

State of Ohio Monthly Financial Report

SEPTEMBER 12, 2022

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

From: Kimberly Murnieks, Director



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Report Overview

OHIO CREDIT UPGRADED TO
AAA
BY FITCH RATINGS



Fitch Ratings upgraded Ohio's long-term Issuer Default Rating to "AAA", the highest credit rating possible.

AUGUST NON-AUTO
SALES TAX TOOLED
\$917 MILLION



GRF Non-Auto Sales and Use Tax collections in August totaled \$917 million.

PERSONAL INCOME TAX
EXCEEDED THE ESTIMATE
BY \$54.2 MILLION



August Personal Income Tax receipts exceeded the estimate by \$54.2 million (6.8%).

AUGUST AUTO SALES AND
USE TAX COLLECTIONS
TOOLED \$198.6 MILLION



August Auto Sales and Use Tax collections totaled \$198.6 million.

Top “AAA” Credit Rating for Ohio

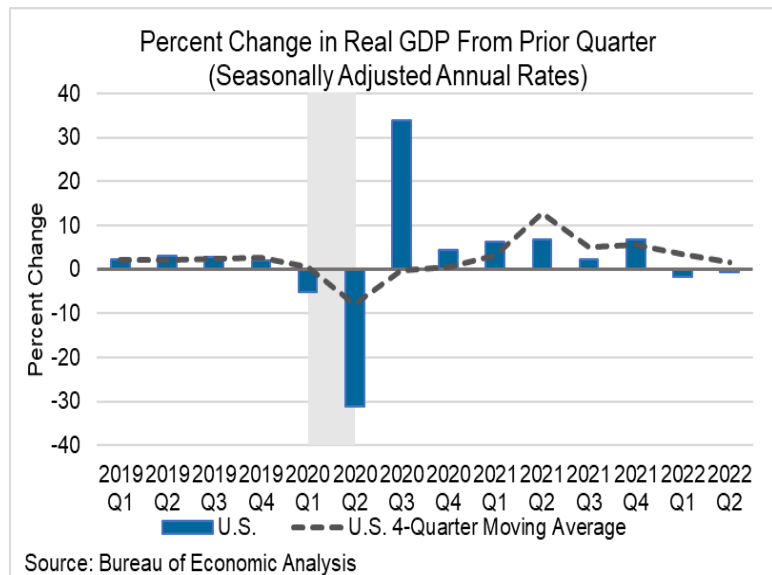
On September 8, 2022, [Fitch Ratings](#) upgraded Ohio’s long-term Issuer Default Rating (IDR) from “AA+” to “AAA”, the highest credit rating possible, while noting material strengthening of the state’s financial resilience and budget management, particularly over the past two biennia. The rating action is Ohio’s first “AAA” rating with Fitch, which began rating Ohio’s credit in the 1990s and represents the highest rating for Ohio’s IDR by one of the three main rating agencies since 1979. The higher credit rating allows Ohio to achieve a lower cost of borrowing which ultimately achieves success on behalf of all taxpayers. In connection with the IDR update, Fitch also upgraded Ohio’s General Obligation bond rating to “AAA” from “AA+”, appropriation-backed bonds to “AA+” from “AA”, Ohio School District Credit Enhancement Program Rating from “AA” to “AA+”, and the PPP Grantor Counterparty rating assigned to the Ohio Department of Transportation’s Portsmouth Bypass project payment obligations from “A+” to “AA-”.

The benefits will be in the millions per year. Each time Ohio issues bonds to finance a future project, interest costs will be lower. Just like a strong credit score saves families real money when they finance a mortgage, this top AAA rating will lower Ohio’s costs for bond-backed projects.

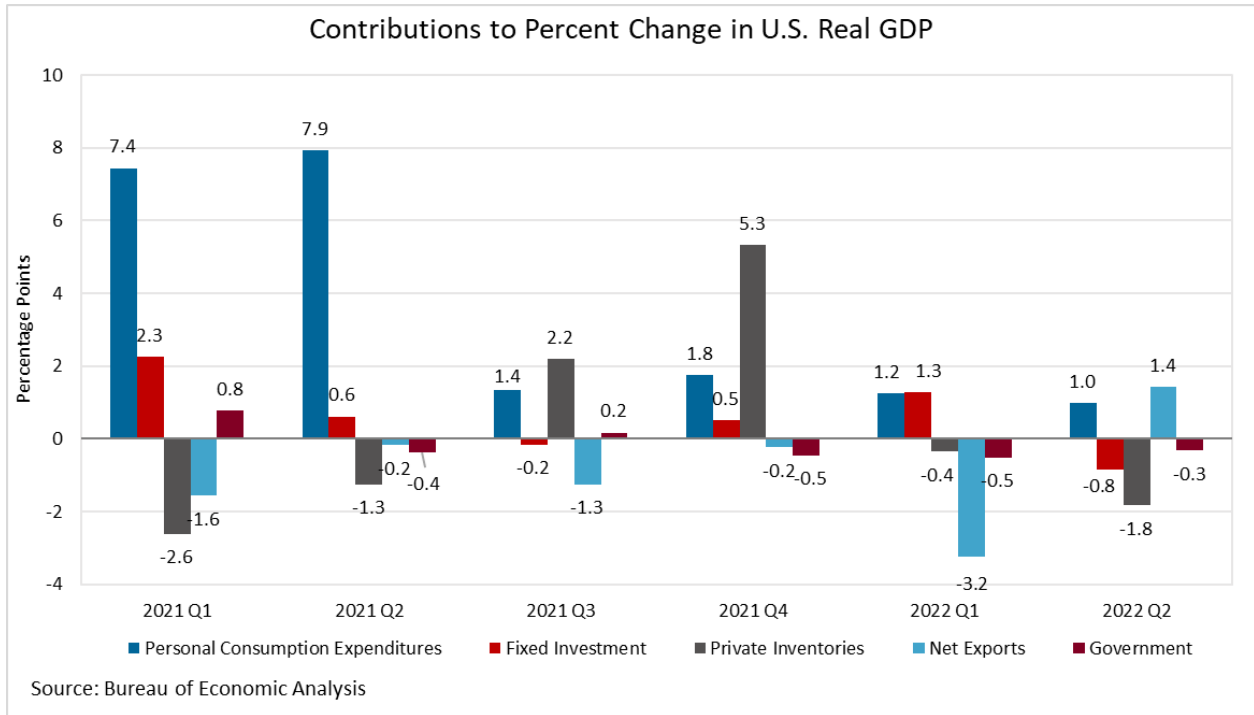
Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis (BEA)’s second estimate, the nation’s **Real Gross Domestic Product (GDP)** decreased in the second quarter of calendar year 2022 at an annualized rate of 0.6 percent, an upward revision of 0.3 percentage points from last month’s advance estimate. This is the second consecutive quarter where U.S. GDP decreased marginally, following increases in each of the prior six quarters.



The second quarter decrease in real GDP resulted from decreases in private inventories (-1.8 percentage points), fixed investment (-0.8 percentage points) and government expenditures (-0.3 percentage points). These decreases were partially offset by increases in net exports (1.4 percentage points) and personal consumption expenditures (1 percentage points).



The **Back-to-Normal Index** tracks the economic recovery compared to pre-pandemic levels. As of August 31, 2022, the national index was at 90.9 percent. Ohio’s index was 2.4 percentage points higher at 93.3 percent. Ohio’s average Back-to-Normal Index value in August was 93.4 percent, which was 2.1 percentage points above the national average of 91.3 percent.

The **Federal Reserve’s Beige Book** evaluates current economic conditions across its 12 districts. According to the September report, the economy in the Fourth District, which includes Ohio, saw activity stabilize since July. Consumer demand for homes and automobiles softened, and higher prices constrained spending at retail locations. Supply chain concerns continue but there were more frequent reports of relief in this area than in prior months. Continued supply chain relief and softer economic conditions could help further alleviate inflationary pressures moving forward.

In July, the Conference Board’s **Leading Economic Index (LEI)** decreased 0.4 percent to 116.6 from June’s revised value. The index has now decreased in each of the last five months and six of the seven months thus far in calendar year 2022. The Conference Board’s senior director of economics reported that the LEI’s decline over the past five months, combined with slowdowns in housing construction and manufacturing new orders, as well as growing consumer pessimism, suggests that the risk of national recession in the near term is rising.

Economic forecasters remain divided about the future of the national economy. However, recent upward revisions to GDP and the ongoing robust labor market suggest that the economy is likely to regain some strength in the third quarter. While concerns about inflation, the Russian war in Ukraine, and supply chain disruptions could alter the overall outlook, forecasters estimate that growth in the third quarter will be in a more normalized range.

