

# State of Ohio Monthly Financial Report

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SEPTEMBER 11, 2023

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

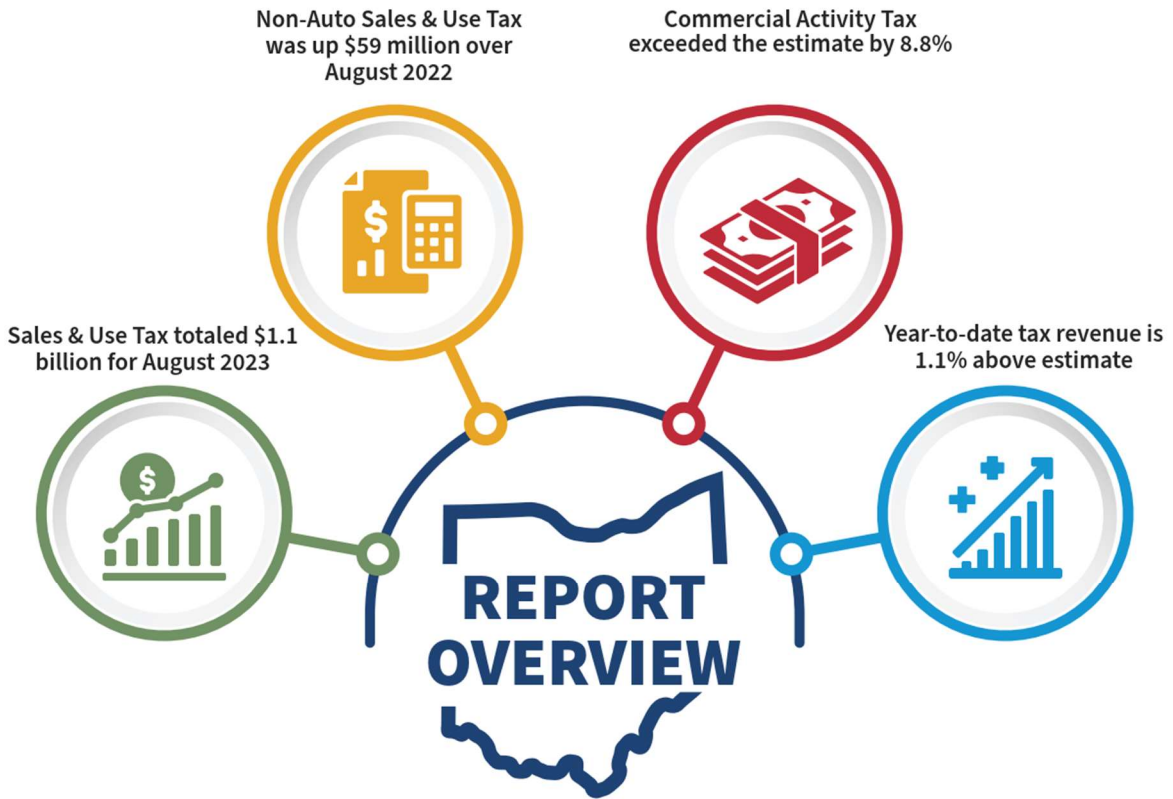
From: Kimberly Murnieks, OBM Director



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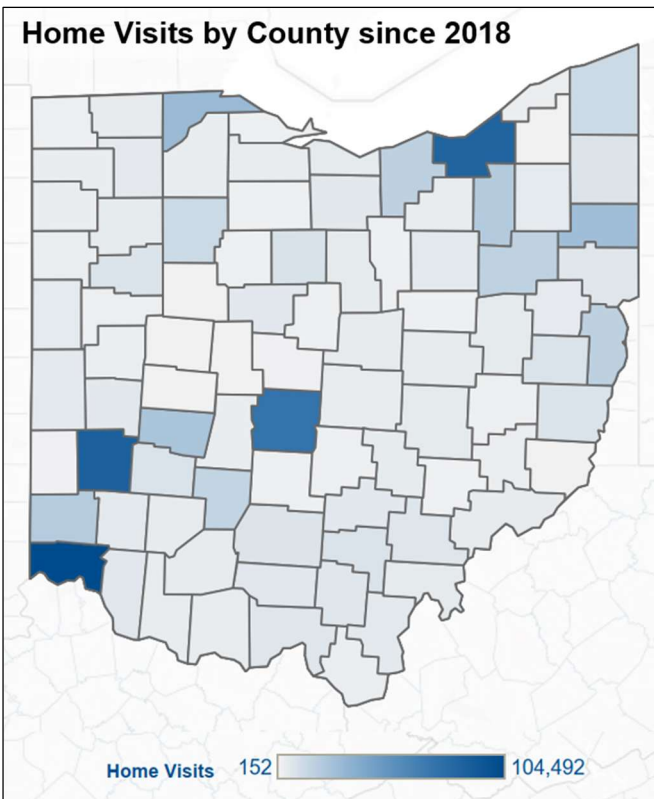
# Spotlight on Results

## Spotlighting: Help Me Grow

Help Me Grow is an evidence-based, voluntary family support program for pregnant women and new parents that promotes healthy growth and development for babies and children through home visiting. Home visitors can provide caring support and reliable information on topics customized to parents' individual needs and interests.

Home visitors are by the parents' side, assisting with how to soothe a crying baby, develop sleep and feeding routines, and cope with the stresses of parenting. Most importantly, visits empower parents to make their own decisions about what is best for themselves and their children.

*Evidence-based home visiting programs help give children the best possible start in life and increasing participation can help lower infant mortality rates, increase kindergarten readiness, and improve parenting skills. Strong children grow into strong adults, so an investment in these proven programs is an investment in our state's future. [Governor Mike DeWine, March 2019]*

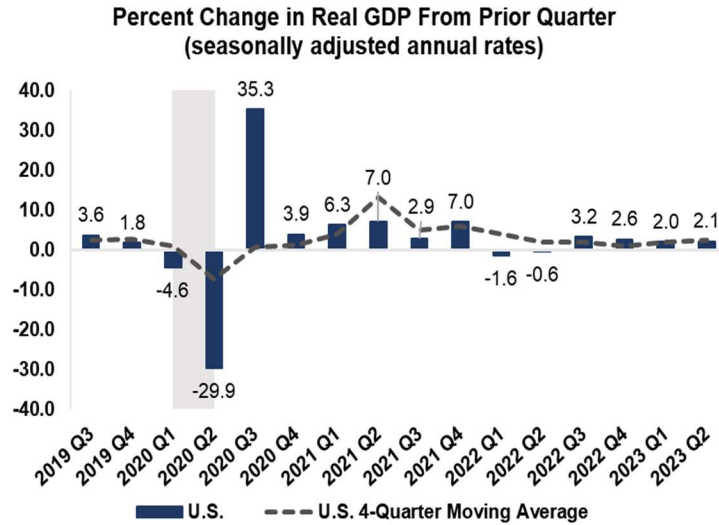


Help Me Grow received historic investments since FY 2019 to increase home visiting services to more than 11,600 families in FY 2023—up from 6,441 families in FY 2019, an 80 percent increase. Since July 2018, 683,500 home visits have been provided to families in all 88 Ohio counties, with Montgomery, Hamilton, Cuyahoga, and Franklin leading the way in FY 2023. During this time, the average program retention period increased by 11.1 percent to 471 days. These services ensured that 86 percent of mothers receiving prenatal home visits delivered their babies full-term. Additionally, when a mother is enrolled in home visiting before 37 weeks of gestation, the percentage of babies breastfed at six months increased from 17 percent in FY 2019 to 35 percent in FY 2023.

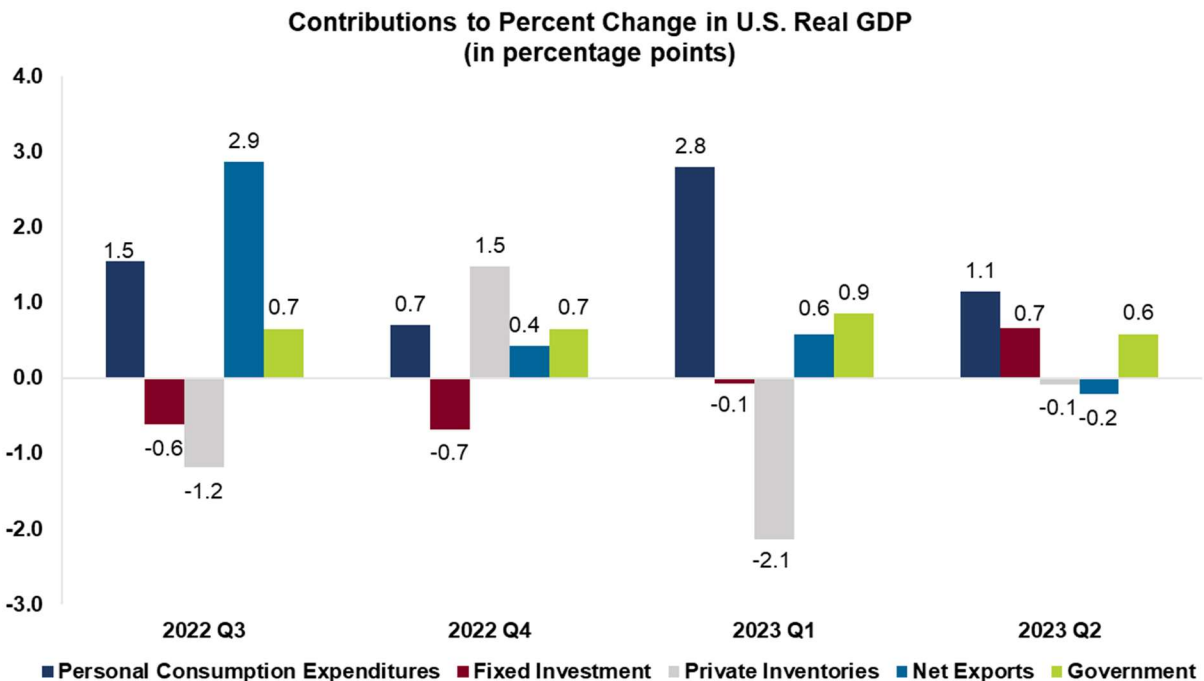
# Economic Activity

## Economic Outlook

According to the Bureau of Economic Analysis' second estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the second quarter of calendar year 2023 at an annualized rate of 2.1 percent, a 0.3 percentage point revision downward from last month's estimate. This is the fourth quarter in a row of growth, after declines in the first half of 2022.



The second quarter increase in real GDP resulted from growth in personal consumption expenditures (1.1 percentage points), fixed investments (0.7 percentage point), and government expenditures (0.6 percentage point). These positive contributions were partially offset by a decrease in net exports (0.2 percentage point), and private inventories (0.1 percentage point).



