

State of Ohio Monthly Financial Report

JULY 10, 2023

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

From: Kimberly Murnieks, OBM Director



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Report Overview

**FY 2023 TAX REVENUE WAS
\$994 MILLION ABOVE
ESTIMATE FOR THE YEAR**

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**JUNE 2023 SALES TAX WAS
\$21 MILLION ABOVE ESTIMATE**

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**TOTAL FY 2023 REVENUE WAS
4.7% ABOVE FY 2022**

A white icon on a dark red background showing a bar chart with three bars of increasing height, an upward-pointing arrow above the bars, and a dollar sign inside a circle to the right.

**PERSONAL INCOME TAX WAS
6.6% ABOVE THE JUNE 2023
ESTIMATE**

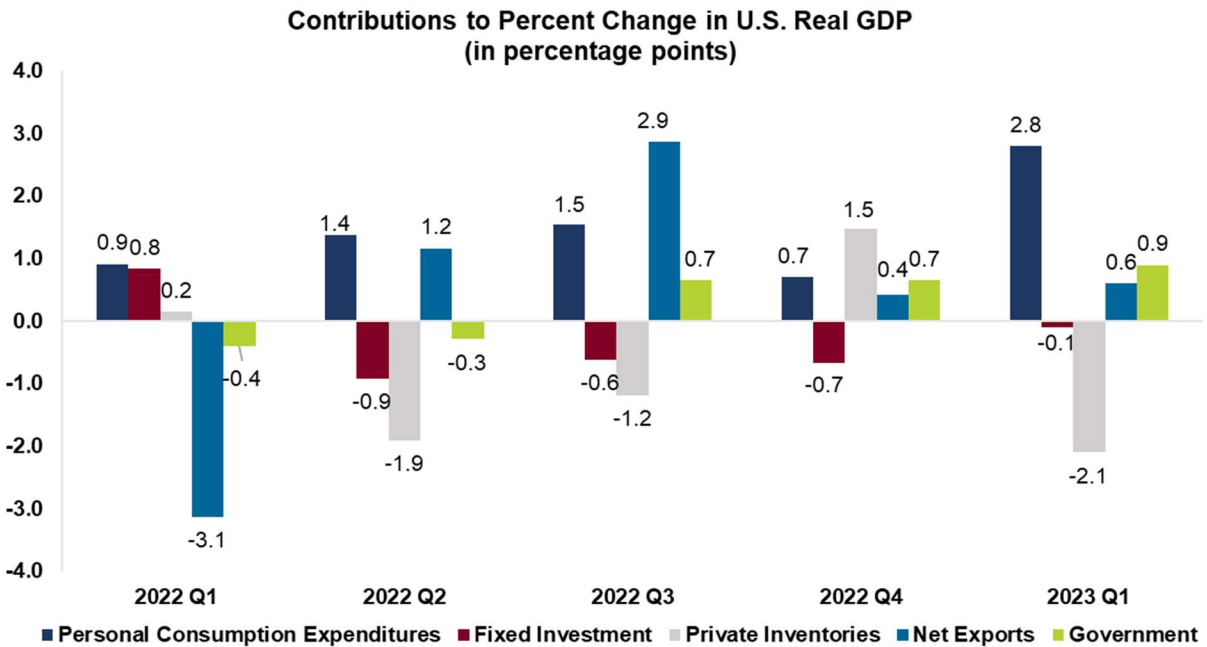
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Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the first quarter of calendar year 2023 at an annualized rate of 2 percent. This was a 0.7 percentage point upward revision from last month's estimate.

The first quarter increase in real GDP resulted from growth in personal consumption (2.8 percentage points), government (0.9 percentage point), and net exports (0.6 percentage point). These positive contributions were partially offset by decreases in private inventories (-2.1 percentage point) and fixed investment (0.1 percentage point).



Ohio's real GDP increased by 1.3 percent during the first quarter of 2023, which was 0.7 percentage point below the national average. The change in GDP in Ohio largely reflected positive contributions in health care and social assistance (0.8 percentage point), agriculture, forestry, fishing, and hunting (0.6 percentage point), retail trade (0.4 percentage point), and state and local government (0.3 percentage point). These increases were partially offset by decreases in finance and insurance (-0.6 percentage point), durable goods manufacturing (-0.4 percentage point), and nondurable goods manufacturing (-0.4 percentage point).

In May 2023, the Conference Board's **Leading Economic Index** decreased 0.7 percent to 106.7, after declining 0.6 percent in April. The index fell for the fourteenth consecutive month and in the last six months decreased 4.3 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that the weakness in the Index was primarily driven by worsening credit conditions and lower future business expectations. The Conference Board continues to forecast a potential recession in the second half of 2023 and first quarter of 2024, resulting in part from tightening monetary policy and lower levels of government spending.

As with previous months, forecasters continue to expect stable economic growth for the second quarter of 2023. However, many continue to think that a shallow recession may potentially occur in the later part of 2023 or early 2024. The enduring strength of the labor market, and consumers' willingness to continue spending on services, continues to drive economic growth. After a pause in June, persistent inflation paired with the healthy labor market have many economists expecting further interest rate increases from the Federal Reserve before the end of the year.

Economic Forecasts

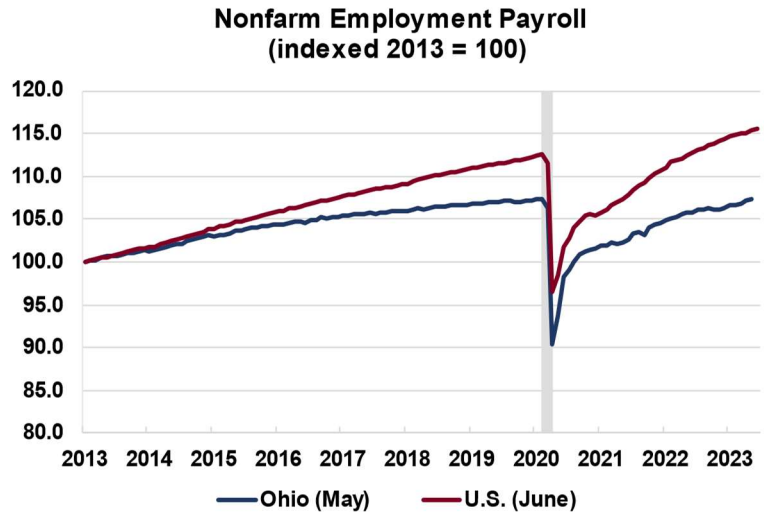
Source	Date	2nd Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	07/07/2023	1.5%
Federal Reserve Bank of Atlanta (GDPNow)	07/06/2023	2.1%
Moody's Analytics High Frequency GDP Model	06/30/2023	1.9%
Wells Fargo	06/15/2023	1.1%
Conference Board	06/15/2023	0.6%



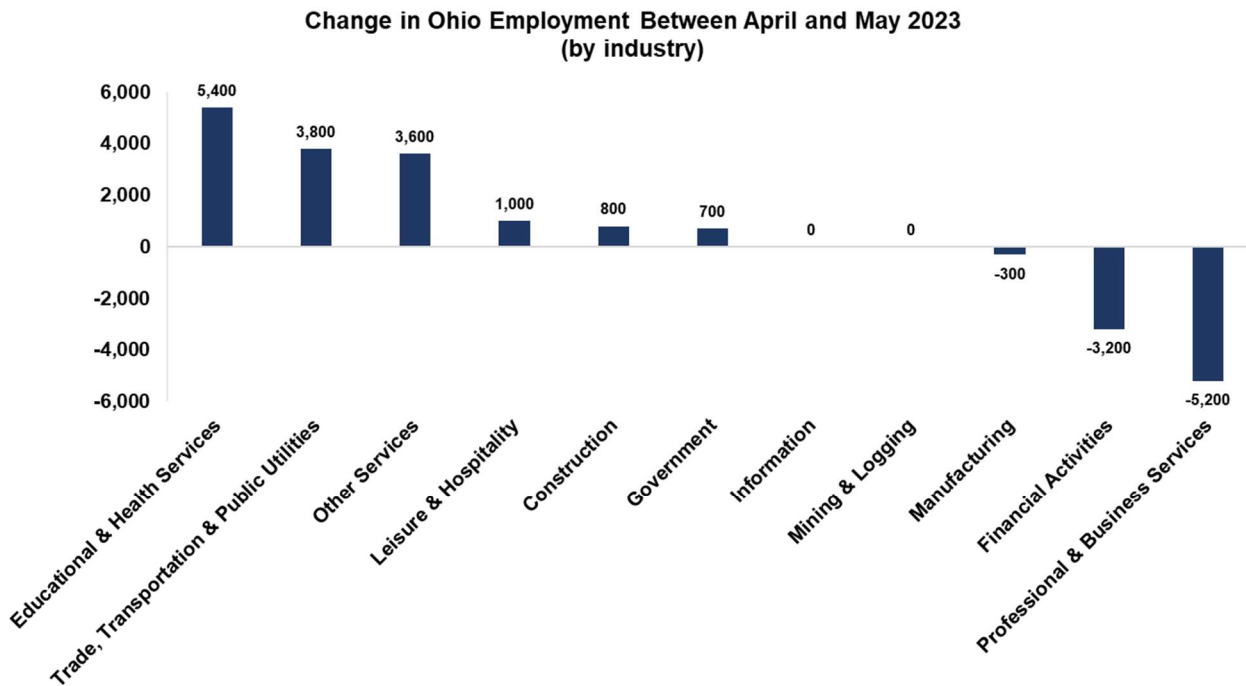
Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 6,600 jobs between April and May 2023 to 5.6 million, an increase of 1.5 percent over the prior year.

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



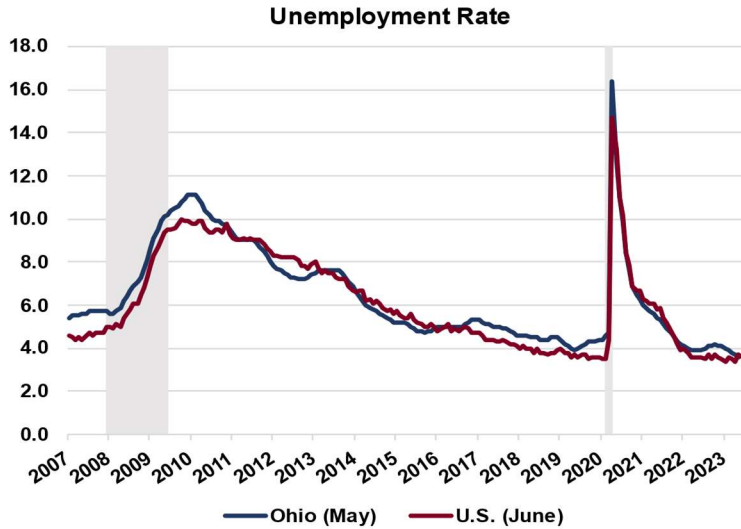
Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** in May was 62.1 percent, a 0.5 percentage point increase from April 2023. The seasonally adjusted **employment-population ratio** was 59.8 in May, a 0.3 percent increase from April 2023.





