated tax payments from pass-through entities increased by \$31.8 million (3.9%) for the year. This reflects the net impact of a \$368.5 million decrease in PTE estimated taxes paid with IT-1140ES returns and a \$400.2 million increase in PTE estimated taxes paid with EPTE (IT-4738ES) and Composite Income Tax (IT-4708ES) returns. Meanwhile, estimated payments made by individuals decreased by \$183.4 million (-24.3%) for the year.

The refund component did not meet the month’s estimate, with a negative variance of \$30.6 million (-26.5%). Refunds in June fell by \$58.1 million (-40.7%) from the previous year. For the fiscal year, refunds exceeded the estimate by \$885.1 million (33.1%) and were \$836.2 million (30.7%) higher than FY 2023. The year’s refund variance from the estimate reflects two phases: the first phase occurred during the seven months of the fiscal year when refundable pass-through entity tax credits claimed on tax year 2022 resulted in large tax refunds, particularly impacting December; and the second phase began in calendar year 2024 when refunds on tax year 2023 returns exceeded the levels anticipated in the revenue estimates.

Trust payments and other tax collections combined were \$4.1 million (-28.4%) below the June estimate. For the fiscal year, the combined categories were \$12.9 million (-7.8%) below estimate and \$27.8 million (-15.5%) below last year.

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

	Actual June	Estimate June	\$ Var	Actual Jun-2024	Actual Jun-2023	\$ Var Y-to-Y
Monthly Withholding	\$ 821.8	\$ 830.6	\$ (8.8)	\$ 821.8	\$ 911.4	\$ (89.6)
Annual Withholding	\$ (1.3)	\$ (9.2)	\$ 7.9	\$ (1.3)	\$ (31.7)	\$ 30.4
Quarterly Est.	\$ 197.1	\$ 178.8	\$ 18.3	\$ 197.1	\$ 200.2	\$ (3.1)
Annual Returns/40 P	\$ 20.4	\$ 35.0	\$ (14.6)	\$ 20.4	\$ 57.6	\$ (37.2)
Trust Payments	\$ 4.9	\$ 4.9	\$ 0.0	\$ 4.9	\$ 6.6	\$ (1.7)
Other	\$ 5.6	\$ 9.7	\$ (4.1)	\$ 5.6	\$ 11.1	\$ (5.5)
Less: Refunds	\$ (84.7)	\$ (115.3)	\$ (30.6)	\$ (84.7)	\$ (142.9)	\$ 58.1
Local Distributions	\$ (46.9)	\$ (46.7)	\$ (0.2)	\$ (46.9)	\$ (48.7)	\$ 1.8
Net to GRF	\$ 916.9	\$ 887.8	\$ (29.1)	\$ 916.9	\$ 963.6	\$ (46.6)

Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$4.2 million (-37.5%) below the June estimate. Revenues for the year ended \$93 million (4.1%) above the estimate. June revenues were down \$8.8 million (-55.7%) from last year, while revenues for the year ended \$214.2 million (10%) higher than FY 2023.

The FY 2024-2025 state operating budget made significant changes to the CAT. Beginning in July 2023, 99.35 percent of all CAT revenues after refunds are credited to the GRF; under prior law the GRF share was 84.45 percent. During the first nine months of FY 2024, this change increased GRF revenues relative to the previous law and resulted in 17.8 percent revenue growth from the prior year.

Additional changes to the CAT took effect in calendar year 2024, first affecting April 2024 revenues. These changes involve increasing the annual exclusion to \$3 million from the previous \$1 million level and repealing the “minimum tax.” The expanded exclusion entirely exempts most CAT taxpayers from the tax while all other taxpayers (those remaining on the tax rolls) will realize a reduction in tax liability. Businesses remaining subject to the CAT also experience a tax reduction from no longer paying the minimum tax. These two changes had their first impact on the CAT payments due in May 2024. Because some taxpayers opt to pay their tax in the month preceding the due date, the actual revenue impact began in April 2024.

The April through June GRF tax revenue estimates anticipated a significant net reduction in revenue from the tax policy changes, with an expected \$105 million year-over-year decrease across the three months. In comparison, actual GRF CAT revenues showed a \$73 million decrease, and this yielded a positive \$32 million (7.3%) variance from estimate during the three months.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$773.9 million and were \$177.2 million (29.7%) above the estimate for the month of June. Year-to-date non-tax receipts totaled \$13.4 billion and were \$458.8 million (3.3%) below estimate.