The **Federal Reserve's Beige Book** evaluates current economic conditions across its 12 districts. According to the report released for August 2023, economic activity in the Fourth District, which includes Ohio, was stable in comparison to July's report. Employment increased overall, with employers reporting lower turnover and less difficulty hiring than in recent months. Consumer spending softened overall, with auto dealers specifically reporting slower sales because of increased interest rates. Despite the interest rates, new home sales remained strong.

In July 2023, the Conference Board's **Leading Economic Index** decreased 0.4 percent to 105.8, after declining 0.7 percent in June. The index fell for the 16th consecutive month and in the last six months decreased 4 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that the decline in the Index was primarily driven by weaker new orders, high interest rates, a dip in consumer perceptions of the outlook for business conditions, and decreasing hours worked in manufacturing. The Conference Board now forecasts a short and shallow recession in the last quarter of 2023 and first quarter of 2024.

Forecasters have grown increasingly optimistic in recent months. The Federal Reserve Bank of Philadelphia's quarterly Survey of Professional Forecasters in August reported that those surveyed increased their expectations for GDP and moderated their unemployment projections compared to May's survey. The national labor market continued to grow at a decelerating rate, suggesting to some that the economy may maintain growth over the course of 2023. Additionally, the Consumer Price Index (CPI) continued to trend downward, approaching levels of inflation more in-line with the Federal Reserve's two percent goal, demonstrating more moderate price increases for consumers over recent months. These indicators, among others, have improved the expectations of forecasters relative to predictions made earlier in the year.

### Economic Forecasts

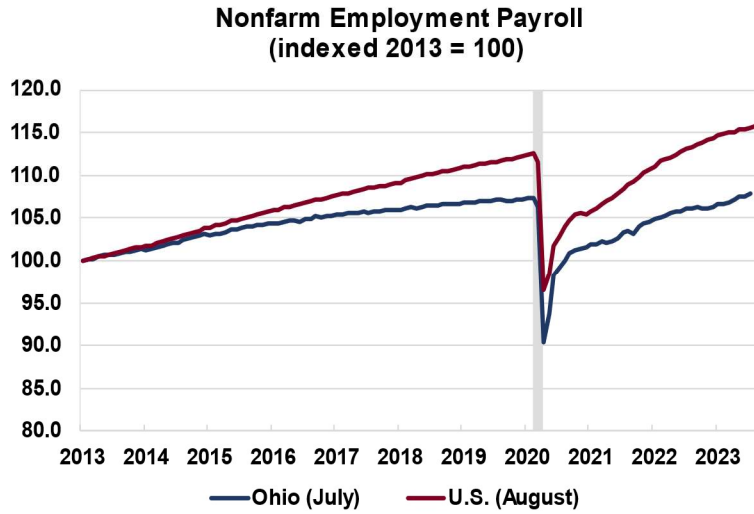
Source	Date	3rd Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	09/06/2023	4.0%
Federal Reserve Bank of Atlanta (GDPNow)	09/01/2023	5.6%
Moody's Analytics High Frequency GDP Model	08/31/2023	4.9%
Wells Fargo	08/11/2023	2.0%
Federal Reserve Bank of Philadelphia (Survey of Professional Forecasters)	08/11/2023	1.9%



## Ohio Labor Market

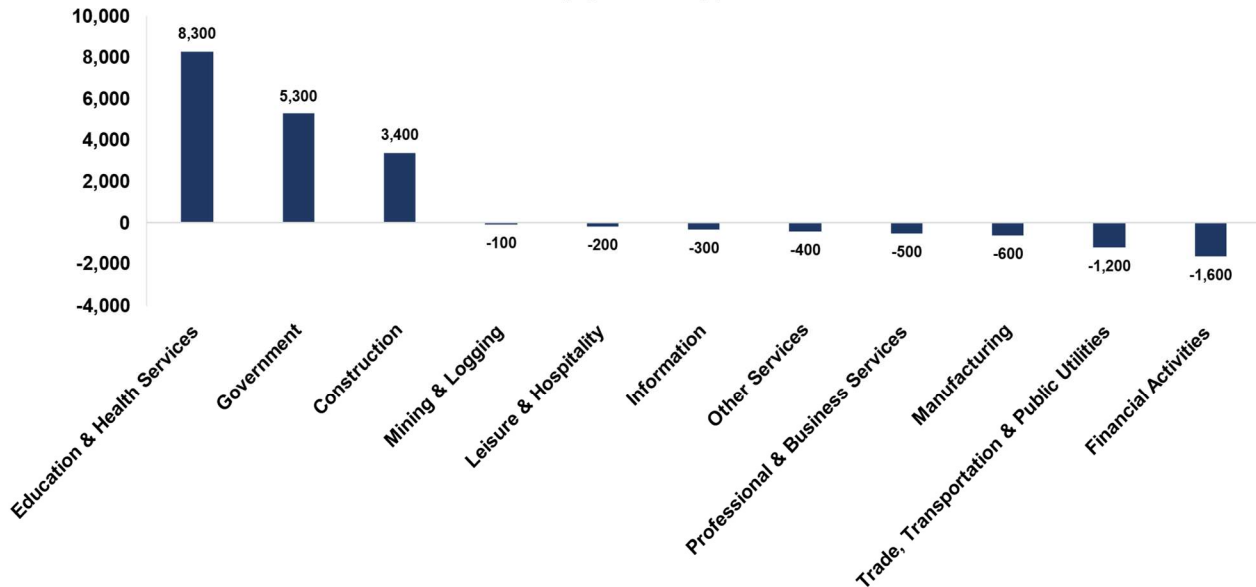
**Ohio's nonfarm payroll employment** increased by an estimated 12,100 jobs between June and July 2023 to 5.6 million, an increase of 1.6 percent over the prior year. This is the largest number of jobs filled in the history of the State of Ohio.

In Ohio, the education and health services industry had the largest employment gains in July, followed by government and construction. These gains were partially offset by losses in financial activities, trade, transportation, manufacturing, and other industries.



Source: Bureau of Labor Statistics

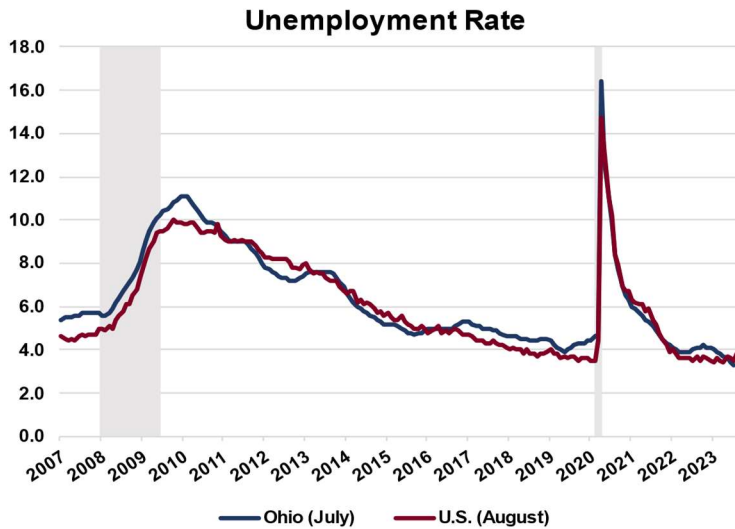
**Change in Ohio Employment Between June and July 2023 (by industry)**



Source: Bureau of Labor Statistics



Ohio’s seasonally adjusted **labor force participation rate** in July was 62.1 percent, a 0.1 percentage point decrease from June 2023. The seasonally adjusted **employment-population ratio** was 60.1 in July, a 0.1 percent increase from June 2023.



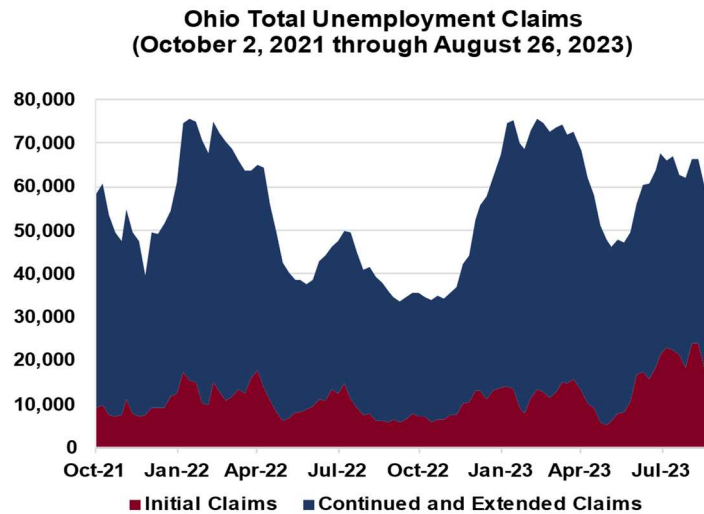
Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in July 2023 was 3.3 percent, a decrease of 0.1 percentage point from June 2023’s revised rate. This is the lowest unemployment rate in Ohio’s history.

In July 2023, **initial unemployment claims** increased 18.4 percent for men and 16.3 percent for women compared to June 2023. During the same period, initial claims increased across all racial categories. Those who

identified as American Indian (33%), Asian/Pacific Islander (32.2%), and White (18.8%) saw the largest increases. Initial claims also increased for those who did not specify a race.

During the week ending August 31, 2023, individuals filed a total of 13,369 initial unemployment claims, a 25.7 percent decrease from the previous week. Individuals filing **continued and extended claims** during the same week totaled 38,016 claims, a 9.6 percent decrease from the prior week.



Source: Ohio Department of Job and Family Services



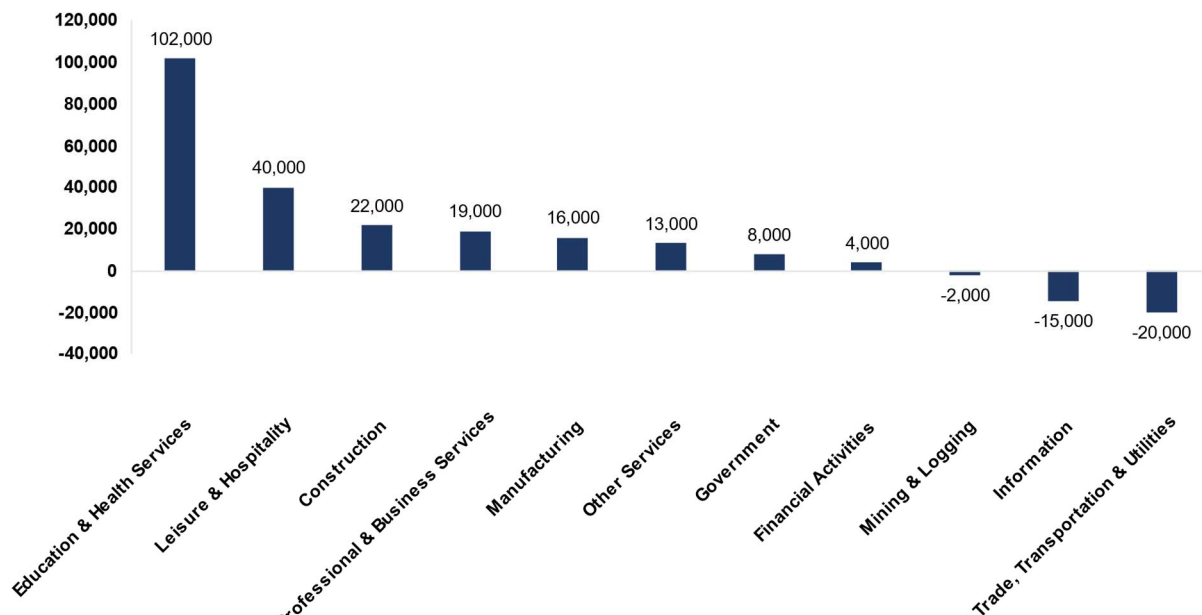


## U.S. Labor Market

**U.S. nonfarm payroll employment** increased by 187,000 jobs in August. Job gains were widespread with the highest growth in the education and health services, leisure and hospitality, construction, professional and business services, and manufacturing.