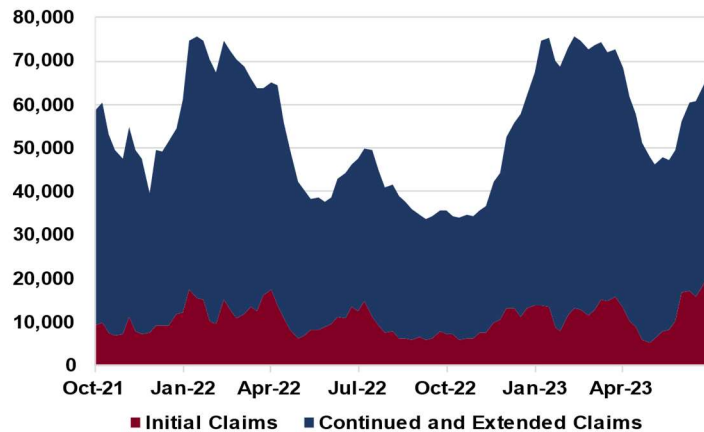
Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in May 2023 was 3.6 percent, a decrease of 0.1 percentage point from April 2023’s revised rate. This is the lowest unemployment rate in Ohio’s history.

In May 2023, **initial unemployment claims** increased 29.1 percent for men and 36.2 percent for women compared to April 2023. During the same period, initial claims increased across all racial categories except for those who identified as Asian/Pacific Islander, whose claims decreased 6 percent (23 claims).

During the week ending July 1, 2023, individuals filed a total of 21,306 initial unemployment claims, a 16.6 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 46,206 claims, a 1.5 percent increase from the prior week.

Ohio Total Unemployment Claims (October 2, 2021 through July 1, 2023)



Source: Ohio Department of Job and Family Services

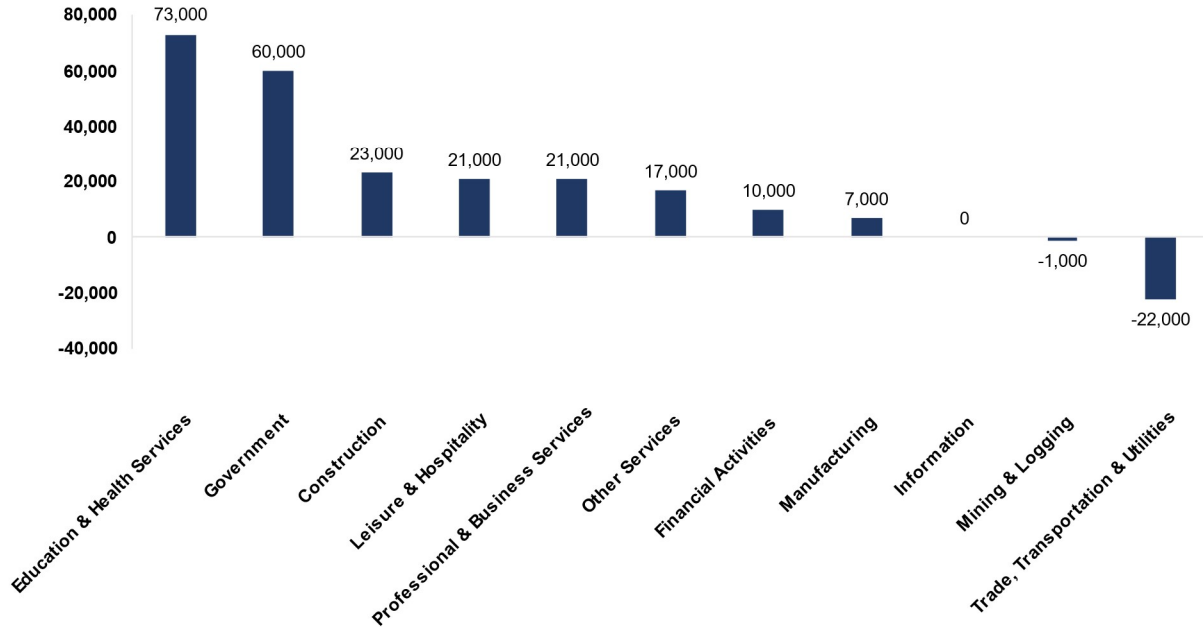
U.S. Labor Market

U.S. nonfarm payroll employment increased by 209,000 jobs in June. Job gains were widespread with the highest growth in the education and health services, government, construction, leisure and hospitality, and professional and business services.

209,000
Jobs Added



Change in U.S. Employment May - June 2023 (by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** was unchanged in June at 62.6 percent. The **U.S. employment-population ratio** was also unchanged in June at 60.3 percent. Both measures remained below February 2020 levels, by 0.7 percentage point and 0.8 percentage point respectively.

The **U.S. unemployment rate** decreased in June to 3.6 percent while the number of unemployed individuals decreased to 6 million. The unemployment rate increased across most racial categories between May and June 2023, while individuals who identified as White saw decreases (0.2 percentage point). Individuals who identified as Black had the largest increase (0.4 percentage point) followed by individuals who identified as Hispanic (0.2 percentage point) and individuals who identified as Asian (0.2 percentage point). The unemployment rate for women decreased 0.2 percentage point to 3.4 percent between May and June, while the unemployment rate for men was unchanged at 3.7 percent.

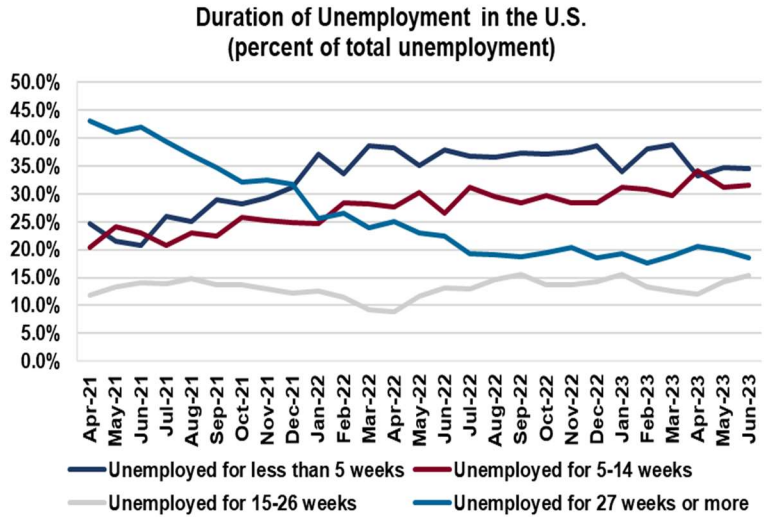
Unemployment Rates by Demographic Group

	April-23	May-23	June-23
Women	3.3%	3.6%	3.4%
Men	3.5%	3.7%	3.7%
Black	4.7%	5.6%	6.0%
White	3.1%	3.3%	3.1%
Asian	2.8%	2.9%	3.2%
Hispanic	4.4%	4.0%	4.3%

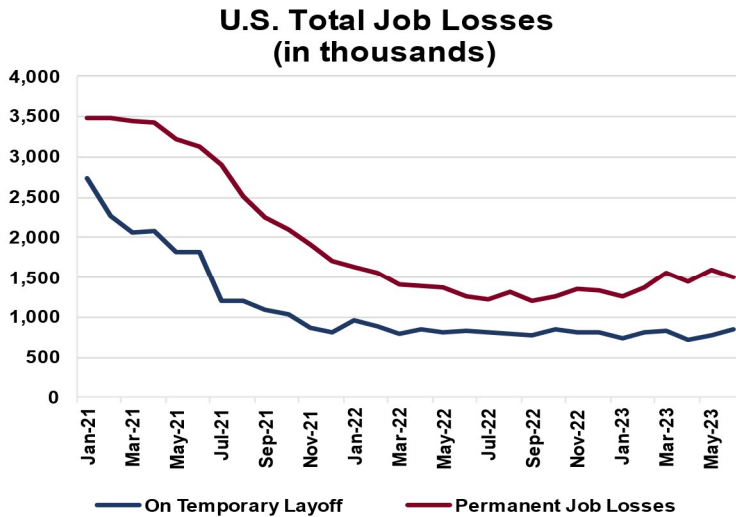


In June 2023, 34.7 percent of unemployed individuals in the nation were unemployed for less than five weeks. This measure increased 0.7 percent from May and remained in line with pre-pandemic levels.

The number of **people not in the labor force who currently want a job** decreased by 1.6 percent to 5.4 million people in June and remains 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 842,000 in June and was 62,000 more than in February 2020.

The number of people with **permanent job losses** decreased by 95,000 in June to 1.5 million.

Consumer Income and Consumption

\$22.8 Trillion

Personal income increased by \$91.2 billion (0.4%) in May to \$22.8 trillion. The gains in May were primarily due to increases in wages and salaries of \$60.9 billion (0.5%) and personal current transfer receipts of \$11.7 billion (0.3%).



Personal consumption expenditures increased by \$18.9 billion (0.1%) between April and May. Overall spending on goods decreased by 0.5 percent in May. Spending on durable goods decreased 0.9 percent and was driven by decreases in motor vehicles and parts (-3%) and partially offset by increases in furnishings and durable household equipment (0.4%). Spending on nondurable goods decreased 0.3 percent and was driven by a decrease in spending on gasoline and other energy goods (-5.2%). Spending on services increased by 0.4 percent in May 2023, and was led by transportation services (1.6%), other services (0.6%), and financial services (0.5%).

Personal saving totaled \$910.3 billion in May 2023, a 7.6 percent increase compared to April's revised level and was 47.8 percent above the May 2022 level. The **personal saving rate** was 4.6 percent in May, up 7 percent from April's revised estimate.