The monthly variance in non-tax receipts was mostly due to the Federal Grants category, which was \$116.3 million (21.4%) above estimate. This variance was due to higher than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.

Earnings on investments, which were \$74.7 million (205.4%) above estimate, also contributed to the positive variance in this category. The investments category is heavily influenced by national interest rate trends, which have remained elevated in the current fiscal year.



Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2024 VS ESTIMATE FY 2024
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL JUNE	ESTIMATE JUNE	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,035,149	1,049,200	(14,051)	-1.3%	11,783,307	11,788,000	(4,693)	0.0%
Auto Sales & Use	146,942	186,000	(39,058)	-21.0%	1,917,199	2,003,100	(85,901)	-4.3%
Subtotal Sales & Use	1,182,091	1,235,200	(53,109)	-4.3%	13,700,506	13,791,100	(90,594)	-0.7%
Personal Income	916,930	887,800	29,130	3.3%	9,519,315	9,977,100	(457,785)	-4.6%
Commercial Activity Tax	7,000	11,200	(4,200)	-37.5%	2,366,046	2,273,000	93,046	4.1%
Foreign Insurance	(7,138)	1,800	(8,938)	-496.6%	402,127	355,000	47,127	13.3%
Domestic Insurance	332,937	337,800	(4,863)	-1.4%	349,653	354,000	(4,347)	-1.2%
Kilowatt Hour	17,609	16,200	1,409	8.7%	284,541	280,900	3,641	1.3%
Financial Institutions Tax	18,805	28,500	(9,695)	-34.0%	204,901	236,100	(31,199)	-13.2%
Public Utility	3,342	3,500	(158)	-4.5%	170,308	170,800	(492)	-0.3%
Natural Gas Distribution	11,350	0	11,350	N/A	65,851	67,300	(1,449)	-2.2%
Petroleum Activity Tax	3,574	2,800	774	27.7%	13,193	11,000	2,193	19.9%
Other Business & Property	155	200	(45)	-22.5%	155	400	(245)	-61.2%
Corporate Franchise	10	0	10	N/A	213	0	213	N/A
Cigarette and Other Tobacco	100,537	117,000	(16,463)	-14.1%	750,411	791,400	(40,989)	-5.2%
Alcoholic Beverage	4,967	5,300	(333)	-6.3%	60,678	62,000	(1,322)	-2.1%
Liquor Gallonage	4,972	5,100	(128)	-2.5%	56,615	59,100	(2,485)	-4.2%
Estate	2	0	2	N/A	3	0	3	N/A
Total Tax Receipts	2,597,143	2,652,400	(55,257)	-2.1%	27,944,515	28,429,200	(484,685)	-1.7%
NON-TAX RECEIPTS								
Earnings on Investments	111,033	36,359	74,675	205.4%	454,325	165,000	289,325	175.3%
License & Fees	1,110	729	381	52.3%	126,629	100,000	26,629	26.6%
Other Income	959	1,250	(291)	-23.3%	145,769	99,200	46,569	46.9%
ISTV'S	5	13,900	(13,895)	-100.0%	750	13,900	(13,150)	-94.6%
TOTAL STATE SOURCE	2,710,250	2,704,638	5,613	0.2%	28,671,988	28,807,300	(135,312)	-0.5%
Federal Grants	660,765	544,458	116,307	21.4%	12,645,652	13,453,826	(808,174)	-6.0%
Total Non-Tax Receipts	773,872	596,696	177,176	29.7%	13,373,125	13,831,926	(458,801)	-3.3%