**187,000**  
Jobs Added

Change in U.S. Employment July - August 2023  
(by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased by 0.2 percentage point in August to 62.8 percent. The **U.S. employment-population ratio** was unchanged in August at 60.4 percent. Both measures remained below February 2020 levels by 0.5 percentage point and 0.7 percentage point, respectively.

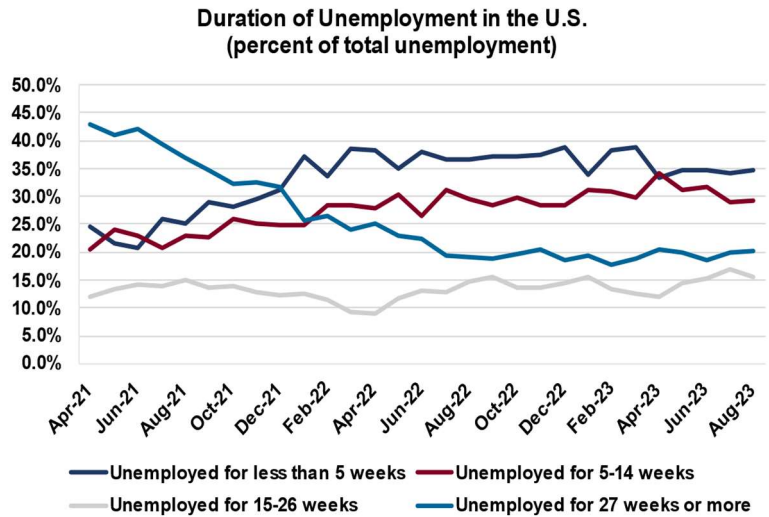
The **U.S. unemployment rate** increased in August to 3.8 percent while the number of unemployed individuals increased to 6.4 million. The unemployment rate increased across most racial categories between July and August 2023, while individuals who identified as Black saw a decrease (0.3 percentage point). Individuals who identified as Asian had the largest increase (0.8 percentage point) followed by individuals who identified as Hispanic (0.5 percentage point) and individuals who identified as White (0.3 percentage point). The unemployment rate for women increased 0.1 percentage point to 3.5 percent between July and August, while the unemployment rate for men increased 0.4 percentage point to 4 percent.

### Unemployment Rates by Demographic Group

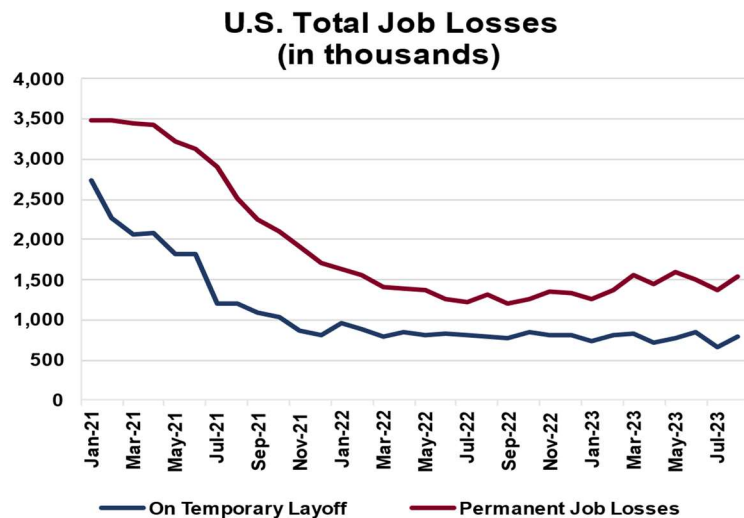
	June-23	July-23	August-23
Women	3.4%	3.4%	3.5%
Men	3.7%	3.6%	4.0%
Black	6.0%	5.8%	5.3%
White	3.1%	3.1%	3.4%
Asian	3.2%	2.3%	3.1%
Hispanic	4.3%	4.4%	4.9%

In August 2023, 34.9 percent of unemployed individuals in the nation were unemployed for less than five weeks. This measure increased 10.8 percent from July and remained in line with pre-pandemic levels.

The number of **people not in the labor force who currently want a job** increased by 2.3 percent to 5.4 million people in August and remained in line with pre-pandemic levels.



Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

The number of unemployed people who were on **temporary layoff** increased to 789,000 in August and was 9,000 more than in February 2020.

The number of people with **permanent job losses** increased by 166,000 in August to 1.5 million.



## Consumer Income and Consumption

# \$22.9 Trillion

**Personal income** increased by \$45 billion (0.2%) in July to \$22.9 trillion. The gains in July were primarily due to increases in private industries wages and salaries of \$36.9 billion (0.4%) and supplements to wages and salaries of \$8.6 billion (0.3%).

**Personal consumption expenditures** increased by \$144.6 billion (0.8%) between June and July. Overall spending on goods increased by 0.7 percent in July. Spending on durable goods increased 0.7 percent and was driven by increases in recreational goods and vehicles (1.4%), other durable goods (1%), and furnishings and durable household equipment (0.9%). Spending on nondurable goods increased 0.7 percent and was driven by increases in spending on clothing and footwear (1.5%), food and beverages purchases for off-premises consumption (0.8%), and other nondurable goods (0.8%). Spending on services increased by 0.8 percent in July 2023, and was led by financial services and insurance (2.7%), transportation services (1.5%), and food services and accommodations (1.2%).

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

	June 2023	July 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
<b>Durable Goods</b>	\$ 2,347,192	\$ 2,379,872	1.4%	5.4%	7.3%
Motor vehicles and parts	\$ 601,304	\$ 604,996	0.6%	8.4%	4.6%
Furnishings and durable household equipment	\$ 532,055	\$ 537,859	1.1%	2.9%	1.1%
Recreational goods and vehicles	\$ 957,360	\$ 981,469	2.5%	7.0%	17.6%
Other durable goods	\$ 339,952	\$ 344,785	1.4%	-0.6%	3.4%
<b>Nondurable Goods</b>	\$ 3,341,716	\$ 3,364,157	0.7%	2.1%	0.5%
Clothing and footwear	\$ 488,224	\$ 495,717	1.5%	0.7%	1.0%
Gasoline and other energy goods	\$ 452,297	\$ 444,872	-1.6%	5.8%	-1.0%
Other nondurable goods	\$ 1,347,848	\$ 1,363,261	1.1%	2.7%	4.7%
<b>Services</b>	\$ 8,963,193	\$ 8,998,102	0.4%	2.9%	6.5%
Transportation services	\$ 450,594	\$ 452,568	0.4%	4.2%	8.6%
Housing and utilities	\$ 2,194,982	\$ 2,204,496	0.4%	1.5%	2.8%
Recreation services	\$ 505,098	\$ 502,457	-0.5%	4.3%	11.6%
Financial services and insurance	\$ 916,927	\$ 926,660	1.1%	3.0%	5.9%

*Note: The table above provides details on real personal consumption spending in chained 2012 dollars, which differs from the figures in the text that are not adjusted for inflation.*

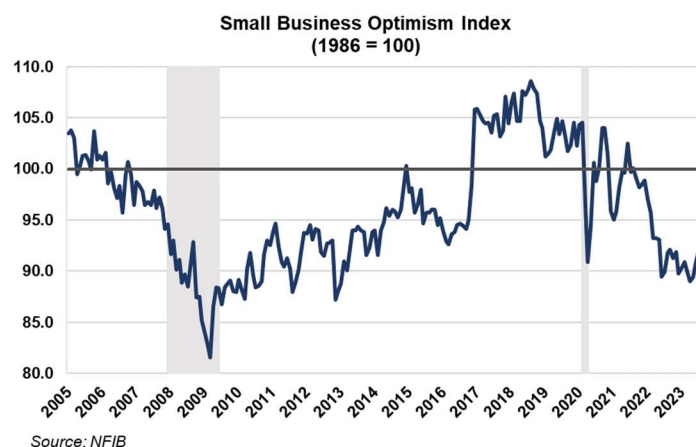
*Source: Bureau of Economic Analysis, Table 2.3.6U Real Personal Consumption Expenditures by Type of Product*



**Personal saving** totaled \$705.6 billion in July 2023, a 17.2 percent decrease compared to June’s revised level and was 9.4 percent above the July 2022 level. The **personal saving rate** was 3.5 percent in July, down 0.8 percentage point from June’s revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) showed an increase of 0.2 percent in July, which followed a 0.2 percent increase in June. The “all items” index increased 3.2 percent over the last 12 months. July price increases compared to June 2023 were concentrated primarily in shelter (0.4%) and medical care commodities (0.5%). These increases were partially offset by decreases in used cars and trucks (-1.3%).

Both consumer opinion surveys reported decreases in confidence in August. Respondents in the University of Michigan’s **Survey of Consumers** reported a decline (2.9%) in consumer sentiment to 69.5 in August 2023 compared to July 2023. Consumers perceived few material differences in the economy compared to last month. The Conference Board’s **Consumer Confidence Index** decreased by 7.9 points to 106.1 in August, down from a revised 114.0 in July. The Chief Economist at the Conference Board noted that the change in consumer expectations erased back-to-back increases seen in June and July. Decreases in confidence occurred in all age groups and those earning incomes under \$50,000 and over \$100,000.



The **Small Business Optimism Index** increased 0.9 percentage point to 91.9 in July, the 19<sup>th</sup> consecutive month the index was below 98, the 49-year average. Inflation was the top concern of small business owners in July, with 21 percent of owners identifying it as their single most important problem. Hiring also remained a concern, with 42 percent of owners reporting job openings that were hard to fill, an unchanged level from June.

## Travel and Tourism

Average airline checkpoint traffic decreased 5.5 percent in August 2023 compared to July. **Total travel throughput** in August 2023 was 10.6 percent higher than in August 2022 and 8.7 percent higher than in August 2019.

The **hotel occupancy rate** for the week ending August 26, 2023, was 65 percent, 0.4 percent above the comparable week in 2022. The **average daily rate** for a hotel room was \$150.23, a 1.7 percent increase from 2022. **Revenue per available room** was \$97.62, which was 2.1 percent more than in 2022.