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

	April 2023	May 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,324,826	\$ 2,297,566	-1.2%	2.4%	-1.5%
Motor vehicles and parts	\$ 616,898	\$ 590,285	-4.3%	4.3%	-11.3%
Furnishings and durable household equipment	\$ 518,933	\$ 524,227	1.0%	0.7%	-3.0%
Recreational goods and vehicles	\$ 923,285	\$ 927,591	0.5%	3.8%	10.1%
Other durable goods	\$ 335,329	\$ 334,300	-0.3%	-1.9%	3.3%
Nondurable Goods	\$ 3,324,984	\$ 3,325,862	0.0%	0.4%	-0.1%
Clothing and footwear	\$ 487,214	\$ 485,876	-0.3%	-1.1%	-1.5%
Gasoline and other energy goods	\$ 446,454	\$ 448,160	0.4%	2.4%	3.6%
Other nondurable goods	\$ 1,341,646	\$ 1,340,879	-0.1%	1.3%	3.9%
Services	\$ 8,924,405	\$ 8,939,626	0.2%	2.6%	7.7%
Transportation services	\$ 439,390	\$ 445,889	1.5%	0.9%	16.2%
Housing and utilities	\$ 2,187,931	\$ 2,185,847	-0.1%	0.7%	2.0%
Recreation services	\$ 499,656	\$ 498,357	-0.3%	3.5%	16.7%
Financial services and insurance	\$ 908,104	\$ 912,434	0.5%	2.7%	5.3%

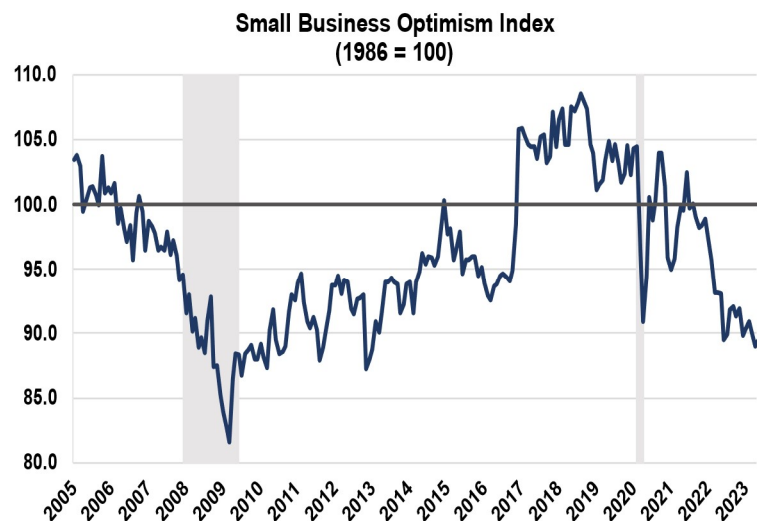
Note: The table above provides details on real personal consumption spending in chained 2012 dollars, which differs from the figures in the text that are not adjusted for inflation.

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



The **Consumer Price Index for All Urban Consumers** (CPI) showed an increase of 0.1 percent in May, which followed a 0.4 percent increase in April. The “all items” index increased 4 percent over the last 12 months. May price increases compared to April 2023 were concentrated primarily in shelter (0.6%) and used cars and trucks (4.4%). These increases were partially offset by decreases in energy (-3.6%).

Both consumer opinion surveys reported increases in confidence in June. Respondents in the University of Michigan’s **Survey of Consumers** reported a 7.9 percent increase in consumer sentiment to 63.9 in June 2023 compared to May 2023. This increase is primarily attributed to positive attitudes over softening of inflation. The Conference Board’s **Consumer Confidence Index** increased by 7.2 points to 109.7 in June, up from a revised 102.5 in May. The Chief Economist at the Conference Board noted that expectations were at the highest level since January 2022. Increases in confidence predominantly occurred in consumers under the age of 35 and those with earning incomes over \$35,000.



The **Small Business Optimism Index** increased 0.4 percentage point to 89.4 in May, the 17th consecutive month the index was below 98, the 49-year average. Twenty-five percent of owners reported inflation as their single most important problem in May. Additionally, hiring and labor quality remained a concern with 89 percent of owners hiring or trying to hire reporting few or no qualified applicants.

Travel and Tourism

Average airline checkpoint traffic increased 7.1 percent in June compared to May. **Total travel throughput** in June 2023 was 11.1 percent higher than in June 2022 and 0.8 percent higher than June 2019.

The **hotel occupancy rate** for the week ending June 24, 2023, was 71.4 percent, or 1 percent below the comparable week in 2022. The **average daily rate** for a hotel room was \$159.00, a 0.9 percent increase from 2022. **Revenue per available room** was \$113.58, which was 0.1 percent less than in 2022.

Industrial Activity

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

Manufacturing Sector	Percent Change March to April 2023	Percent Change April to May 2023	Percent Change May 2022 to May 2023
Aerospace and Other Transportation Equipment	-1.5%	2.5%	1.5%
Chemicals	0.2%	-0.2%	1.1%
Electrical Equipment	1.5%	1.4%	1.6%
Fabricated Metal Products	-0.2%	0.7%	-0.1%
Food Beverage and Tobacco Products	0.7%	-0.4%	-0.5%
Machinery	0.7%	-0.5%	-1.5%
Motor Vehicles and Parts	9.8%	0.2%	10.0%
Petroleum and Coal	0.6%	1.7%	1.6%
Plastics and Rubber Products	0.7%	-0.2%	-4.6%
Primary Metals	2.9%	-0.6%	-2.7%

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** decreased 0.2 percent between April and May 2023 and was 0.2 percent higher than in May 2022.

Preliminary data show the **Manufacturing Production Index** increased 0.1 percent in May 2023 to 100.1 and was 0.3 percent lower than May 2022. Nationally, manufacturing in five of Ohio's top 10 industries increased production between April and May 2023. Increases in aerospace and other transportation equipment (2.5%), petroleum and coal (1.7%), electrical equipment (1.4%), fabricated metal products (0.7%), and motor vehicles and parts (0.2%) were offset by decreases in primary metals (-0.6%), machinery (-0.5%), food beverage and tobacco products (-0.4%), chemicals (-0.2%), and plastics and rubber products (-0.2%).





Source: Institute for Supply Management

In June 2023, the Institute for Supply Management reported the **Purchasing Managers Index** (PMI) for the United States was 46, a decrease of 0.9 percentage point from May’s reading. The index remained below 50 for the eighth month, indicating contraction in the manufacturing sector.

Across the nation, two of the 10 most important industries to Ohio’s manufacturing sector increased production in June; primary metals and

transportation equipment reported growth in the last month. The industries reporting the largest contraction were plastics and rubber products; chemical products; electrical equipment; and fabricated metal products. According to the chair of the survey committee, the manufacturing sector contracted at a faster rate than in May, and expectations regarding the second half of the year became less optimistic. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management (ISM) described weakening business conditions across industries.

“Customer orders have definitely slowed down. Our company thought the second half of 2023 would be better than the first half, but this doesn’t seem to be the case. [Chemical Products]”

“Orders and business are steady with a healthy background, but new perspective orders seem to be getting pushed back into 2024. [Machinery]”

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 20.1 percent between April and May 2023 and were 0.3 percent above the number of permits issued in May 2022.

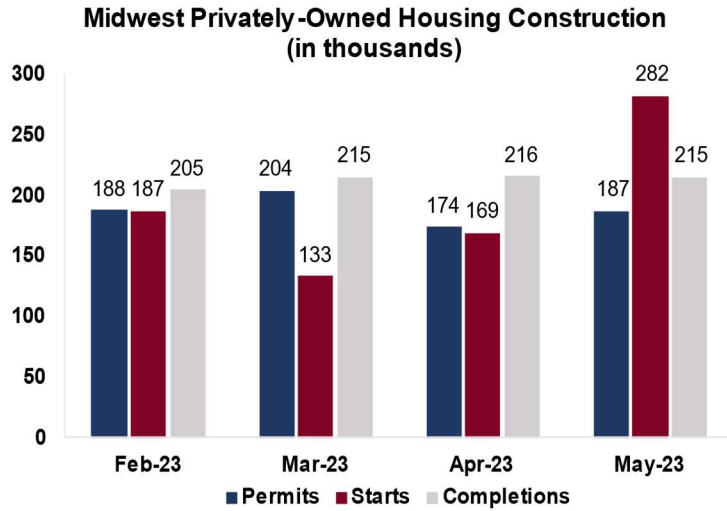
Privately-owned housing starts in the Midwest increased 66.9 percent between April and May and were 24.2 percent above May 2022 levels.



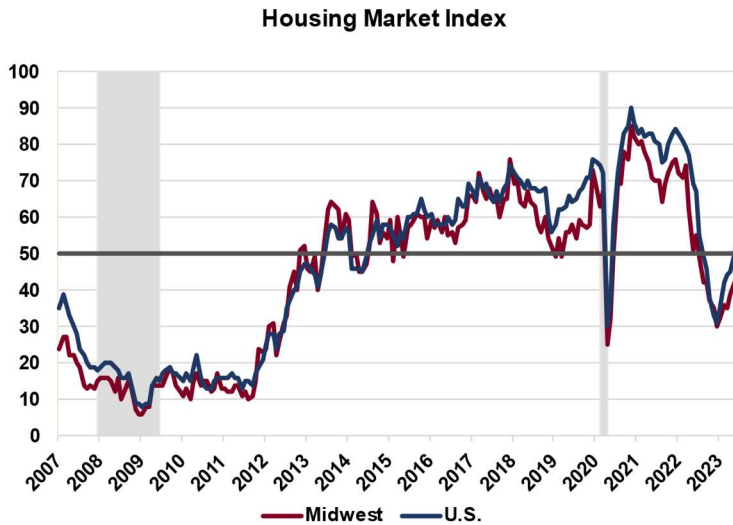
In May 2023, privately-owned housing completions in the Midwest decreased 0.5 percent compared to April and were 22.9 percent above May 2022.

New home sales in the Midwest increased 4.1 percent between April and May and were 40 percent above May 2022.

Activity in the Ohio housing market continued to slow while prices increased slightly in May. Total sales were 16 percent below May 2022 but the average sale price in Ohio was \$280,392, a 1.5 percent increase compared to May 2022. The president of Ohio REALTORS reported higher mortgage rates and ongoing low inventory levels depressed activity in the Ohio housing market in May 2023.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased six points in June to 48, seven points below the national level. The national index increased for the seventh consecutive month after decreasing for most of the calendar year 2022. The Midwest index increased for the third consecutive month.

U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in May 2023 at a seasonally adjusted annual rate of \$1.9 trillion, a 0.9 percent increase from the revised April estimate. The May 2023 estimate is 2.4 percent above May 2022.

