February 10, 2020

MEMORANDUM TO: The Honorable Mike DeWine, Governor
The Honorable Jon Husted, Lt. Governor

FROM: Kimberly Murnieks, Director

SUBJECT: Monthly Financial Report

Report Overview:

From December 2018 to December 2019, Ohio non-farm employment increased by 27,300.

Non-farm payrolls across the county increased by 225,000 jobs in January, up from 147,000 in December.

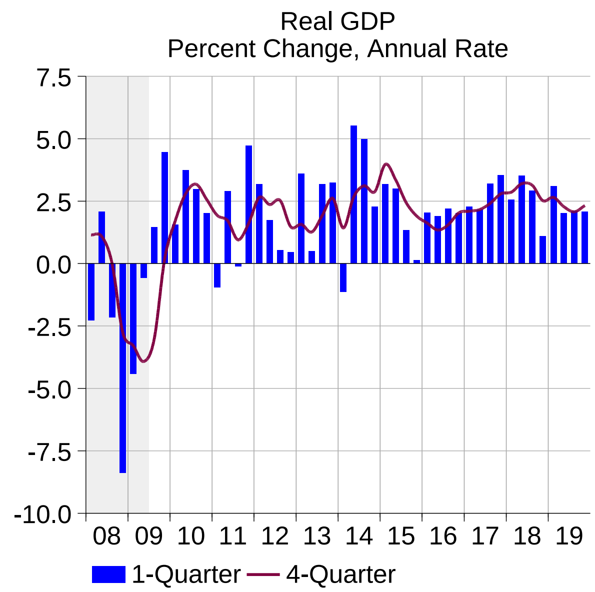
In January, total GRF tax revenues exceeded estimates by $44.7 million (2.0%). Year-to-date, GRF tax revenues are $138.0 million (1.0%) above estimate.

The consensus among forecasters is that real GDP growth is continuing in the first quarter at a 1.6 percent-2.9 percent pace, approximately the same as in the fourth quarter.

Economic Growth

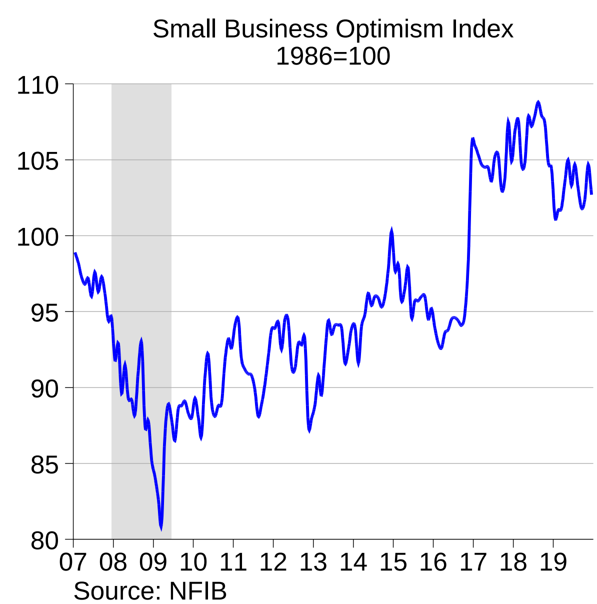
The economy expanded by 2.1 percent in the fourth quarter, about the same as in the second and third quarters. The economy was 2.3 percent larger than a year earlier. On a year-over-year basis growth peaked at 3.2 percent in the second quarter of 2018. The U.S. economy has now expanded for a record 42 straight quarters at a compound annual rate of 2.3 percent.

The increase in real GDP in the fourth quarter reflected positive contributions from Personal Consumption Expenditures (1.20 percentage points), Government (0.5%), and Investment in Residential Structures (0.2%). Consumer spending slowed across durable and non-durable goods, while growth in spending on services was relatively steady. Federal and State and Local Government spending made positive contributions, with defense expenditures making the largest contribution. The increase in Investment in Residential Structures was the second quarterly increase in a row, following six consecutive quarterly decreases.



The largest factor subtracting from growth was the change in inventories (-1.1%), which remained positive but was lower by about $60 billion at a seasonally adjusted annual rate. This pullback in inventory investment offset about 80 percent of the positive effect of the large decrease in imports, which fell 8.7 percent at an annual rate and added 1.3% to overall GDP growth. The change in inventories and imports were likely related and both effects of tariffs and other trade friction. Exports increased 1.4 percent and added 0.2% to growth.

Sentiment among small businesses edged down in December, according to the Index of Small Business Optimism from the **National Federation of Independent Business (NFIB)**. The index is below the high reached in August 2018, but is at an historically high level that indicates a positive environment for small companies. Six of the ten components in the index decreased, two improved, and two were unchanged. Uncertainty increased but reports of expected higher sales in the next three months and better business conditions improved. Job creation matched the previous month's reading, as small businesses continued to create jobs.



Ohio economic activity continued to pull out of its late summer lull, according to the **Ohio coincident economic index** from the Philadelphia Federal Reserve. The index increased 0.2 percent in December and the November increase was revised up from 0.1 percent to 0.2 percent. The smoothed rate of change was little changed from the month before at 1.9 percent, down from a recent high of 2.8 percent in June. Compared with a year ago, the index was higher by 2.2 percent, up from a recent low of 1.6 percent in January. The 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.

The diffusion of **state-level coincident economic indexes** remained somewhat worrisome in December. The level was lower than the month before for nine states, the same as in November and down from ten states in October. Both the October and November tallies were revised higher by one state. Compared with three months earlier, the index was lower for eight states, up from an upwardly revised six states in the month before. While indicating weakness, the latest readings remain better than those observed shortly before recessions in the past.

The **Ohio leading index**, which is designed to predict growth in the coincident index six months ahead, increased to 1.3 percent in December, up slightly from 1.2 percent in November. Even so, the index remains among the lowest on a 3-month moving average basis since shortly after the end of the 2007-09 recession.

The diffusion of changes in the individual **state-level composite leading indexes** compiled by the Philadelphia Federal Reserve improved. The index was lower for six states in December, down from eight states the month before, which was revised lower by one state. Importantly, the current number of states with negative values is below historical thresholds – an average of eleven states three months before past recessions and an average of fifteen in the initial month of recession.

The Conference Board's composite **Leading Economic Index** (LEI) decreased 0.3 percent in December after a 0.1 percent increase the month before. The index has declined in four of the most recent five months and the smoothed rate of change fell to -0.7 percent. Manufacturing indicators have led the recent weakness, with financial conditions and consumers' outlook for the economy remaining positive. Despite the weakness, the pattern of the index is consistent with continued economic growth at about the recent pace of approximately 2 percent.

As shown in the table below, the **consensus among forecasters** is that real GDP growth is continuing in the first quarter at a 1.6 percent-2.9 percent pace, approximately the same as in the fourth quarter.