## Industrial Activity

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 1 percent between June and July 2023 and was 0.2 percent lower than in July 2022.

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

Manufacturing Sector	Percent Change May to June 2023	Percent Change June to July 2023	Percent Change July 2022 to July 2023
Aerospace and Other Transportation Equipment	1.6%	0.6%	1.1%
Chemicals	0.8%	0.1%	1.4%
Electrical Equipment	0.1%	-1.7%	-2.7%
Fabricated Metal Products	0.2%	-0.4%	-1.1%
Food Beverage and Tobacco Products	-1.3%	0.0%	-2.3%
Machinery	-0.8%	1.3%	-2.2%
Motor Vehicles and Parts	-3.0%	5.2%	10.3%
Petroleum and Coal	-1.6%	1.1%	2.8%
Plastics and Rubber Products	-0.8%	-0.4%	-6.2%
Primary Metals	0.7%	-1.2%	-2.0%

Preliminary data show the **Manufacturing Production Index** increased 0.5 percent in July 2023 to 99.5 and was 0.7 percent lower than June 2022. Nationally, manufacturing in five of Ohio's top 10 industries increased production between June and July 2023. Increases in motor vehicles and parts (5.2%), machinery (1.3%), petroleum and coal (1.1%), aerospace and other transportation equipment (0.6%), and chemicals (0.1%) were offset by decreases in electrical equipment (-1.7%), primary metals (-1.2%), fabricated metal products (-0.4%), plastics and rubber products (-0.4%), and no change in food beverage and tobacco products (0.0%).



Source: Institute for Supply Management

In August 2023, the Institute for Supply Management reported the **Purchasing Managers Index** (PMI) for the United States was 47.6, an increase of 1.2 percentage points from June's reading. The index remained below 50 for the 10th month, indicating continued contraction in the manufacturing sector.

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

The manufacturing of transportation equipment; food, beverage, and tobacco products; and petroleum and coal products reported growth in the last month. The industries reporting the largest contraction were plastics and rubber products; primary metals; fabricated metal products; electrical equipment; and chemical products. According to the chair of the survey committee, the manufacturing sector showed month-over-month increases, a sign of improvement while still in contraction. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management (ISM) described softening demand and uncertainty in the long-term, across industries.

**“** Seeing a slowdown in orders. We're continuing to ship to max capacity, with supply constraints still a real part of our day-to-day business operations.  
[Transportation Equipment] **”**

**“** Demand still weak. Customer inventories are getting depleted; however, we are not seeing a real uptick in demand. General supply conditions are softening [Chemical Products] **”**

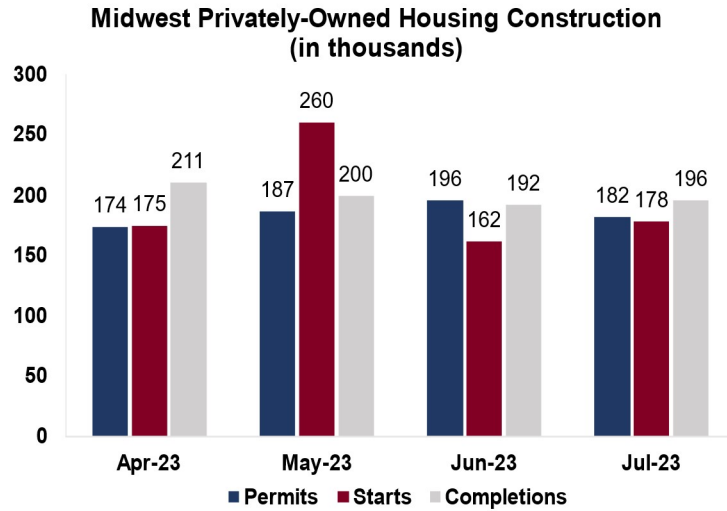
## Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units decreased 23.5 percent between June and July 2023 and were 12.3 percent above the number of permits issued in July 2022.

Privately-owned housing starts in the Midwest increased 9.9 percent between June and July and were 10.6 percent above July 2022 levels.

In July 2023, privately-owned housing completions in the Midwest increased 2.1 percent compared to June and were 30.5 percent below July 2022.

New home sales in the Midwest increased 47.4 percent between June and July 2023 and were 58.5 percent above July 2022.



Source: U.S. Census Bureau through FRED

Activity in the Ohio housing market continued to slow while prices increased slightly in July. Total sales were 19.9 percent below July 2022 and the average sale price in Ohio was \$287,695, a 5.4 percent increase compared to July 2022. The president of Ohio REALTORS reported higher mortgage rates and ongoing low inventory levels continued to present challenges for potential homebuyers in the Ohio housing market in July 2023.



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest decreased four points in August to 42, eight points below the national level. The national index decreased, following increases for the majority of 2023.

## U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in July 2023 at a seasonally adjusted annual rate of \$1.9 trillion, a 0.7 percent increase from the revised June estimate. The July 2023 estimate was 5.5 percent above July 2022.



Public sector construction spending decreased 0.4 percent between June and July, bringing the seasonally adjusted annual total to \$423.7 billion. Spending on educational construction decreased 0.1 percent above the revised June estimate to \$89.8 billion in July, 8.6 percent above July 2022 levels. Highway construction spending in June was 0.6 percent below the revised June estimate and 12.1 percent above July 2022.

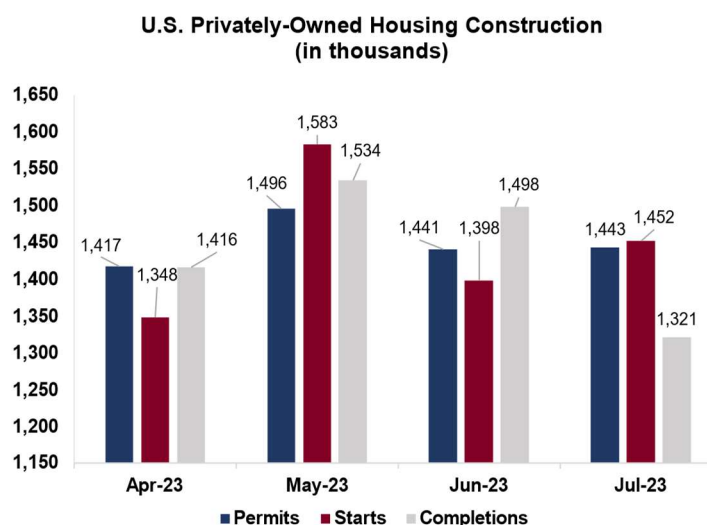
Private sector construction spending increased 1 percent between June and July to a seasonally adjusted annual total of \$1.5 trillion and 4 percent above July 2022 levels. Residential construction in July was 1.4 percent above June's revised level and 5.5 percent below the July 2022 level. Nonresidential construction in July increased 0.5 percent from June's revised level and was 19.8 percent above July 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units increased 0.1 percent between June and July and was 13 percent below the number of permits issued in July 2022.

Nationally, privately-owned housing starts increased 3.9 percent between June and July and were 5.9 percent above July 2022 levels.

In July, **newly built single-family home sales** increased by 4.4 percent compared to June and were 31.5 percent above sales in July 2022. The national median sales price in July 2023 was \$436,700, a 4.8 percent increase compared to June, and 8.7 percent lower compared to July 2022.

According to the National Association of Realtors, **existing home sales** decreased 2.2 percent in July compared to June. July's existing home sales decreased slightly to an annual rate of 4.1 million housing units, a 16.6 percent decrease from July 2022. The median sale price of all existing homes increased 1.9 percent from a year ago to \$406,700. Available inventory in July 2023 totaled 1.1 million units, up 3.7 percent from June and 14.6 percent below the July 2022 inventory level.



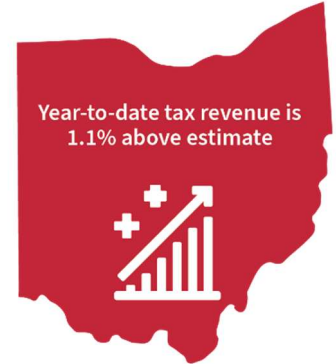
Source: U.S. Census Bureau through FRED



## Revenues

Total GRF tax revenues remain modestly above estimates through the first two months of FY 2024. GRF tax revenues in August exceeded the estimate by \$37.7 million (1.4%). Non-auto sales tax led the way with \$42.1 million (4.5%) more received above the anticipated amount. For the year, total GRF tax revenues are now \$50.8 million (1.1%) above estimate and \$207.4 million (4.6%) above last year.

Aggregate (tax and non-tax) GRF receipts totaled \$4.1 billion in August and were \$3.1 million (0.1%) above estimate. As noted above, tax revenues were \$37.7 million (1.4%) above estimate. Non-tax receipts were \$34.9 million (-2.4%) below estimate from and transfers were \$398,000 above estimate. For the year-to-date, tax receipts and transfers are above estimate while non-tax receipts are below estimate, as shown in the table below.



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

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$ 50.8	1.1%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (35.8)	-1.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 0.4	N/A
<b>Total Revenue Variance</b>		<b>\$ 15.4</b>	<b>0.2%</b>
<b>Non-Federal Revenue Variance</b>		<b>\$ 92.3</b>	<b>1.9%</b>
<b>Federal Grants Variance</b>		<b>\$ (76.8)</b>	<b>-2.4%</b>

The table below shows that sources above estimate (a positive variance of \$124.1 million) in August outweighed the size of sources below estimate (a negative variance of \$120.9 million), resulting in a \$3.1 million net positive variance from estimate.