Public sector construction spending increased 0.1 percent between April and May, bringing the seasonally adjusted annual total to \$412.4 billion. Spending on educational construction was virtually unchanged from the revised April estimate to \$87.7 billion in



May, 5.9 percent above May 2022 levels. Highway construction spending in May was 0.4 percent below the revised April estimate and 14.2 percent above May 2022.

Private sector construction spending increased 1.1 percent between April and May to a seasonally adjusted annual total of \$1.5 trillion and was also relatively unchanged from the May 2022 level. Residential construction in May was 2.2 percent above April's revised level and 11.6 percent below May 2022's level. Nonresidential construction in May decreased 0.3 percent from the revised April estimate and was 20.5 percent above May 2022.

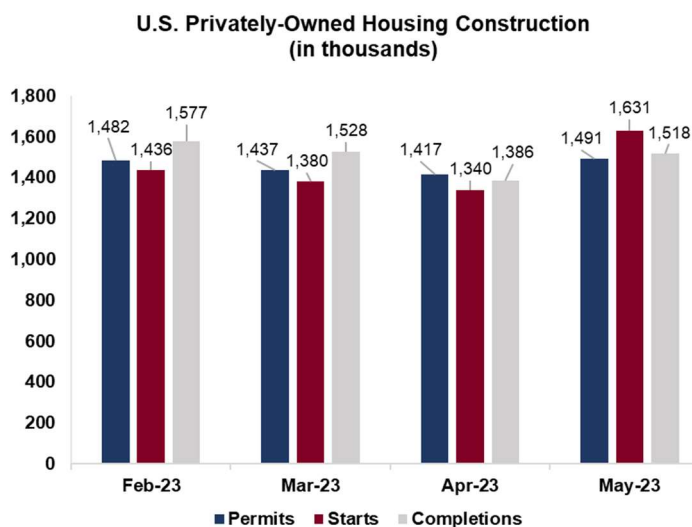
In the U.S., the number of **building permits** issued for privately-owned housing units increased 5.2 percent between April and May but was 12.7 percent below the number of permits issued in May 2022.

Nationally, privately-owned housing starts increased 21.7 percent between April and May and were 5.7 percent above May 2022 levels.

In May, **newly built single-family home sales** increased by

12.2 percent compared to April and were 20 percent above sales in May 2022. The national median sales price in May 2023 was \$416,300, a 3.5 percent increase compared to April, and 7.6 percent lower compared to May 2022.

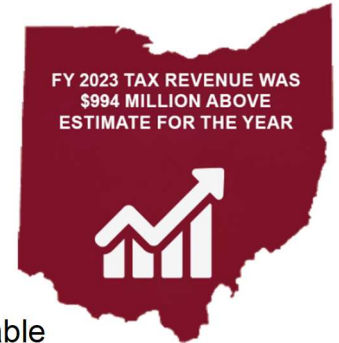
According to the National Association of Realtors, **existing home sales** increased 0.2 percent in May compared to April. May's existing home sales increased slightly to an annual rate of 4.3 million housing units, a 20.4 percent decrease from May 2022. The median sale price of all existing homes declined 3.1 percent from a year ago to \$396,100. Available inventory in May 2023 totaled 1.2 million units, a 3.8 percent increase from April and 6.1 percent below the May 2022 inventory level.



Source: U.S. Census Bureau through FRED

Revenues

June closed out a strong FY 2023, with GRF tax revenues exceeding the estimate by \$153.5 million (5.9%). For the year, total tax revenue exceeded estimate by \$994.2 million (3.6%). Tax revenue intake was strong throughout FY 2023, with only one month not reaching the estimate. Personal income tax accounted for most of the year's total positive tax revenue variance from estimate, largely due to stronger than anticipated withholding performance. Furthermore, there were positive variances for the majority of tax sources during the fiscal year, with the cigarette tax and kilowatt hour tax being the only notable exceptions.



Aggregate (tax and non-tax) GRF receipts totaled \$3.5 billion in June and were \$103.3 million (3%) above estimate. As noted above, tax revenues were \$153.5 million (5.9%) above estimate. Non-tax receipts had a negative variance amounting to \$51.6 million (-6.4%) below estimate and transfers were \$1.5 million above estimate. For the year, tax revenues and transfers ended above estimate while non-tax revenues performed 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	\$ 994.2	3.6%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (297.4)	-2.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 15.7	314.0%
Total Revenue Variance		\$ 712.5	1.7%
Non-Federal Revenue Variance		\$ 1,294.3	4.6%
Federal Grants Variance		\$ (581.8)	-4.3%

The table below shows that sources above estimate (a positive variance of \$246.7 million) in June outweighed the size of sources below estimate (a negative variance of \$143.3 million), resulting in a \$103.3 million net positive variance from estimate.

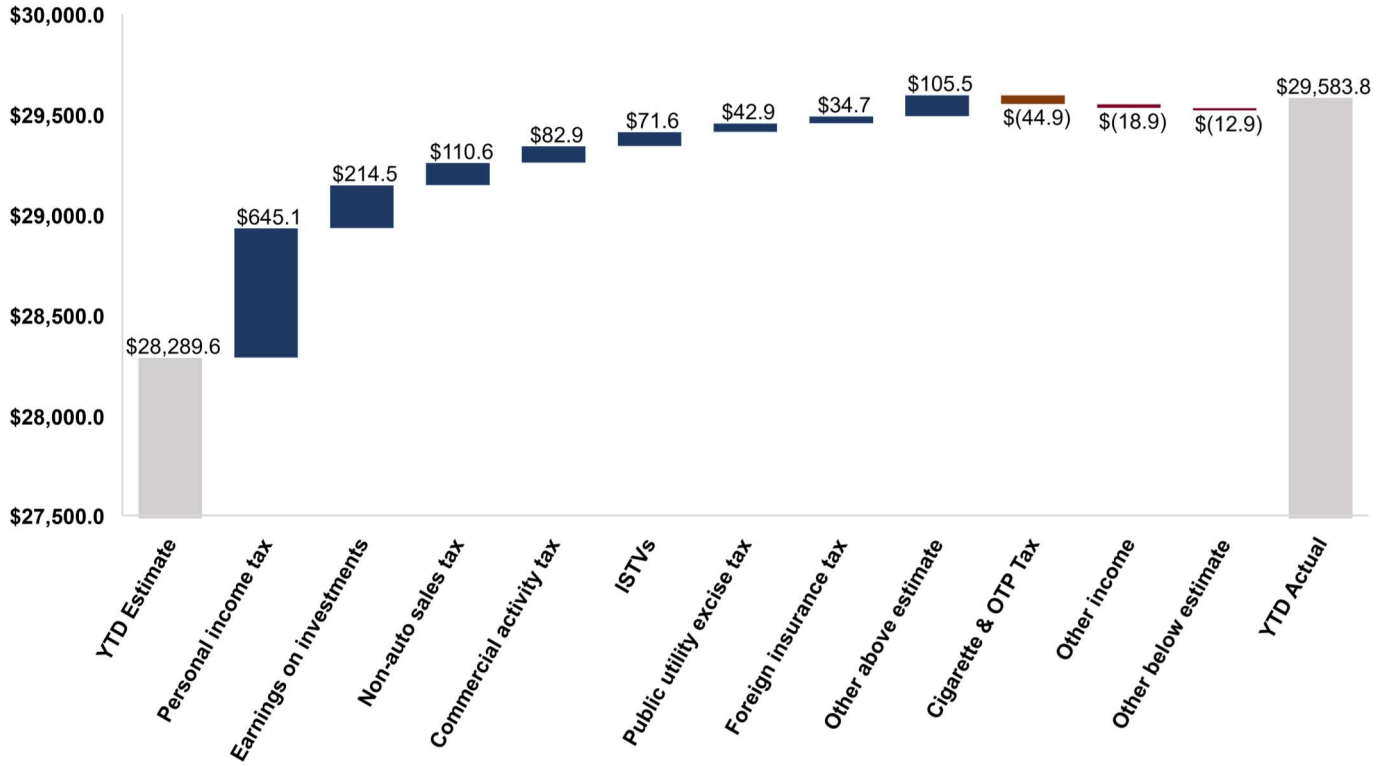
GRF Revenue Sources Relative to Monthly Estimates – June 2023
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Earnings on Investments	\$ 85.1	Federal Grants	\$ (135.7)
Domestic Insurance Tax	\$ 73.3	Kilowatt-Hour Tax	\$ (3.5)
Personal Income Tax	\$ 59.8	Other revenue sources below estimate	\$ (4.2)
Auto Sales Tax	\$ 11.1		
Non-Auto Sales Tax	\$ 10.3		
Other revenue sources above estimate	\$ 7.2		
Total Above	\$ 246.7	Total Below	\$ (143.3)

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



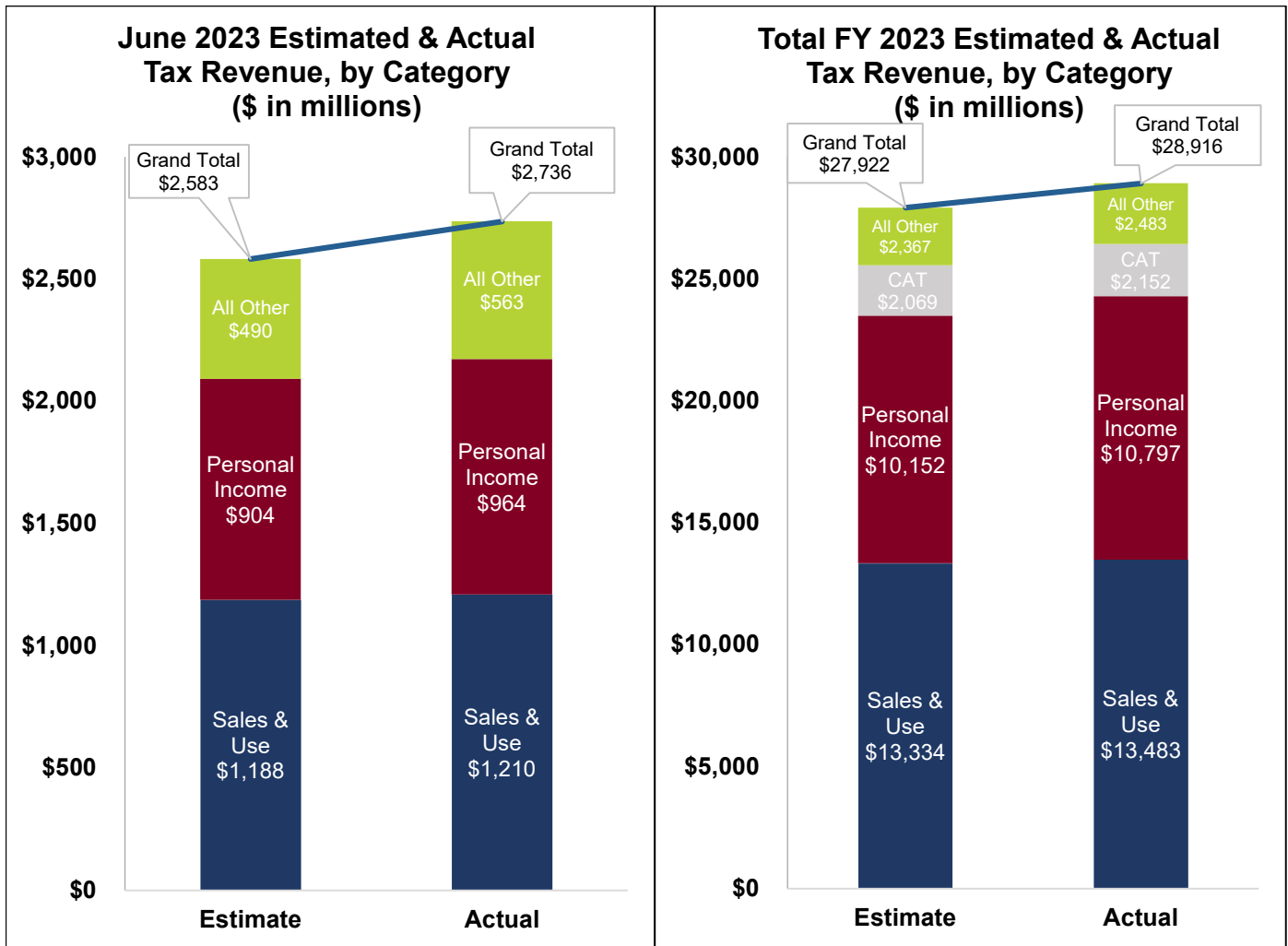
Actuals vs Estimates: YTD GRF Non-Federal Sources (\$ in millions)