TOTAL REVENUES	3,371,015	3,249,096	121,919	3.8%	41,317,641	42,261,126	(943,486)	-2.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	68	0	68	N/A	15,356	0	15,356	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	68	0	68	N/A	15,356	0	15,356	N/A
TOTAL SOURCES	3,371,084	3,249,096	121,987	3.8%	41,332,997	42,261,126	(928,129)	-2.2%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2024 VS ACTUAL FY 2023
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	JUNE FY 2024	JUNE FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,035,149	1,022,488	12,661	1.2%	11,783,307	11,488,563	294,744	2.6%
Auto Sales & Use	146,942	187,255	(40,313)	-21.5%	1,917,199	1,994,574	(77,375)	-3.9%
Subtotal Sales & Use	1,182,091	1,209,743	(27,652)	-2.3%	13,700,506	13,483,137	217,368	1.6%
Personal Income	916,930	963,580	(46,650)	-4.8%	9,519,315	10,797,208	(1,277,893)	-11.8%
Commercial Activity Tax	7,000	15,813	(8,813)	-55.7%	2,366,046	2,151,863	214,183	10.0%
Foreign Insurance	(7,138)	(772)	(6,366)	-824.3%	402,127	362,814	39,313	10.8%
Domestic Insurance	332,937	363,212	(30,275)	-8.3%	349,653	386,683	(37,030)	-9.6%
Kilowatt Hour	17,609	14,501	3,108	21.4%	284,541	278,267	6,274	2.3%
Financial Institutions Tax	18,805	27,349	(8,545)	-31.2%	204,901	239,236	(34,336)	-14.4%
Public Utility	3,342	5,075	(1,732)	-34.1%	170,308	182,859	(12,551)	-6.9%
Natural Gas Distribution	11,350	0	11,350	N/A	65,851	67,803	(1,952)	-2.9%
Petroleum Activity Tax	3,574	4,516	(941)	-20.8%	13,193	15,883	(2,691)	-16.9%
Other Business & Property	155	181	(26)	-14.4%	155	518	(363)	-70.0%
Corporate Franchise	10	14	(4)	-31.5%	213	121	92	76.4%
Cigarette and Other Tobacco	100,537	122,798	(22,260)	-18.1%	750,411	827,422	(77,011)	-9.3%
Alcoholic Beverage	4,967	5,109	(141)	-2.8%	60,678	64,518	(3,840)	-6.0%
Liquor Gallonage	4,972	4,971	0	0.0%	56,615	57,314	(699)	-1.2%
Estate	2	1	1	62.4%	3	39	(36)	-92.0%
Total Tax Receipts	2,597,143	2,736,091	(138,948)	-5.1%	27,944,515	28,915,687	(971,171)	-3.4%
NON-TAX RECEIPTS								
Earnings on Investments	111,033	106,658	4,375	4.1%	454,325	304,517	149,808	49.2%
License & Fee	1,110	656	454	69.2%	126,629	117,085	9,544	8.2%
Other Income	959	990	(31)	-3.1%	145,769	140,297	5,472	3.9%
ISTV'S	5	160	(155)	-97.0%	750	85,527	(84,776)	-99.1%
TOTAL STATE SOURCE	2,710,250	2,844,555	(134,305)	-4.7%	28,671,988	29,563,112	(891,124)	-3.0%
Federal Grants	660,765	648,561	12,204	1.9%	12,645,652	12,931,384	(285,732)	-2.2%
Total Non-Tax Receipts	773,872	757,026	16,847	2.2%	13,373,125	13,578,810	(205,684)	-1.5%
TOTAL REVENUES	3,371,015	3,493,116	(122,101)	-3.5%	41,317,641	42,494,496	(1,176,855)	-2.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	68	1,486	(1,418)	-95.4%	15,356	13,199	2,157	16.3%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	68	1,486	(1,418)	-95.4%	15,356	13,199	2,157	16.3%
TOTAL SOURCES	3,371,084	3,494,602	(123,518)	-3.5%	41,332,997	42,507,696	(1,174,699)	-2.8%