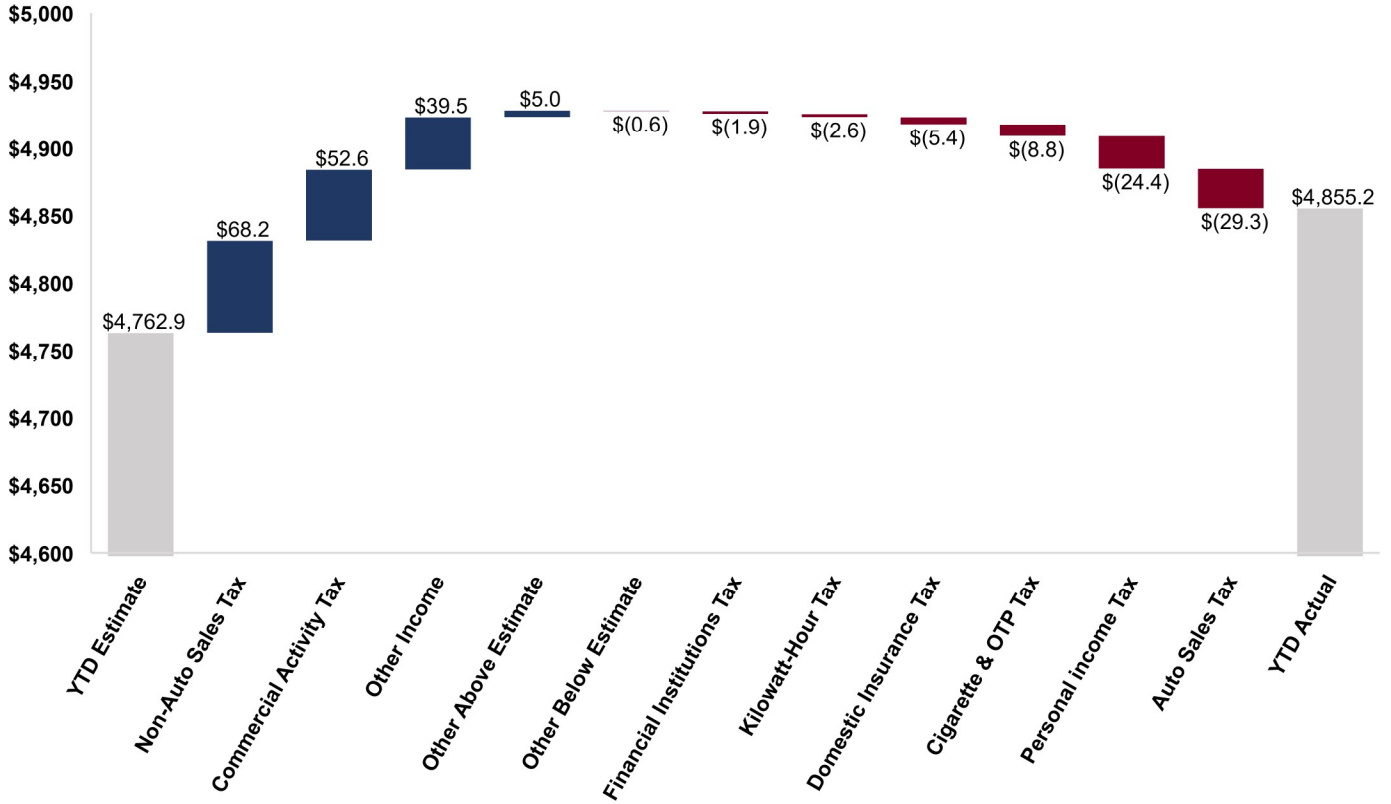
**GRF Revenue Sources Relative to Monthly Estimates – August 2023**  
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales Tax	\$ 42.1	Federal Grants	\$ (76.8)
Other Income	\$ 39.0	Personal Income Tax	\$ (36.0)
Commercial Activity Tax	\$ 37.3	Cigarette and Other Tobacco Products Tax	\$ (3.8)
Other revenue sources above estimate	\$ 5.7	Auto Sales Tax	\$ (3.2)
		Other revenue sources below estimate	\$ (1.1)
<b>Total Above</b>	<b>\$ 124.1</b>	<b>Total Below</b>	<b>\$ (120.9)</b>

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



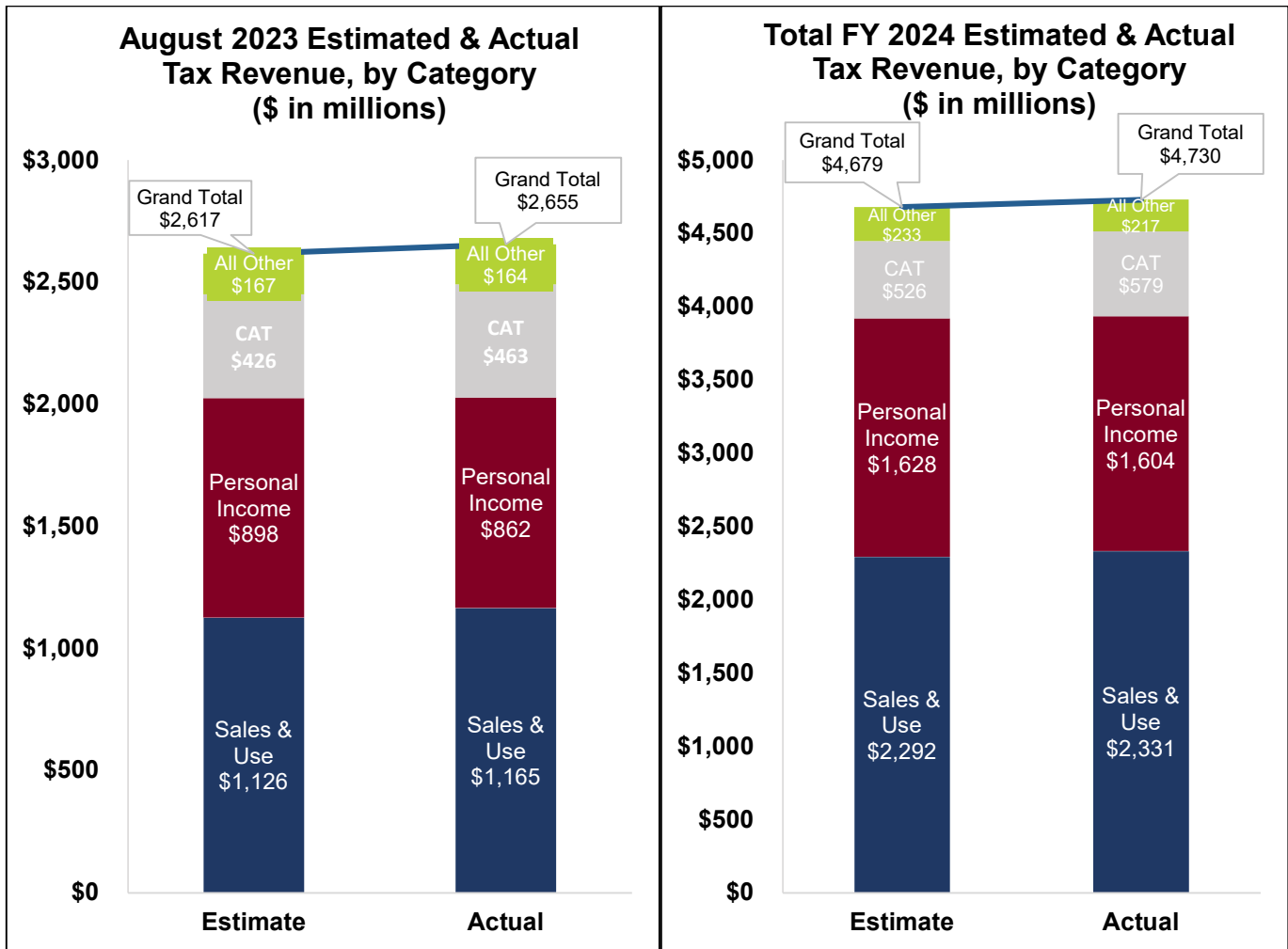
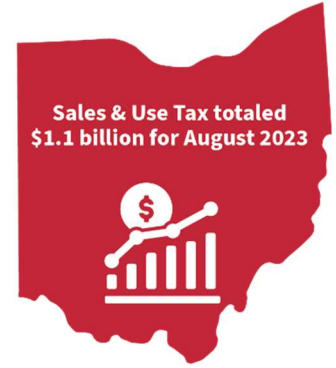
### Actuals vs. Estimates: YTD GRF Non-Federal Sources (\$ in millions)



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues through August 2023, with the net difference totaling \$92.3 million.



The following graph shows the composition of estimated and actual GRF tax revenues for August 2023 and the year-to-date. All tax sources are allocated among several major categories. The chart shows that sales and use tax revenue has generated just under one-half of tax revenue during the first two months of the fiscal year.



For August, total receipts and transfers were \$225.6 million (5.8%) above the previous year. Tax receipts increased by \$146.8 million (5.9%) and non-tax receipts increased by \$79.1 million (5.8%). Transfers decreased by \$237,000 (-37.3%) from last year. For the year-to-date, tax receipts are \$207.4 million (4.6%) above last year and non-tax receipts are \$101.4 million (3.3%) above the prior year. Transfers are \$5.2 million (-92.9%) below last year on a year-to-date basis.

The source with the largest year-over-year dollar increase during August was commercial activity tax, at \$93.8 million (25.4%), due to the change in the operating budget that results in all CAT revenue now being credited to the GRF. The next-largest increases were federal grants at \$84.5 million (6.8%), non-auto sales tax at \$59.2 million (6.5%), and personal income tax at \$14.2 million (1.7%). The largest declines were experienced by auto sales tax at \$9.4 million (-4.8%), cigarette and other tobacco products tax at \$7 million (-9.1%), and other income at \$5.4 million (-4.9%).

## Non-Auto Sales Tax

GRF non-auto sales and use tax collections in August totaled \$976.2 million and were \$42.1 million (4.5%) above the estimate. For the year, revenue is \$68.2 million (3.5%) above estimate. August revenue increased by \$59.2 million (6.5%) compared to last year and has increased by \$126 million (6.7%) over FY 2023 for the year-to-date. Growth this year has been partially boosted by last year's unusually large refund payments that suppressed last year's GRF intake. If refunds in July and August 2022 had equaled the amounts paid this year, year-to-date GRF non-auto sales tax revenue would have only increased by 3.1 percent.



August marks three consecutive months of meaningful revenue growth, coming off the essentially flat levels experienced in April and May. Taxable retail activity has turned upward since its static early spring performance.

The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows year-over-year retail sales growth has steadily slowed over the last several months. Focusing on the retail categories that are predominantly subject to Ohio non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the MARTS data show a 3.8 percent year-over-year increase in national non-seasonally adjusted sales during July 2023. This compares to year-over-year growth of 2.9 percent in June and 3.9 percent in May. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 2.2 percent, 3.2 percent, and 3.1 percent in July, June, and May, respectively.

The MARTS data also show sales growth on a month-over-month basis for retail categories subject to Ohio sales tax. Based on seasonally adjusted figures, July 2023 sales for the above-indicated retail categories increased by one percent from June,

following a 0.5 percent increase in June from May and a 0.5 percent increase in May from April.

## Auto Sales Tax

August auto sales tax revenues were \$189.1 million, an amount that was \$3.1 million (-1.6%) below estimate. For the year, revenues are \$29.3 million (-8%) below the estimate. Revenues were \$9.4 million (-4.8%) below last August and are \$22.4 million (-6.3%) below last year over the first two months of the fiscal year.

National new light vehicle unit sales in August were consistent with the stronger monthly levels observed in the first half of the calendar year. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 15 million units, based on a seasonally adjusted annual rate (the number of sales that occurred during the month after adjustment for seasonal fluctuations and expressed as an annualized total). This is 4.5 percent below July and up 13.6 percent from a year ago. On an unadjusted basis, August 2023 light vehicle unit sales were at 1.3 million units. This is 2.2 percent above the previous month and 17.1 percent above last August.

