

State of Ohio

Monthly Financial Report

OCTOBER 10, 2023

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

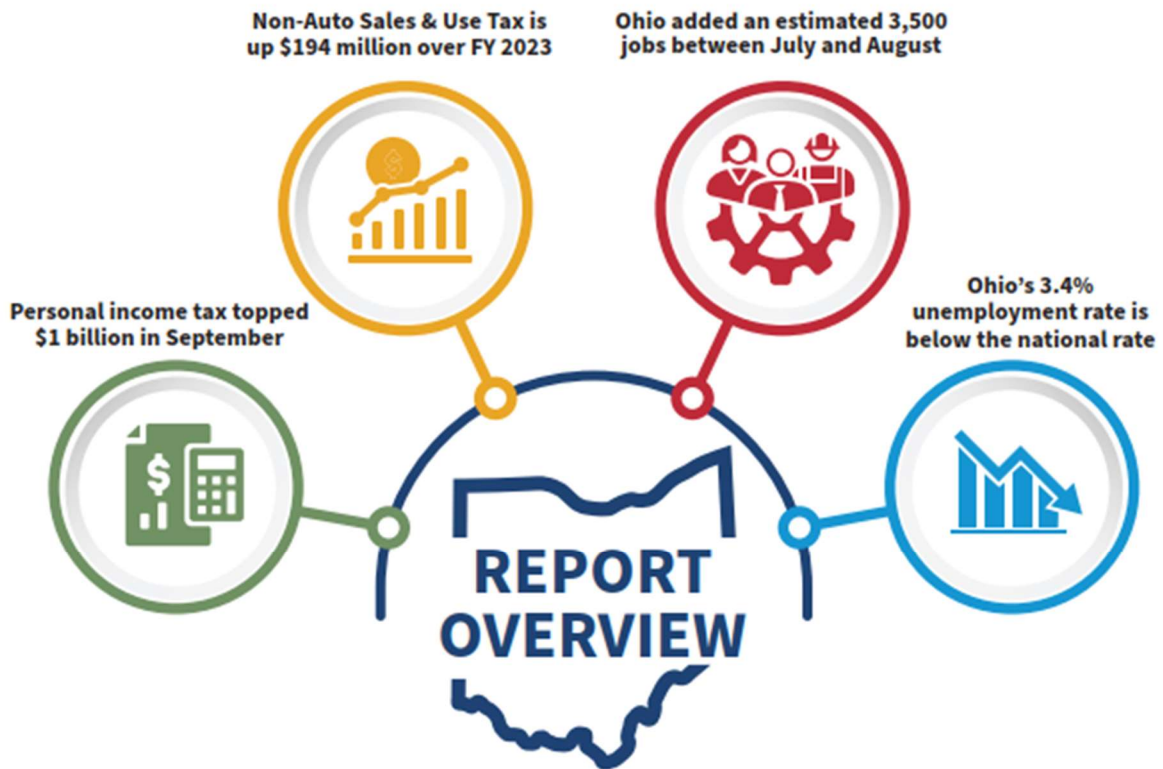
From: Kimberly Murnieks, OBM Director



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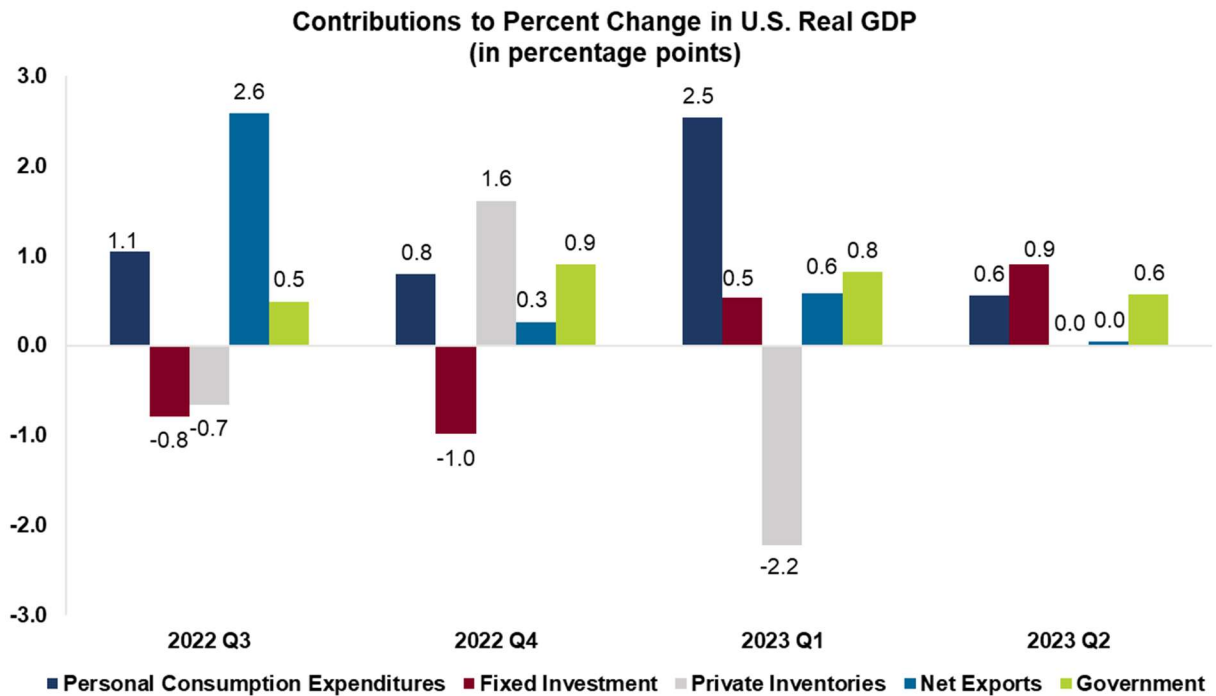


Economic Activity

Economic Outlook

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

The increase in real GDP in the second quarter came from growth in fixed investment (0.9 percentage point), personal consumption expenditures (0.6 percentage point), and government expenditures (0.6 percentage point).



In August 2023, the Conference Board's **Leading Economic Index** fell 0.4 percent to 105.4, after declining 0.3 percent in July. The index fell for the 17th consecutive month and has declined 3.8 percent in the last six months. The Conference Board's Senior Manager of Business Cycle Indicators reported that the weakness in the index was primarily due to new orders, deteriorating consumer expectations, high interest rates, and tight credit conditions.

Forecasters' expectations for the remainder of 2023 remain optimistic. After a month of slowing growth in August, the national labor market rebounded in September, showing continued strength. Similarly, the increase in the Consumer Price Index, combined with strong labor market conditions, bolstered the Federal Reserve's willingness to maintain higher interest rates for an extended period in an effort to mitigate the remaining inflationary forces in the national economy.