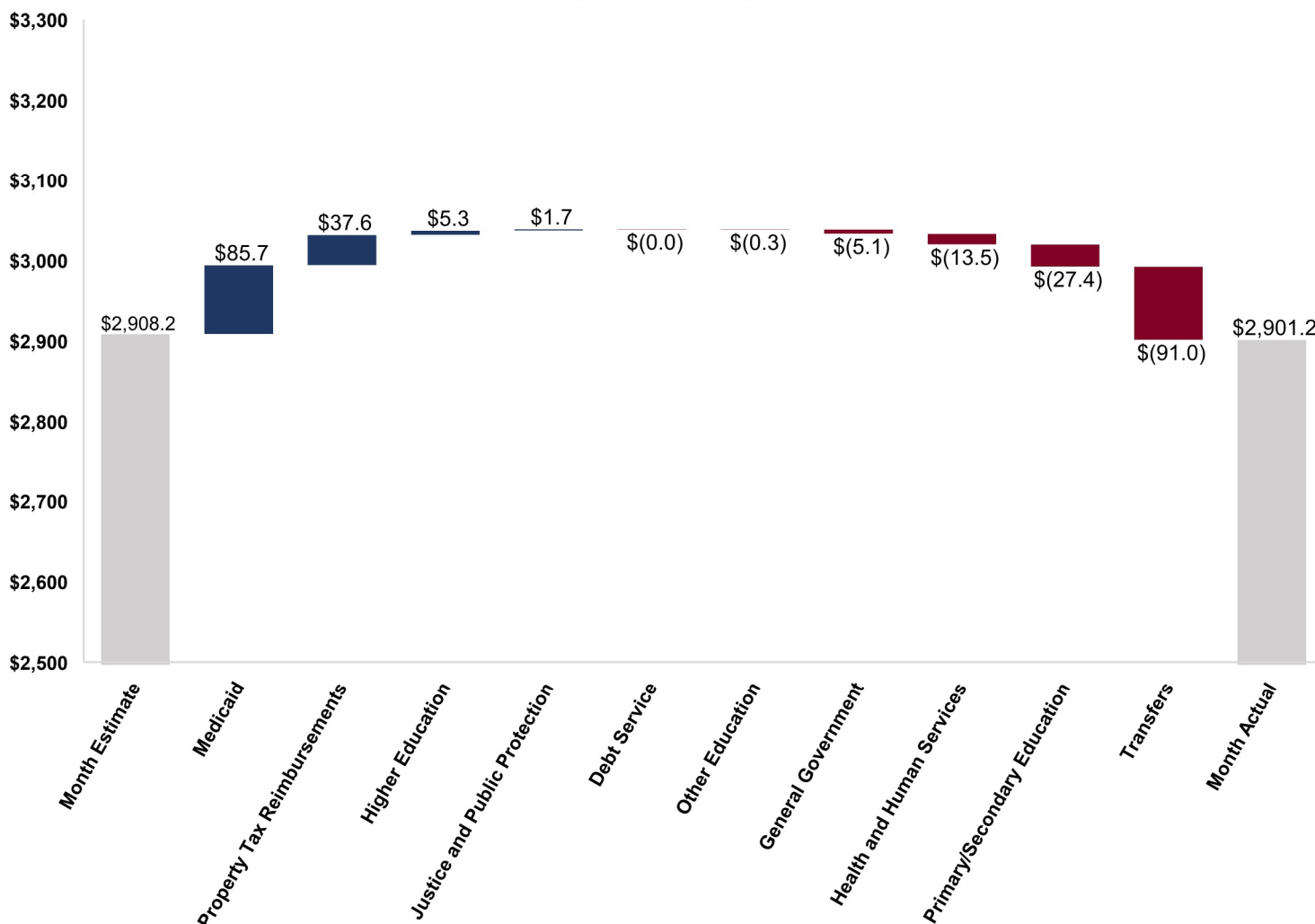
Disbursements

June GRF disbursements, for all uses, totaled \$2.9 billion and were \$7 million (-0.2%) below estimate. This variance was primarily due to lower-than-estimate transfers and was partially offset by higher-than-estimate Medicaid and Property Tax Reimbursement categories.