New vehicle transaction prices remain high although price growth has slowed this calendar year. The most recent release by the Bureau of Labor Statistics of Consumer Price Index (CPI-U) data shows 3.5 percent price growth for new vehicles in July compared to the prior year. However, July's price index is 0.1 percent below the previous month, marking four consecutive months of flat or negative growth which follow 24 unbroken months of price increases. Growth since the end of last year has been quite modest: relative to December 2022, the CPI-U for new motor vehicles in July 2023 increased by 0.3 percent. Even with the recent slowdown, prices remain considerably higher than their pre-pandemic levels: the CPI-U for new motor vehicles has increased 20.7 percent since February 2020.

Turning to used vehicles, Cox Automotive estimates that the number of used vehicle units sold at retail during July to be 3 million, not annualized and not seasonally adjusted, down 7.5 percent from last year and up 2.1 percent from June. The pandemic upended the used vehicle market, as supply could not meet underlying demand and prices increased. Prices peaked in January 2022, and have generally trended downward since then; despite a brief growth episode during the first quarter of 2023, prices have resumed a downward path. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of August 2023 was 0.1 percent above the previous month, the first increase after four consecutive month-over-month declines. The measure was 7.8 percent lower than August 2022. Because wholesale price movements typically lead retail prices by several months, consumer price declines have recently become apparent, with July showing a 1.3 percent decline in used vehicle CPI-U from June. The index is 5.6 percent below last July. Used vehicle prices remain much higher than their pre-pandemic levels, with the July 2023 CPI-U index being 41.7 percent above January 2020.

## Personal Income Tax

August GRF personal income tax receipts totaled \$861.9 million and were \$36 million (-4%) below the estimate. For the year-to-date, revenue is \$24.4 million (-1.5%) below estimate. On a year-over-year basis, August income tax collections increased by \$14.2 million (1.7%). Year-to-date revenue for fiscal year 2024 is \$31.7 million (2%) higher than the prior year.

Withholding collections amounted to \$927.5 million in August and were \$7.2 million (-0.8%) below estimate. For the fiscal year-to-date, the withholding component is below estimate by \$16.9 million (-1%). This component was \$55.2 million (6.3%) above last August; it is \$70.2 million (4.3%) above last year for the fiscal year-to-date.

The withholding category includes tax paid by certain types of pass-through entities on their taxable income. This is a different stream of revenue than that emanating from income tax withheld by employers and paid to the state. After excluding pass-through entity tax payments from this category, year-to-date withholding collections have grown by \$114.5 million (7.1%) from last year.

Annual tax return payments substantially exceeded the estimate in August by \$28.2 million (220.7%). This component increased by \$23.6 million (134.8%) from last year. The tax year 2022 annual return filing season continues, although now mostly consisting of returns filed by taxpayers that took filing extensions. Payments for this category are \$316.5 million (25.6%) above estimate for the elapsed (January-August) filing season while they are now \$148.5 million (-8.7%) below the prior year. The revenue forecast for this filing season anticipated a significant decrease from the historic highs of the previous year; because the decline has been lower than expected, there is a positive year-to-date variance from estimate.

August is not a notable month for quarterly estimated payments, with the payments for the third quarter not due until September. Nonetheless, August collections nearly matched the estimate with a \$0.1 million (-0.9%) negative variance, which was \$2.2 million (-12.4%) below last year. The combined March through August results reflect the first two quarterly payments for calendar year 2023; the positive \$180.5 million (55.6%) variance across these six months could be a sign of vibrant performance for non-withheld income sources for this calendar year.

The two remaining tax collection categories (trust and other) were collectively \$0.9 million (-11.7%) below the August estimate. For the elapsed filing season, the combined categories are \$45.8 million (-27%) below estimate and have decreased by \$83.6 million (-40.3%) from the prior year. The negative variance and most of the year-over-year decrease is from the trust category, likely reflecting reduced taxable investment income experienced by trusts during tax year 2022.

Refund performance accounts for this tax source not reaching estimate in August. The month's refunds were \$55.7 million (157.6%) above estimate, continuing a negative fiscal variance observed throughout the calendar year with May being the sole month in which refunds were below expectation. The month's refunds were \$56.8 million (165.4%) above last year. Total refund issuances during the January-August period have exceeded estimates by \$261.5 million (12.2%) and have increased by \$387.5 million (19.2%) from the last filing season. Detail from the Department of Taxation indicates that both the number of refunds and the average refund value have increased from last year during the elapsed filing season, by 8 percent and 12 percent, respectively. Average refund growth has been even more pronounced during this fiscal year, but the final outcome for the filing season will not be available until all of the tax year 2022 returns due in October have been filed and processed.

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

	Actual August	Estimate August	\$ Var	Actual Aug-2023	Actual Aug-2022	\$ Var Y-to-Y
Withholding	\$ 927.5	\$ 934.7	\$ (7.2)	\$ 927.5	\$ 872.2	\$ 55.2
Quarterly Est.	\$ 15.6	\$ 15.7	\$ (0.1)	\$ 15.6	\$ 17.8	\$ (2.2)
Annual Returns/40 P	\$ 41.0	\$ 12.8	\$ 28.2	\$ 41.0	\$ 17.5	\$ 23.6
Trust Payments	\$ 0.6	\$ 1.5	\$ (0.9)	\$ 0.6	\$ 3.3	\$ (2.7)
Other	\$ 6.5	\$ 6.6	\$ (0.1)	\$ 6.5	\$ 7.3	\$ (0.8)
Less: Refunds	\$ (91.1)	\$ (35.4)	\$ (55.7)	\$ (91.1)	\$ (34.3)	\$ (56.8)
Local Distributions	\$ (38.3)	\$ (38.0)	\$ (0.2)	\$ (38.3)	\$ (36.2)	\$ (2.1)
Net to GRF	\$ 861.9	\$ 897.9	\$ (36.0)	\$ 861.9	\$ 847.7	\$ 14.2

### Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$37.3 (8.8%) above the estimate in August and are \$52.6 (10%) above estimate for the year. Receipts in August increased by \$93.8 million (25.4%) from last year, while increasing by \$109 million (23.2%) for the year-to-date.

The FY 2024-2025 state operating budget changed the portion of CAT revenue to be credited to the GRF. Previously, the GRF received 85 percent of monthly CAT receipts remaining after making required deposits into the Tax Refund Fund and CAT Administration Fund. Beginning in July 2023, the new budget requires all CAT revenue (net of the two fund deposits mentioned above) to be credited to the GRF. The GRF share will only be reduced to the extent that deposits need to be made to the school district and local government tangible personal property tax replacement funds to cover the semi-annual statutory reimbursements paid to those entities. An all-fund analysis provides a purer measurement of this year's underlying CAT revenue production, removing the effects of the amended revenue accounting.





Through August, all-fund CAT revenue increased by \$29.7 million (5.3%) from the prior year. Most CAT revenue comes from quarterly tax payments, so it is useful to examine the revenue flow in quarterly increments. Through June 2023, there have been 11 consecutive quarters with a positive variation from estimate. The strong combined July and August outcome, in combination with only a modest amount anticipated during September, makes it very likely that the first quarter of FY 2024 will meaningfully exceed estimate.

## GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.4 billion and were \$34.9 million (-2.4%) below estimate for the month of August. Year-to-date non-tax receipts total \$3.2 billion and are \$35.8 million (-1.1%) below estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$76.8 million below estimate. This variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report. The monthly variance was partially offset by the other income category. The JobsOhio deferred payment from liquor profits was \$39.3 million (60.4%) above estimate.



9/8/2023

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL AUGUST	ESTIMATE AUGUST	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	976,231	934,100	42,131	4.5%	1,996,235	1,928,000	68,235	3.5%
Auto Sales & Use	189,144	192,300	(3,156)	-1.6%	334,517	363,800	(29,283)	-8.0%
Subtotal Sales & Use	1,165,375	1,126,400	38,975	3.5%	2,330,752	2,291,800	38,952	1.7%
Personal Income	861,886	897,900	(36,014)	-4.0%	1,603,633	1,628,000	(24,367)	-1.5%
Corporate Franchise	40	0	40	N/A	84	0	84	N/A
Financial Institutions Tax	691	500	191	38.2%	(745)	1,200	(1,945)	-162.1%
Commercial Activity Tax	462,873	425,600	37,273	8.8%	578,759	526,200	52,559	10.0%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	40,809	39,700	1,109	2.8%	41,676	39,900	1,776	4.5%
Kilowatt Hour	28,992	28,900	92	0.3%	47,442	50,000	(2,558)	-5.1%
Natural Gas Distribution	13,208	13,400	(192)	-1.4%	13,497	13,400	97	0.7%
Foreign Insurance	(458)	0	(458)	N/A	1,243	200	1,043	521.3%
Domestic Insurance	191	100	91	91.5%	820	6,200	(5,380)	-86.8%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	70,113	73,900	(3,787)	-5.1%	91,509	100,300	(8,791)	-8.8%
Alcoholic Beverage	6,008	5,200	808	15.5%	11,614	11,700	(86)	-0.7%
Liquor Gallonage	4,832	5,300	(468)	-8.8%	9,744	10,300	(556)	-5.4%
Estate	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,654,561	2,616,900	37,661	1.4%	4,730,029	4,679,200	50,829	1.1%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,335,258	1,412,097	(76,839)	-5.4%	3,088,726	3,165,565	(76,839)	-2.4%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	7,783	4,842	2,941	60.7%	8,183	6,611	1,571	23.8%
Other Income	105,242	66,250	38,992	58.9%	116,572	77,100	39,472	51.2%
ISTV'S	6	0	6	N/A	6	0	6	N/A
Total Non-Tax Receipts	1,448,289	1,483,189	(34,900)	-2.4%	3,213,487	3,249,277	(35,790)	-1.1%
<b>TOTAL REVENUES</b>	<b>4,102,849</b>	<b>4,100,089</b>	<b>2,761</b>	<b>0.1%</b>	<b>7,943,516</b>	<b>7,928,477</b>	<b>15,039</b>	<b>0.2%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	0.0%
Transfers In - Other	398	0	398	N/A	399	0	399	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	0.0%
Total Transfers	398	0	398	N/A	399	0	399	N/A
<b>TOTAL SOURCES</b>	<b>4,103,247</b>	<b>4,100,089</b>	<b>3,158</b>	<b>0.1%</b>	<b>7,943,914</b>	<b>7,928,477</b>	<b>15,438</b>	<b>0.2%</b>