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for FY 2023, with the net difference totaling \$1.3 billion.



The following two graphs show the composition of estimated and actual GRF tax revenues for June 2023 and for the fiscal year. All tax sources are allocated among several major categories. The charts show the preponderant impact of the sales and use tax and the personal income tax on the GRF revenue structure. The graphs also show that although sales and use tax has generated more revenue than personal income tax over the year, the personal income tax had a larger positive variance from estimate.



For June, total receipts and transfers were \$297.7 million (-7.8%) below the previous year. Tax receipts increased by \$18.8 million (0.7%) and non-tax receipts decreased by \$318 million (-29.6%). For the year, tax receipts were \$763.2 million (2.7%) above last year and non-tax receipts were \$1.1 billion (9.1%) above the prior year. Transfers decreased by \$36.4 million (-63.7%) from last year.

The source with the largest year-over-year increase during June was earnings on investments, at \$88.5 million (487.4%) above last year. The next-largest increases were domestic insurance tax at \$64.1 million (21.4%) and non-auto sales tax at \$35.4 million (3.6%). The largest declines were experienced by federal grants at \$406.8 million (-38.5%), followed by personal income tax at \$69.3 million (-6.7%), and foreign insurance tax at \$13.1 million (-106.3%). In total, FY 2023 tax and non-tax revenue, excluding transfers, was approximately 4.7 percent above the total for FY 2022.



Non-Auto Sales Tax

GRF non-auto sales and use tax collections in June totaled \$1 billion and were \$10.3 million (1%) above the estimate. For the year, revenue was \$110.6 million (1%) above estimate. Monthly revenue increased by \$35.4 million (3.6%) from last year while revenue for the entire year increased by \$408 million (3.7%) from FY 2022. Growth during the first quarter of FY 2023 was substantially diminished by refund payments, reflecting prior-period transactions not related to retail activity occurring when the refunds were paid. If July-September refunds had stayed at their FY 2022 levels, GRF non-auto sales tax revenue in FY 2023 would have increased by 4.7 percent.

Growth in June picked up from the nearly flat levels observed in April and May. Strongest growth during FY 2023 came during the October through March period, when monthly revenues increased at an average 6 percent year-over-year rate.

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 May 2023. This compares to year-over-year growth of 0.3 percent in April and 2 percent in March. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 2.2 percent, 0.6 percent, and 4.4 percent in May, April, and March, 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, May 2023 sales for the above-indicated retail categories increased by 0.5 percent from April, following a 0.7 percent increase in April from March and a 0.9 percent decrease in March from February.

Auto Sales Tax

June auto sales tax revenues were \$187.3 million, an amount that was \$11.1 million (6.3%) above estimate. This source exceeded the estimate by \$38.7 million (2%) for the fiscal year. Revenues were \$8.2 million (4.6%) above last June. For the year, revenues increased \$45.6 million (2.3%) from FY 2022.

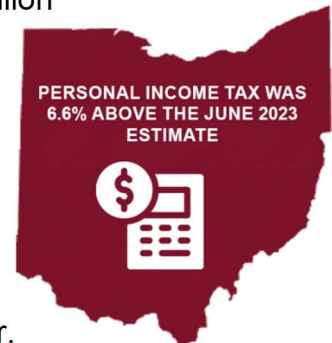
National new light vehicle unit sales in June were consistent with the stronger monthly levels observed in the first half of the calendar year. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 15.7 million units, based on a seasonally adjusted 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 percent above May and up 20.2 percent from a year ago. On an unadjusted basis, June 2023 light vehicle unit sales were at 1.37 million units. This is 0.5 percent above May and 19.9 percent above last June.

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 4.7 percent price growth for new vehicles in May compared to the prior year. May's price index is 0.1 percent below the previous month, marking two consecutive declines which follow 24 unbroken months of price increases. Year-to-date growth has been considerably slower than during the last half of 2022. Relative to December 2022, the CPI-U for new motor vehicles in May increased by 0.4 percent; in comparison, prices in December 2022 were 3.2 percent above July 2022. Even with the recent slowdown, prices remain considerably higher than their pre-pandemic levels: the CPI-U for new motor vehicles has increased 20.8 percent since February 2020.

Turning to used vehicles, Cox Automotive estimates that the number of used vehicle units sold at retail during May to be 3.1 million, not annualized and not seasonally adjusted, down 3.4 percent from last year and down 3.7 percent from April. The pandemic greatly disrupted 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 that time. 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 June 2023 was 3.2 percent below the previous month. The measure was 9.4 percent lower than June 2022. Because wholesale price movements typically lead retail prices by several months, consumer price declines may soon become apparent. Nonetheless, used vehicle prices remain much higher than their pre-pandemic levels, with the index currently being 40.7 percent above January 2020.

Personal Income Tax

June GRF personal income tax receipts totaled \$963.6 million and were \$59.8 million (6.6%) above the estimate. For the year, revenue was \$645.1 million (6.4%) above estimate. On a year-over-year basis, June income tax collections decreased by \$69.3 million (-6.7%). Overall FY 2023 revenue was \$45 million (0.4%) higher than the prior year.



Withholding collections amounted to \$879.7 million in June and were \$1.1 million (-0.1%) below estimate. For the fiscal year, the withholding component exceeded estimate by \$406.2 million (3.8%). This component was \$11.8 million (1.4%) above last June. For FY 2023, this component grew by \$723.1 million (7%) from the prior year.

The withholding category includes tax paid by certain types of pass-through entities on their taxable income, which comprises 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, June withholding collections grew by \$45.5 million (5.4%) from last year. For FY 2023, withholding increased by \$572.1 million (5.8%). Furthermore, a 3 percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$636.3 million (6.3%) higher than the previous year if the withholding tax rate reduction had not taken effect.

June is an important month for quarterly estimated payments since payments for the second quarter are due on June 15. Collections came in \$78.5 million (64.5%) above estimate during the month, however collections were \$25.4 million (-11.3%) below last year. For the fiscal year, this component exceeded estimate by \$166 million (17.5%); it decreased by \$34.4 million (-3%) from the prior year. The combined March through June results reflect the first two quarterly payments for calendar year 2023; the positive \$134.6 million (46.1%) variance across the four months appears to bode well for performance over this calendar year.

Annual tax return payments exceeded the estimate in June, ending \$41.7 million (262.4%) above the mark. The large positive variance builds on the higher than anticipated April intake. Payments for this category are \$264.2 million (21.8%) above estimate for the elapsed (January-June) filing season. Collections in this filing season are now \$194.5 million (-11.6%) 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.

The two remaining tax collection categories (trust and other) were collectively \$1.4 million (8.8%) above the June estimate, finishing the year at \$27.7 million (-13.4%) below the estimate. For the elapsed filing season, trust tax collections have declined \$65.7 million (-54.7%) from last year. This may reflect reduced taxable investment income (such as capital gains) experienced by these entities during tax year 2022.

June refunds were \$57 million (66.3%) above estimate, resuming a pattern observed throughout the year and interrupted only in May. For FY 2023, refunds ended \$259.3 million (10.5%) above estimate. The month's refunds were \$67.8 million (90.3%) above last year while refunds for the current fiscal year increased by \$393.1 million (16.9%) from FY 2022. The tax year 2022 filing season is now mostly complete, with total refund issuances during the January-June period exceeding estimate by \$158.4 million (7.7%). Refunds have increased by \$271.8 million (13.9%) from last filing season.

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

	Actual June	Estimate June	\$ Var	Actual June-2023	Actual June-2022	\$ Var Y-to-Y
Withholding	\$ 879.7	\$ 880.8	\$ (1.1)	\$ 879.7	\$ 867.9	\$ 11.8
Quarterly Est.	\$ 200.2	\$ 121.7	\$ 78.5	\$ 200.2	\$ 225.6	\$ (25.4)
Annual Returns/40 P	\$ 57.6	\$ 15.9	\$ 41.7	\$ 57.6	\$ 38.6	\$ 19.1
Trust Payments	\$ 6.6	\$ 9.6	\$ (3.0)	\$ 6.6	\$ 10.8	\$ (4.3)
Other	\$ 11.1	\$ 6.6	\$ 4.5	\$ 11.1	\$ 9.6	\$ 1.5
Less: Refunds	\$ (142.9)	\$ (85.9)	\$ (57.0)	\$ (142.9)	\$ (75.1)	\$ (67.8)
Local Distributions	\$ (48.7)	\$ (44.9)	\$ (3.8)	\$ (48.7)	\$ (44.5)	\$ (4.1)
Net to GRF	\$ 963.6	\$ 903.8	\$ 59.8	\$ 963.6	\$ 1,032.9	\$ (69.3)

Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$113,000 (0.7%) above the estimate for the month. Revenues finished up \$82.9 million (4%) above estimate for the fiscal year. Receipts in June increased by \$4.3 million (37%) from last year while for the entire fiscal year CAT receipts increased by \$156.3 million (7.8%).