Source	Date	2020-Q1 GDP Forecast
Atlanta FRB (GDPNow)	2/5/20	2.9%
New York FRB (Nowcast)	1/31/20	1.6%
Blue Chip	2/3/20	1.5% (1.0%-2.1%)
IHS	2/5/20	2.0%

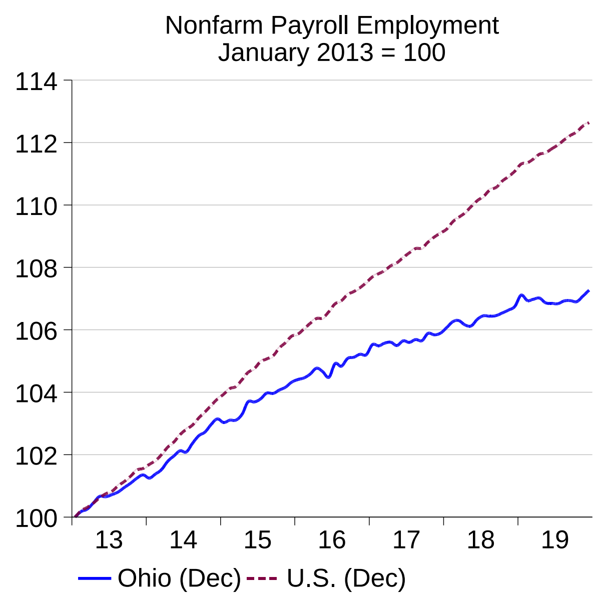
Employment

Nonfarm payrolls across the country increased by 225,000 jobs in January, up from 147,000 in December. The three-month average was 211,000 jobs, which was higher but in line with the 200,000 three-month average recorded during the previous three-month period. The number of nonfarm payroll jobs increased by 2.052 million during the twelve months ending in January, very high for this stage of an economic expansion but down from 2.462 million during the twelve months ending in January 2019. It is worth noting that both of these job gain numbers were lowered as a result of benchmark revisions to U.S. employment that have been calculated by the Bureau of Labor Statistics.

Changes in January were largely positive across sectors and industries. Hiring in Education and Health Services (72,000) led the way, reflecting hiring in Health Care (35,500). Construction (44,000) was the second-largest job gainer, likely as the result of milder-than-normal weather during the month. Leisure and Hospitality (36,000) employment was boosted by net hiring at bars and restaurants (24,400). Employment in Trade, Transportation and Utilities was boosted by hiring in Transportation and Warehousing (28,300), which reflected additions to payrolls in the couriers and messengers category (14,300), but was held back by a post-holiday decline in Retail (-8,300). The rise in Government employment (19,000) occurred at the federal (12,000) and local (20,000) levels and was partly offset by cutbacks at the state level (-13,000), mainly in education.

The **national unemployment rate** edged up to 3.6 percent in January after two months at the 50-year low of 3.5 percent. The rate has been 3.5 percent or 3.6 percent for the past five months. While the low level of unemployment is not a guarantee of future growth, the fact that the rate is generally flat to down over various recent intervals is a reliable indication that a business cycle downturn is not in the offing. The rate has typically increased at least 0.4 percentage points above its low during the previous twelve months just before or as the economy has transitioned into recession in the past. Worker pay continued to rise as **average hourly earnings** increased 0.2 percent to 3.1 percent year-over-year, down from a high of 3.3 percent in November.

Ohio nonfarm payroll employment increased by 9,800 jobs in December and the November increase was revised up from 6,700 jobs to 9,500 jobs. Employment increased by 27,300 jobs in 2019. It is worth noting that in March there will be a benchmark revision to state and local job growth numbers by the Bureau of Labor Statistics, and the national revision for CY 2019 as well as the previous state revision both lowered job growth figures and may do the same to the state's numbers for December and for all of CY 2019. Employment growth picked up from 2018 to 2019 in the Leisure and Hospitality sector, the Financial Activities sector, and the Information sector and flipped from negative to positive in the Government sector.



The **Ohio unemployment rate** was steady at 4.2 percent for a fourth month in December, up from the expansion-low of 4.0 percent in June and July. Household survey total employment increased by 105,700 workers during 2019 and the number of unemployed people decreased by 24,500, reflecting an increase in the labor force. Across the country in December, the unemployment rate was not statistically different from the month before in thirty-five states. Nevada and Oregon posted the largest decreases (-0.2% each), while Louisiana and Pennsylvania had the largest increases (0.2% each).

Among the **contiguous states**, employment increased from December 2018 to December 2019 in Kentucky (0.7%), Ohio and Pennsylvania (0.5%), Michigan (0.4%), and Indiana (0.1%) and decreased in West Virginia (-0.4%). Manufacturing employment increased year-over-year by in Kentucky (0.7%) but decreased in Ohio (-0.2%), West Virginia (-0.6%), Michigan (-0.8%), Pennsylvania (-1.0%), and Indiana (-1.5%).

Consumer Income and Consumption

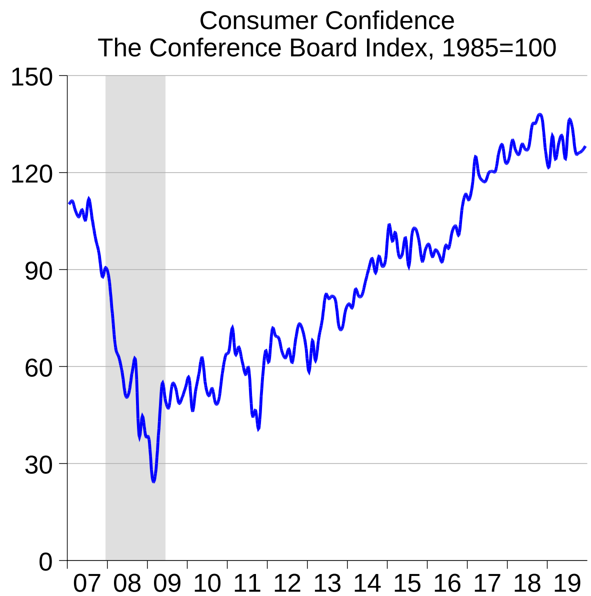
The household sector remained an important source of overall economic growth in December, fueled by a 0.2 percent increase in **personal income**. **Wage and salary disbursements** increased 0.3 percent. Personal income was held back by a reversal in farm proprietors' income reflecting the latest swing in subsidy payments to farmers impacted by Chinese tariffs on agricultural products, which since have been lifted. Compared with a year earlier, personal income was higher by 3.9 percent and wage and salary disbursements were up by 5.2 percent.

Personal consumption expenditures (PCE) increased 0.3 percent in December. Increases in spending on services (0.3%) and non-durable goods (0.9%) more than offset the 0.8 percent decrease in durable goods spending, which in part reflected a 2.0 percent decrease in unit sales of **light motor vehicles**. Vehicle sales totaled 16.9 million units last year, down 1.9 percent from the year before, the first time below 17.0 million units and the lowest since 16.5 million units in 2014. Still, vehicles have been on an historically high plateau since 2013, averaging 16.9 million units per year.

Compared with a year earlier, total consumer spending was up 5.0 percent, led by a 6.3 percent rise in non-durable goods and followed by a 6.0 percent increase in durable goods and a 4.5 percent rise in services. Despite the halving of the rate of growth in consumer spending from the middle two quarters to the fourth quarter, the consumer sector remains a key driver of overall economic growth, supported by strong demand for labor and rising incomes.

A contributing factor to the strength in the consumer sector is the low and stable rate of **consumer price inflation**. The Consumer Price Index (CPI) increased 0.2 percent in December to 2.3 percent above the year earlier level – the highest in just over a year but still relatively low. The recent bump in inflation largely reflects what is likely a transitory jump in energy prices. The Federal Reserve's preferred measure of inflation increased 0.2 percent in December to just 1.6 percent above the year earlier level.

Consumer attitudes generally improved in January, as expectations and assessments of current conditions improved. The positive attitudes reflect strong labor markets and incomes, low inflation and interest rates, wide availability of credit, and the very strong performance of financial markets well into the month. The gap between current and expected conditions remained among the widest in the history of the Conference Board survey, as current conditions have improved since late 2016 and expectations have been little changed. The University of Michigan survey found consumer confidence to be resilient thus far despite recent news about the coronavirus. Increases in household income and wealth were reported by the largest net percentage of households in the history of the index, similar to the extremes reached in 1966 and 2000.