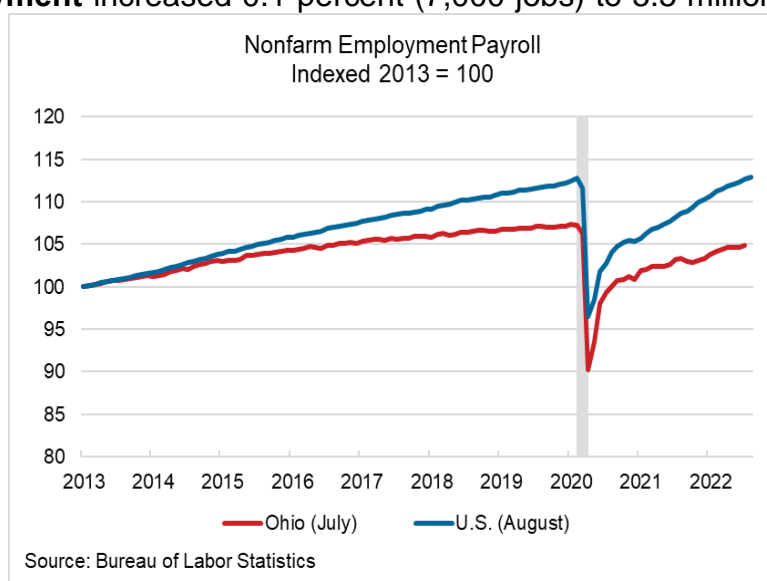
Economic Forecasts

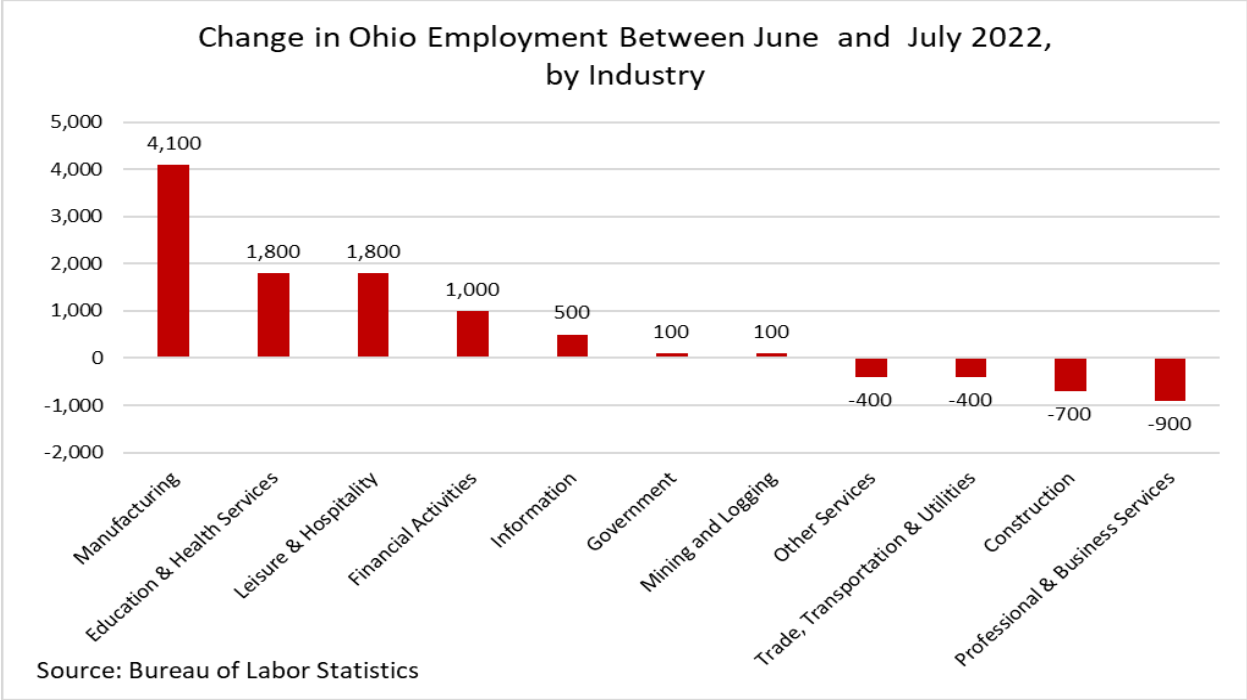
Source	Date	3rd Quarter 2022 Annualized GDP Forecast
Moody’s Analytics High Frequency GDP Model	09/02/2022	2.0%
IHS Markit GDP Tracker	09/02/2022	1.3%
Federal Reserve Bank of Atlanta (GDPNow)	09/01/2022	2.6%
Federal Reserve Bank of Philadelphia Survey of Professional Forecasters	08/12/2022	1.4%
Wells Fargo	08/11/2022	2.4%
Conference Board	08/10/2022	1.3%

Ohio Labor Market

Ohio’s nonfarm payroll employment increased 0.1 percent (7,000 jobs) to 5.5 million jobs between June and July 2022. This was 1.5 percent above the number of jobs in July 2021.

In Ohio, the manufacturing industry had the largest increase in jobs in July, followed by the leisure and hospitality and education and health services industries. These gains were partially offset by losses in the professional and business services and construction industries.

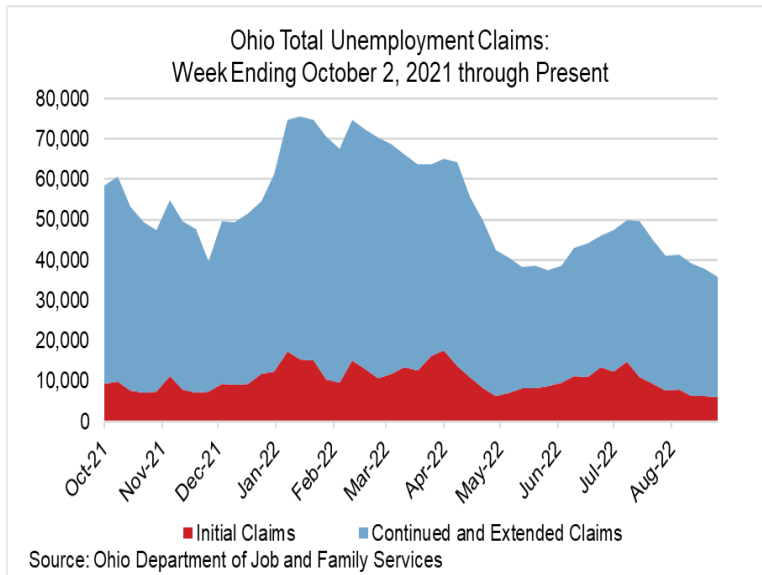
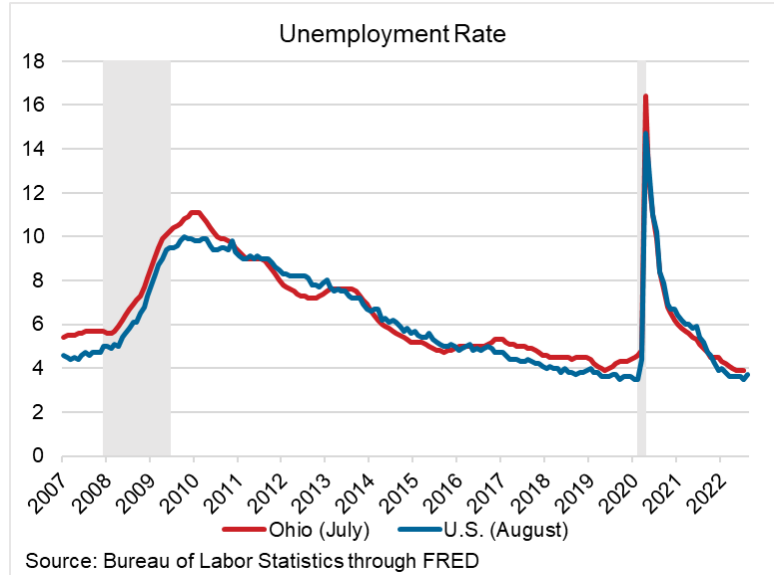




Ohio’s **labor force participation rate** in July was 61.9 percent, a decrease of 0.1 percentage points from June and Ohio’s **employee-population ratio** was 59.6 in July, unchanged from June 2022.

The **State-Level Coincident Index**, a measure of employment conditions in each state, for Ohio increased 0.2 percent in July 2022 and has increased 0.6 percent over the last three months. Compared to July 2021, the Ohio index increased 4 percent. The U.S. coincident index increased 0.4 percent between June and July, and 1.1 percent over the last three months, for comparison.

The **Ohio unemployment rate** remained at 3.9 percent for the third consecutive month in July.

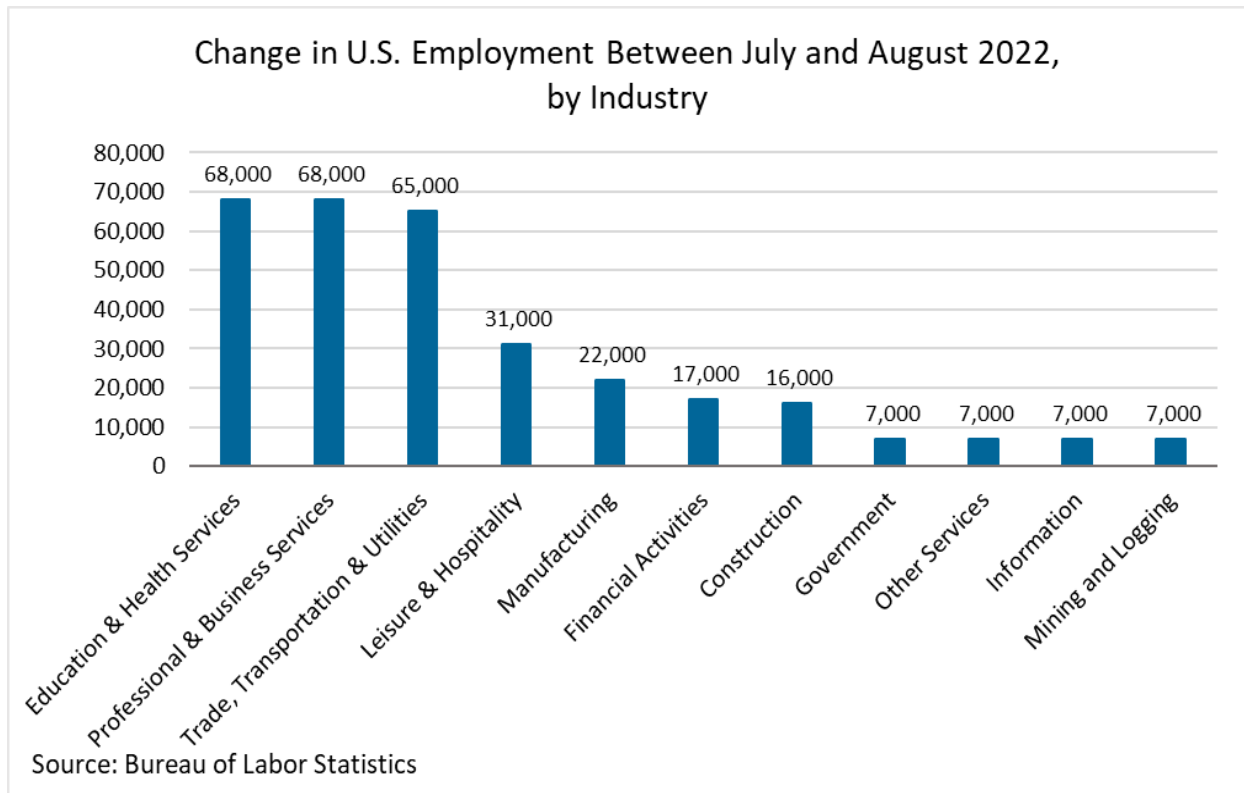


During the week ending August 27, 2022, a total of 6,021 **initial unemployment claims** were filed, a 4.6 percent decrease from the previous week. Individuals filing **continued and extended claims** during the same week totaled 29,936, a 4.9 percent decline from the prior week.

U.S. Labor Market

U.S. nonfarm payroll employment increased by 315,000 jobs in August. Total non-farm employment has now returned to its February 2020 level. Job gains were widespread with the highest growth in education and health services, professional and business services, and trade, transportation and utilities.

315,000
Jobs Added

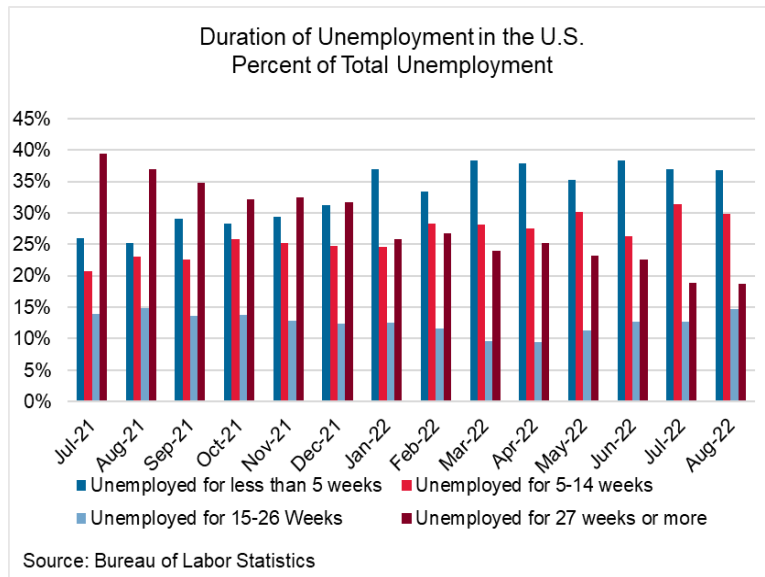


The **U.S. labor force participation rate** increased by 0.3 percentage point to 62.4 percent in August. The employment-population ratio increased by 0.1 percentage point to 60.1 percent. These measures each remain below their February 2020 level by 1 and 1.1 percentage points, respectively.

The **U.S. unemployment rate** increased 0.2 percentage point to 3.7 percent. The number of unemployed individuals increased to six million. Unemployment rates varied for all demographic groups in August. The unemployment rate increased for all racial groups; however, the largest increases were for individuals who identify as Hispanic, up 0.6 percentage points and for individuals who identify as Black, up 0.4 percentage points. Whereas the unemployment rate for individuals who identify as Asian and White increased 0.2 and 0.1 percentage points, respectively. The unemployment rate for women increased 0.2 percentage point between July and August. For men, the unemployment rate increased 0.3 percentage points. The unemployment rate for teenagers decreased by 1.1 percentage points.