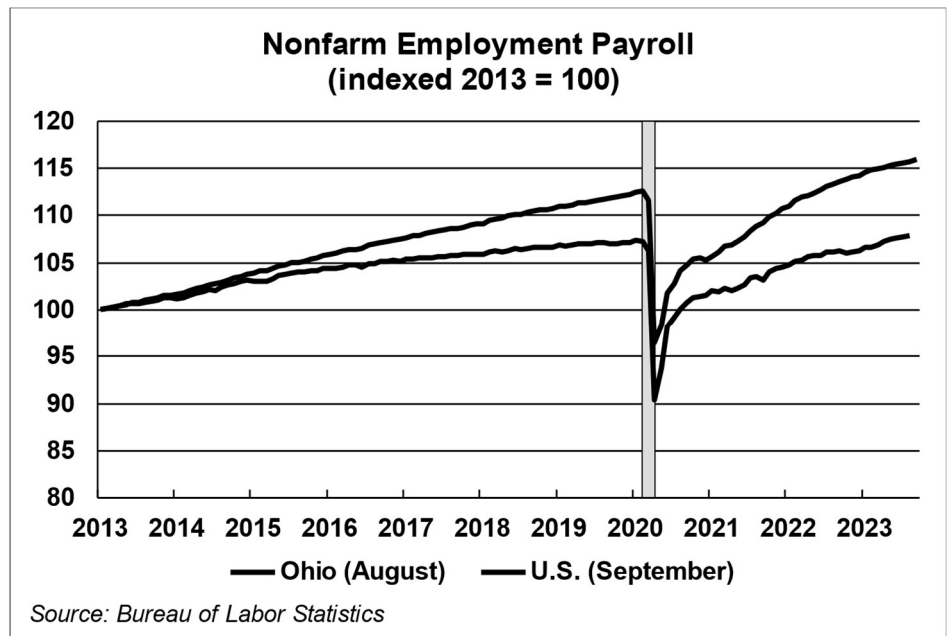
Economic Forecasts

Source	Date	3rd Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	10/05/2023	5.1%
Federal Reserve Bank of Atlanta (GDPNow)	10/05/2023	4.9%
Moody's Analytics High Frequency GDP Model	09/25/2026	4.2%
Wells Fargo	09/07/2023	3.4%
Conference Board	09/11/2023	3.0%

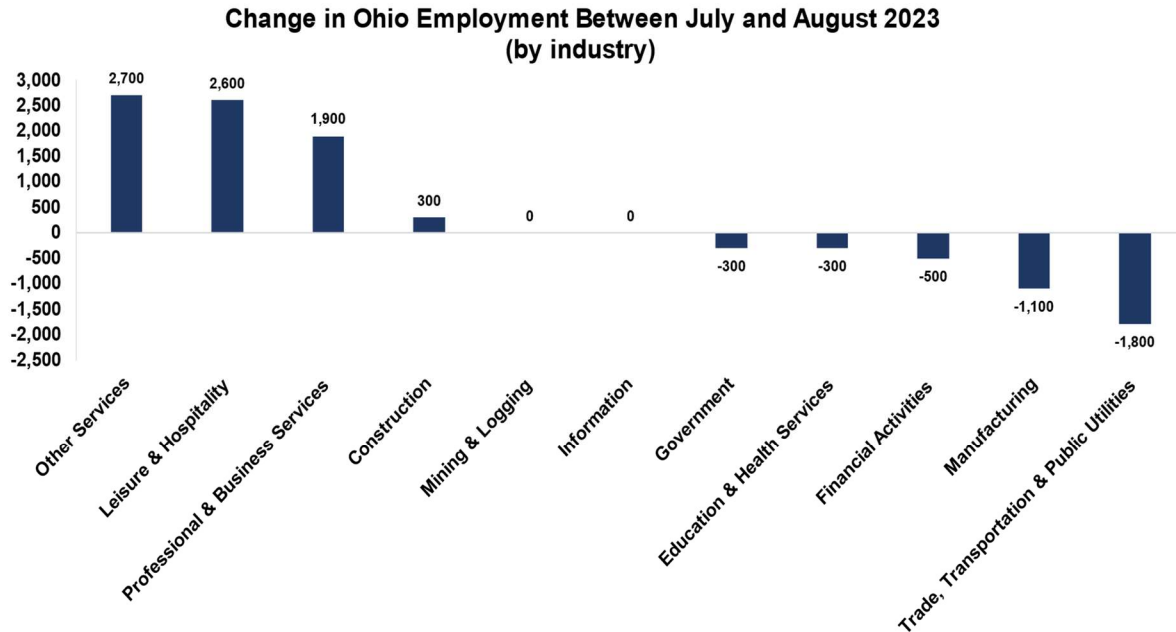
Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 3,500 jobs between July and August 2023 to 5.6 million, an increase of 1.6 percent over the previous year.