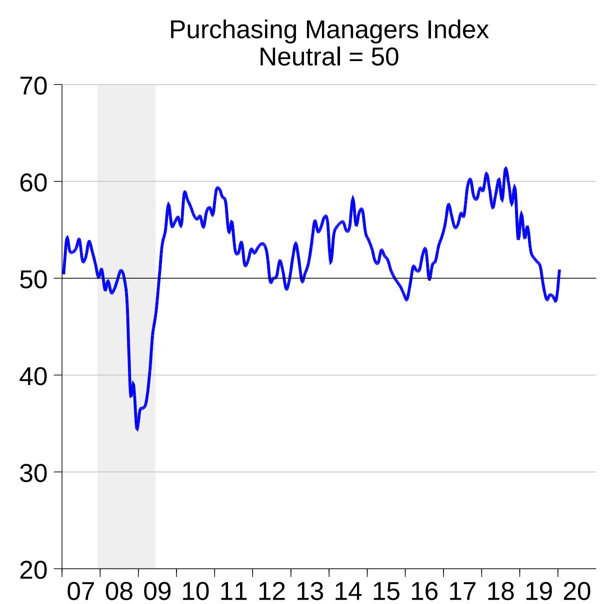


Industrial Activity

Total **industrial production** decreased 0.3 percent in December for the third decline in four months and the November increase was revised down from 1.1 percent to 0.8 percent. A large weather-related decrease in utility output offset increases in manufacturing and mining. Industrial production was down 1.0 percent from a year earlier.

Utility output decreased 5.6 percent due to a shift from unseasonably cool weather in November to unseasonably mild weather in December. **Mining output** increased 1.3 percent in December, reflecting a 9.8 percent increase in oil and gas extraction that was partly offset by a 16.8 percent drop in coal production. **Manufacturing production** increased 0.2 percent after a 1.0 percent increase the month before. Factory output continues to march gradually higher following the effects of an economy-wide slowdown in inventory building, a strengthening in the dollar, the global growth slowdown, tariffs, and uncertainty about trade policy.

The **Purchasing Managers Index** (PMI) increased to just above the neutral level after five consecutive months of reports consistent with contraction in the sector, suggesting that the trend in manufacturing activity might be turning up. The overall index increased from 47.8 to 50.9, led by strong increases in New Orders from 47.6 to 52.0 and Production from 44.8 to 54.3. The 9.5-point increase in the Production index is the largest since just before the end of the last recession and one of the largest in the 70-year history of the index, perhaps heralding the end of the manufacturing lull.



Of the eighteen industries tracked by the Manufacturing ISM® *Report on Business*, eight reported growth in the latest month, up from three the month before. Almost all eighteen industries reported growth just a few months ago. Among industries with a major effect on Ohio manufacturing employment, only Fabricated Metal Products reported expansion. Transportation Equipment, Primary Metals, and Machinery all reported contraction, in order from largest to smallest decline.

Construction

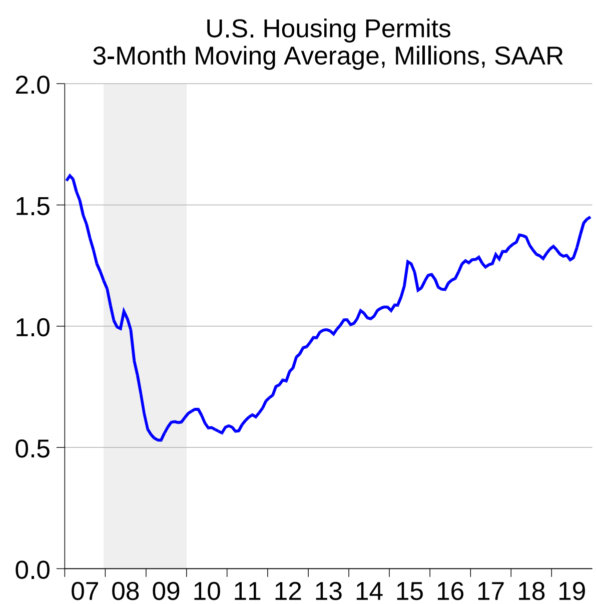
Construction put-in-place decreased 0.2 percent in December as a decrease in nonresidential outweighed another healthy increase in residential. Total construction activity in the two previous months was revised higher, suggesting an upward adjustment to fourth-quarter real GDP.

Compared with a year earlier, total construction was up by 5.0 percent. Residential was up 5.8 percent year-over-year and nonresidential increased 4.4 percent. Nonresidential strength countered residential weakness in the first half of the year, and the roles reversed in the second half, with residential increasing by 8.3 percent from June to December and nonresidential staying flat. During the first half, residential fell 2.3 percent while nonresidential increaed 4.4 percent. The strength in residential in the second half was in single-family (9.5%) and improvements (12.3%), while multi-family construction fell (-8.2%).

The **Housing Market Index** (HMI) from the National Association of Homebuilders (NAHB) remained strong in January after fully recovering last year from the steep drop during 2018. Nationally, the HMI edged down one point to 75, still above the previous high of 74 in December 2017. The HMI for the Midwest retreated from an extraordinarily high 73 to 66, but still the second-highest reading since May 2018. The resurgence in single-family building activity is a very positive development, considering its record as a leading business cycle indicator.

Housing starts and sales generally were strong in December on a 3-month moving average basis. Starts jumped 8.6 percent, as a 15.5 percent surge in multi-family starts boosted a 5.5 percent gain in single-family starts. The more-forward-looking permits were also positive but not as strong, rising 0.6 percent on a 3-month moving average basis as a 1.3 percent rise in single-family outweighed a 0.6 percent decline in multi-family. Activity was even stronger across the Midwest, with starts rising 18.4 percent and permits up 6.1 percent.

Sales of existing homes rose 1.1 percent in December, recouping the November decline, on a three-month moving average basis, while sales of newly built homes fell 1.5 percent for the third decline in four months. Sales were positive across the Midwest, where existing home sales rose 0.8 percent and sales of newly built homes increased 4.4 percent. A key factor restraining existing home sales is the steep drop of 27.1 percent in the number of homes listed for sale in the second half of the year.



REVENUES

January GRF receipts totaled $3,268.9 million and were $138.9 million (4.4%) above estimate, largely due to greater-than-estimated Federal grant revenues. For the month, GRF tax revenues were $44.7 million (2.0%) above estimate. Non-tax receipts and transfers, excluding Federal grants, were $10.2 million (31.9%) above estimate. Federal grants were above estimate by $84.0 million (9.9%).

For the year, GRF revenues are $284.0 million (1.4%) above estimate. Tax revenues are $138.0 million (1.0%) above estimate. More broadly, total non-federal revenues through January are $189.7 million (1.4%) above estimate. Federal grants are $94.3 million (1.5%) above estimate.

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	$138.0	1.0%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	$139.0	2.2%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$7.0	10.2%
TOTAL REVENUE VARIANCE:		**$284.0**	**1.4%**
Non-federal revenue variance		**$189.7**	**1.4%**
Federal grants variance		**$94.3**	**1.5%**

Federal grants had the largest overage for the month, at $84.0 million (9.9%). The next largest positive variance was for non-auto sales tax at $34.4 million (3.9%), followed by financial institutions tax at $14.5 million (24.1%), commercial activity tax at $11.0 million (15.1%), and earnings on investments at $7.9 million (28.9%). Categories below estimate for the month were headed by personal income tax at $16.4 million below estimate (-1.6%), followed by auto sales tax at $3.2 million below estimate (-2.5%), and four other sources each having a variance of less than $1 million.