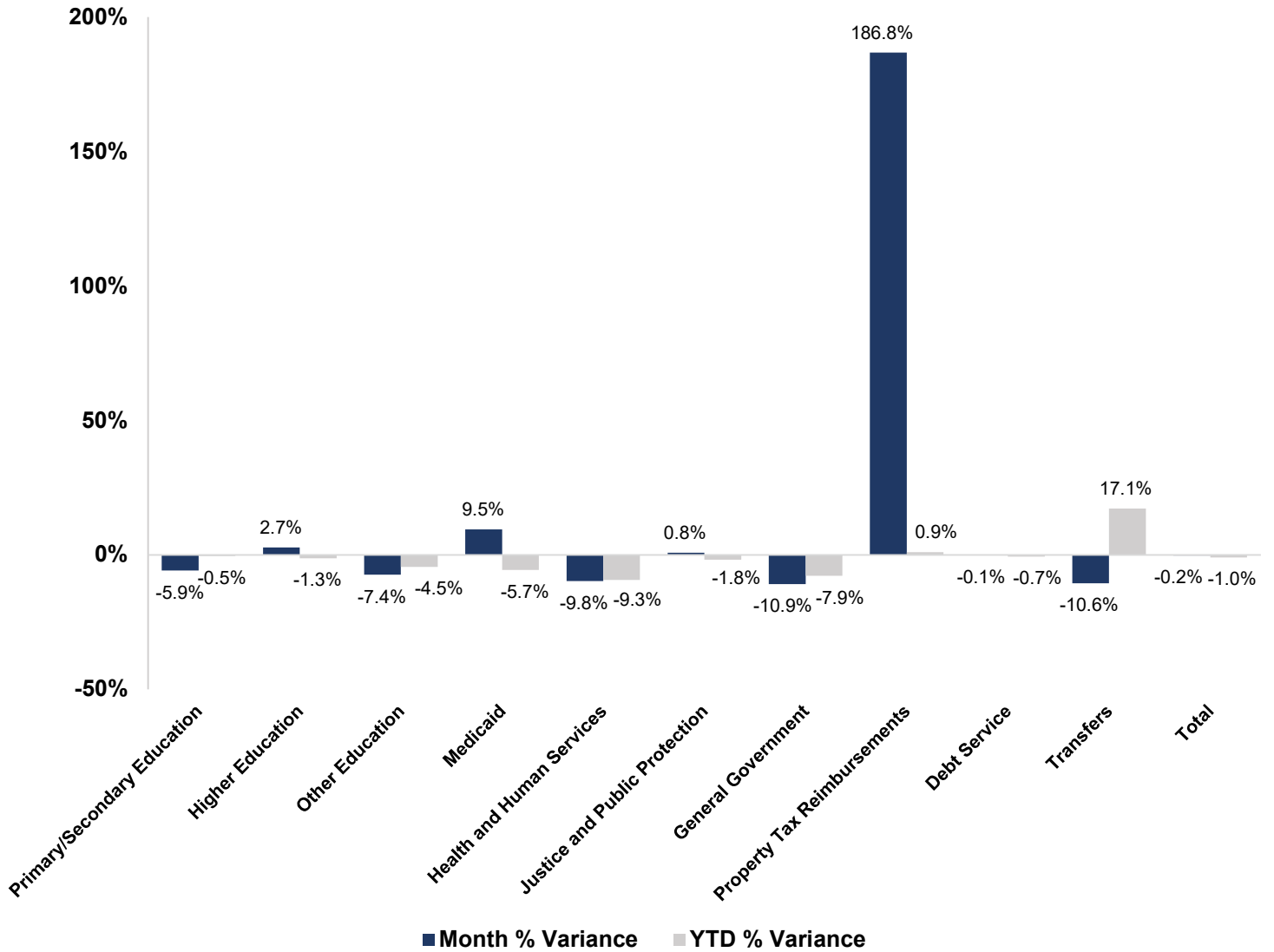
On a year-over-year basis, total June disbursements were \$328.8 million (18.2%) higher than those of the same month last fiscal year, with the Medicaid and Primary and Secondary Education categories largely responsible for the difference.



June Disbursement Estimates vs. Actuals
(\$ in millions)



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



Property Tax Reimbursements

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. June reimbursements totaled \$57.8 million and were \$37.6 million (186.8%) above estimate. Year-to-date reimbursements totaled \$1.9 billion and were \$16.8 million (0.9%) above estimate.

Medicaid

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 Workforce, and the State Board of Pharmacy.

Medicaid Expenditures

June GRF disbursements for the Medicaid program totaled \$992.4 million and were \$85.7 million (9.5%) above estimate. Year-to-date GRF disbursements totaled \$19.3 billion and were \$1.2 billion (-5.7%) below estimate and \$845.7 million (4.6%) above disbursements for the same period in the previous fiscal year.