Most CAT revenue comes from quarterly tax payments, so it is useful to examine the tax in quarterly increments. Through June 2023, there have been 11 consecutive quarters with a positive variation from estimate. The positive quarterly variances in FY 2023 were 1.6 percent, 8.3 percent, 2.9 percent, and 3.2 percent in the first through fourth quarters, respectively. FY 2023 also demonstrated healthy year-over-year revenue growth in each quarter: growth rates of 8.8 percent, 12.4 percent, 5.1 percent, and 5.4 percent occurred during the first through fourth quarters.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$757 million and were \$51.6 million (-6.4%) below estimate for the month of June. For the fiscal year, non-tax receipts totaled \$13.6 billion and were \$297.4 million (-2.1%) below estimate.



Most of the non-tax receipts monthly variance was in the federal grants category, which was \$135.7 million (-17.3%) below estimate. This variance was primarily attributable to the Enhanced Federal Medical Assistance Percentage (FMAP) continuing in June, which increased the receipt of additional non-GRF federal revenue that was used to offset some GRF costs. The monthly variance was partially offset by the earnings on investments category, which was \$85.1 million above estimate.



7/6/2023

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL JUNE	ESTIMATE JUNE	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,022,488	1,012,200	10,288	1.0%	11,488,563	11,378,000	110,563	1.0%
Auto Sales & Use	187,255	176,200	11,055	6.3%	1,994,574	1,955,900	38,675	2.0%
Subtotal Sales & Use	1,209,743	1,188,400	21,343	1.8%	13,483,137	13,333,900	149,237	1.1%
Personal Income	963,580	903,800	59,780	6.6%	10,797,208	10,152,101	645,107	6.4%
Corporate Franchise	14	0	14	N/A	121	0	120	44150.9%
Financial Institutions Tax	27,349	28,500	(1,151)	-4.0%	239,236	215,000	24,236	11.3%
Commercial Activity Tax	15,813	15,700	113	0.7%	2,151,863	2,069,000	82,863	4.0%
Petroleum Activity Tax	4,516	2,100	2,416	115.0%	15,883	9,000	6,883	76.5%
Public Utility	5,075	4,900	175	3.6%	182,859	140,000	42,860	30.6%
Kilowatt Hour	14,501	18,000	(3,499)	-19.4%	278,267	289,300	(11,033)	-3.8%
Natural Gas Distribution	0	0	0	N/A	67,803	69,000	(1,197)	-1.7%
Foreign Insurance	(772)	(3,300)	2,528	76.6%	362,814	328,100	34,714	10.6%
Domestic Insurance	363,212	289,900	73,312	25.3%	386,683	323,600	63,083	19.5%
Other Business & Property	181	100	81	81.2%	518	200	318	158.9%
Cigarette and Other Tobacco	122,798	124,500	(1,702)	-1.4%	827,422	872,300	(44,878)	-5.1%
Alcoholic Beverage	5,109	4,900	209	4.3%	64,518	62,000	2,518	4.1%
Liquor Gallonage	4,971	5,100	(129)	-2.5%	57,314	58,000	(686)	-1.2%
Estate	1	0	1	N/A	39	0	39	10171.8%
Total Tax Receipts	2,736,091	2,582,600	153,491	5.9%	28,915,687	27,921,502	994,184	3.6%
NON-TAX RECEIPTS								
Federal Grants	648,561	784,239	(135,678)	-17.3%	12,931,384	13,513,145	(581,761)	-4.3%
Earnings on Investments	106,658	21,600	85,058	393.8%	304,517	90,000	214,517	238.4%
License & Fees	656	878	(222)	-25.3%	117,085	100,000	17,085	17.1%
Other Income	990	1,954	(964)	-49.3%	140,297	159,193	(18,897)	-11.9%
ISTV'S	160	0	160	N/A	85,527	13,901	71,626	515.3%
Total Non-Tax Receipts	757,026	808,670	(51,644)	-6.4%	13,578,810	13,876,239	(297,429)	-2.1%
TOTAL REVENUES	3,493,116	3,391,270	101,846	3.0%	42,494,496	41,797,742	696,755	1.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,486	0	1,486	N/A	20,699	5,000	15,699	314.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,486	0	1,486	N/A	20,699	5,000	15,699	314.0%
TOTAL SOURCES	3,494,602	3,391,270	103,332	3.0%	42,515,196	41,802,742	712,454	1.7%

7/6/2023

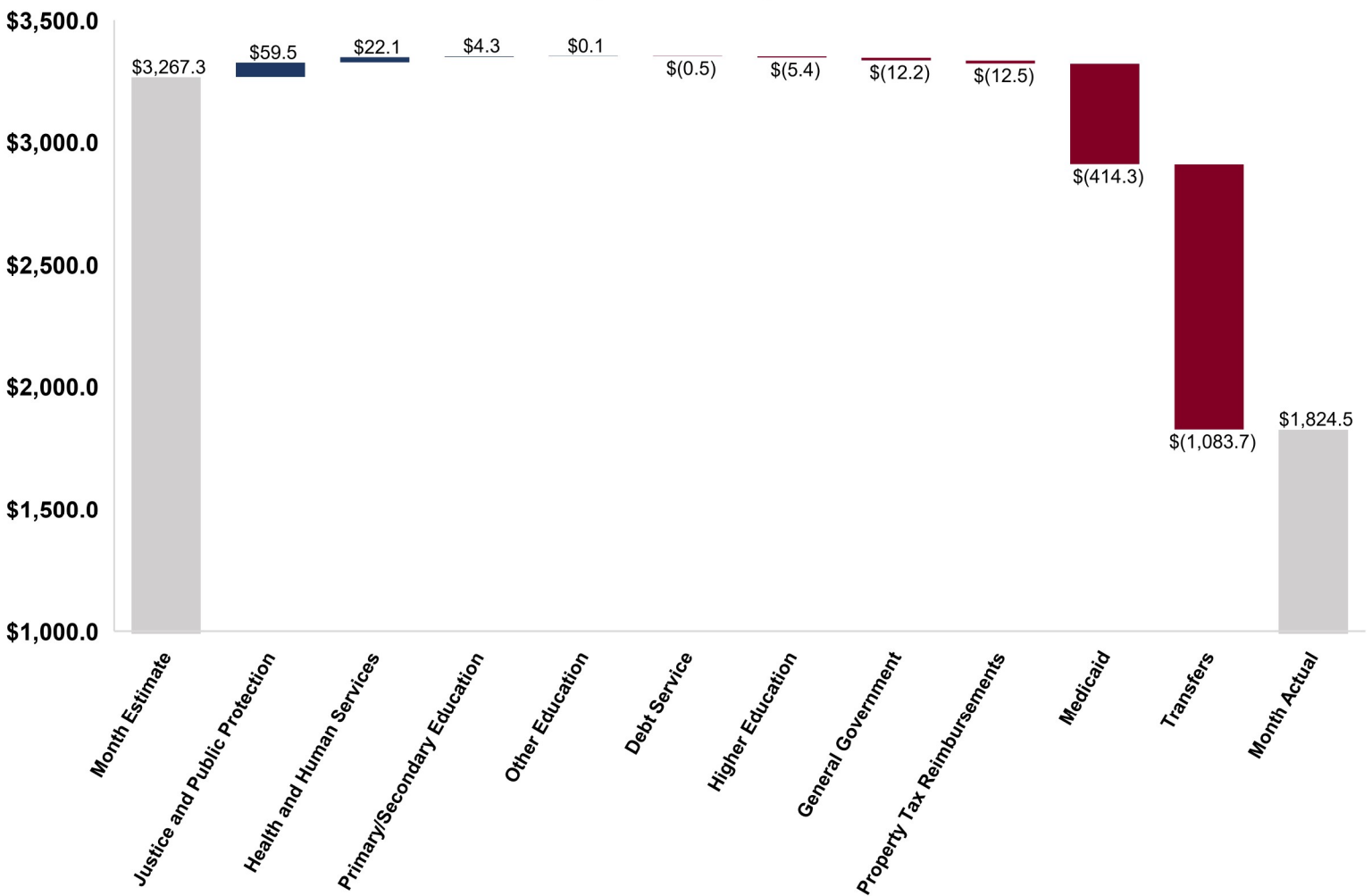
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	JUNE FY 2023	JUNE FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,022,488	987,085	35,403	3.6%	11,488,563	11,080,574	407,989	3.7%
Auto Sales & Use	187,255	179,078	8,178	4.6%	1,994,574	1,948,990	45,584	2.3%
Subtotal Sales & Use	1,209,743	1,166,163	43,580	3.7%	13,483,137	13,029,564	453,573	3.5%
Personal Income	963,580	1,032,901	(69,321)	-6.7%	10,797,208	10,752,165	45,043	0.4%
Corporate Franchise	14	19	(5)	-26.7%	121	721	(601)	-83.3%
Financial Institutions Tax	27,349	29,364	(2,015)	-6.9%	239,236	202,770	36,467	18.0%
Commercial Activity Tax	15,813	11,545	4,268	37.0%	2,151,863	1,995,538	156,325	7.8%
Petroleum Activity Tax	4,516	2,802	1,714	61.2%	15,883	9,276	6,608	71.2%
Public Utility	5,075	8,079	(3,004)	-37.2%	182,859	156,311	26,549	17.0%
Kilowatt Hour	14,501	16,584	(2,083)	-12.6%	278,267	291,440	(13,172)	-4.5%
Natural Gas Distribution	0	0	0	N/A	67,803	69,019	(1,216)	-1.8%
Foreign Insurance	(772)	12,311	(13,084)	-106.3%	362,814	328,385	34,429	10.5%
Domestic Insurance	363,212	299,083	64,130	21.4%	386,683	312,610	74,074	23.7%
Other Business & Property	181	133	49	36.5%	518	404	114	28.2%
Cigarette and Other Tobacco	122,798	130,335	(7,537)	-5.8%	827,422	884,587	(57,164)	-6.5%
Alcoholic Beverage	5,109	3,065	2,044	66.7%	64,518	61,742	2,776	4.5%
Liquor Gallonage	4,971	4,906	66	1.3%	57,314	57,936	(622)	-1.1%
Estate	1	0	1	149.1%	39	58	(19)	-32.6%
Total Tax Receipts	2,736,091	2,717,290	18,801	0.7%	28,915,687	28,152,524	763,163	2.7%
NON-TAX RECEIPTS								
Federal Grants	648,561	1,055,364	(406,804)	-38.5%	12,931,384	11,897,309	1,034,075	8.7%
Earnings on Investments	106,658	18,157	88,501	487.4%	304,517	52,787	251,730	476.9%
License & Fee	656	560	97	17.3%	117,085	99,240	17,845	18.0%
Other Income	990	911	78	8.6%	140,297	175,290	(34,993)	-20.0%
ISTV'S	160	2	158	7420.6%	85,527	225,916	(140,389)	-62.1%
Total Non-Tax Receipts	757,026	1,074,995	(317,969)	-29.6%	13,578,810	12,450,542	1,128,268	9.1%
TOTAL REVENUES	3,493,116	3,792,285	(299,168)	-7.9%	42,494,496	40,603,066	1,891,430	4.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,486	0	1,486	N/A	20,699	57,085	(36,385)	-63.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,486	0	1,486	N/A	20,699	57,085	(36,385)	-63.7%
TOTAL SOURCES	3,494,602	3,792,285	(297,683)	-7.8%	42,515,196	40,660,150	1,855,045	4.6%