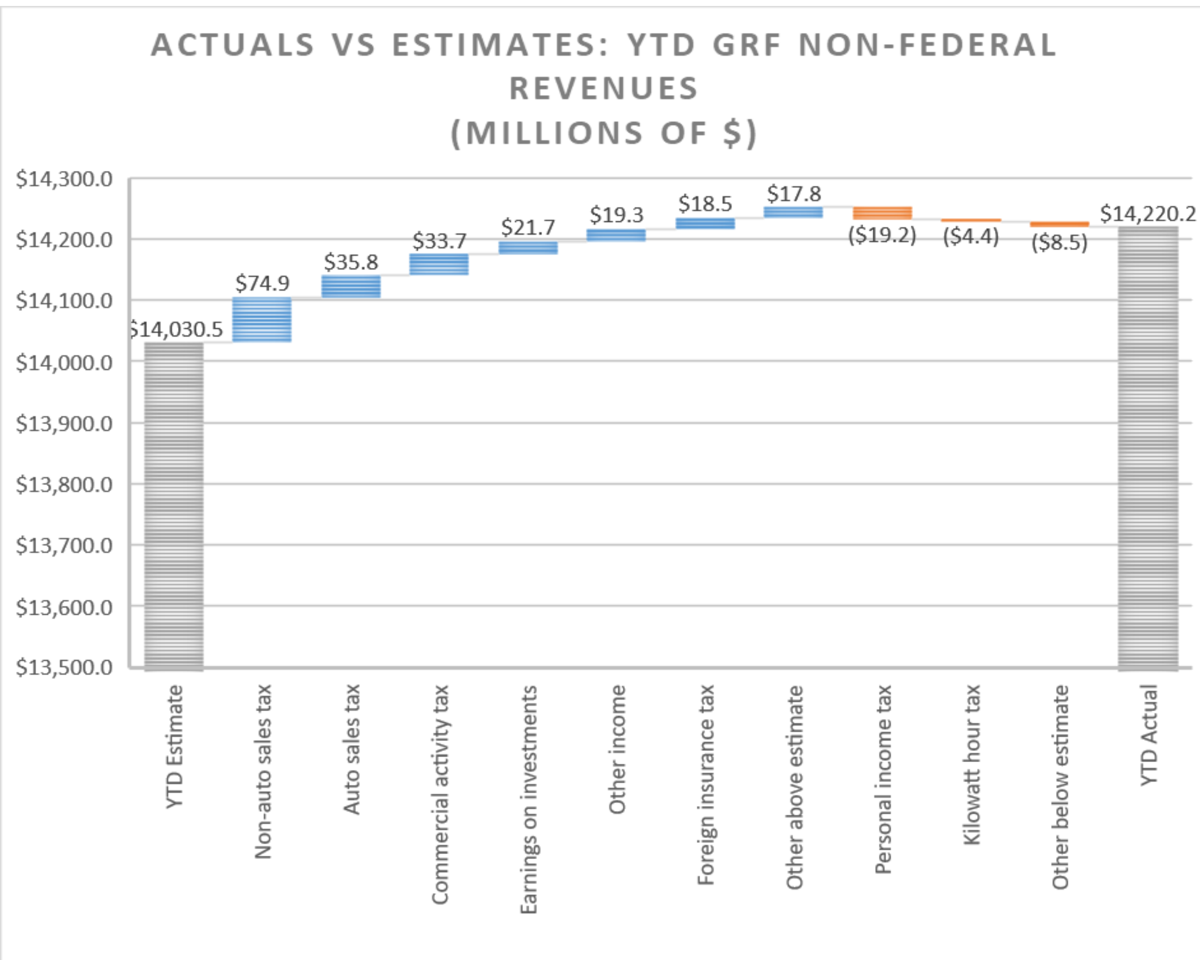
The table below shows that sources exceeding estimate (an excess totaling $159.7 million) in January outweighed the size of revenue underperformers (a shortfall of $20.8 million), resulting in a $138.9 million net positive variance from estimate. The majority of the positive variance is attributable to Federal grants.

GRF Revenue Sources Relative to Monthly Estimates – January 2020
($ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Federal grants	$84.0	Personal income tax	($16.4)
Non-auto sales tax	$34.4	Auto sales tax	($3.2)
Financial institutions tax	$14.5	Other sources below estimate	($1.1)
Commercial activity tax	$11.0		
Earnings on investments	$7.9		
Foreign insurance tax	$2.6		
Other sources above estimate	$5.3		
Total above	**$159.7**	**Total below**	**($20.7)**

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

The following chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues through January. Both the auto and non-auto sales taxes have exceeded estimate year-to-date. The personal income tax is the source with the largest year-to-date negative variance from estimate.



On a year-over-year basis, monthly receipts were $192.6 million (6.3%) larger than in January of the previous fiscal year. This net increase was mostly due to Federal grants, which were $113.6 million (13.9%) above last year, followed by non-auto sales tax which was $85.0 million (10.2%) greater than last January. Personal income tax receipts were $31.2 million (-3.1%) below the prior year, followed by several other sources with smaller declines.

For the year, total revenues are up $912.3 million (4.6%). The source with the highest growth is Federal grants at $480.6 million (8.2%). The next largest source of growth is non-auto sales tax at $280.8 million (5.2%). Cigarette and other tobacco products tax revenue accounts for the largest decline at $16.9 million (-3.4%), followed by kilowatt-hour tax at $15.8 million (-7.5%) and financial institutions tax at $11.7 million (-24.7%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections in January totaled $916.9 million and were $34.4 million (3.9%) above the estimate. Year-to-date non-auto sales tax revenue is over the estimate by $74.9 million (1.3%). For January, non-auto GRF sales tax revenue increased by $85.0 million (10.2%) from the previous year. For the year-to-date, non-auto sales tax revenue has grown by $280.8 million (5.2%) over last year.

Now that January has concluded, the performance of non-auto sales tax during the holiday shopping season can be reported. Non-auto sales tax collections for the November 2019-January 2020 period were $115.1 million (4.7%) larger than the same period last fiscal year. (Because monthly non-auto sales tax is a mix of prior month and current month activity, the November-January revenue period reflects activity covering more than just the holiday retail season; nevertheless, it is the closest measurement period available.) Approximately $65 million of the year-over-year growth is from sales tax newly collected from marketplace facilitators, reflecting a law change that took effect in October 2019. If the growth figure is adjusted downward for the effects of the new law, but also adjusted upward by $21 million for a large one-time increase in refunds that occurred in December, net adjusted growth for the three-month period was $71 million (2.9%).

In comparison, Mastercard has reported that throughout the U.S., non-auto "holiday sales," essentially November and December combined, increased by 3.4 percent from the prior year, with online sales again outperforming brick and mortar store sales. Still, it is worth keeping in mind that a direct comparison of this national holiday sales growth figure to Ohio's non-auto revenue growth is limited not only by the temporal features of the sales tax as discussed above but also by the fact that the sales tax includes more than just sales by retailers (for instance, many services are subject to sales tax, and taxable business purchases are a significant portion of the total tax base).

Auto Sales Tax

January auto sales tax revenues were $125.5 million, $3.2 million (-2.5%) under the estimate. This is only the second month of this fiscal year in which revenues did not exceed the estimate (the other such month was December). Year-to-date auto sales tax revenues are now $35.8 million (4.0%) over the estimate. January auto sales tax revenues were $1.2 million (1.0%) over the prior year, and year-to-date revenues are $58.5 million (6.7%) over the previous year.

U.S. light vehicle sales data reported by the Bureau of Economic Analysis for the month of January were up modestly from the previous month. Using a seasonally adjusted annual rate (the amount of sales that occurred during the month after being adjusted for seasonal fluctuations and then expressed as an annualized total), January sales were at 16.8 million units compared to 16.7 million units in December. January's level is up from 16.7 million units in the previous January, representing a 0.6 percent increase. Average transaction prices remain a source of growth in auto sales tax revenues. Per Kelley Blue Book, the average U.S. transaction price for new vehicles was over $38,948 (before consumer incentives) in December, growing 1.7 percent over the prior December. (January price data has not been released.)