Unemployment Rates by Demographic Group

	June-22	July-22	August-22
Women	3.3%	3.1%	3.3%
Men	3.3%	3.2%	3.5%
Teenagers, 16-19	11.0%	11.5%	10.4%
Black	5.8%	6.0%	6.4%
White	3.3%	3.1%	3.2%
Asian	3.0%	2.6%	2.8%
Hispanic	4.3%	3.9%	4.5%



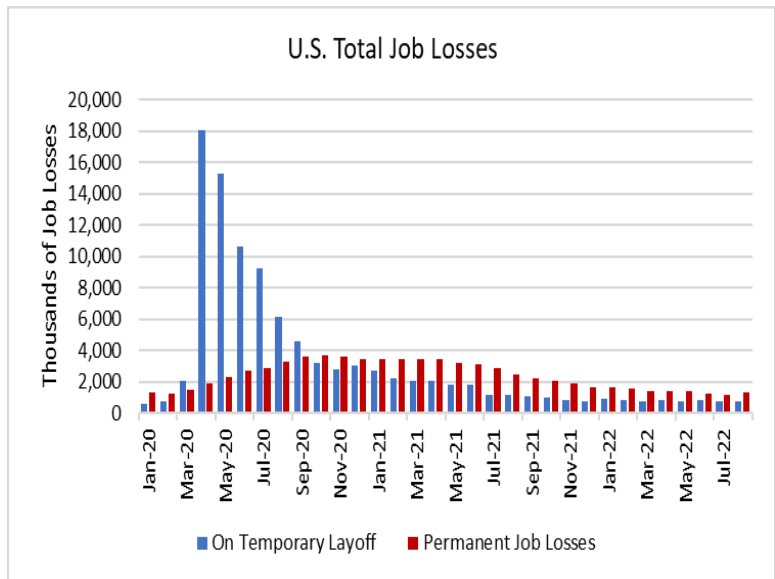
In August, 18.8 percent of unemployed individuals were unemployed for 27 or more weeks. This measure increased by 70,000 and has now returned to its February 2020 level.

The number of **people not in the labor force who currently want a job** decreased by 6.1 percent to 5.5 million, 553,000 higher than in February 2020.

The number of unemployed people who were on **temporary layoff** decreased to 782,000 in August, 2,000 higher than in February 2020.

The number of people with **permanent job losses** increased by 188,000 in August to 1.4 million and is 59,000 more than in February 2020.

The **Conference Board's Employment Trends Index** increased 0.7 percent to 119.1 in August 2022 compared to July's revised number. The increase in the index was due to positive contributions from four of the eight components. The senior economist at the Conference Board, Frank Steemers, suggested that the labor market is continuing to add jobs at a strong pace, but expects growth to decelerate for the rest of the year as headwinds in other parts of the economy are already evident.



Consumer Income and Consumption

\$21.8 TRILLION

Personal income increased by \$47 billion (0.2%) in July to \$21.8 trillion. Gains in July were due to increases in compensation of

employees of \$106.6 billion (0.8%) and personal income receipts on assets of \$4.8 billion (0.2%).

Personal consumption expenditures increased by \$23.7 billion (0.1%) between June and July. Overall spending on goods decreased 0.2 percent. Spending on durable goods increased 1.3 percent, which was primarily attributed to increases in recreational goods and services (1.6%), and furnishings and durable household equipment (1.5%). Spending on nondurable goods decreased 1 percent which was primarily driven by a decrease in spending on gasoline and other energy goods (-10.1%). Spending on services increased 0.3 percent in July, primarily due to other services (1.0%), housing and utilities (0.8%), and recreation services (0.2%).

The table below provides details on real personal consumption spending in chained 2012 dollars, which represents real inflation adjusted growth rates. The differences between the figures above and those in the table below are due to the rise in the price of products or services due to inflation.

Consumer Spending by Industry, for Select Industries
(In Millions of Chained 2012 dollars)

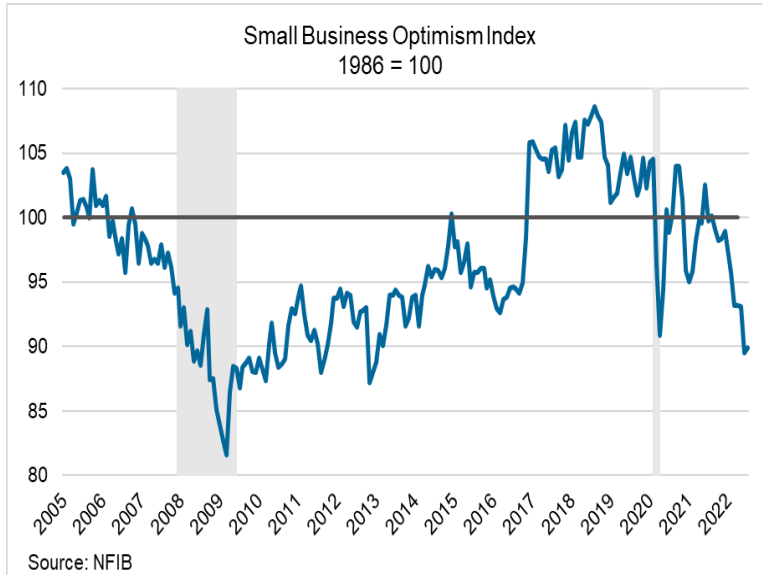
	June 2022	July 2022	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$2,197,586	\$2,230,146	1.5%	3.4%	10.6%
Motor vehicles and parts	\$580,022	\$585,072	0.9%	-0.7%	0.6%
Furnishings and durable household equipment	\$491,231	\$497,243	1.2%	-0.2%	4.8%
Recreational goods and vehicles	\$840,951	\$862,394	2.5%	9.6%	18.7%
Other durable goods	\$353,449	\$357,852	1.2%	7.5%	33.4%
Nondurable Goods	\$3,324,454	\$3,307,712	-0.5%	-1.3%	5.2%
Clothing and footwear	\$498,433	\$502,718	0.9%	1.5%	20.5%
Gasoline and other energy goods	\$416,842	\$402,760	-2.7%	-8.3%	2.0%
Other nondurable goods	\$1,315,481	\$1,318,613	0.2%	2.5%	8.5%
Services	\$8,595,195	\$8,612,717	0.2%	3.3%	11.4%
Food services and accommodations	\$895,997	\$895,311	-0.1%	5.4%	36.6%
Other Services	\$1,154,009	\$1,156,461	0.2%	5.7%	18.0%
Health Care	\$2,254,689	\$2,256,438	0.1%	2.1%	8.8%

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

Personal saving was \$932.3 billion in July 2022, an increase of 1.2 percent (\$10.6 billion) compared to June’s revised level and was 33 percent below the February 2020 level. The **personal savings rate** was 5 percent in July, unchanged from June’s revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) showed no change in July, which followed a 1.3 percent increase in June. The ‘all items’ index has increased 8.5 percent over the last 12 months. In July, energy prices fell 4.6 percent compared to June.

Consumer opinion surveys reported mixed findings in consumer confidence in August. Respondents in the University of Michigan’s **Survey of Consumers** reported a 13 percent increase in consumer sentiment to 58.2 compared to July. Most of August’s increase can be attributed to year-ahead expectations and the recent deceleration in inflation. The Conference Board’s **Consumer Confidence** Index increased by 7.9 points to 103.2 in August. This was the first increase in four months, as consumers’ saw business conditions as more favorable in August than in previous months.



The **Small Business Optimism Index** rose 0.4 points to 89.9 in July. This is the seventh consecutive month that the index was below 98, the 48-year average. Inflation was identified as the single most important problem by 37 percent of respondents, a three-point increase from June. Small business owners continue to report that they are struggling to hire as 49 percent of owners reported job openings that could not be filled. Additionally, the Uncertainty Index increased by

12 points in July, as more owners are unsure of what is ahead.

Travel and Tourism

Average airline checkpoint traffic for the month of August decreased 4.2 percent from July. **Total travel throughput** in August 2022 was 18.8 percent higher than in August 2021 but was 8.6 percent lower than August 2019.

The **hotel occupancy rate** for the week ending August 27, 2022, was 65 percent, which was 2.5 percent below the comparable week in 2019. The **average daily rate** for a hotel room was \$147.16, a 15 percent increase from the 2019 comparable week. **Revenue per available room** was \$95.62, which was 12.1 percent more than the equivalent week in 2019.

Ohio **turnpike passenger vehicle miles traveled** between August 1 - 26, 2022 decreased 3.5 percent compared to the same period in 2021 and increased 1 percent compared to the same period in 2019. **Turnpike commercial vehicle miles traveled** in Ohio between August 1 - 26, increased 1.1 percent compared to 2021 and increased 15.1 percent compared to the same period in 2019. **Total turnpike revenue** from August 1 - 26, 2022 increased 1.3 percent compared to the same period in 2021 and was 16 percent higher than 2019.

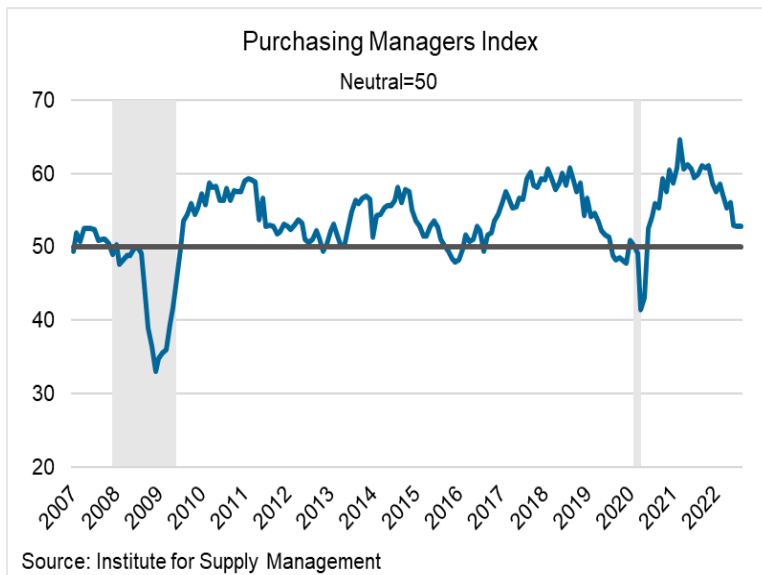
Industrial Activity

According to the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.6 percent between June and July and was 3.9 percent higher than in July 2021. The index was 3.4 percent above levels in February 2020.

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

Manufacturing Sector	Percent Change May to June 2022	Percent Change June to July 2022	Percent Change July 2021 to July 2022
Aerospace and Other Transportation Equipment	-0.1%	1.5%	3.6%
Chemicals	0.1%	0.5%	2.0%
Electrical Equipment	1.4%	-1.4%	2.3%
Fabricated Metal Products	-1.4%	2.1%	5.3%
Food Beverage and Tobacco Production	-0.3%	-0.1%	1.9%
Machinery	-2.2%	0.5%	0.7%
Motor Vehicles and Parts	-1.3%	6.6%	13.3%
Petroleum and Coal	-1.5%	-0.9%	-0.2%
Plastics and Rubber Products	-0.5%	1.3%	6.1%
Primary Metals	-0.4%	-0.9%	-1.9%

The **Manufacturing Production Index** increased 0.7 percent in July to 102.3 and was 3.2 percent above the July 2021 level. Nationally, manufacturing in six of Ohio's top 10 industries increased production between June and July. Increases in the motor vehicles and parts (6.7%), fabricated metal product (2.1%), aerospace and miscellaneous transportation (1.6%), and plastic and rubber products (1.3%) industries were partially offset by decreases in the electrical equipment (-1.4%), petroleum and coal products (-1.0%), and primary metal (-0.9%) industries.