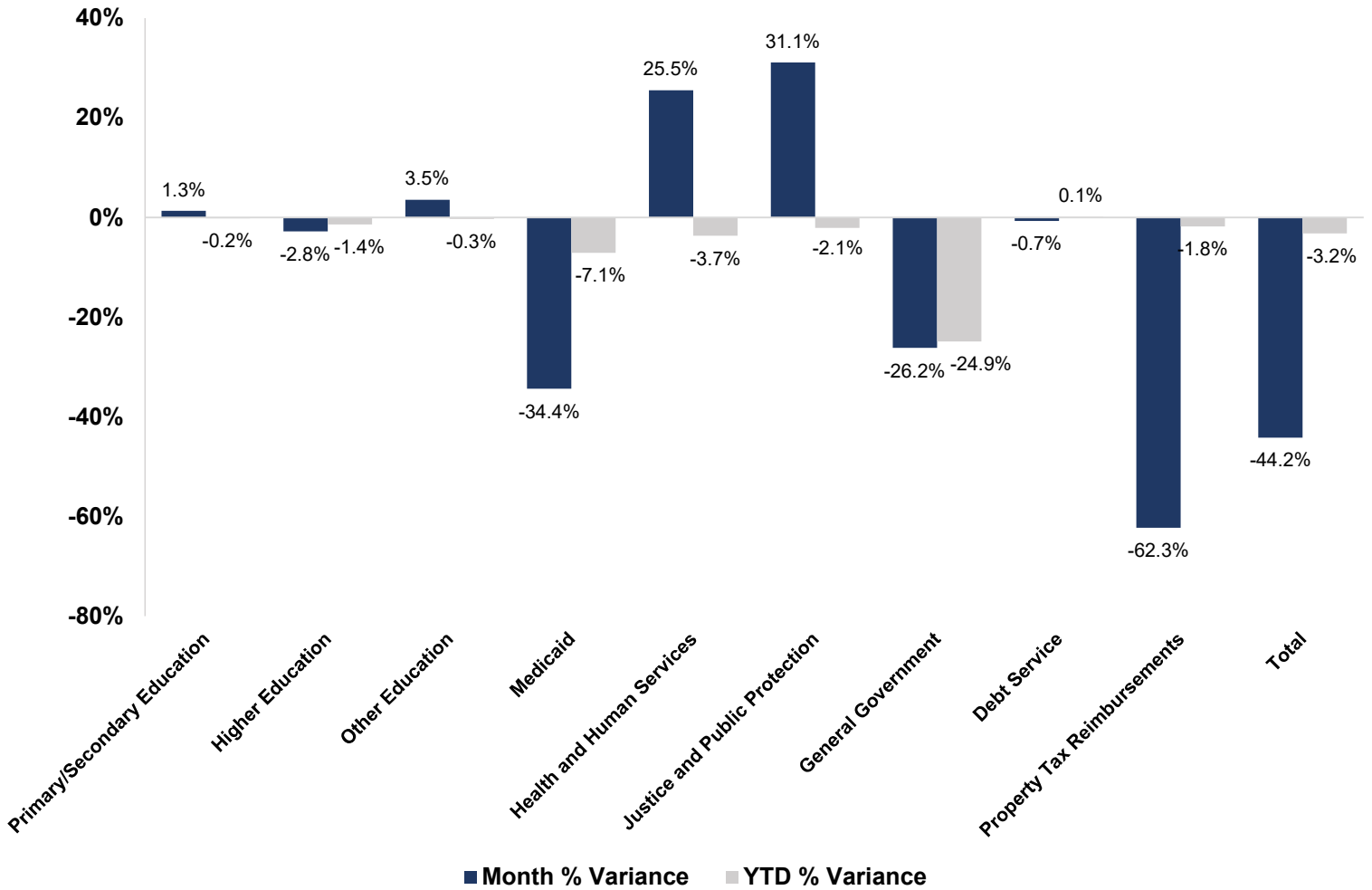
Disbursements

June GRF disbursements, across all uses, totaled \$1.8 billion and were \$1.4 billion (-44.2%) below estimate. This variance was primarily attributable to below estimated disbursements in Operating Transfers Out and Medicaid and partially offset by disbursements above the estimate in the Justice and Public Protection category. On a year-over-year basis, June total uses were \$549.6 million (-23.1%) lower than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

June 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. June disbursements for this category totaled \$341.9 million and were \$4.3 million (1.3%) above estimate. June disbursements included the \$15.1 million Half Mill Maintenance Equalization payment, which provides funding to eligible school districts identified by the Ohio Facilities Construction Commission to support the costs associated with building maintenance. Fiscal Year 2023 GRF disbursements for the foundation funding program totaled \$8 billion and were \$15.1 million (0.2%) above estimate for the year. The disbursement above the estimate was the result of changes enacted in House Bill 45 of the 134th General Assembly, which provided additional support to schools and districts for Disadvantaged Pupil Impact Aid and pupil transportation.

\$341.9 MILLION

Year-to-date disbursements were \$8.5 billion, which were \$16.6 million (-0.2%) below estimate. On a year-over-year basis, disbursements in this category were \$485,000 (0.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$238.7 million (2.9%) higher than the same point in FY 2022.

Medicaid

Note: Medicaid enrollment and spending estimates included in this report are based on projections made in July at the start of FY 2023. These projections assumed authorization of the federally declared public health emergency (PHE) through October 13, 2022, with the continuous eligibility requirement and the enhanced Federal Medical Assistance Percentage (FMAP) through December 2022. The PHE was authorized through May 11, 2023, with further guidance outlining the resumption of routine Medicaid eligibility determinations and the phase down of the enhanced FMAP, both beginning in April. These changes will result in deviations from both the enrollment and spending estimates included in this report beginning in January.

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

Medicaid Expenditures

June GRF disbursements for the Medicaid Program totaled \$791.1 million and were \$414.3 million (-34.4%) below estimate and \$617.4 million (-43.8%) below disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$18.5 billion and were \$1.4 billion (-7.1%) below estimate.

Total Medicaid caseload declined in June by 45,000 as the department continued routine Medicaid eligibility operations. The reduction in caseload, coupled with the phased down enhanced FMAP and the timing of the use of non-GRF funds contributed to below estimate GRF spending in June. Additionally, a Part D payment scheduled for June was delayed and will be paid out in July.

The year-to-date expenditure variance was due primarily to the shift in spending associated with the continuation of the federally declared public health emergency. With the continued receipt of additional federal reimbursement through the enhanced FMAP, some funding was shifted to non-GRF federal funding sources throughout the fiscal year.

June all-funds disbursements for the Medicaid Program totaled \$2.7 billion and were \$233.4 million (-7.9%) below estimate and \$559.1 million (-17%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$36.1 billion and were \$702.3 million (-1.9%) below estimate.

The all-funds monthly variance was partly attributable to spending in the Premium Assistance category which was below estimate due to the impact of the enhanced FMAP on Medicare Part D payments and due to lower than anticipated rates in some portions of the Medicare Buy-In category. The year-to-date variance was primarily attributable to the Managed Care Program where the delays in implementation of the Next Generation Managed Care program temporarily shifted some costs to the fee-for-service program. With implementation of this program in February, the department continues to correct the alignment of caseloads between the programs. Managed Care caseloads are now about 169,399 above estimate, while fee-for-service caseloads are roughly 14,950 below estimate. Additionally, year-to-date administration-related expenses contributed to the variance.

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

	June Estimate	June Actual	Variance	Variance %
GRF	\$ 1,205.4	\$ 791.1	\$ (414.3)	-34.4%
Non-GRF	\$ 1,763.8	\$ 1,944.8	\$ 181.0	10.3%
All Funds	\$ 2,969.3	\$ 2,735.9	\$ (233.4)	-7.9%

Medicaid Enrollment

Total June enrollment was 3.50 million, which was 133,446 (4%) above estimate and 97,007 (2.8%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.51 million and was 65,621 (1.9%) above estimate. The department resumed routine Medicaid eligibility operations in April. Total enrollment declined by an estimated 82,670 between April and June. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.



June enrollment by major eligibility category was: Covered Families and Children, 1.88 million; Group VIII Expansion, 977,549; and Aged, Blind and Disabled (ABD), 516,226.

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

Department of Agriculture

June disbursements for the Department of Agriculture totaled \$3.4 million and were \$1.6 million (88.4%) above estimate. The variance is due to additional appropriations in House Bill 45 of the 134th General Assembly, which were not included in the agency's original estimates. House Bill 45 appropriated an additional \$4.5 million to be used as grants to eligible county and independent agricultural societies. To date, all grant funding is disbursed or encumbered, and each of the 94 eligible agricultural societies will receive \$47,872.

Department of Public Safety

The Department of Public Safety's June disbursement totaled \$46.7 million which was \$41.5 million (794.1%) above estimate. The Department recoded approximately \$38 million of prior spending from the Public Safety – Highway Purposes Fund to the additional General Revenue Fund appropriation for the Ohio State Highway Patrol. The Patrol uses the Public Safety – Highway Purposes Fund for general Patrol operating expenses including payroll.

Department of Rehabilitation and Correction

June disbursements for the Department of Rehabilitation and Correction totaled \$139.2 million, approximately \$10 million (7.7%) over the estimate. The variance is due to a large medical payment to the Ohio State University from the Department's Institution Medical Services program and the contractual payments to halfway houses. The Department of Rehabilitation and Correction contracts with halfway houses, who assist in the transitional period as inmates re-enter communities following their sentences.