Such modest price growth combined with relatively stagnant national sales of new light vehicles, is not consistent with Ohio's recent auto sales tax growth (with its year-to-date growth of 6.7%). The reason appears to be stronger sales of used motor vehicles compared to new vehicles. Recent data from the Bureau of Motor Vehicles provides evidence of this apparent trend. In Ohio, taxable sales of new motor vehicles titled during the fourth quarter of calendar year 2019 grew by 3.2 percent over the previous year. In contrast, taxable used motor vehicle sales grew by 9.6 percent. The enhanced role of used vehicles on auto sales tax performance merits further attention in the future.

Personal Income Tax

January GRF personal income tax receipts totaled $980.5 million and were $16.4 million (-1.6%) below the estimate. Year-to-date, personal income tax revenue is $19.2 million (-0.4%) below estimate. On a year-over-year basis, January income tax collections were $31.2 million (-3.1%) below January 2019 collections. Collections for the year-to-date are $26.8 million (0.5%) above the previous year. However, if not for reductions in employer withholding tax rates (a 3.3 percent reduction during calendar year 2019, and a 4.0 percent reduction in calendar year 2020 relative to the prior year's rates), collections to date would have been $185 million larger; absent the changes in employer withholding tax rates, year-to-date personal income tax revenues would have grown by 3.9 percent.

The fiscal year 2020-2021 budget bill (House Bill 166) enacted a four percent reduction in personal income tax rates effective with tax year 2019. Consistent with this rate cut, a four percent employer withholding rate reduction took effect in January 2020. The personal income tax revenue estimates for the last six months of fiscal year 2020 incorporate the expected effects of these changes as well as several other enacted personal income tax policy changes.

Withholding tax payments exceeded the estimate in January by $3.3 million (0.4%). Compared to last January, withholding increased by $2.2 million (0.2%). As noted above, growth would have been higher if not for the fact that withholding tax rates are four percent lower than last calendar year. Withholding is now $38.4 million (0.7%) above estimate through January of this fiscal year. It has grown 1.9 percent above the prior year, compared to 1.2 percent in anticipated growth.

In January, revenue was received from quarterly estimated payment returns filed for the fourth quarter of tax year 2019. Such revenue exceeded estimate by $8.0 million (3.3%) for the month, which puts this component $8.3 million (1.5%) above estimate for the year. The month's outcome was $12.4 million (5.2%) above the prior year. Combined with December, which also reflects tax year 2019 fourth quarter collections, the total estimated payments for the quarter were $19.3 (7.2%) greater than the previous year. Last month's edition of this report discussed the significant variations in estimated payment collections received during December and January of the last several years (fiscal years 2018 and 2019), driven by the effects of the Tax Cuts and Jobs Act of 2017 (TCJA). It appears the notable behavioral changes from TCJA have largely played themselves out and have mostly been incorporated into current estimated payment patterns.

The annual return filing season for tax year 2019 began in late January, which means refunds for the filing season have commenced. Refunds for the month were $30.9 million (25.5%) larger than estimated and were $43.4 million (40.0%) higher than the previous January. On a fiscal year-to-date basis, refunds exceed estimate by $67.5 million (12.9%) and are $124.9 million (26.9%) above the preceding year.

It is not possible to make meaningful observations about the filing season, and potential implications for the fiscal year, based on this single month's performance. It is apparent that January's outcome was mostly driven by a larger volume of refunds than was experienced last January and was anticipated in the estimate. During this very early part of the filing season, the growth in refunds reflects faster refund issuance, and this timing variance precludes limits the usefulness of year-over-year comparisons. OBM will provide additional detail about refund performance in next month's report once several additional weeks of processing time has transpired.

January is not a significant month for collections from other tax payment categories (annual returns, trusts, and other). Nonetheless, total payments across these categories were $3.3 million (13.8%) above estimate. For the year, each of these categories is above estimate.

JANUARY PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)						
	Actual January	Estimate January	$ Var	Actual Jan-2019	Actual Jan-2018	$ Var Y-0ver-Y
Withholding	$890.7	$887.4	$3.3	$890.7	$888.6	$2.2
Quarterly Est.	$248.0	$240.0	$8.0	$248.0	$235.6	$12.4
Annual Returns & 40 P	$7.0	$7.3	($0.3)	$7.0	$8.9	($1.9)
Trust Payments	$13.6	$10.5	$3.1	$13.6	$12.4	$1.2
Other	$6.9	$6.4	$0.5	$6.9	$6.3	$0.6
Less: Refunds	($151.8)	($120.9)	($30.9)	($151.8)	($108.4)	($43.4)
Local Distr.	($34.0)	($33.8)	($0.2)	($34.0)	($31.6)	($2.3)
Net to GRF	$980.5	$996.9	($16.4)	$980.5	$1,011.6	($31.2)

(Note: The net totals and variance amounts may differ slightly from computations using the rounded actual and estimated figures provided in the table.)

Commercial Activity Tax (CAT)

Following a quarter in which CAT revenue performed below estimate, January shows potential evidence of a vibrant third quarter of fiscal year 2020. January revenues were $11.0 million (15.1%) above estimate. Although February revenue will be far greater than that for January and therefore is a more significant month for the quarter (February is the month during which payments are due), payments during the month preceding the due date can serve as a good bellwether for quarterly performance. (During five of the last six quarters, underperformance or overperformance in the first month of the quarter was accompanied by a commensurate outcome – in direction, not degree – for that quarter.) Year-to-date, GRF revenue from the CAT is $33.7 million (3.9%) above estimate. January revenue was $17.5 million (26.4%) above January 2019 while year-to-date revenue from this source is $56.8 million (6.8%) above the prior fiscal year.

Financial Institutions Tax (FIT)

January is the month during which the first estimated payment of the current FIT tax year is due and is therefore a quite significant collections month for this tax source. Because the FIT payment due date was the last day of the month, even a modest revenue processing lag means that a portion of revenue from the first payment will instead be posted in February. The same payment dynamics exist for the other two tax payments: those payments are due at the end of March and May but with substantial revenues also expected to flow into April and June, respectively.

The FIT was $14.5 million (24.1%) above estimate in January, while it was $1.1 million (-1.5%) below the prior year. Through January, FIT revenue is $2.0 million (6.0%) above estimate and is $11.7 million (-24.7%) below the previous year. As discussed in recent editions of this report, greater than expected FIT refunds during the first half of this fiscal year explain the ongoing negative variance from estimate that occurred through December; only this month has year-to-date performance turned mildly positive relative to estimate.

GRF Non-Tax Receipts

GRF non-tax revenues in January totaled $972.3 million and were $94.2 million (10.7%) above estimate. This variance was primarily attributable to the Federal Grants category, which was $84.0 million (9.9%) above estimate. The revenue overage was attributable to higher than estimated federal share Medicaid disbursements, as discussed in detail in the disbursement section of this report.

The second largest driver of the January non-tax revenue overage was earnings on investments. The January deposit of investment earnings was $35.4 million which was $7.9 million (28.9%) above estimate. Year-to-date revenues in this category are now $76.7 million which is $21.7 million (39.5%) above estimate. Revenues in this category are strongly influenced by the Federal Funds Rate which, after being reduced three times in calendar year 2019, have held steady over the past several months.