In August 2022, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was at 52.8, unchanged from July's reading. Despite no change from July, the index remains above 50, indicating an overall expansion of the economy for the 27th consecutive month.

Across the nation, seven of the 10 industries most important to Ohio manufacturing reported growth in the last month, with petroleum and coal products, transportation equipment, and machinery leading the way. The three industries reporting contraction were fabricated metal products, chemical products and electrical equipment, and appliance and components.

Anecdotal evidence from purchasing and supply executives nationwide surveyed by ISM suggested that many in the manufacturing industry are feeling the impacts of inflation on their businesses and they are concerned about a potential slow down.

“
Supply in most groups is slowly increasing, but demand appears to be outpacing - causing pricing to either stabilize or increase.
[Petroleum & Coal Products]
 ”

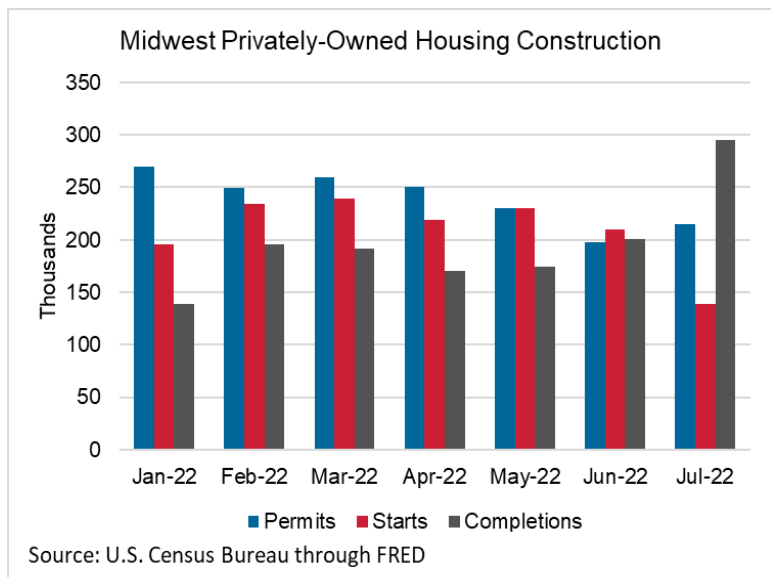
“
Strong sales continue. The impact of the chip shortage is slowing, and the decreasing COVID-19 resurgence in Asia is now affecting production more than chips.
[Transportation Equipment]
 ”

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 3.9 percent between June and July and were 7.1 percent above the number of permits issued in July 2021.

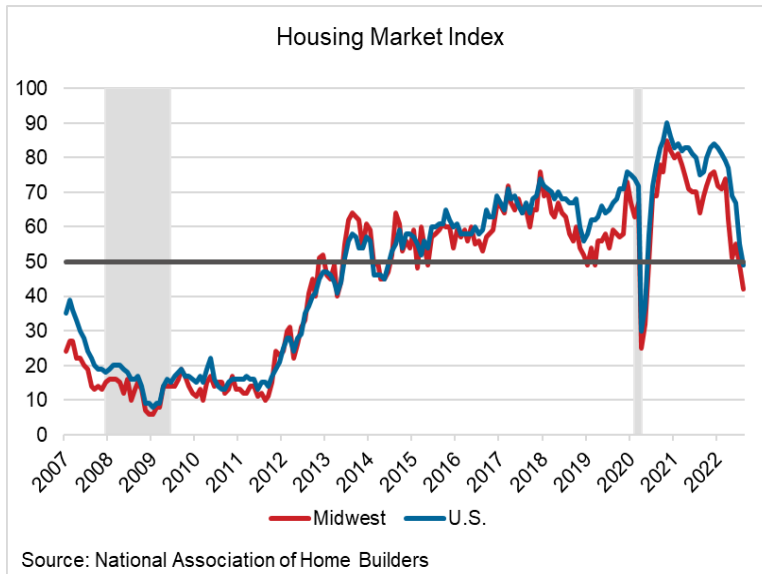
Privately-owned housing starts in the Midwest decreased 33.8 percent between June and July and were 23.6 percent below July 2021 levels.

In July, privately-owned housing completions in the Midwest increased 46.8 percent compared to June and were 56.9 percent above July 2021.



New home sales in the Midwest decreased 20.6 percent between June and July and were 22.9 percent below July 2021’s sales.

Activity in the Ohio housing market continued to pull back in July and is beginning to show signs of normalizing. Total sales were 10.4 percent below July 2021; however, the average sale price in Ohio was \$273,954, an 8.4 percent increase compared to July 2021, suggesting the market remains competitive.



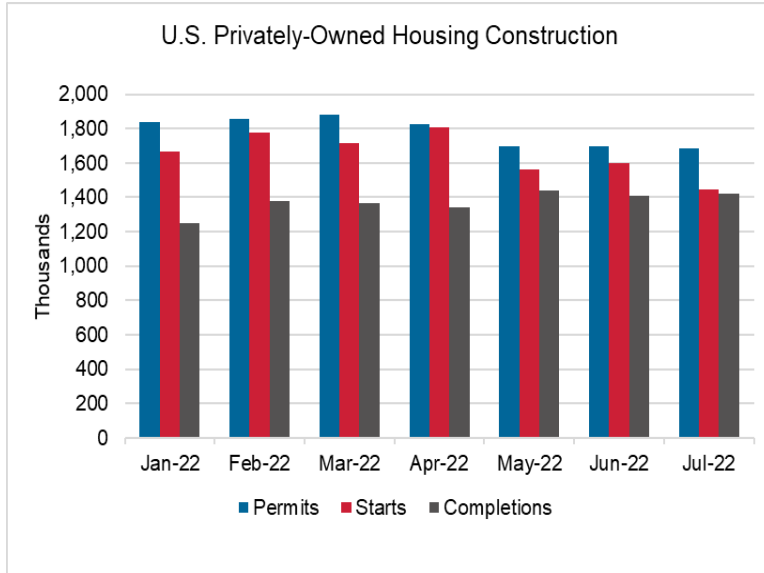
The **Housing Market Index** in the Midwest decreased seven points in August to 42 from a revised 49 in July. The Midwest Index was seven points lower than the national level in August. Higher mortgage interest rates and elevated construction costs have brought both the national and regional indices below the 50-year average signaling it is in contraction.

U.S. Construction and Housing Market

The U.S. Census Bureau estimated **total construction spending** in July 2022 at \$1.8 trillion, which was 0.4 percent below the revised June estimate. The July 2022 estimate was 8.5 percent above July 2021 and 27.6 percent above July 2020.

Public sector construction spending in July was at a seasonally adjusted annual rate of \$353.1 billion. This was 1.5 percent above the revised June estimate and 3.3 percent above the July 2021 estimate. Spending in July on educational construction was 0.1 percent below June's revised value and 2.1 percent below July 2021. Highway construction spending in July was 4.3 percent above the revised June value and 4.3 percent above July 2021.

Private sector construction spending in July was at a seasonally adjusted annual rate of \$1.4 trillion. This was 0.8 percent below the revised June estimate but 9.9 percent above the July 2021 level. Residential construction in July decreased 1.5 percent from June but was 14.1 percent above July 2021. Nonresidential construction in July increased 0.4 percent from the revised June estimate and was 3.1 percent above July 2021.



In the U.S., **building permits** for privately-owned housing units decreased 0.6 percent between June and July, and were 1.8 percent above the number of permits issued in July 2021.

Nationally, privately-owned housing starts decreased 9.6 percent between June and July and were 8.1 percent below July 2021 levels.

In July, **newly built single-family home sales** decreased 12.6 percent compared to June

and were 29.6 percent below sales in July 2021. The national median sales price in July 2022 was \$439,400, a 5.9 percent increase compared to June and an 8.2 percent increase compared to July 2021.

Existing home sales, as reported by the National Association of Realtors, decreased 5.9 percent in July compared to June. July’s existing home sales declined to 4.8 million housing units, a 20.2 percent decrease from July 2021. The median sale price of all existing homes rose 10.8 percent from a year ago to \$403,800. July 2022 was the 125th consecutive month of year-over-year increases in existing median home sale prices. Available inventory in July 2022 totaled 1.3 million units, a 4.8 percent increase from June, but was unchanged from July 2021’s inventory level.

Revenues

August represented a solid month for GRF tax revenues, which exceeded the monthly estimate by \$82.7 million (3.4%). Fiscal year-to-date tax revenues now exceed estimate by 1.9 percent. Personal income tax had the largest positive variance in August, exceeding the estimate by \$54.2 million (6.8%); this source accounted for 66 percent of the month’s total tax variance. August tax revenues grew by \$164.9 million (7.0%) from last year, with income tax accounting for one-half of the increase. For the two elapsed months of FY 2023, tax revenues have increased by \$233.5 million (5.4%) over the same period last year.

Aggregate (tax and non-tax) GRF receipts and transfers totaled \$3.9 billion in August and were \$130.8 million (3.5%) above estimate. As noted above, tax revenues were above estimate. Non-tax receipts were \$47.5 million (3.6%) above estimate. For the year-to-date, tax revenues, non-tax receipts, and transfers are all above estimate as shown in the table below.