The June GRF disbursement variance was primarily attributable to a portion of the managed care capitation payment that was withheld from Medicaid health care plans until they meet certain quality measures. Additionally, delayed Medicaid payments, reported in prior months, were partially paid in June. The GRF variance was partly offset by below estimate caseloads. Total caseloads declined by 18,112 individuals in June, as the Department of Medicaid finalizes the resumption of routine eligibility operations.

June all-funds disbursements for the Medicaid program totaled \$3.7 billion and were \$449.4 million (13.7%) above estimate. Year-to-date all-funds disbursements totaled \$38.9 billion and were \$1.7 billion (-4.2%) below estimate and \$2.7 billion (7.6%) above disbursements for the same period in the previous fiscal year. The year-to-date disbursement variance for FY 2024 was primarily attributable to the decline in caseload mentioned above. Additionally, Medicaid administrative costs for the fiscal year were lower than anticipated.

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

	June Estimate	June Actual	Variance	Variance %
GRF	\$906.7	\$ 992.4	\$ 85.7	9.5%
Non-GRF	\$2,360.9	\$ 2,724.5	\$ 363.7	15.4%
All Funds	\$ 3,267.6	\$ 3,717.0	\$ 449.4	13.8%

Medicaid Enrollment

Total June enrollment was 3.07 million, which was 174,779 (-5.4%) below estimate and 444,185 (-12.6%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.24 million and was 96,236 (-2.9%) below estimate. The Department of Medicaid resumed routine Medicaid eligibility operations in April 2023. Total enrollment has declined by approximately 509,900 since April 2023 – an average decline of about 36,400 per month. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

June enrollment by major eligibility category was: Covered Families and Children (CFC), 1.64 million; Group VIII Expansion, 789,783, and Aged, Blind and Disabled (ABD), 497,488.

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

Transfers

June transfers out totaled \$769.5 million. Year-to-date transfers totaled \$7.4 billion and are \$1.1 billion (17.5%) above estimate. The monthly and year-to-date variances are due to transfers to various capital funds authorized in the FY 2023-2024 capital budget. When monthly disbursement estimates were developed, the timing of capital budget transfers was uncertain. As a result, these transfers were estimated to occur in June.

During the FY 2023-2024 capital biennium, OBM transferred \$2.8 billion in cash to capital funds in lieu of issuing new debt, saving taxpayers approximately \$1.3 billion in gross interest over what would have otherwise been the life of the bonds.

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education and Workforce. June disbursements for this category totaled \$435.6 million and were \$27.4 million (-5.9%) below the estimate. This variance was attributable to three programs. Foundation funding formula payments were \$30 million below projections due to the timing of several component payments, declining enrollment, and increased property values. A subsidy payment to eligible school districts for facility maintenance was made in May instead of June as planned and led to a variance of \$13.7 million. The

pupil transportation payment is below estimate by \$5.3 million and is attributable to lower than projected statewide average cost per rider and cost per mile in FY 2024. Also contributing to the variance in this program were planned payments withheld from school districts in non-compliance. These variances were offset by a delayed payment in the Industry Recognized Credential program which led to a variance of \$11.2 million, because the payment was made in June instead of May as planned.

Year-to-date disbursements total \$9.5 billion and are \$49.1 million (-0.5%) below the estimate. On a year-over-year basis, disbursements in this category were \$93.6 million (27.4%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$1.0 billion (12.2%) higher than the same point in FY 2023.

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

June disbursements in this category totaled \$124.1 million and were \$13.5 million (-9.8%) below the estimate. Year-to-date disbursements in this category totaled \$1.8 billion and are \$183.9 million (-9.3%) below the estimate. The variance is primarily due to spending by the Department of Job and Family Services. Payments related to family and children services were \$10 million below the estimate due to the timing of disbursements to counties for programs that provide the state's share of foster parent stipends, training vouchers for foster care givers, the state's child protective operating allocation, and incentives for multi-system youth.

The Department of Mental Health and Addiction Services was under estimate in June by \$14.2 million (-33.5%), primarily due to below estimated spending for boards of alcohol, drug addiction, and mental health (ADAMH) to meet locally determined mental health service needs. This program was below estimate by \$9.7 million (-86.1%) for the month of June because of delayed requests for reimbursement from local ADAMH boards.