2/5/2020

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2020 VS ESTIMATE FY 2020
($ in thousands)

REVENUE SOURCE	MONTH ACTUAL JANUARY	MONTH ESTIMATE JANUARY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL Y-T-D	YEAR-TO-DATE ESTIMATE Y-T-D	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	916,866	882,500	34,366	3.9%	5,707,281	5,632,400	74,881	1.3%
Auto Sales & Use	125,490	128,700	(3,210)	-2.5%	926,354	890,600	35,754	4.0%
Subtotal Sales & Use	1,042,356	1,011,200	31,156	3.1%	6,633,635	6,523,000	110,635	1.7%
Personal Income	980,483	996,900	(16,417)	-1.6%	5,411,725	5,430,900	(19,175)	-0.4%
Corporate Franchise	32	0	32	N/A	85	0	85	N/A
Financial Institutions Tax	74,577	60,100	14,477	24.1%	35,618	33,600	2,018	6.0%
Commercial Activity Tax	83,823	72,800	11,023	15.1%	891,845	858,100	33,745	3.9%
Petroleum Activity Tax	0	0	0	N/A	4,041	4,500	(459)	-10.2%
Public Utility	1,387	100	1,287	1286.9%	65,832	68,500	(2,668)	-3.9%
Kilowatt Hour	27,906	28,500	(594)	-2.1%	193,340	197,700	(4,360)	-2.2%
Natural Gas Distribution	2,159	2,300	(141)	-6.1%	20,453	22,100	(1,647)	-7.5%
Foreign Insurance	82	(2,500)	2,582	103.3%	172,046	153,500	18,546	12.1%
Domestic Insurance	145	0	145	N/A	3,971	0	3,971	N/A
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	74,328	73,100	1,228	1.7%	476,830	477,600	(770)	-0.2%
Alcoholic Beverage	4,077	4,400	(323)	-7.3%	31,490	34,400	(2,910)	-8.5%
Liquor Gallonage	5,263	5,000	263	5.3%	31,316	30,400	916	3.0%
Estate	0	0	0	N/A	38	0	38	N/A
Total Tax Receipts	2,296,618	2,251,900	44,718	2.0%	13,972,264	13,834,300	137,964	1.0%
NON-TAX RECEIPTS								
Federal Grants	930,121	846,116	84,005	9.9%	6,318,467	6,224,137	94,329	1.5%
Earnings on Investments	35,435	27,500	7,935	28.9%	76,731	55,000	21,731	39.5%
License & Fees	4,194	3,716	478	12.9%	15,498	11,968	3,530	29.5%
Other Income	2,587	776	1,811	233.4%	79,929	60,646	19,282	31.8%
ISTV'S	(79)	0	(79)	N/A	176	0	176	N/A
Total Non-Tax Receipts	972,258	878,108	94,151	10.7%	6,490,801	6,351,752	139,049	2.2%
TOTAL REVENUES	**3,268,876**	**3,130,008**	**138,869**	**4.4%**	**20,463,065**	**20,186,052**	**277,013**	**1.4%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	50	0	50	N/A	75,598	68,570	7,028	10.2%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	50	0	50	N/A	75,598	68,570	7,028	10.2%
TOTAL SOURCES	**3,268,926**	**3,130,008**	**138,919**	**4.4%**	**20,538,663**	**20,254,622**	**284,041**	**1.4%**

2/5/2020

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2020 VS ACTUAL FY 2019
($ in thousands)

	MONTH				YEAR-TO-DATE			
REVENUE SOURCE	**JANUARY FY 2020**	**JANUARY FY 2019**	**$ VAR**	**% VAR**	**ACTUAL FY 2020**	**ACTUAL FY 2019**	**$ VAR**	**% VAR**
TAX RECEIPTS								
Non-Auto Sales & Use	916,866	831,867	84,999	10.2%	5,707,281	5,426,451	280,830	5.2%
Auto Sales & Use	125,490	124,289	1,200	1.0%	926,354	867,854	58,500	6.7%
Subtotal Sales & Use	1,042,356	956,157	86,199	9.0%	6,633,635	6,294,305	339,330	5.4%
Personal Income	980,483	1,011,644	(31,161)	-3.1%	5,411,725	5,384,887	26,838	0.5%
Corporate Franchise	32	48	(15)	-31.8%	85	1,227	(1,142)	-93.1%
Financial Institutions Tax	74,577	75,699	(1,122)	-1.5%	35,618	47,319	(11,700)	-24.7%
Commercial Activity Tax	83,823	66,334	17,488	26.4%	891,845	835,088	56,757	6.8%
Petroleum Activity Tax	0	0	0	N/A	4,041	4,750	(709)	-14.9%
Public Utility	1,387	15	1,372	9348.2%	65,832	73,087	(7,254)	-9.9%
Kilowatt Hour	27,906	29,905	(2,000)	-6.7%	193,340	209,112	(15,772)	-7.5%
Natural Gas Distribution	2,159	2,242	(83)	-3.7%	20,453	22,495	(2,042)	-9.1%
Foreign Insurance	82	(5,662)	5,744	101.5%	172,046	153,375	18,671	12.2%
Domestic Insurance	145	0	145	57948.3%	3,971	2	3,969	205324.2%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	74,328	73,446	883	1.2%	476,830	493,759	(16,929)	-3.4%
Alcoholic Beverage	4,077	5,474	(1,397)	-25.5%	31,490	32,529	(1,039)	-3.2%
Liquor Gallonage	5,263	5,165	98	1.9%	31,316	30,336	980	3.2%
Estate	0	0	0	N/A	38	32	5	16.9%
Total Tax Receipts	2,296,618	2,220,467	76,151	3.4%	13,972,264	13,582,303	389,962	2.9%
NON-TAX RECEIPTS								
Federal Grants	930,121	816,514	113,607	13.9%	6,318,467	5,837,824	480,642	8.2%
Earnings on Investments	35,435	29,611	5,824	19.7%	76,731	54,849	21,882	39.9%
License & Fee	4,194	3,317	877	26.4%	15,498	13,660	1,839	13.5%
Other Income	2,587	487	2,100	431.2%	79,929	55,621	24,307	43.7%
ISTV'S	(79)	19	(98)	-517.7%	176	43	133	306.9%
Total Non-Tax Receipts	972,258	849,948	122,311	14.4%	6,490,801	5,961,998	528,803	8.9%
TOTAL REVENUES	**3,268,876**	**3,070,415**	**198,462**	**6.5%**	**20,463,065**	**19,544,301**	**918,764**	**4.7%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	50	5,916	(5,866)	-99.2%	75,598	82,025	(6,427)	-7.8%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	50	5,916	(5,866)	-99.2%	75,598	82,025	(6,427)	-7.8%
TOTAL SOURCES	**3,268,926**	**3,076,331**	**192,596**	**6.3%**	**20,538,663**	**19,626,326**	**912,337**	**4.6%**

DISBURSEMENTS

January GRF disbursements, across all uses, totaled $2,971.3 million and were $111.2 million (3.9%) above estimate. This variance was primarily attributable to above estimate disbursements in the Medicaid category and was partially offset by expenditures that were below estimate in the Health and Human Services category. On a year-over-year basis, January total uses were $391.1 million (15.2%) higher than those of the same month in the previous fiscal year, with an increase in the Medicaid category largely responsible for the difference. Year-over-year variances from the estimate by category are provided in the table below.

Category	Description	Year-Over-Year Variance	% Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	$390.4	15.1%
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$0.7	841.9%
TOTAL DISBURSEMENTS VARIANCE:		**$391.1**	**15.2%**

GRF disbursements are reported according to functional categories. This section contains information describing GRF spending and variances within each of these categories.