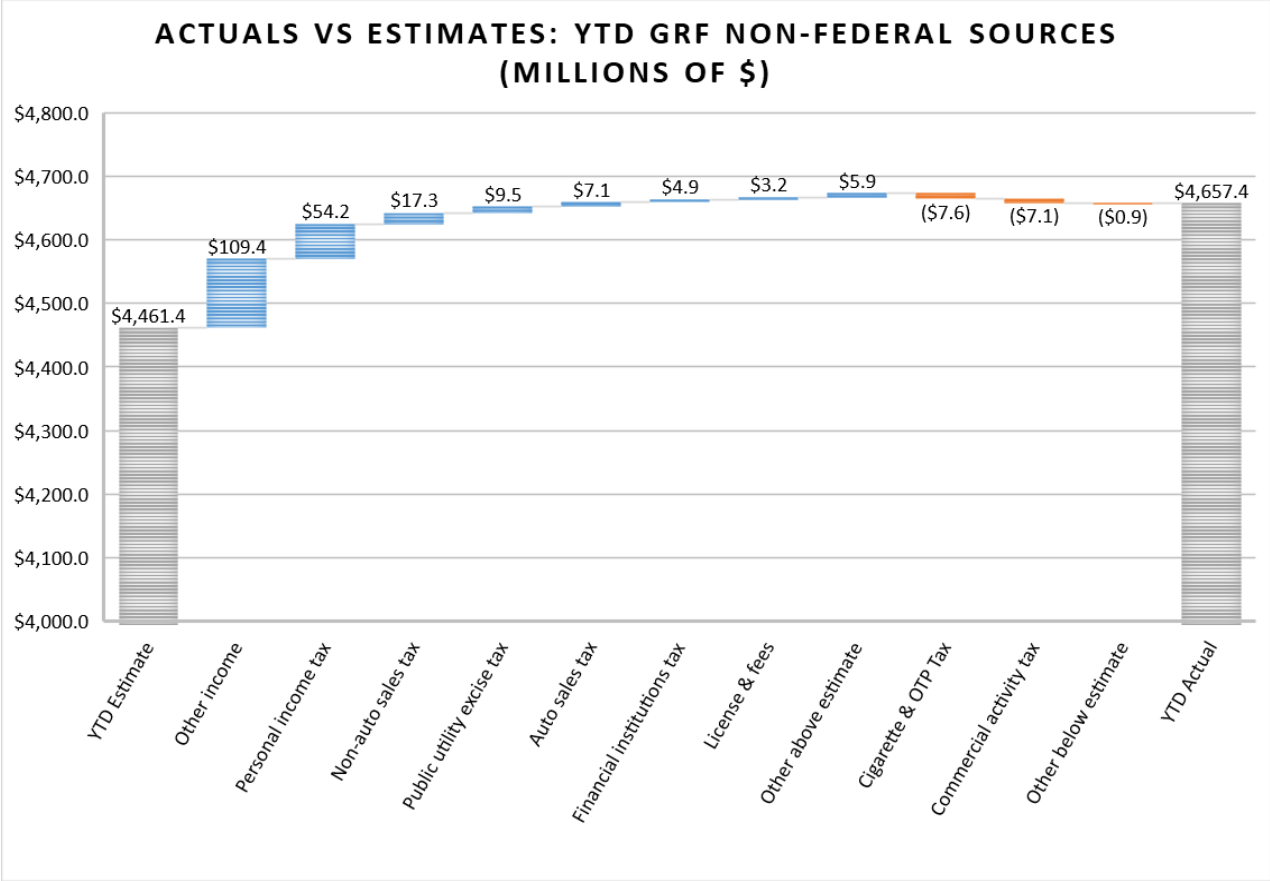
Category	Includes:	YTD Variance (millions)	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$82.7	1.9%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$47.5	1.5%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$0.6	12.7%
TOTAL REVENUE VARIANCE:		\$130.8	1.7%
Non-Federal Revenue Variance		\$196.0	4.4%
Federal Grants Variance		(\$65.1)	-2.1%

The table below shows that sources above estimate (a positive variance of \$211.5 million) in August outweighed the size of sources below estimate (a negative variance of \$80.7 million), resulting in a \$130.8 million net positive variance from estimate.

GRF Revenue Sources Relative to Monthly Estimates – August 2022
(\$ in millions)

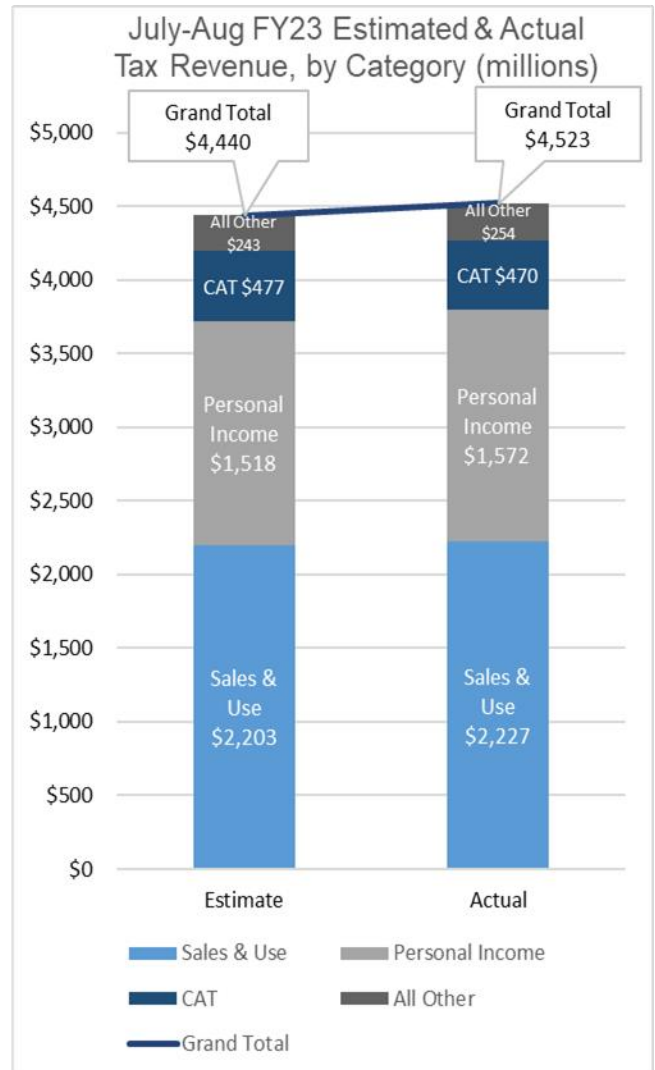
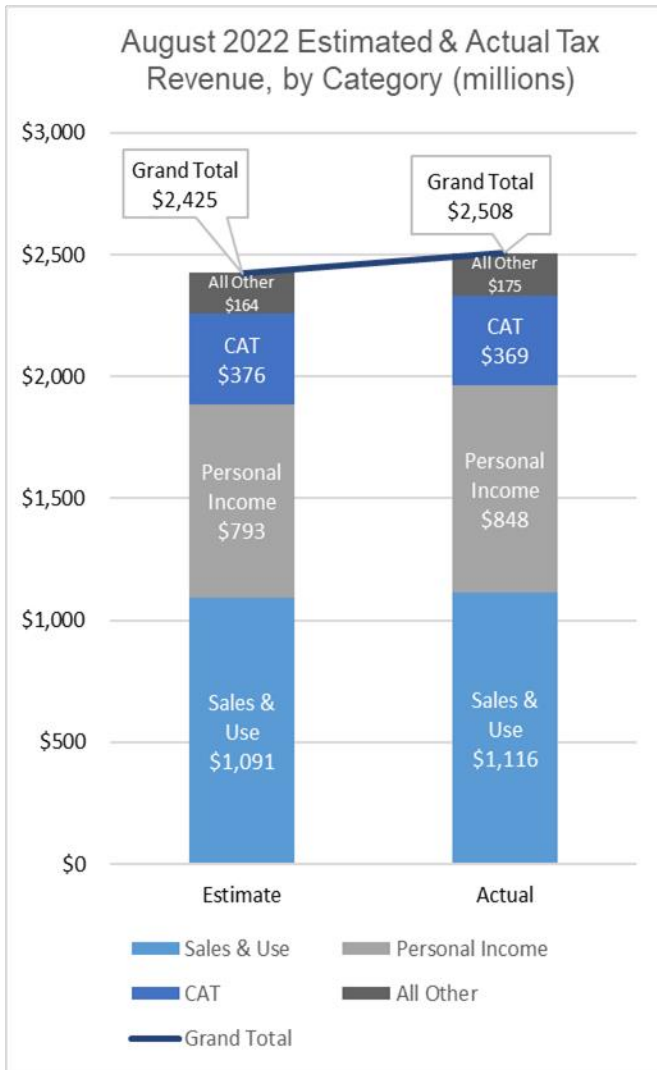
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Other Income	\$109.4	Federal Grants	(\$65.1)
Personal Income Tax	\$54.2	Cigarette & Other Tobacco Products Tax	(\$7.6)
Non-Auto Sales Tax	\$17.3	Commercial Activity Tax	(\$7.1)
Public Utility Excise Tax	\$9.5	Other sources below estimate	(\$0.9)
Auto Sales Tax	\$7.1		
Financial Institutions Tax	\$4.9		
Other sources above estimate	\$9.1		
Total	\$211.5	Total Below	(\$80.7)

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



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for fiscal year 2023 to date, with the net difference totaling \$196 million.

The following two graphs show the composition of estimated and actual GRF tax revenues for August 2022 and for the fiscal year-to-date. All tax sources are allocated among several major categories. The charts show the preponderant impact of the sales and use tax and the personal income tax on the GRF revenue structure.



For August, total receipts and transfers were \$748.1 million (23.9%) above the previous year. Tax receipts increased by \$164.9 million (7.0%) and non-tax receipts increased by \$613 million (81.1%). Transfers declined by \$29.7 million (-97.9%). For the year-to-date, tax receipts are \$233.5 million (5.4%) above last year and non-tax receipts are \$740.5 million (31.2%) above the prior year. Transfers are \$29.7 million (-84.0%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during August was Federal grants, at \$500.4 million (66.7%) above last year. The next-largest increases were other income at \$109.3 million, personal income tax at \$81.7 million (10.7%), and non-auto sales tax at \$47 million (5.4%). The largest declines were experienced by transfers in - other at \$29.7 million (-97.9%) and cigarette and other tobacco tax at \$5.8 million (-7.0%).

Non-Auto Sales Tax

August GRF non-auto sales and use tax collections totaled \$917 million and were \$17.3 million (1.9%) above estimate. Year-over-year this tax source increased by \$47 million (5.4%). Year-to-date collections totaled \$1.9 billion and were \$17.3 million (0.9%) above estimate. For the year, revenues increased by \$52.8 million (2.9%) over FY 2022. This set a new record for non-auto sales tax receipts during the month of August. The last two highest August revenue records occurred in FY 2022 (\$870 million) and FY 2021 (\$802.6 million).



The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows greater year-over-year retail sales growth in July than in June. Focusing on the retail categories that are predominantly subject to Ohio non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the July MARTS data show a 7.6 percent year-over-year increase in national non-seasonally adjusted sales. This compares to the year-over-year growth of 5.6 percent in June and 8.4 percent in May. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 9.1 percent, 8.7 percent and 1.2 percent during May, June, and July, respectively.

The MARTS data also shows continued retail sales growth on a month-over-month basis. Based on seasonally adjusted figures, July 2022 sales for the above-indicated retail categories increased by 1.1 percent from June, following a 0.5 percent increase from May.

Auto Sales Tax

August auto sales tax revenues totaled \$198.6 million and were \$7.1 million (3.7%) above estimate. Year-over-year this tax source increased by \$18.3 million (10.2%). Year-to-date revenues totaled \$356.9 million and were \$7.1 million (2.0%) above estimate. For the year, revenues decreased by \$2.3 million (-0.7%) over FY 2022.

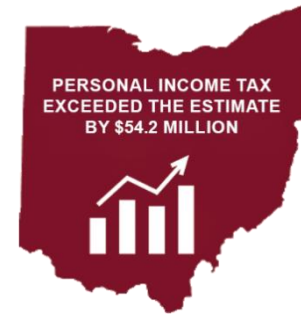


The national unit sales figures remain consistent with levels observed throughout this year. According to the U.S. Department of Commerce's Bureau of Economic Analysis, new light vehicle sales in August reached 13.2 million units, based on a seasonally adjusted annual rate, the number of sales that occurred during the month after adjustment for seasonal fluctuations and expressed as an annualized total. The figure is 1.1 percent below July and up 0.7 percent from a year ago. On an unadjusted basis, August light vehicle unit sales were at 1.1 million units. This is flat with July and is 3.2 percent above last August. New vehicle transaction prices are substantially higher than a year ago, but growth has subsided in recent months. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,178 in August, up 10.3 percent relative to last year and down 0.6 percent from July.

TrueCar, Inc. estimates that three million used vehicle units were sold at retail during August, not annualized and not seasonally adjusted, up 4 percent from last month and down 17 percent from last year. Used vehicle prices have grown considerably in the last two years, although year-over-year growth has dropped in recent months and has been declining on a month-over-month basis during this calendar year. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of August 2022 was 8.8 percent higher than the previous year, and 3.6 percent below July. The index is at its lowest level since October 2021.