On a year-over-year basis, disbursements in this category were \$15.4 million (14.3%) higher than for the same month last fiscal year while year-to-date expenditures are \$159.4 million (9.8%) higher than at the same point in FY 2023.

Justice and Public Protection

This category includes non-debt service GRF expenditures made by the Department of Rehabilitation and Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities. June disbursements in this category totaled \$214.8 million and were \$1.7 million (0.8%) above the estimate. The variance in this category was primarily attributed to the Office of the Public Defender's County Reimbursement program which provides counties with reimbursement for legal defense of indigent persons. To close FY 2024, the Office of the Public Defender was \$11.4 million (154%) over their estimated disbursements for June. This is due almost entirely to an increase of reimbursement requests; however, this makes up for previous months where requests were lower than expected.

Year-to-date disbursements in this category total \$3.0 billion and are \$54.3 million (-1.8%) below the estimate. On a year-over-year basis, disbursements in this category were \$35.9 million (-14.3%) below the same month last fiscal year while year-to-date expenditures are \$204.8 million (7.4%) above the same point in FY 2023.

Higher Education

June disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$198.1 million and were \$5.3 million (2.7%) above the estimate. This variance was primarily attributable to the timing of scholarship payments and based on when campuses request funds.

Year-to-date disbursements are \$2.6 billion, which is \$34.3 million (-1.3%) below the estimate. On a year-over-year basis, disbursements in this category were \$11.1 million (5.9%) higher than for the same month in the previous fiscal year.

Other Education

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

June disbursements in this category totaled \$3.9 million and were \$313,000 (-7.4%) below the estimate. Year-to-date disbursements in this category total \$102.0 million and are \$4.8 million (-4.5%) below the estimate.

On a year-over-year basis, disbursements in this category were \$17,000 (-0.4%) below the same month last fiscal year while year-to-date expenditures are \$13.3 million (15.0%) above the same point in FY 2023.

Debt

June payments for debt service totaled \$63.2 million and were within a tenth of one percent of the estimate. Year-to-date disbursements in this category totaled \$1.3 billion and were \$9 million (-0.7%) below estimate.

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.

June disbursements in this category totaled \$41.9 million and were \$5.1 million (-10.9%) below the estimate. The variance in the category was primarily attributed to a \$2 million variance by the Department of Development. This was primarily due to the timing of reimbursement requests for local development projects which the Department supports. This was partially offset by above estimate spending in the Middle Neighborhoods Investment Project which is a grant directed to invest in key commercial and residential corridors of Cleveland that was disbursed later in the year than planned.