Primary and Secondary Education

This category contains GRF spending by the Ohio Department of Education. January disbursements for this category totaled $811.0 million and were $8.2 million (-1.0%) below estimate. This variance was primarily attributable to disbursements in the Student Assessments line item, which was $12.0 million below estimate due to planned payments for January now being anticipated for next month, and the EdChoice Expansion line item, which was $4.1 million below estimate due to planned payments for January now being anticipated for February and March. This variance was partially offset by disbursements in the Foundation Funding line item, which was $8.1 million above estimate due to scholarship payments planned for February being disbursed in January.

Expenditures for the school foundation program totaled $606.6 million and were $5.1 million (-0.8%) below estimate. Year-to-date disbursements were $4,986.5 million, which is $29.8 million (-0.6%) below estimate. On a year-over-year basis, disbursements in this category were $168.0 million (26.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $146.5 million (3.0%) higher than the same point in fiscal year 2019.

Higher Education

January disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled $198.8 million and were $8.3 million (4.3%) above the estimate for the month. This variance was primarily attributable to spending in multiple programs in the amount of $15.3 million because payments on Memorandum of Understanding (MOU's) anticipated to be completed and disbursed in November and December were made in January. The remaining monthly variance was due to spending in the Ohio College Opportunity Grant Scholarship Program that was above monthly estimates by a total of $3.5 million as a result of requests for reimbursement from higher education institutions coming in later than expected. This variance was partially offset by spending below estimate in multiple programs by $5.8 million because MOU's, which are necessary prior to disbursement of funds, have not been completed. Also, spending in the National Guard Scholarship and Choose Ohio First Scholarship programs was below estimate by a total of $5.3 million as a result of lower than expected requests for reimbursement from higher education institutions.

Year-to-date disbursements were $1,331.1 million, which was $59.5 million (-4.3%) below estimate. On a year-over-year basis, disbursements in this category were $15.0 million (8.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $0.2 million (0.0%) higher than at the same point in fiscal year 2019.

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.

January disbursements in this category totaled $4.3 million and were $0.3 million (7.4%) above estimate. Year-to-date disbursements were $55.0 million, which was $0.7 million (-1.2%) below estimate. On a year-over-year basis, disbursements in this category were $0.1 million (-2.4%) lower than for the same month in the previous fiscal year while year-to-date expenditures were $5.5 million (11.1%) higher than at the same point in fiscal year 2019.

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 the State Board of Pharmacy.

<u>Expenditures</u>
January GRF disbursements for the Medicaid Program totaled $1,441.1 million and were $161.9 million (12.7%) above estimate and $207.9 million (16.9%) above disbursements for the same month in the previous fiscal year. The year-over-year increase is primarily attributable to managed care expenses which are explained below. Year-to-date GRF disbursements totaled $9,866.0 million and were $108.2 million (1.1%) above estimate and $843.2 million (9.3%) above disbursements for the same point in the previous fiscal year.

January all-funds disbursements for the Medicaid Program totaled $2,452.1 million and were $133.9 million (5.8%) above estimate and $15.8 million (-0.6%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled $16,485.3 million and were $17.9 million (-0.1%) below estimate and $577.2 million (3.6%) above disbursements for the same point in the previous fiscal year.

The January variance was primarily attributable to greater than anticipated expenses in the managed care program, off-set in part by lower than anticipated overall enrollment and fee-for-service program costs. On-going quality assurance practices revealed inconsistencies in enrollment data, primarily from the prior fiscal year. After thorough investigation, it was determined that the managed care organizations had been underpaid due to errors in assigning enrollees to appropriate payment categories. Corrective payments to the managed care organizations were completed in January, and the program is expected resume normal spending patterns.

The year-to-date variance was primarily attributable to lower than anticipated expenses for administration, the fee-for-service program, and the premium assistance program. These were off-set in part by the above-mentioned corrective payments in the managed care program. Under-spending in the fee-for-service program was largely attributable to delayed payments, while the under-spending in the premium assistance program was largely attributable to lower than anticipated enrollment. Administrative expenses to date have been below budget largely due to less than anticipated information technology expenses.

The chart below shows the current month's disbursement variance by funding source.

(in millions, totals may not add due to rounding)

	Jan. Actual	Jan. Projection	Variance	Variance %
GRF	$1,441.1	$1,279.2	$161.9	12.7%
Non-GRF	$1,011.0	$1,039.0	$(28.0)	-2.7%
All Funds	$2,452.1	$2,318.2	$133.9	5.8%

Enrollment

Total January enrollment was 2.80 million, which was 12,860 (-0.5%) below estimate and 49,130 (-1.7%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 2.81 million and was essentially at estimate.

January enrollment by major eligibility category was: Covered Families and Children, 1.57 million; Aged, Blind and Disabled (ABD), 492,141; and Group VIII Expansion, 605,244.

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

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, TANF, 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. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in the Medicaid category.

January disbursements in this category totaled $116.7 million and were $34.5 million (-22.8%) below estimate. Year-to-date disbursements were $859.2 million, which was $73.5 million (-7.9%) below estimate. On a year-over-year basis, disbursements in this category were $32.6 million (-21.8%) lower than for the same month in the previous fiscal year while year-to-date expenditures were $34.8 million (4.2%) higher than at the same point in fiscal year 2019.

Department of Health

January disbursements for the Department of Health totaled $7.0 million and were $0.8 million (-0.9%) below estimate. This variance was primarily attributed to the Help Me Grow line item which was $1.4 million below estimate due to payments being disbursed later than planned. This variance was partially offset by the Medically Handicapped Children line item, which was $1.3 million above estimate because of a payment that was planned for December but made in January.

Department of Job and Family Services

January disbursements for the Department of Job and Family Services totaled $49.5 million and were $35.1 million (-41.5%) below estimate. This variance was primarily attributable to the Families and Children Services line item, which was approximately $31.9 million below estimate, because the third quarter State Child Protective Services allocation was disbursed in October instead of January as originally planned. The Program Operations line item was $3.1 million below estimate because of delayed invoices from information technology vendors. The Quality Infrastructure Grants line item was $1.7 million below estimate due to a delay in finalizing grant agreements. These variances were partially offset by the Early Care and Education line item, which was $2.5 million above estimate because of higher than estimated subsidy payments made to childcare providers as they transition to higher Step-up-to-Quality ratings.

Department of Mental Health and Addiction Services

January disbursements for the Department of Mental Health and Addiction Services totaled $46.2 million and were $0.7 million (1.6%) above estimate. This variance was primarily attributable to disbursements in the Community Innovations line item, which was $1.0 million above estimate.

Justice and Public Protection

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

January disbursements in this category totaled $235.8 million and were $10.6 million (-4.3%) below estimate. Year-to-date disbursements were $1,500.2 million, which was $31.6 million (-2.1%) below estimate. On a year-over-year basis, disbursements in this category were $30.4 million (14.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $97.6 million (7.0%) higher than at the same point in fiscal year 2019.

<u>Department of Public Safety</u>
January disbursements for the Department of Public Safety totaled $2.7 million and were $1.6 million (-60.7%) below estimate. This variance was primarily attributable to the Local Disaster Assistance line item which was $0.8 million below estimate due to the timing of subsidy payments.

<u>Department of Rehabilitation and Correction</u>
January disbursements for the Department of Rehabilitation and Correction totaled $169.8 million and were $10.2 million (-5.7%) below estimate. This variance was primarily attributable to variances in the Halfway House line item, which was $16.6 million below estimate due to payments scheduled for January occurring in December and the Institution Medical Services line item which was $6.9 million below estimate due to payments expected in January being disbursed in February. This variance was partially offset by disbursements in the Institutional Operations line item, which was $12.5 million above estimate due to the timing of payments for several large contracts.

<u>Department of Youth Services</u>
January disbursements for the Department of Youth Services totaled $25.0 million and were $2.1 million (-7.6%) below estimate. This variance was primarily attributable to disbursements in the RECLAIM Ohio line item which was $1.8 million below estimate due to the timing of subsidy payments to community correctional facilities combined with more than expected overtime and attrition savings.