Personal Income Tax

August GRF personal income tax receipts totaled \$847.7 million, \$54.2 million (6.8%) above estimate and \$81.7 million (10.7%) above the same month last year. Year-to-date personal income tax receipts totaled \$1.6 billion, up \$140.3 million (9.8%) compared to FY 2022.



August withholding collections totaled \$872.2 million and were \$39 million (4.7%) above estimate. For the fiscal year-to-date, this withholding component exceeds estimate by \$39 million (2.4%). This component was \$74.7 million (9.4%) above last August; it is \$113.5 million (7.5%) above last year for the fiscal year-to-date. August collections were impacted by the 3 percent reduction in employer withholding tax rates that took effect in September 2021. After adjusting for this change and adjusting for this August having one additional business day than last year, withholding collections for August 2022 would have been an estimated \$82.2 million (10.3%) higher than last year. Fiscal year-to-date collections are an estimated \$163.9 million (10.8%) higher than the previous year after adjusting for the withholding tax rate reduction.

While August is not a significant month for any of the other income tax components each component performed above estimate and their combined variance was \$16.2 million (54.5%). In addition, each demonstrated growth from the prior year, increasing by \$10.2 million (28.8%).

August refunds were \$1.3 million (4.0%) above estimate. For the elapsed filing season, refund payments are \$406 million (-16.7%) below estimate. The month's refunds were \$2 million (6.2%) above last year. Refunds for the current fiscal year have decreased by \$15.6 million (-18.2%) from FY 2022 while for the filing season they have increased by \$341.6 million (20.4%).

August Personal Income Tax Receipts by Component (\$ in millions)						
	Actual August	Estimate August	\$ Var	Actual Aug-2022	Actual Aug-2021	\$ Var Y-to-Y
Withholding	\$872.2	\$833.3	\$39.0	\$872.2	\$797.6	\$74.7
Quarterly Est.	\$17.8	\$13.6	\$4.2	\$17.8	\$14.9	\$2.9
Annual Returns / 40 P	\$17.5	\$9.6	\$7.8	\$17.5	\$12.7	\$4.8
Trust Payments	\$3.3	\$1.3	\$2.0	\$3.3	\$1.3	\$2.0
Other	\$7.3	\$5.1	\$2.1	\$7.3	\$6.7	\$0.6
Less: Refunds	(\$34.2)	(\$32.9)	(\$1.3)	(\$34.2)	(\$32.3)	(\$2.0)
Local Distributions	(\$36.2)	(\$36.6)	\$0.4	(\$36.2)	(\$34.9)	(\$1.3)
Net to GRF	\$847.7	\$793.5	\$54.2	\$847.7	\$766.0	\$81.7

Commercial Activity Tax

August GRF Commercial Activity Tax (CAT) revenues totaled \$369.1 million and were \$7.1 million (-1.9%) below estimate. Year-over-year this tax source increased by \$13.3 million (3.7%). Year-to-date revenues totaled \$469.8 million and were \$7.1 million (-1.5%) below estimate. For the year, revenues increased by \$28.2 million (6.4%) over FY 2022.

Most CAT revenue emanates from quarterly tax payments, so it is useful to analyze this tax source in quarterly increments. Revenue exceeded the estimate in every quarter of FY 2022 and displayed historically robust growth since FY 2021. If next month's revenue equals estimate, then first-quarter revenue will have grown by more than 5 percent from FY 2022.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.4 billion in August and were \$47.5 million (3.6%) above estimate. Year-to-date revenues totaled \$3.1 billion and were \$47.5 million (1.5%) above estimate.

The monthly variance was driven by the Other Income category, which was \$109.4 million above estimate for the month due to the timing of the JobsOhio deferred payment from liquor profits. This payment was estimated for September but occurred in late August. An offsetting variance will occur in this category next month.

Revenue from Federal Grants totaled \$1.3 billion in August and was \$65.1 million (-4.9%) below estimate due to lower than estimated expenditures, as discussed in the disbursement section of this report.

9/6/2022

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL AUGUST	ESTIMATE AUGUST	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	917,042	899,767	17,275	1.9%	1,870,275	1,853,000	17,275	0.9%
Auto Sales & Use	198,584	191,442	7,142	3.7%	356,941	349,800	7,142	2.0%
Subtotal Sales & Use	1,115,626	1,091,209	24,417	2.2%	2,227,216	2,202,800	24,417	1.1%
Personal Income	847,677	793,452	54,225	6.8%	1,571,926	1,517,701	54,225	3.6%
Corporate Franchise	(360)	(106)	(254)	-240.0%	(54)	200	(254)	-127.0%
Financial Institutions Tax	1,328	(3,602)	4,930	136.9%	630	(4,300)	4,930	114.6%
Commercial Activity Tax	369,122	376,243	(7,121)	-1.9%	469,779	476,900	(7,121)	-1.5%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	40,765	31,267	9,498	30.4%	41,397	31,900	9,498	29.8%
Kilowatt Hour	31,984	29,342	2,642	9.0%	52,642	50,000	2,642	5.3%
Natural Gas Distribution	13,882	12,383	1,499	12.1%	13,899	12,400	1,499	12.1%
Foreign Insurance	(1)	472	(473)	-100.3%	427	900	(473)	-52.6%
Domestic Insurance	1	(29)	30	103.1%	17,530	17,500	30	0.2%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	77,091	84,680	(7,589)	-9.0%	104,812	112,400	(7,589)	-6.8%
Alcoholic Beverage	5,621	4,564	1,057	23.2%	12,557	11,500	1,057	9.2%
Liquor Gallonage	5,010	5,145	(135)	-2.6%	9,865	10,000	(135)	-1.3%
Estate	0	(5)	5	N/A	5	0	5	1309.1%
Total Tax Receipts	2,507,745	2,425,015	82,730	3.4%	4,522,633	4,439,902	82,730	1.9%
NON-TAX RECEIPTS								
Federal Grants	1,250,722	1,315,832	(65,110)	-4.9%	2,982,943	3,048,053	(65,110)	-2.1%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	7,882	4,671	3,211	68.8%	8,358	5,147	3,211	62.4%
Other Income	110,627	1,250	109,377	8753.7%	120,772	11,394	109,377	959.9%
ISTV'S	1	0	1	N/A	1	1	1	182.9%
Total Non-Tax Receipts	1,369,232	1,321,752	47,480	3.6%	3,112,075	3,064,595	47,480	1.5%
TOTAL REVENUES	3,876,977	3,746,767	130,210	3.5%	7,634,708	7,504,498	130,210	1.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	635	0	635	N/A	5,635	5,000	635	12.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	635	0	635	N/A	5,635	5,000	635	12.7%
TOTAL SOURCES	3,877,612	3,746,767	130,845	3.5%	7,640,343	7,509,498	130,845	1.7%

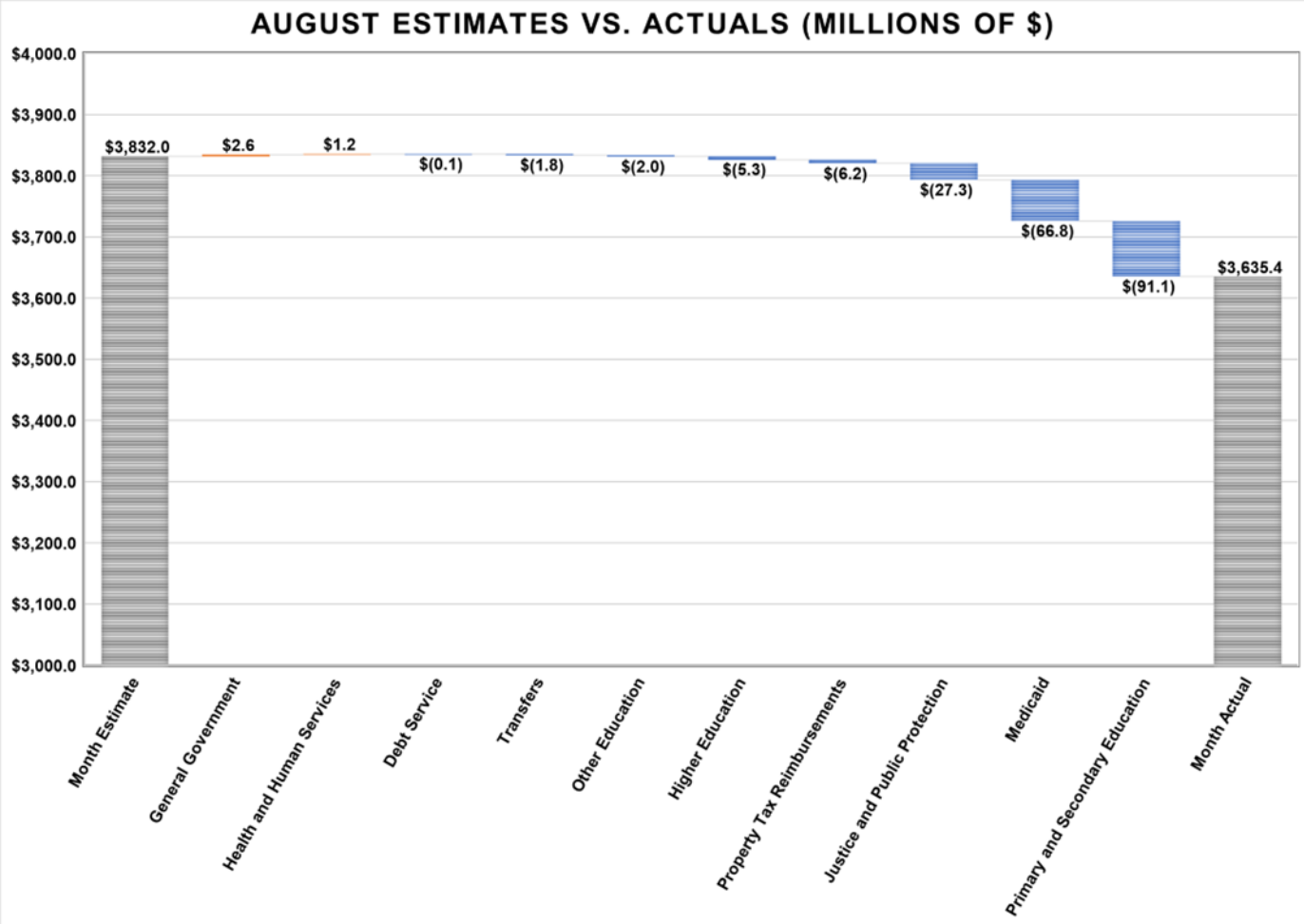
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Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