In Ohio, the other services category, which includes religious activities, laundry and dry cleaning, personal care services, and pet care services, had the largest employment gains in August, followed by leisure and hospitality and



professional and business services. These gains were partially offset by losses in trade, transportation and public utilities, manufacturing, financial activities, education and health services, and government.

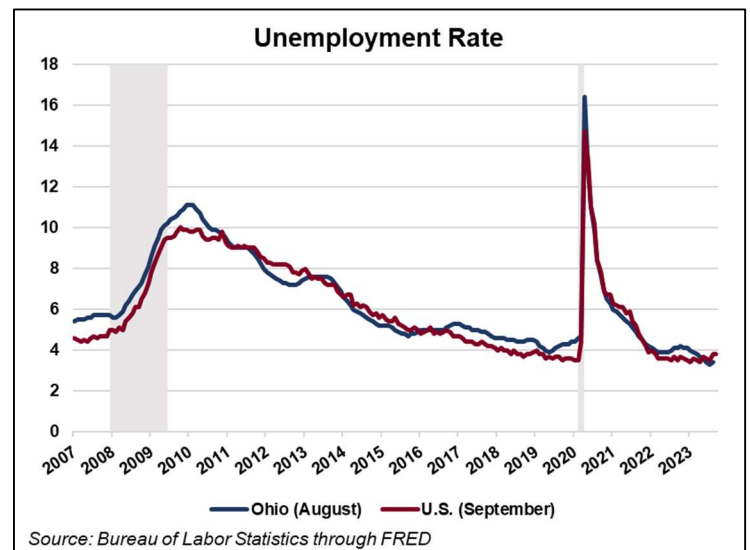


Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** was 62.1 percent in August, unchanged from July 2023. The seasonally adjusted **employment-population ratio** was 60.1 in August, also unchanged from July 2023.

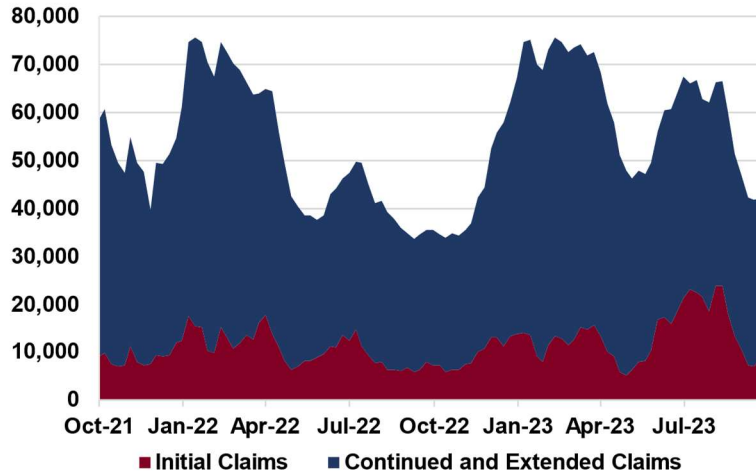
Ohio's **unemployment rate** was 3.4 percent in August 2023, up 0.1 percentage point from the revised July 2023 rate, and still below the national rate in August.

In August 2023, **initial unemployment claims** decreased by 11.2 percent for men and 16.3 percent for women compared to July 2023. Over the same period, initial claims decreased for all racial groups. The largest decreases were for those who identified as Hispanic (30.1%), American Indian (29.3%), and white (29.3%) saw the largest decreases. Initial claims increased for those who did not specify a race.



Individuals filing initial unemployment claims during the week ending September 30, 2023, totaled 6,948 initial unemployment claims, a 17.9 percent decrease from the previous week. Individuals filing **continuing and extended claims** during the same week totaled 35,119 claims, a 4.5 percent increase from the prior week.