9/8/2023

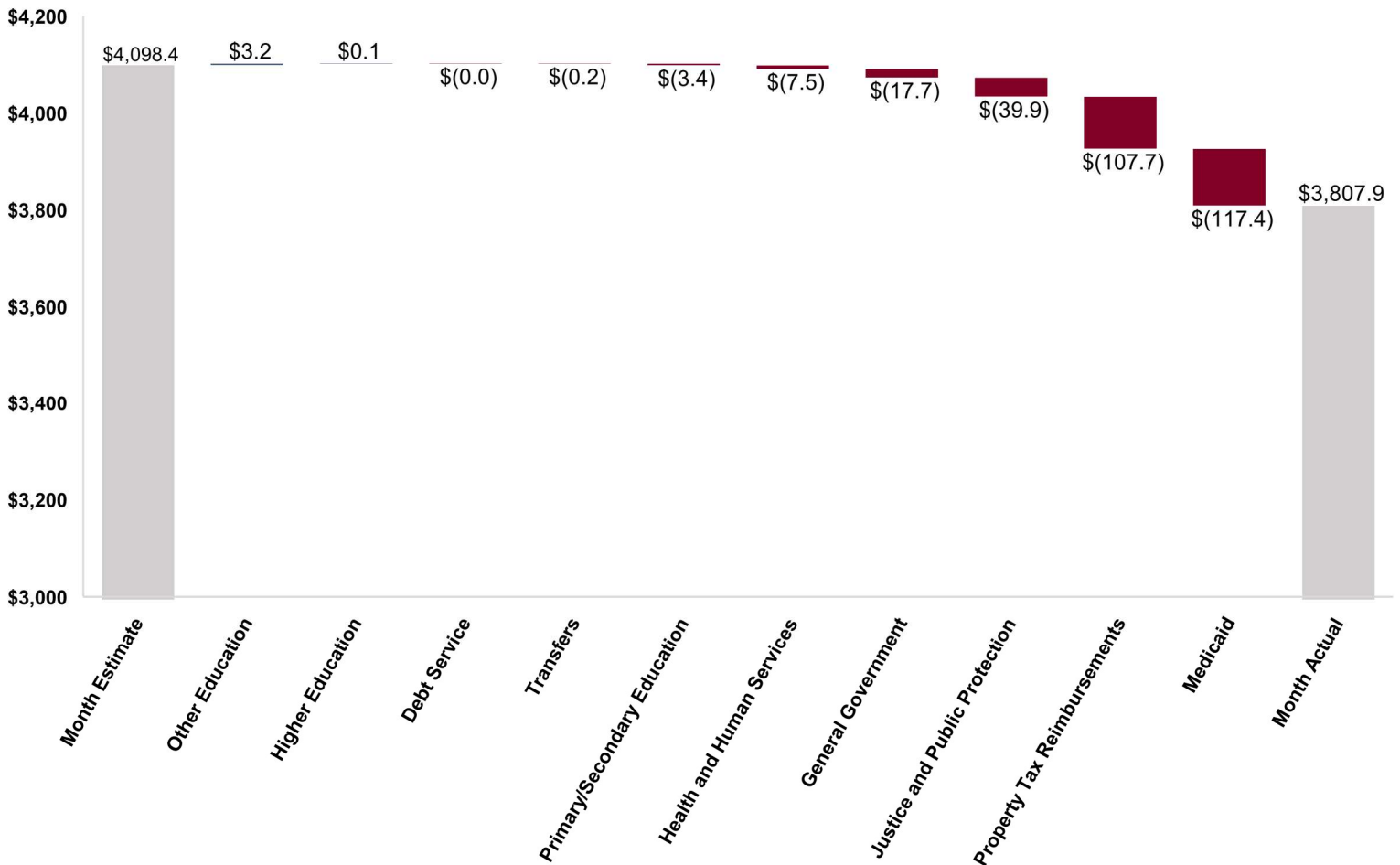
**Table 2**  
**GENERAL REVENUE FUND RECEIPTS**  
**ACTUAL FY 2024 VS ACTUAL FY 2023**  
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	AUGUST FY 2024	AUGUST FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	976,231	917,042	59,189	6.5%	1,996,235	1,870,275	125,960	6.7%
Auto Sales & Use	189,144	198,584	(9,439)	-4.8%	334,517	356,941	(22,425)	-6.3%
Subtotal Sales & Use	1,165,375	1,115,626	49,749	4.5%	2,330,752	2,227,216	103,535	4.6%
Personal Income	861,886	847,677	14,209	1.7%	1,603,633	1,571,926	31,708	2.0%
Corporate Franchise	40	(360)	401	111.2%	84	(54)	138	255.4%
Financial Institutions Tax	691	1,328	(637)	-48.0%	(745)	630	(1,375)	-218.3%
Commercial Activity Tax	462,873	369,122	93,750	25.4%	578,759	469,779	108,980	23.2%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	40,809	40,765	45	0.1%	41,676	41,397	279	0.7%
Kilowatt Hour	28,992	31,984	(2,993)	-9.4%	47,442	52,642	(5,200)	-9.9%
Natural Gas Distribution	13,208	13,882	(674)	-4.9%	13,497	13,899	(402)	-2.9%
Foreign Insurance	(458)	(1)	(456)	-35177.0%	1,243	427	816	191.0%
Domestic Insurance	191	1	191	20874.6%	820	17,530	(16,710)	-95.3%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	70,113	77,091	(6,978)	-9.1%	91,509	104,812	(13,303)	-12.7%
Alcoholic Beverage	6,008	5,621	387	6.9%	11,614	12,557	(943)	-7.5%
Liquor Gallonage	4,832	5,010	(179)	-3.6%	9,744	9,865	(121)	-1.2%
Estate	0	0	0	N/A	0	5	(5)	-98.9%
Total Tax Receipts	2,654,561	2,507,745	146,815	5.9%	4,730,029	4,522,633	207,396	4.6%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,335,258	1,250,722	84,536	6.8%	3,088,726	2,982,943	105,782	3.5%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	7,783	7,882	(100)	-1.3%	8,183	8,358	(176)	-2.1%
Other Income	105,242	110,627	(5,384)	-4.9%	116,572	120,772	(4,200)	-3.5%
ISTV'S	6	1	5	484.9%	6	1	5	330.6%
Total Non-Tax Receipts	1,448,289	1,369,232	79,057	5.8%	3,213,487	3,112,075	101,411	3.3%
<b>TOTAL REVENUES</b>	<b>4,102,849</b>	<b>3,876,977</b>	<b>225,872</b>	<b>5.8%</b>	<b>7,943,516</b>	<b>7,634,708</b>	<b>308,808</b>	<b>4.0%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	398	635	(237)	-37.3%	399	5,635	(5,236)	-92.9%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	398	635	(237)	-37.3%	399	5,635	(5,236)	-92.9%
<b>TOTAL SOURCES</b>	<b>4,103,247</b>	<b>3,877,612</b>	<b>225,635</b>	<b>5.8%</b>	<b>7,943,914</b>	<b>7,640,343</b>	<b>303,571</b>	<b>4.0%</b>

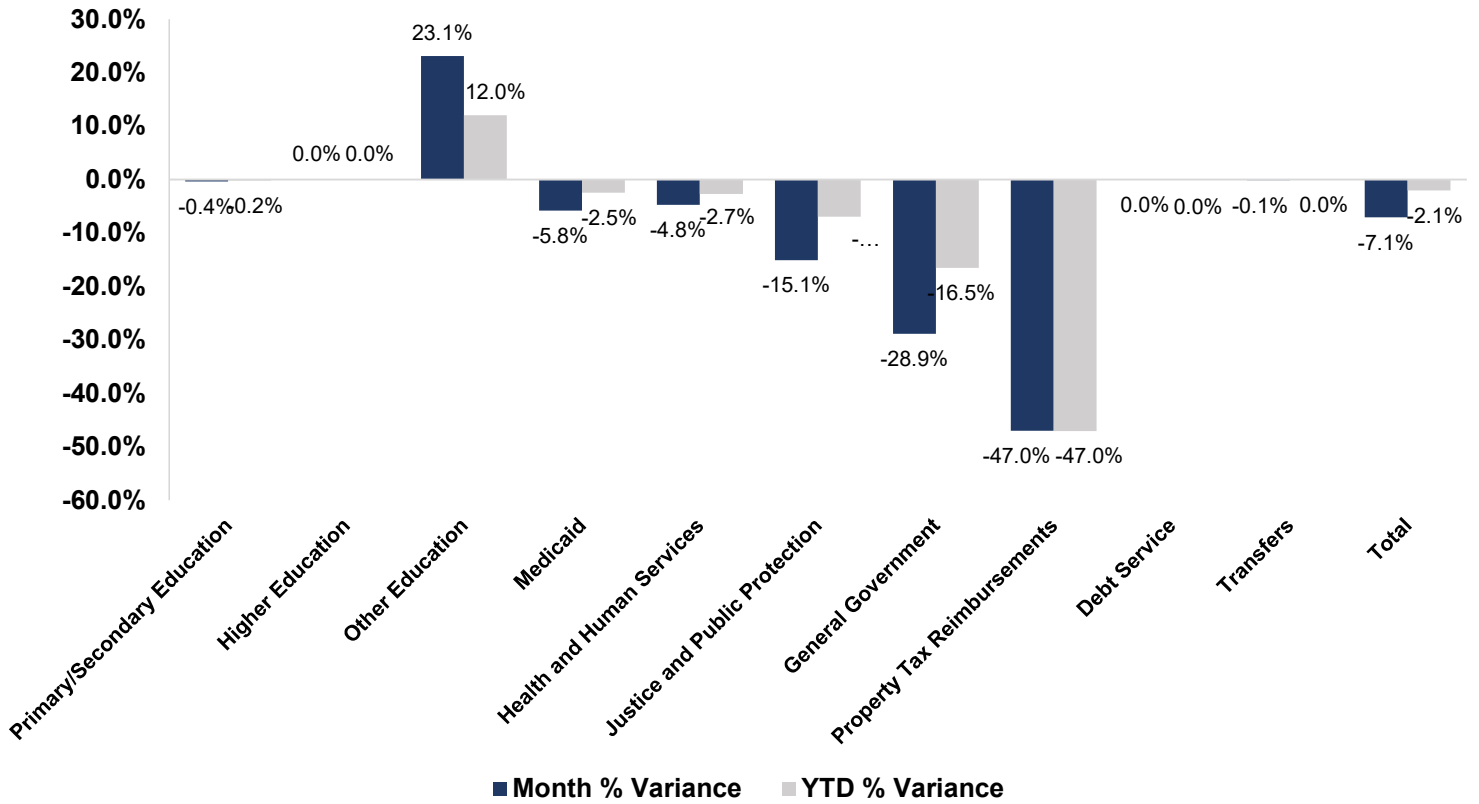
# Disbursements

August GRF disbursements, across all uses, totaled \$3.8 billion and were \$290.5 million (-7.1%) below estimate. This variance was primarily attributable to below estimated disbursements in Medicaid and Property Tax Reimbursements and partially offset by disbursements above the estimate in the Other Education category. On a year-over-year basis, August total uses were \$172.5 million (4.7%) higher than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

**August Disbursement Estimates vs. Actuals**  
(\$ in millions)



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



## Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. August disbursements for this category totaled \$863.6 million and were \$3.4 million (-0.4%) below estimate. August disbursements included a \$40 million payment to chartered nonpublic schools for auxiliary services. This per pupil funding is provided in three payments during the fiscal year with 25 percent of the funding disbursed in each August and November, and the remaining 50 percent in February. The funding supports purchasing of secular textbooks, computer software, instructional materials, equipment, health services, and remedial services for over 167,000 students attending nonpublic schools.