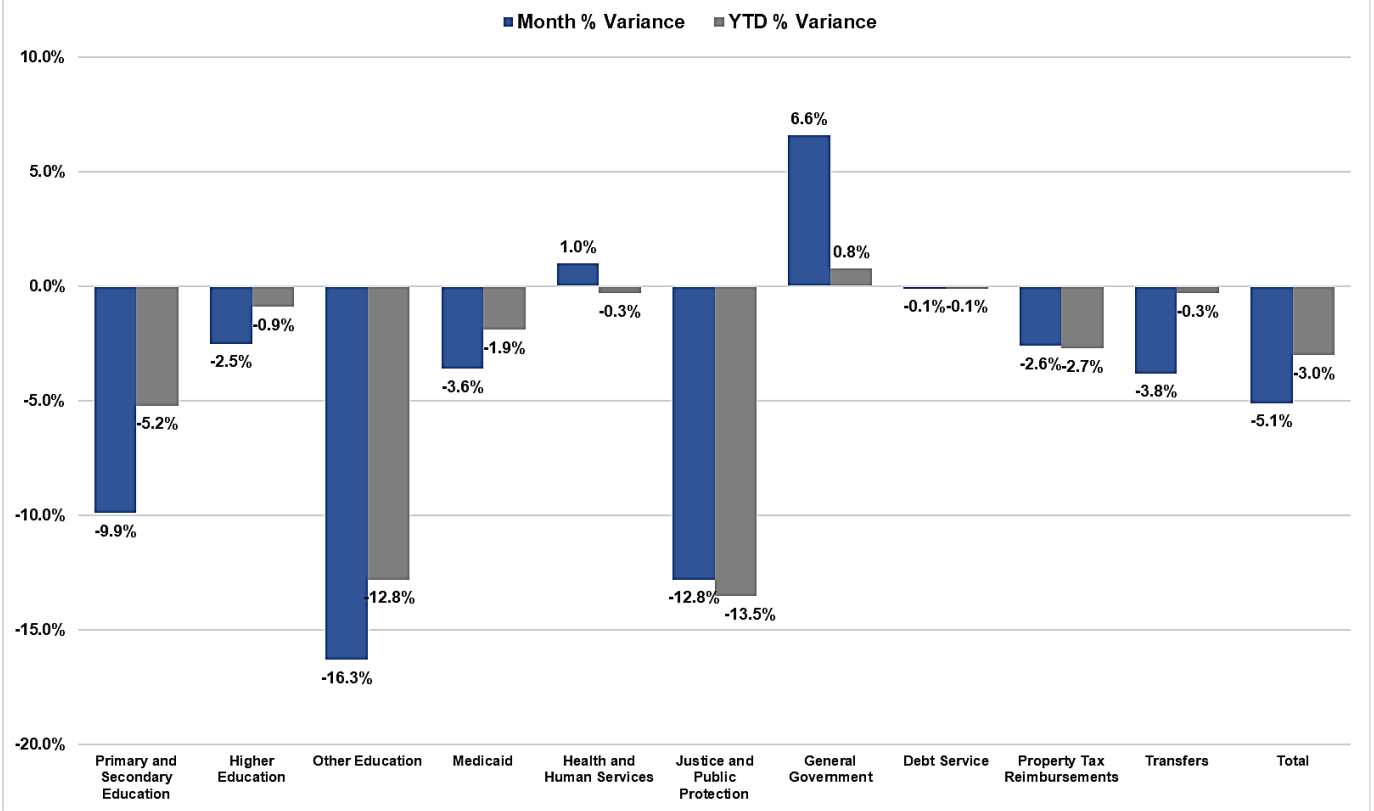
REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	AUGUST	AUGUST	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2023	FY 2022	VAR	VAR	FY 2023	FY 2022	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	917,042	870,002	47,040	5.4%	1,870,275	1,817,480	52,795	2.9%
Auto Sales & Use	198,584	180,272	18,312	10.2%	356,941	359,285	(2,343)	-0.7%
Subtotal Sales & Use	1,115,626	1,050,274	65,352	6.2%	2,227,216	2,176,765	50,452	2.3%
Personal Income	847,677	766,020	81,657	10.7%	1,571,926	1,431,654	140,272	9.8%
Corporate Franchise	(360)	372	(732)	-196.9%	(54)	408	(462)	-113.3%
Financial Institutions Tax	1,328	418	909	217.5%	630	(23)	653	2809.8%
Commercial Activity Tax	369,122	355,841	13,281	3.7%	469,779	441,575	28,205	6.4%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	40,765	34,612	6,153	17.8%	41,397	34,877	6,520	18.7%
Kilowatt Hour	31,984	32,531	(547)	-1.7%	52,642	53,430	(787)	-1.5%
Natural Gas Distribution	13,882	11,028	2,854	25.9%	13,899	12,874	1,025	8.0%
Foreign Insurance	(1)	0	(1)	N/A	427	5	422	8291.8%
Domestic Insurance	1	(98)	99	100.9%	17,530	1,614	15,916	986.3%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	77,091	82,875	(5,784)	-7.0%	104,812	112,244	(7,433)	-6.6%
Alcoholic Beverage	5,621	3,752	1,869	49.8%	12,557	13,533	(976)	-7.2%
Liquor Gallonage	5,010	5,250	(240)	-4.6%	9,865	10,194	(329)	-3.2%
Estate	0	3	(3)	N/A	5	3	3	108.5%
Total Tax Receipts	2,507,745	2,342,878	164,867	7.0%	4,522,633	4,289,152	233,481	5.4%
NON-TAX RECEIPTS								
Federal Grants	1,250,722	750,310	500,412	66.7%	2,982,943	2,346,378	636,566	27.1%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	7,882	4,635	3,247	70.0%	8,358	5,419	2,939	54.2%
Other Income	110,627	1,299	109,328	8413.3%	120,772	19,683	101,089	513.6%
ISTV'S	1	7	(6)	-87.1%	1	84	(82)	-98.2%
Total Non-Tax Receipts	1,369,232	756,252	612,980	81.1%	3,112,075	2,371,564	740,511	31.2%
TOTAL REVENUES	3,876,977	3,099,130	777,847	25.1%	7,634,708	6,660,715	973,993	14.6%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	635	30,362	(29,728)	-97.9%	5,635	35,310	(29,675)	-84.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	635	30,362	(29,728)	-97.9%	5,635	35,310	(29,675)	-84.0%
TOTAL SOURCES	3,877,612	3,129,493	748,120	23.9%	7,640,343	6,696,026	944,317	14.1%

Disbursements

August GRF disbursements, across all uses, totaled \$3.6 billion and were \$196.6 million (-5.1%) below estimate. This variance was primarily attributable to below estimate disbursements in Primary and Secondary Education and Medicaid. On a year-over-year basis, August total uses were \$443.3 million (13.9%) higher than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.



Monthly and Year to Date Percent Variance from Budgeted Estimate



Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. August disbursements totaled \$826.5 million and were

\$826.5 MILLION

\$91.1 million (-9.9%) below estimate. This variance is primarily attributable to underspending in the K-12 foundation funding program due to two reasons. First, the August disbursements included FY 2022 foundation funding final reconciliation payments for traditional districts, county boards of developmental disabilities, and education service centers. The department anticipates such reconciliation payments annually, as certain district-level components of the formula are finalized after the fiscal year ends. However, FY 2022 was the first year of the newly implemented school funding formula, which included recent formula changes from legislation, resulting in reconciliation payments that were \$18.9 million below estimate for the school funding program.

Second, the department facilitates regular and special education tuition payments for certain categories of non-resident students educated in other school districts. The department anticipated \$69.7 million in payments in August that will instead be disbursed in September.

Year-to-date disbursements were \$1.6 billion, which were \$90.2 million (-5.2%) below estimate. On a year-over-year basis, disbursements in this category were \$200.4 million (-19.5%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$164.1 million (-9.1%) lower than the same point in FY 2022. This year-over-year variance was primarily attributable to one less foundation payment occurring in August of FY 2023 compared to August of FY 2022.

Medicaid

Note: Medicaid enrollment and spending estimates included in this report assume authorization of the federally declared public health emergency (PHE) through October 13, 2022. Per federal law, the continuous eligibility requirement, which prohibits the Department of Medicaid from disenrolling individuals during the PHE, and the enhanced Federal Medical Assistance Percentage (FMAP), which provides 6.2 percent more federal reimbursement during the PHE, are available for the entire quarter in which the PHE is declared. Any further reauthorization of the PHE or other changes at the federal level could impact future variances within this report.

This category includes all Medicaid spending on services and programs supported by the following eight agencies: the Department of Medicaid, the Department of Mental Health and Addiction Services, the Department of Developmental Disabilities, the Department of Health, the Department of Job and Family Services, the Department of Aging, the Department of Education, and the State Board of Pharmacy.

Medicaid Expenditures

August GRF disbursements for the Medicaid Program totaled \$1.8 billion and were \$66.8 million (-3.6%) below the monthly estimate but were \$623.7 million (53.2%) above disbursements for the same month in the previous fiscal year.

The monthly GRF variance was due to underspending within the managed care program, which was primarily attributable to a delayed reconciliation payment with managed care organizations. This reconciliation payment was estimated to occur in August but will likely occur in September instead. Caseloads were close to estimate; managed care caseloads were approximately 3,500 below estimate and fee-for-service caseloads were approximately 5,600 above estimate. These variances had minimal impacts on disbursements. The year-over-year variance was due primarily to the timing and use of non-GRF funding sources—FY 2022 used more non-GRF funding sources in August when compared with FY 2023—and increased costs associated with the pandemic. Notably, caseloads are approximately 185,000 higher than a year ago.

August all-funds disbursements for the Medicaid Program totaled \$2.8 billion and were \$80.3 million (-2.9%) below estimate and \$214.2 million (8.3%) above disbursements for the same month in the previous fiscal year. The all-funds monthly variance was primarily attributable to the delayed reconciliation payment mentioned above as well as delays in some administration related payments, notably within the Department of Job and Family Services. Delays in the beginning of a fiscal year are common as some prior year encumbrances do not disburse as originally expected. Above estimate payments in the fee-for-service program, notably in the Medicaid Schools program, offset the below estimate variance as some payments were made early. The year-over-year variance was again primarily due to increased costs associated with the pandemic.

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

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

	<u>August Estimate</u>	<u>August Actual</u>	<u>Variance</u>	<u>Variance %</u>
GRF	\$1,862.3	\$1,795.5	-\$66.8	-3.7%
Non-GRF	\$1,022.4	\$1,008.9	-\$13.5	-1.3%
All-Funds	\$2,884.7	\$2,804.3	-\$80.3	-2.9%

Medicaid Enrollment

Total August enrollment was 3.44 million, which was 4,100 (0.1%) above estimate and 184,900 (5.7%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.05 million and was 1,900 (0.5%) above estimate.

August enrollment by major eligibility category was: Covered Families and Children, 1.87 million; Group VIII Expansion, 919,600; and Aged, Blind and Disabled, 508,700.

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

Department of Job and Family Services

August disbursements for the Department of Job and Family Services (ODJFS) totaled \$59.3 million and were \$5.3 million (9.8%) above estimate. The variance occurred in Early Care and Education, which is a program that provides payments for publicly funded childcare services. This spending was \$2.4 million above estimate in August and averaged outlays of \$3.6 million in the first two months of FY 2023.

This variance is due to increased spending by ODJFS to temporarily reduce costs for families receiving publicly funded childcare (PFCC). This program waives copayments for families receiving PFCC and directly reimburses providers the copayment amounts. ODJFS is estimating increased spending in this program for the next three months.

Department of Developmental Disabilities

August disbursements for the Department of Developmental Disabilities totaled \$3 million and were \$1.8 million (-37.7%) below estimate. The variance was primarily attributable to subsidy payments to county boards of developmental disabilities, which were \$1.3 million (-85.2%) below estimate. These subsidy payments provide services and supports for youth with complex behavioral needs. The Department disbursed significant portions of this funding early in July, ensuring that critical services were immediately available.

Ohio Public Defender Commission

August disbursements for The Ohio Public Defender Commission totaled \$1.1 million and were \$13.2 million (-92.3%) below estimate. The variance was primarily attributable to a \$13.3 million payment in County Reimbursements posting in September instead of August as planned. This program reimburses counties for costs of providing legal counsel to indigent persons in criminal and juvenile matters. The Commission receives more than 13,000 reimbursement submissions from counties in an average month.