On a year-over-year basis, disbursements in this category were \$7.5 million (21.9%) above the same month last fiscal year while year-to-date expenditures are \$1.2 billion (115.2%) above the same point in FY 2023.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2024 VS ESTIMATE FY 2024
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL JUNE	ESTIMATED JUNE	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	435,591	462,946	(27,355)	-5.9%	9,479,353	9,528,487	(49,134)	-0.5%
Higher Education	198,105	192,835	5,270	2.7%	2,575,925	2,610,203	(34,277)	-1.3%
Other Education	3,907	4,220	(313)	-7.4%	102,019	106,823	(4,803)	-4.5%
Medicaid	992,418	906,681	85,737	9.5%	19,329,476	20,495,547	(1,166,071)	-5.7%
Health and Human Services	124,089	137,557	(13,469)	-9.8%	1,784,718	1,968,648	(183,930)	-9.3%
Justice and Public Protection	214,757	213,099	1,658	0.8%	2,963,656	3,017,942	(54,287)	-1.8%
General Government	41,893	47,007	(5,114)	-10.9%	1,204,043	1,306,960	(102,916)	-7.9%
Property Tax Reimbursements	57,774	20,145	37,629	186.8%	1,873,728	1,856,916	16,812	0.9%
Debt Service	63,202	63,240	(39)	-0.1%	1,304,828	1,313,787	(8,960)	-0.7%
Total Expenditures & ISTV's	2,131,736	2,047,732	84,004	4.1%	40,617,747	42,205,313	(1,587,566)	-3.8%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	769,478	860,487	(91,010)	-10.6%	7,414,307	6,307,785	1,106,522	17.5%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	769,478	860,487	(91,010)	-10.6%	7,564,307	6,457,785	1,106,522	17.1%
Total Fund Uses	2,901,213	2,908,219	(7,006)	-0.2%	48,182,054	48,663,098	(481,044)	-1.0%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2024 VS ACTUAL FY 2023
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	JUNE FY 2024	JUNE FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	435,591	341,943	93,648	27.4%	9,479,353	8,449,907	1,029,446	12.2%
Higher Education	198,105	187,023	11,082	5.9%	2,575,925	2,447,551	128,375	5.2%
Other Education	3,907	3,924	(17)	-0.4%	102,019	88,681	13,338	15.0%
Medicaid	992,418	791,082	201,336	25.5%	19,329,476	18,483,730	845,746	4.6%
Health and Human Services	124,089	108,703	15,386	14.2%	1,784,718	1,625,331	159,387	9.8%
Justice and Public Protection	214,757	250,659	(35,902)	-14.3%	2,963,656	2,758,904	204,751	7.4%
General Government	41,893	34,375	7,518	21.9%	1,204,043	559,569	644,474	115.2%
Property Tax Reimbursements	57,774	7,556	50,218	664.6%	1,873,728	1,821,090	52,639	2.9%
Debt Service	63,202	77,708	(14,506)	-18.7%	1,304,828	1,546,978	(242,150)	-15.7%
Total Expenditures & ISTV's	2,131,736	1,802,972	328,763	18.2%	40,617,747	37,781,741	2,836,006	7.5%
Transfers Out:								
BSF Transfer	0	0	0	N/A	150,000	727,031	(577,031)	-79.4%
Operating Transfer Out	769,478	21,564	747,913	3,468.3%	7,414,307	1,555,399	5,858,909	376.7%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	769,478	21,564	747,913	3,468.3%	7,564,307	2,282,430	5,281,878	231.4%
Total Fund Uses	2,901,213	1,824,536	1,076,677	59.0%	48,182,054	40,064,171	8,117,883	20.3%

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2024
(\$ in thousands)

July 1, 2023, Beginning Cash Balance*	\$8,990,658.7
Plus FY 2024 Actual Revenues	28,671,987.3
Plus FY 2024 Actual Federal Revenues	12,645,652.3
Plus FY 2024 Actual Transfers to GRF	15,355.9
Total Sources Available for Expenditures & Transfers	50,323,676.1
Less FY 2024 Actual Disbursements**	40,617,746.3
Less FY 2024 Total Encumbrances as of June 30, 2024	1,050,465.8
Less FY 2024 Actual Transfers Out	7,564,307.5
Total Actual Uses	49,232,519.6
FY 2024 UNENCUMBERED ENDING FUND BALANCE***	\$1,091,156.5

*Includes reservations of \$1,633.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for FY 2024 was \$7,357.1 million.

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

***Pursuant to Ohio Revised Code, the FY 2024 unencumbered ending fund balance will be carried forward to Fiscal Year 2025.

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Glossary

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

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

People Not in the Labor Force Who Currently Want a Job	Individuals who want a job but are not counted as unemployed because they were not actively looking for work over the last four weeks or were unavailable to take a job for a variety of reasons including caring for children or other family members.
Permanent Job Losses	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
Personal Consumption Expenditures	Produced by the Bureau of Economic Analysis, this indicator reflects price and consumer changes of national household expenditures for goods and services exchanged in the United States economy.
Personal Income	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
Personal Saving	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (that is, after-tax income) and personal outlays.
Personal Saving 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.
Unlinked Passenger Trips	The number of times a passenger takes a public transit trip on a public transit vehicle regardless of fare paid, transfer pass used, received a free ride, or paid using another method. If a passenger transfers to another vehicle, that person takes two unlinked passenger trips.
U.S. Labor Force Participation Rate	This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.
U.S. Nonfarm Payroll Employment	A measure of the number of workers in the United States excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.

U.S. Unemployment Rate	A measure of the share of workers in the United States labor force who do not currently have a job but are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.
Worker Adjustment and Retraining Notification (WARN) Act	The WARN Act requires employers to provide written notices of at least 60 days in advance of covered plant closings and mass layoffs in Ohio to the Ohio Department of Job and Family Services.