**Ohio Total Unemployment Claims
(October 2, 2021 through September 30, 2023)**



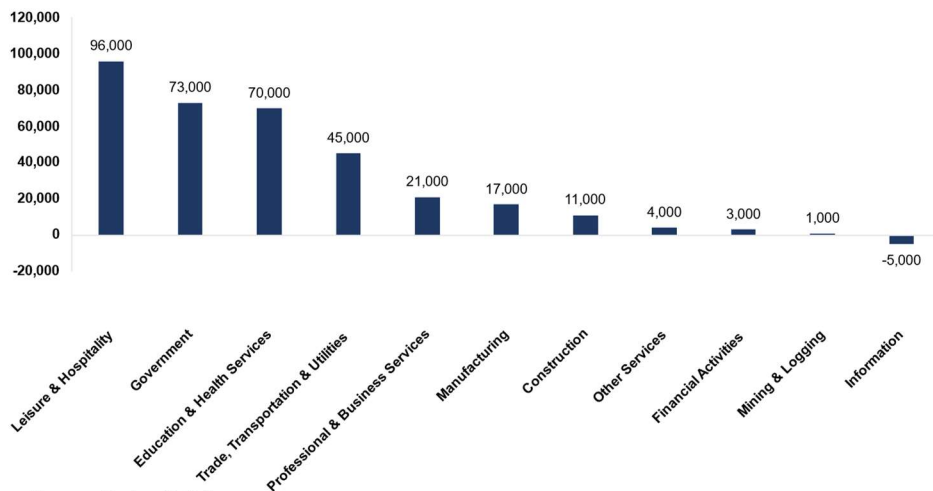
Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment increased by 336,000 jobs in September. Job gains were widespread with the strongest gains in the leisure and hospitality, government, education and health services, and trade, transportation, and utilities industries.

**336,000
Jobs Added**

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



Source: Bureau of Labor Statistics



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

U.S. Unemployment Rates by Demographic Group

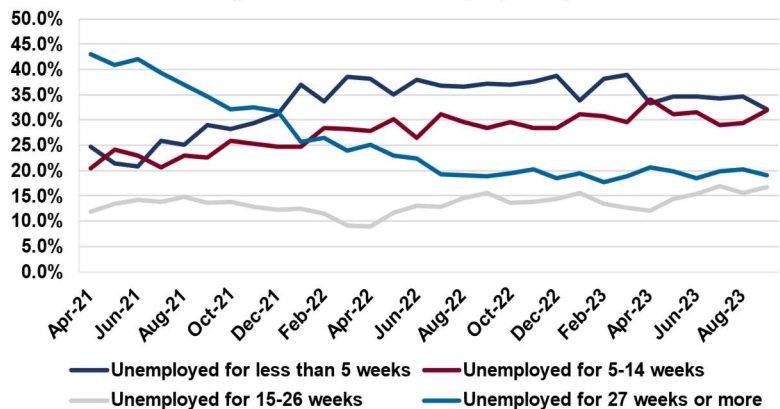
	July-23	August-23	September-23
Women	3.4%	3.5%	3.4%
Men	3.6%	4.0%	4.1%
Black	5.8%	5.3%	5.7%
White	3.1%	3.4%	3.4%
Asian	2.3%	3.1%	2.8%
Hispanic	4.4%	4.9%	4.6%

The **U.S. unemployment rate** was unchanged at 3.8 percent in September, while the number of unemployed individuals increased to 6.4 million. The unemployment rate increased between August and September 2023 for individuals who identified as Black (0.4 percentage point) while individuals who identified as Asian and Hispanic both saw decreases of 0.3 percentage point. Individuals who identified as white saw no change between August and September. The unemployment rate for women decreased 0.1 percentage point to 3.4 percent between August and September, while the unemployment rate for men increased 0.1 percentage point to 4.1 percent.

In September 2023, 32.2 percent of the nation's unemployed were unemployed for less than five weeks. This measure decreased 7.7 percent from August and remained in line with pre-pandemic levels.