Department of Rehabilitation and Correction

August disbursements for the Department of Rehabilitation and Correction totaled \$143.4 million and were \$7.1 million (-4.7%) below estimate. The largest variance in August was due to the agency's operation of correctional institutions. Operations were \$14.4 million (-12.8%) below estimate as facilities use existing inventory before placing orders for supplies and equipment.

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.

August disbursements in this category totaled \$185.1 million and were \$27.3 million (-12.8%) below estimate. Year-to-date disbursements were \$490 million and were \$76.6 million (-13.5%) below estimate. On a year-over-year basis, disbursements in this category were \$8.1 million (4.6%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$7.3 million (-1.5%) lower than at the same point in FY 2022.

General Government

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

August disbursements in this category totaled \$42.7 million and were \$2.6 million (6.6%) above estimate. Year-to-date disbursements were \$86.9 million and were \$707,000 (0.8%) above estimate. On a year-over-year basis, disbursements in this category were \$2.7 million (-5.9%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$4.4 million (-4.8%) lower than at the same point in FY 2022.

Health and Human Services

This category includes non-debt service GRF expenditures by the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. Examples of expenditures in this category include childcare, 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. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in the Medicaid category.

August disbursements in this category totaled \$122.9 million and were \$1.2 million (1.0%) above estimate. Year-to-date disbursements were \$280.9 million and were \$879,000 (-0.3%) below estimate. On a year-over-year basis, disbursements in this category were \$11.5 million (10.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$44.1 million (18.6%) higher than at the same point in FY 2022.

Transfers Out

August transfers out totaled \$44.8 million and were \$1.8 million (-3.8%) below estimate. Year-to-date transfers totaled \$671.8 million and were \$1.9 million (-0.3%) below estimate. The monthly variance was the result of a planned \$2 million transfer to the OAKS Support Organization Fund not occurring in August. It is expected that this transfer will occur in a future month to offset this variance.

Higher Education

August disbursements in this category totaled \$206.6 million and were \$5.3 million (-2.5%) below estimate. Year-to-date disbursements were \$399.8 million and were \$3.5 million (-0.9%) below estimate. On a year-over-year basis, disbursements in this category were \$16.7 million (8.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$34.8 million (9.5%) higher than at the same point in FY 2022. A portion of this increase over FY 2022 expenditures is due to the \$20 million increase in the State Share of Instruction in FY 2023 over the prior year's budget.

Property Tax Reimbursement

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption. August property tax reimbursements totaled \$233.6 million and were \$6.2 million (-2.6%) below estimate. Year-to-date disbursements totaled \$233.6 million and were \$6.6 million (-2.7%) below estimate. On a year-over-year basis, disbursements in this category were \$63.7 million (-21.4%) below the same month in the previous fiscal year. This variance was the result of reimbursement requests being received earlier last fiscal year than this 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 State School for the Blind, the Ohio School for the Deaf, as well as disbursements made to libraries, cultural, and arts organizations.

August disbursements in this category totaled \$10.2 million and were \$2 million (-16.3%) below estimate. Year-to-date disbursements were \$18.6 million and were \$2.7 million (-12.8%) below estimate. On a year-over-year basis, disbursements in this category were \$2.1 million (25.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$1.2 million (6.8%) higher than at the same point in FY 2022.

Debt Service

August payments for debt service totaled \$167.6 million and were \$94,000 (-0.1%) below estimate. Year-to-date disbursements in this category totaled \$462.6 million and were \$434,000 (-0.1%) below estimate. On a year-over-year basis, disbursements were \$79.8 million (20.8%) above the same period in the previous fiscal year. This variance was primarily attributable to the utilization of available cash resources to redeem certain outstanding General Obligation bonds to reduce the State's overall debt service obligations.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL AUGUST	ESTIMATED AUGUST	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	826,461	917,558	(91,097)	-9.9%	1,630,297	1,720,493	(90,197)	-5.2%
Higher Education	206,554	211,870	(5,316)	-2.5%	399,791	403,258	(3,467)	-0.9%
Other Education	10,185	12,174	(1,988)	-16.3%	18,615	21,351	(2,736)	-12.8%
Medicaid	1,795,473	1,862,253	(66,780)	-3.6%	4,218,266	4,299,755	(81,490)	-1.9%
Health and Human Services	122,945	121,716	1,230	1.0%	280,913	281,792	(879)	-0.3%
Justice and Public Protection	185,116	212,374	(27,257)	-12.8%	489,968	566,617	(76,649)	-13.5%
General Government	42,692	40,044	2,649	6.6%	86,906	86,199	707	0.8%
Property Tax Reimbursements	233,606	239,815	(6,209)	-2.6%	233,606	240,159	(6,553)	-2.7%
Debt Service	167,566	167,660	(94)	-0.1%	462,583	463,018	(434)	-0.1%
Total Expenditures & ISTV's	3,590,599	3,785,463	(194,864)	-5.1%	7,820,944	8,082,641	(261,697)	-3.2%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	44,800	46,550	(1,750)	-3.8%	671,759	673,700	(1,941)	-0.3%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	44,800	46,550	(1,750)	-3.8%	671,759	673,700	(1,941)	-0.3%
Total Fund Uses	3,635,399	3,832,013	(196,614)	-5.1%	8,492,704	8,756,341	(263,638)	-3.0%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	AUGUST	AUGUST	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2023	FY 2022	VAR	VAR	FY 2023	FY 2022	VAR	VAR
Primary and Secondary Education	826,461	1,026,884	(200,422)	-19.5%	1,630,297	1,794,425	(164,128)	-9.1%
Higher Education	206,554	189,870	16,684	8.8%	399,791	365,034	34,757	9.5%
Other Education	10,185	8,116	2,070	25.5%	18,615	17,428	1,186	6.8%
Medicaid	1,795,473	1,171,801	623,672	53.2%	4,218,266	3,398,017	820,248	24.1%
Health and Human Services	122,945	111,488	11,457	10.3%	280,913	236,834	44,080	18.6%
Justice and Public Protection	185,116	176,998	8,118	4.6%	489,968	497,266	(7,298)	-1.5%
General Government	42,692	45,378	(2,685)	-5.9%	86,906	91,279	(4,373)	-4.8%
Property Tax Reimbursements	233,606	297,290	(63,684)	-21.4%	233,606	298,615	(65,009)	-21.8%
Debt Service	167,566	141,650	25,916	18.3%	462,583	382,831	79,752	20.8%
Total Expenditures & ISTV's	3,590,599	3,169,473	421,126	13.3%	7,820,944	7,081,730	739,215	10.4%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	44,800	22,652	22,148	97.8%	671,759	2,941,052	(2,269,292)	-77.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	44,800	22,652	22,148	97.8%	671,759	2,941,052	(2,269,292)	-77.2%
Total Fund Uses	3,635,399	3,192,125	443,274	13.9%	8,492,704	10,022,781	(1,530,078)	-15.3%

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

July 1, 2022 Beginning Cash Balance*	6,547,037.9
Plus FY 2023 Estimated Revenues	28,284,500.0
Plus FY 2023 Estimated Federal Revenues	13,513,145.2
Plus FY 2023 Estimated Transfers to GRF	5,000.0
Total Sources Available for Expenditures & Transfers	48,349,683.1
Less FY 2023 Estimated Disbursements**	39,594,760.2
Less FY 2023 Estimated Total Encumbrances as of June 30, 2023	1,182,274.1
Less FY 2023 Estimated Transfers Out***	1,790,150.0
Total Estimated Uses	42,567,184.4
FY 2023 ESTIMATED UNENCUMBERED ENDING FUND BALANCE	5,782,498.7

*Includes reservations of \$883.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2022 is \$5,663.5 million.

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

***Substitute House Bill 687, the capital budget for Fiscal Years 2023-2024, included authority to transfer \$1.5 billion from the General Revenue Fund to various capital funds. The FY 2023 Transfers Out amount in the table above includes using \$1.1 billion of this authority. The remaining balance from this bill, and potential capital fund transfers in future bills, are listed below.

Authorized and Potential Non-Recurring Plans (\$ in thousands)	Amount
• Authorized Capital Fund Transfers from H.B. 687	400,000
• Additional Capital Fund Transfers (Potential)	1,300,000
Grand Total	1,700,000

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Glossary

<p><u>Average Daily Rate</u></p>	<p>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.</p>
<p><u>Back-to-Normal Index</u></p>	<p>Created by Moody’s Analytics and CNN to track the economic recovery. The national index includes 37 indicators of economic activity, combining the 25 traditional economic indicators used in Moody’s High Frequency GDP model, with 12 real-time indicators. Each state index is composed of a weighted average of the national index and six state-level indicators. Both indices range from zero, representing no economic activity, to 100 percent, indicating full economic recovery to pre-pandemic levels.</p>
<p><u>Beige Book</u></p>	<p>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.</p>
<p><u>Building Permits</u></p>	<p>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.</p>
<p><u>Consumer Confidence</u></p>	<p>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.</p>
<p><u>Consumer Price Index for All Urban Consumers</u></p>	<p>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.</p>
<p><u>Continued and Extended Unemployment Claims</u></p>	<p>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.</p>
<p><u>Employment Trends Index</u></p>	<p>The Conference Board’s Leading composite index indicates the direction of employment through the aggregation of eight leading employment indicators.</p>

<u>Existing Home Sales</u>	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.
<u>Hotel Occupancy Rate</u>	A performance indicator that shows the percentage of hotel rooms that are occupied in the United States compared to total available space.
<u>Housing Market Index</u>	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.
<u>Initial Unemployment Claims</u>	The number of new jobless claims filed by Ohio workers seeking unemployment assistance for the first-time following a job loss.
<u>Leading Economic Index</u>	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.
<u>Manufacturing Production Index</u>	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.
<u>Newly Built Single-Family Home Sales</u>	A measure of the sales of newly built single family structures including houses and townhouses.
<u>Ohio Employee-Population Ratio</u>	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.
<u>Ohio Labor Force Participation Rate</u>	This rate represents the number of people in the Ohio labor force as a percentage of the Ohio civilian non-institutionalized population.
<u>Ohio Nonfarm Payroll Employment</u>	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.

<u>Ohio Unemployment Rate</u>	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.
<u>People Not in the Labor Force Who Currently Want a Job</u>	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.
<u>Permanent Job Losses</u>	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
<u>Personal Consumption Expenditures</u>	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.
<u>Personal Income</u>	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
<u>Personal Saving</u>	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (i.e., after-tax income) and personal outlays.
<u>Personal Savings Rate</u>	Produced by the Bureau of Economic Analysis, this indicator calculates the percentage of an individual's incomes left after they pay taxes and spend money. It is the percentage of the disposable income that people save.
<u>Purchasing Managers Index</u>	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.
<u>Real Gross Domestic Product</u>	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.
<u>Revenue Per Available Room</u>	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.

<u>Small Business Optimism Index</u>	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.
<u>State-Level Coincident Index</u>	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.
<u>Survey of Consumers</u>	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.
<u>Temporary Layoff</u>	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.
<u>Total Construction Spending</u>	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.
<u>Total Industrial Production</u>	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.
<u>Total Travel Throughput</u>	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.
<u>Total Turnpike Revenue</u>	The amount of revenue received through the operation of the Ohio Turnpike.
<u>Turnpike Commercial Vehicle Miles Traveled</u>	The number of miles traveled on the Ohio Turnpike by a commercial vehicle; a commercial vehicle is any car, truck, van, or other vehicle that a person uses to conduct business.
<u>Turnpike Passenger Vehicle Miles Traveled</u>	The number of miles traveled on the Ohio Turnpike by a passenger vehicle; a passenger vehicle is any vehicle that is not used for business or commercial purposes.

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