**\$863.6 MILLION**

Year-to-date disbursements are \$1.7 billion, which is \$3.4 million (-0.2%) below estimate. On a year-over-year basis, disbursements in this category were \$37.2 million (4.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$72.4 million (4.4%) higher than the same point in FY 2023.

## 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.

### Medicaid Expenditures

August GRF disbursements for the Medicaid Program totaled \$1.9 billion and were \$117.4 million (-5.8%) below estimate and \$99.6 million (5.5%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$4.6 billion and were \$117.4 million (-2.5%) below estimate.

Total Medicaid caseload declined in August by 58,431 as the department continued routine Medicaid eligibility operations. The reduction in caseload, coupled with the delay of some payments to managed care organizations contributed to lower-than-expected GRF spending in August. These payments are expected to be made in the coming months. The disbursement variance from the previous fiscal year was due primarily to the shift in FY 2023 to non-GRF federal funding sources because of the receipt of additional federal reimbursement through the enhanced Federal Medical Assistance Percentage (FMAP). The federal enhancement is currently in a process of phase-out and will end in December 2023.

August all-funds disbursements for the Medicaid Program totaled \$2.9 billion and were \$154.9 million (-5.1%) below estimate and \$108.6 million (3.9%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$5.9 billion and were \$154.9 (-2.5%) below estimate. The all-funds disbursement variance was primarily attributable to the caseload reduction and a lower than expected per member per month cost (the amount paid per individual enrolled in a managed care plan) in August. Additionally, administrative spending for Medicaid partner agencies was below estimate due to timing. The all-funds disbursement variance from the previous fiscal year was due mainly to the spending shift to non-GRF funding sources in FY 2023 explained in the paragraph above.

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

	August Estimate	August Actual	Variance	Variance %
GRF	\$ 2,012.5	\$ 1,895.1	\$ (117.4)	-5.8%
Non-GRF	\$ 1,055.4	\$ 1,017.9	\$ (37.5)	-3.6%
All Funds	\$ 3,067.9	\$ 2,912.9	\$ (154.9)	-5.1%

### Medicaid Enrollment

Total August enrollment was 3.38 million, which was 51,435 (-1.5%) below estimate and 60,564 (-1.7%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.41 million and was 40,550 (-1.2%) below estimate. The department resumed routine Medicaid eligibility operations in April. Total enrollment declined by an estimated 204,403 between April and August. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

August enrollment by major eligibility category was: Covered Families and Children (CFC), 1.81 million; Group VIII Expansion, 926,757; and Aged, Blind and Disabled (ABD), 511,314.

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

### Department of Administrative Services

August expenses for the Department of Administrative Services totaled \$5.2 million and were \$10.1 million (-66.1%) below estimate. Approximately \$10.5 million in billings for the Multi-Agency Radio Communication System (MARCS) program originally planned for payment in August will be paid in September. MARCS provides statewide, secure, reliable public service wireless communications for public safety and first responders.



## Department of Rehabilitation and Correction

August expenses for the Department of Rehabilitation and Correction totaled \$176.8 million, approximately \$19.5 million (-9.9%) below estimate. The variance is primarily due to a \$10 million payment to the Ohio State University for institution medical services planned for August which will be paid in September instead. The Ohio State University Medical Center provides emergency room and inpatient hospital services where surgeries and advanced diagnostic testing occurs.

## Public Defender Commission

Public Defender Commission spending in August totaled \$1.4 million, \$14.7 million (-91.3%) below estimate, as county reimbursement payments scheduled for August will be processed in September. The Public Defender Commission reimburses counties for the operation of their indigent defense systems.





## Justice and Public Protection

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

August disbursements in this category totaled \$224.5 million and were \$39.9 million (-15.1%) below estimate. Year-to-date disbursements are \$533.2 million and were \$39.9 million (-7%) below estimate. Disbursements on a year-over-year basis were \$39.4 million (21.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$43.3 million (8.8%) greater than at the same point in FY 2023.

## 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 \$43.5 million and were \$17.7 million (-28.9%) below estimate. Year-to-date disbursements are \$89 million and were \$17.7 million (-16.5%) below estimate. On a year-over-year basis, disbursements in this category were \$777,000 (1.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$2.1 million (2.5%) greater than at the same point in FY 2023.

## Health and Human Services

This category includes non-debt service GRF expenditures by the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. Examples of expenditures in this category include childcare, Temporary Assistance for Needy Families (TANF) maintenance of effort, administration of the state's psychiatric hospitals, operating subsidies to county boards of developmental disabilities, various immunization programs, and Ohio's long-term care ombudsman program. The Medicaid category reflects spending to the extent that these agencies spend GRF to support Medicaid services.

August disbursements in this category totaled \$150.7 million and were \$7.5 million (-4.8%) below estimate. Year-to-date disbursements are \$273.3 million and were \$7.5 million (-2.7%) below estimate. On a year-over-year basis, disbursements in this category were \$27.7 million (22.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$7.6 million (-2.7%) less than at the same point in FY 2023.

## Transfers Out

August transfers out totaled \$110.1 million in August and \$5.8 billion year-to-date. To date, OBM has transferred \$1.1 billion in cash to capital funds in lieu of issuing new debt, saving taxpayers approximately \$483 million in gross interest.

## Higher Education

August disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$201.7 million with year-to-date disbursements of \$380.8 million. On a year-over-year basis, disbursements in this category were \$4.9 million (-2.4%) lower than for the same month in the previous fiscal year while year-to-date expenditures are \$19 million (-4.7%) less than at the same point in FY 2023.

## 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 reimbursements totaled \$121.3 million and were \$107.7 million (-47%) below estimate. Year-to-date reimbursements totaled \$121.2 million and are \$107.7 million (-47%) below estimate. Both variances are primarily timing related and expected to offset with larger disbursements in future months.

## Other Education

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

August disbursements in this category totaled \$17 million and were \$3.2 million (23.1%) above estimate. On a year-over-year basis, disbursements in this category were \$6.8 million (67.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$11.1 million (59.5%) greater than at the same point in FY 2023.

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**Table 3**  
**GENERAL REVENUE FUND DISBURSEMENTS**  
**ACTUAL FY 2024 VS ESTIMATE FY 2024**  
(\$ 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	863,649	867,088	(3,439)	-0.4%	1,702,680	1,706,118	(3,439)	-0.2%
Higher Education	201,671	201,618	52	0.0%	380,806	380,754	52	0.0%
Other Education	17,018	13,825	3,192	23.1%	29,697	26,505	3,192	12.0%
Medicaid	1,895,057	2,012,474	(117,417)	-5.8%	4,591,390	4,708,808	(117,417)	-2.5%
Health and Human Services	150,653	158,202	(7,549)	-4.8%	273,339	280,888	(7,549)	-2.7%
Justice and Public Protection	224,466	264,323	(39,857)	-15.1%	533,229	573,086	(39,857)	-7.0%
General Government	43,470	61,126	(17,657)	-28.9%	89,048	106,704	(17,657)	-16.5%
Property Tax Reimbursements	121,295	228,957	(107,662)	-47.0%	121,181	228,842	(107,662)	-47.0%
Debt Service	180,564	180,595	(31)	0.0%	336,646	336,677	(31)	0.0%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,697,842</b>	<b>3,988,209</b>	<b>(290,367)</b>	<b>-7.3%</b>	<b>8,058,017</b>	<b>8,348,383</b>	<b>(290,367)</b>	<b>-3.5%</b>
<b>Transfers Out:</b>								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	110,082	110,235	(153)	-0.1%	5,667,218	5,447,298	219,920	4.0%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>110,082</b>	<b>110,235</b>	<b>(153)</b>	<b>-0.1%</b>	<b>5,817,218</b>	<b>5,597,298</b>	<b>219,920</b>	<b>3.9%</b>
<b>Total Fund Uses</b>	<b>3,807,924</b>	<b>4,098,444</b>	<b>(290,519)</b>	<b>-7.1%</b>	<b>13,875,235</b>	<b>13,945,681</b>	<b>(70,446)</b>	<b>-0.5%</b>

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	AUGUST FY 2024	AUGUST FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	863,649	826,461	37,188	4.5%	1,702,680	1,630,297	72,383	4.4%
Higher Education	201,671	206,554	(4,883)	-2.4%	380,806	399,791	(18,984)	-4.7%
Other Education	17,018	10,185	6,832	67.1%	29,697	18,615	11,083	59.5%
Medicaid	1,895,057	1,795,473	99,583	5.5%	4,591,390	4,218,266	373,125	8.8%
Health and Human Services	150,653	122,945	27,708	22.5%	273,339	280,913	(7,574)	-2.7%
Justice and Public Protection	224,466	185,116	39,350	21.3%	533,229	489,968	43,261	8.8%
General Government	43,470	42,692	777	1.8%	89,048	86,906	2,142	2.5%
Property Tax Reimbursements	121,295	233,606	(112,311)	-48.1%	121,181	233,606	(112,425)	-48.1%
Debt Service	180,564	167,566	12,998	7.8%	336,646	462,583	(125,937)	-27.2%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,697,842</b>	<b>3,590,599</b>	<b>107,242</b>	<b>3.0%</b>	<b>8,058,017</b>	<b>7,820,944</b>	<b>237,072</b>	<b>3.0%</b>
<b>Transfers Out:</b>								
BSF Transfer	0	0	0	N/A	150,000	0	150,000	N/A
Operating Transfer Out	110,082	44,800	65,282	145.7%	5,667,218	671,759	4,995,459	743.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>110,082</b>	<b>44,800</b>	<b>65,282</b>	<b>145.7%</b>	<b>5,817,218</b>	<b>671,759</b>	<b>5,145,459</b>	<b>766.0%</b>
<b>Total Fund Uses</b>	<b>3,807,924</b>	<b>3,635,399</b>	<b>172,525</b>	<b>4.7%</b>	<b>13,875,235</b>	<b>8,492,704</b>	<b>5,382,531</b>	<b>63.4%</b>

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

<b>July 1, 2023 Beginning Cash Balance*</b>	<b>\$8,990,658.7</b>
Plus FY 2024 Estimated Revenues	28,807,300.0
Plus FY 2024 Estimated Federal Revenues	13,453,826.5
Plus FY 2024 Estimated Transfers to GRF	0.0
<b>Total Sources Available for Expenditures &amp; Transfers</b>	<b>51,251,785.2</b>
Less FY 2024 Estimated Disbursements**	42,205,312.9
Less FY 2024 Estimated Total Encumbrances as of June 30, 2024	853,783.1
Less FY 2024 Estimated Transfers Out	6,457,785.4
<b>Total Estimated Uses</b>	<b>49,516,881.4</b>
<b>FY 2024 UNENCUMBERED ENDING FUND BALANCE***</b>	<b>\$1,734,903.8</b>

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

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

\*\*\*The FY 2024 unencumbered ending fund balance will be carried forward in accordance with provisions under the Ohio Revised Code that govern ending General Revenue Fund balances.

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# Glossary

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

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

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



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

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