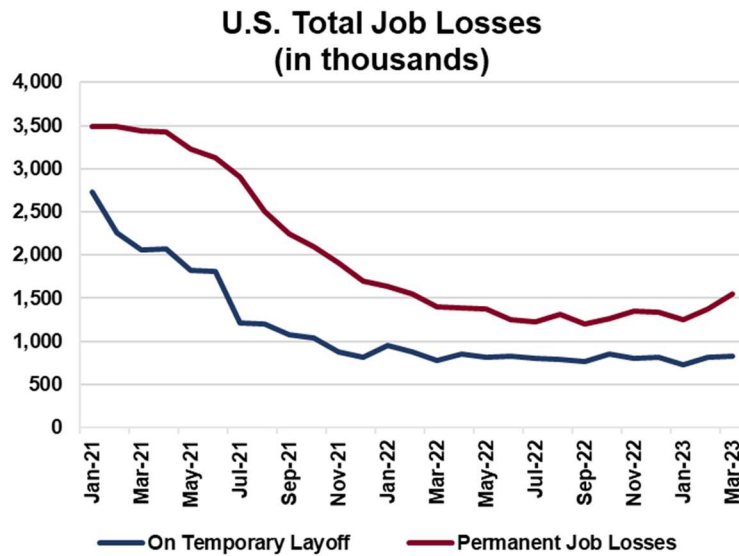
The number of **people not in the labor force and currently looking for work** increased by 1.5 percent to 5.5 million people in September, remaining at pre-pandemic levels.

Duration of Unemployment in the U.S.
(percent of total unemployment)



Source: Bureau of Labor Statistics





Source: Bureau of Labor Statistics

The number of unemployed people who were on **temporary layoffs** fell to 781,000 in September, 1,000 more than in February 2020.

The number of people with **permanent job losses** fell by 97,000 to 1.4 million in September.

Consumer Income and Consumption

\$23.1 Trillion

Personal income increased by \$87.6 billion (0.4%) to \$23.1 trillion in August. The increase in August was primarily due to a \$50 billion (0.5%) increase in private sector wages and salaries.

Personal consumption expenditures increased by \$83.6 billion (0.4%) from July to August. Total spending on goods increased by 0.6 percent in August. Spending on nondurable goods increased 1.3 percent, led by increases in spending for gasoline and other energy goods (9.8%), clothing and footwear (0.3%), and other nondurable goods (0.2%). Spending on durable goods decreased 0.6 percent, led by declines in motor vehicles and parts (1.1%) and recreational goods and vehicles (0.5%). Spending on services increased by 0.4 percent in August 2023, led by increases in transportation services (1.6%), recreational services (0.7%), and financial services and insurance (0.6%).

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

	July 2023	August 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,049,450	\$ 2,043,342	-0.3%	4.0%	7.6%
Motor vehicles and parts	\$ 598,907	\$ 593,264	-0.9%	4.4%	5.5%
Furnishings and durable household equipment	\$ 419,761	\$ 417,862	-0.5%	1.0%	-0.4%
Recreational goods and vehicles	\$ 789,916	\$ 792,139	0.3%	8.3%	18.6%
Other durable goods	\$ 276,037	\$ 276,984	0.3%	-1.5%	3.8%
Nondurable Goods	\$ 3,358,796	\$ 3,354,776	-0.1%	1.1%	0.2%
Clothing and footwear	\$ 498,924	\$ 499,062	0.0%	0.0%	1.0%
Gasoline and other energy goods	\$ 316,512	\$ 315,375	-0.4%	1.2%	-1.0%
Other nondurable goods	\$ 1,398,184	\$ 1,396,919	-0.1%	2.9%	4.6%
Services	\$ 10,103,670	\$ 10,120,990	0.2%	2.4%	4.9%
Transportation services	\$ 469,095	\$ 474,419	1.1%	0.5%	1.8%
Housing and utilities	\$ 2,572,344	\$ 2,570,607	-0.1%	1.0%	1.3%
Recreation services	\$ 591,828	\$ 594,807	0.5%	4.6%	10.2%
Financial services and insurance	\$ 1,072,968	\$ 1,074,086	0.1%	3.4%	2.8%