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.

June disbursements in this category totaled \$250.7 million and were \$59.5 million (31.1%) above estimate. Year-to-date disbursements were \$2.8 billion and were \$60.3 million (-2.1%) below estimate. On a year-over-year basis, disbursements in this category were \$57.4 million (29.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$106.1 million (4%) higher than at the same point in FY 2022.

General Government

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

June disbursements in this category totaled \$34.4 million and were \$12.2 million (-26.2%) below estimate. Year-to-date disbursements were \$559.6 million and were \$185.7 million (-24.9%) below estimate. On a year-over-year basis, disbursements in this category were \$5.6 million (19.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$60.2 million (12.1%) higher than at the same point in FY 2022.

Health and Human Services

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

June disbursements in this category totaled \$108.7 million and were \$22.1 million (25.5%) above estimate. Year-to-date disbursements were \$1.6 billion and were \$63.3 million (-3.7%) below estimate. On a year-over-year basis, disbursements in this category were \$10.3 million (-8.7%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$105.5 million (6.9%) higher than at the same point in FY 2022.

Transfers Out

June transfers out totaled \$21.6 million and were \$1.1 billion below estimate. Original estimates included \$1.1 billion for capital fund transfers, authorized in House Bill 687 of the 134th General Assembly, occurring in June. These transfers were made throughout the fiscal year instead and totaled \$837.2 million. Transferring \$837.2 million in cash as opposed to issuing new debt is expected to save approximately \$376 million in gross interest.

FY 2023 transfers out totaled \$2.3 billion and were \$500 million (27.9%) above estimate. The FY 2023 variance was primarily attributable to a \$727 million transfer to the Budget Stabilization Fund in January 2023, which was authorized in House Bill 45 of the 134th General Assembly.



Higher Education

June disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$187 million and were \$5.4 million (-2.8%) below the estimate. This variance was primarily attributable to spending in the Choose Ohio First Scholarship and Ohio College Opportunity programs, which were \$5.6 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions.

Year-to-date disbursements were \$2.4 billion and were \$35 million (-1.4%) below estimate. On a year-over-year basis, disbursements in this category were \$604,000 (-0.3%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$30 million (1.2%) higher than at the same point in FY 2022.

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.

June disbursements in this category totaled \$3.9 million and were \$132,000 (3.5%) above estimate. On a year-over-year basis, disbursements in this category were \$611,000 (18.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$1.5 million (1.7%) higher than at the same point in FY 2022.

Property Tax Reimbursement

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption. June reimbursements totaled \$7.6 million and were \$12.5 million (-62.3%) below estimate. FY 2023 reimbursements totaled \$1.8 billion and were \$32.9 million (-1.8%) below the annual estimate.

Debt Service

June payments for debt service totaled \$77.7 million and were \$529,000 (-0.7%) below estimate. For the fiscal year, debt service payments totaled \$1.5 billion and were \$1.3 million (0.1%) above estimate. The FY 2023 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 JUNE	ESTIMATED JUNE	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	341,943	337,676	4,266	1.3%	8,449,907	8,466,464	(16,557)	-0.2%
Higher Education	187,023	192,429	(5,406)	-2.8%	2,447,551	2,482,548	(34,997)	-1.4%
Other Education	3,924	3,791	132	3.5%	88,681	88,906	(225)	-0.3%
Medicaid	791,082	1,205,432	(414,349)	-34.4%	18,483,730	19,904,140	(1,420,410)	-7.1%
Health and Human Services	108,703	86,634	22,068	25.5%	1,625,331	1,688,580	(63,250)	-3.7%
Justice and Public Protection	250,659	191,171	59,487	31.1%	2,758,904	2,819,160	(60,256)	-2.1%
General Government	34,375	46,605	(12,231)	-26.2%	559,569	745,238	(185,668)	-24.9%
Property Tax Reimbursements	7,556	20,062	(12,507)	-62.3%	1,821,090	1,854,000	(32,910)	-1.8%
Debt Service	77,708	78,238	(529)	-0.7%	1,546,978	1,545,724	1,254	0.1%
Total Expenditures & ISTV's	1,802,972	2,162,040	(359,068)	-16.6%	37,781,741	39,594,760	(1,813,019)	-4.6%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	21,564	1,105,250	(1,083,686)	-98.0%	1,562,899	1,790,150	(227,251)	-12.7%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	21,564	1,105,250	(1,083,686)	-98.0%	2,289,930	1,790,150	499,780	27.9%
Total Fund Uses	1,824,536	3,267,290	(1,442,754)	-44.2%	40,071,671	41,384,910	(1,313,240)	-3.2%

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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			
	JUNE FY 2023	JUNE FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	341,943	341,457	485	0.1%	8,449,907	8,211,255	238,652	2.9%
Higher Education	187,023	187,628	(604)	-0.3%	2,447,551	2,417,559	29,992	1.2%
Other Education	3,924	3,312	611	18.5%	88,681	87,161	1,520	1.7%
Medicaid	791,082	1,408,460	(617,377)	-43.8%	18,483,730	17,079,327	1,404,403	8.2%
Health and Human Services	108,703	119,007	(10,304)	-8.7%	1,625,331	1,519,875	105,456	6.9%
Justice and Public Protection	250,659	193,306	57,353	29.7%	2,758,904	2,652,803	106,101	4.0%
General Government	34,375	28,761	5,614	19.5%	559,569	499,389	60,180	12.1%
Property Tax Reimbursements	7,556	4,429	3,127	70.6%	1,821,090	1,818,202	2,888	0.2%
Debt Service	77,708	87,636	(9,927)	-11.3%	1,546,978	1,474,769	72,209	4.9%
Total Expenditures & ISTV's	1,802,972	2,373,995	(571,023)	-24.1%	37,781,741	35,760,340	2,021,401	5.7%
Transfers Out:								
BSF Transfer	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	21,564	139	21,425	15,419.1%	1,562,899	3,074,283	(1,511,384)	-49.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	21,564	139	21,425	15,419.1%	2,289,930	3,074,283	(784,353)	-25.5%
Total Fund Uses	1,824,536	2,374,134	(549,598)	-23.1%	40,071,671	38,834,623	1,237,047	3.2%

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 Actual Revenues	29,563,112.3
Plus FY 2023 Actual Federal Revenues	12,931,384.0
Plus FY 2023 Actual Transfers to GRF	20,699.3
Total Sources Available for Expenditures & Transfers	49,062,329.2
Less FY 2023 Actual Disbursements**	37,781,741.0
Less FY 2023 Actual Total Encumbrances as of June 30, 2023	1,633,516.0
Less FY 2023 Actual Transfers Out	2,289,929.5
Total Actual Uses	41,705,186.5
FY 2023 UNENCUMBERED ENDING FUND BALANCE ***	7,357,142.7

*Includes reservations of \$883.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2023 is \$5,663.5 million.

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

***Amended Substitute House Bill 33, the operating budget for Fiscal Years 2024-2025, includes several transfers from the General Revenue Fund to dedicated purpose funds. These transfers will occur during Fiscal Year 2024 using the Fiscal Year 2023 unencumbered balance. A detailed list of estimated Fiscal Year 2024 transfers is shown in the table below.

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Estimated Fiscal Year 2024 Transfers Out

(\$ in millions)

Estimated FY 2024 Transfers Out	Amount
Authorized H.B. 687 Capital Transfers	850.0
Expanded Sales Tax Holiday Fund (5AX1)	741.0
One Time Strategic Community Investments Fund (5AY1)	700.0
All Ohio Future Fund (5XM0)	667.0
Student Wellness and Success Fund (5VS0)	600.0
Connect4Ohio Fund (5ZR0)	500.0
Brownfield Remediation Fund (5YE0)	350.0
H2Ohio (6H20)	270.0
EXPO 2050 (5ZN0)	190.0
Literacy Improvement Fund (5AQ1)	160.1
Budget Stabilization Fund (7013)	150.0
Building Demolition and Site Revitalization Fund (5YF0)	150.0
Innovation Hubs (5ZK0)	125.0
Rail Safety Crossing (5ZP0)	100.0
Super Rapids Fund (5AH1)	100.0
Welcome Home Ohio Fund (5AP1)	100.0
Local Jail Grants (5ZQ0)	75.0
Veterans Homes Modernization (5Z00)	65.0
Career-Technical Education Equipment Fund (5AD1)	50.0
Emergency Purposes (5KM0)	50.0
Broadband Pole Replacement Fund (5AI1)	50.0
Hospital Relief (5AE1)	49.5
988 Suicide and Crisis Response (5AA1)	46.5
Next Generation 911 (5AB1)	45.9
Statewide Treatment and Prevention Fund (4750)	30.0
Child Care Infrastructure Fund (5AK1)	30.0
Targeted Addiction Program Fund (5TZ0)	24.2
OhioMeansJobs Workforce Development Revolving (5NH0)	20.0
State Marketing Office (5MJ0)	15.0
Tobacco Use Prevention (5BX0)	15.0
Foodbanks Fund (5AJ1)	15.0
Attorney General Reimbursement Fund (1060)	14.4
Meat Processing Investment Program (5XX0)	14.0
BOE Reimbursement and Education (5FG0)	11.3
Wayside Detector Grant (5AU1)	10.0
Cyber Security/Technology Upgrades Fund (5AW1)	6.5
Sports Event Grant Fund (5UY0)	6.1
Major IT Purchase Charges (Section 207.40)	5.4
Property Tax Administration Fund (5V80)	5.1
Grow Your Own Teacher Program (5ZY0)	5.0
DVS Persian Gulf, Afghanistan, Iraq Compensation (7041)	5.0
Maritime Assistance Fund (5QT0)	5.0
Data Analysis Transparency Fund (5AS1)	5.0

eWarrant Local Integration Fund (5AZ1)	5.0
Second Chance Grant Pilot (5YD0)	4.0
University Dental School Fund (5AO1)	4.0
Capitol Square Improvement Fund (5AN1)	3.5
OAKS Support (ORC 126.12A2)	2.6
DAS Innovate Ohio (5LJ0)	2.5
Statewide Children's Vision Initiative Fund (5AT1)	2.5
DAS Professional Development Fund (5L70)	2.0
Behavioral Healthcare (5AU0)	1.5
Public Defender Legal Aid Fund (5740)	1.0
Orphan Rail Fund (5AV1)	1.0
Underground Parking Garage (2080)	0.5
Wildlife Fund (7015)	0.5
<i>Grand Total</i>	<i>6,457.8</i>

Glossary

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

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

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



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



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