General Government

This category includes non-debt service GRF expenditures by the Department of Administrative Services, Department of Natural Resources, Development Services Agency, Department of Agriculture, Department of Taxation, Office of Budget and Management, non-judicial statewide elected officials, legislative agencies, and others.

January disbursements in this category totaled $41.4 million and were $6.5 million (-13.6%) below estimate. Year-to-date disbursements were $263.2 million, which was $38.5 million (-12.8%) below estimate. On a year-over-year basis, disbursements in this category were $8.9 million (27.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $36.7 million (16.2%) higher than at the same point in fiscal year 2019.

Department of Agriculture
January disbursements for the Department of Agriculture totaled $5.5 million and were $3.5 million (185.6%) above estimates. This variance was primarily attributable to disbursements in the Soil and Water District Support line item, which was $3.8 million above estimate due to the timing of subsidy payments that were schedule for December but occurred in January.

Department of Transportation
January disbursements for the Department of Transportation totaled $3.4 million and were $7.8 million below estimate (-69.6%). This variance was primarily attributable to the Public Transportation – State line item, which was $7.8 million below estimate due to the implementation of a new project planning system being more intricate than anticipated.

Developmental Services Agency
January disbursements for Development Services Agency totaled $2.5 million and were $2.4 million (-48.3%) below estimates. This variance was primarily attributable to underspending in the TechCred Program, Appalachia Assistance and the Technology Programs and Grants line items due to the timing of subsidy payments.

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 as a result of the 10.0 percent and 2.5 percent rollback, as well as the homestead exemption. There were no property tax reimbursements in January, and none were estimated. Year-to-date expenses were $905.3 million and were $20.7 million (-2.2%) below estimate. This variance is attributable to requests for reimbursements coming in lower than anticipated.

Debt Service

January payments for debt service totaled $121.3 million and were $0.2 million (-0.1%) below estimate. Year-to-date expenses in this category total $1,024.6 million and were $0.7 million (-0.1%) below estimate.

Transfers Out

January transfers out totaled $0.8 million and were $0.8 million above estimate. Year-to-date transfers totaled $663.6 million and were $6.4 million (-0.9%) below estimate.

2/5/2020

Table 3

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2020 VS ESTIMATE FY 2020
($ in thousands)

Functional Reporting Categories Description	MONTH ACTUAL JANUARY	MONTH ESTIMATED JANUARY	MONTH $ VAR	MONTH % VAR	YTD ACTUAL	YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	810,985	819,217	(8,231)	-1.0%	4,986,544	5,016,386	(29,843)	-0.6%
Higher Education	198,849	190,582	8,268	4.3%	1,331,136	1,390,627	(59,490)	-4.3%
Other Education	4,276	3,980	296	7.4%	55,045	55,712	(668)	-1.2%
Medicaid	1,441,110	1,279,243	161,867	12.7%	9,865,975	9,757,801	108,174	1.1%
Health and Human Services	116,664	151,155	(34,492)	-22.8%	859,186	932,706	(73,520)	-7.9%
Justice and Public Protection	235,789	246,358	(10,569)	-4.3%	1,500,226	1,531,869	(31,643)	-2.1%
General Government	41,434	47,978	(6,544)	-13.6%	263,210	301,699	(38,488)	-12.8%
Property Tax Reimbursements	0	0	0	N/A	905,289	926,004	(20,715)	-2.2%
Debt Service	121,322	121,500	(178)	-0.1%	1,024,647	1,025,339	(691)	-0.1%
Total Expenditures & ISTV's	**2,970,430**	**2,860,014**	**110,416**	**3.9%**	**20,791,258**	**20,938,143**	**(146,884)**	**-0.7%**
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	821	0	821	N/A	663,620	669,975	(6,356)	-0.9%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**821**	**0**	**821**	**N/A**	**663,620**	**669,975**	**(6,356)**	**-0.9%**
Total Fund Uses	**2,971,251**	**2,860,014**	**111,237**	**3.9%**	**21,454,878**	**21,608,118**	**(153,240)**	**-0.7%**

2/5/2020

Table 4

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2020 VS ACTUAL FY 2019
($ in thousands)

	MONTH				YEAR-TO-DATE			
Functional Reporting Categories Description	**JANUARY FY 2020**	**JANUARY FY 2019**	**$ VAR**	**% VAR**	**ACTUAL FY 2020**	**ACTUAL FY 2019**	**$ VAR**	**% VAR**
Primary and Secondary Education	810,985	643,010	167,975	26.1%	4,986,544	4,840,045	146,498	3.0%
Higher Education	198,849	183,893	14,956	8.1%	1,331,136	1,330,912	224	0.0%
Other Education	4,276	4,383	(107)	-2.4%	55,045	49,556	5,488	11.1%
Medicaid	1,441,110	1,233,173	207,937	16.9%	9,865,975	9,022,795	843,181	9.3%
Health and Human Services	116,664	149,276	(32,612)	-21.8%	859,186	824,349	34,837	4.2%
Justice and Public Protection	235,789	205,415	30,374	14.8%	1,500,226	1,402,672	97,554	7.0%
General Government	41,434	32,508	8,926	27.5%	263,210	226,460	36,750	16.2%
Property Tax Reimbursements	0	(0)	0	N/A	905,289	905,520	(230)	0.0%
Debt Service	121,322	128,405	(7,082)	-5.5%	1,024,647	1,062,765	(38,118)	-3.6%
Total Expenditures & ISTV's	**2,970,430**	**2,580,063**	**390,367**	**15.1%**	**20,791,258**	**19,665,074**	**1,126,184**	**5.7%**
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	657,503	(657,503)	N/A
Operating Transfer Out	821	87	734	841.9%	663,620	95,424	568,196	595.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**821**	**87**	**734**	**841.9%**	**663,620**	**752,927**	**(89,307)**	**-11.9%**
Total Fund Uses	**2,971,251**	**2,580,150**	**391,101**	**15.2%**	**21,454,878**	**20,418,001**	**1,036,877**	**5.1%**

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) unencumbered ending fund balance for fiscal year 2020. Based on the estimated revenue sources for fiscal year 2020 and the estimated fiscal year 2020 disbursements, transfers, and encumbrances, the GRF unencumbered ending fund balance for fiscal year 2020 is estimated to be $593.2 million.

The GRF unencumbered ending fund balance should not be considered as a balance available for expenditure in fiscal year 2020 because the biennial budget includes carrying-over this balance into fiscal year 2021, nor should it be considered as equivalent to the fiscal year 2020 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF unencumbered ending fund balance will be impacted by any GRF expenditures or transfers that may be authorized by the General Assembly or by the Controlling Board during the course of the fiscal year.

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2020
($ in thousands)

JULY 1, 2019 Beginning Cash Balance*	**1,538,011.8**
Plus FY 2020 Estimated Revenues	23,981,102.1
Plus FY 2020 Estimated Federal Revenues	9,868,943.2
Plus FY 2020 Estimated Transfers to GRF	215,044.4
Total Sources Available for Expenditures & Transfers	**35,603,101.5**
Less FY 2020 Estimated Disbursements**	33,969,087.5
Less Estimated Total Encumbrances as of June 30, 2020	357,122.8
Less FY 2020 Estimated Transfers Out	683,675.1
Total Estimated Uses	**35,009,885.3**
FY 2020 ESTIMATED UNENCUMBERED ENDING FUND BALANCE	**593,216.2**

*** Includes reservations of $391.6 million for prior year encumbrances. After accounting for this adjustment, the estimated unencumbered beginning fund balance for fiscal year 2020 is $1,146.4 million.**

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

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