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

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

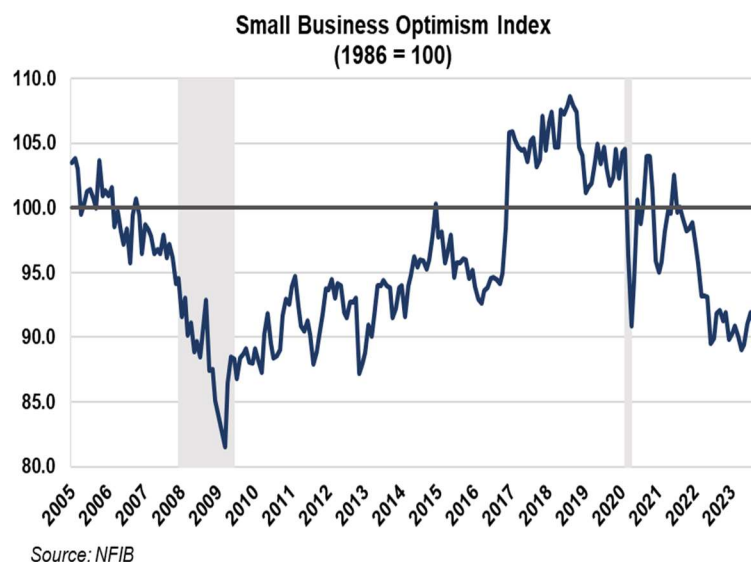
Personal savings were \$794.1 billion in August 2023, down 4.7 percent from the revised July level and 29.5 percent above the August 2022 level. The **personal saving rate** was 3.9 percent in August, up 0.4 percentage point from the revised July estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.6 percent in August, following a 0.2 percent increase in July. The “all items” index increased 3.7 percent over the past 12 months. August price increases compared to July 2023 were primarily concentrated in energy (5.6%), shelter (0.3%), and food (0.2%). These increases were partially offset by decreases for used cars and trucks (-1.2%).

Both consumer opinion surveys reported a decline in confidence in September. Respondents to the University of Michigan’s **Survey of Consumers** reported a decrease (1.4%) in consumer sentiment to 68.1 in September 2023 compared with August 2023. Consumers reported uncertainty over the possibility of a federal government shutdown, as well as ongoing labor disputes in the auto industry. The Conference Board’s **Consumer Confidence Index** fell by 5.7 points to 103 in September, from a revised 108.7 in August. The Conference Board’s chief economist noted that concerns about



rising prices, especially for food and gasoline, as well as worries about the political situation and higher interest rates contributed to the second consecutive month of decline. The decline in confidence was most pronounced among those earning more than \$50,000.



The **Small Business Optimism Index** fell 0.6 percentage point to 91.3 in August, the 20th consecutive month the index has been below 98, its 49-year average. Inflation was the top concern for small business owners in August, with 23 percent of owners citing it as their top concern, an increase from July. Hiring also remained a concern, with 40 percent of owners reporting job openings that were difficult to fill.

Travel and Tourism

Average airline checkpoint traffic decreased 6.8 percent in September 2023 compared to August. **Total travel throughput** in September 2023 was 10.3 percent higher than in September 2022 and 11.5 percent higher than in September 2019. The **hotel occupancy rate** for the week ending September 23, 2023, was 68.5 percent, 1.6 percent lower than the comparable week in 2022. The **average daily rate** of a hotel room was \$164.97, an increase of 2.9 percent compared to 2022. **Revenue per available room** was \$112.96, up 1.2 percent from 2022.

Industrial Activity

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.4 percent between July and August 2023 and was 0.2 percent lower than in August 2022.

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

Manufacturing Sector	Percent Change June to July 2023	Percent Change July to August 2023	Percent Change August 2022 to August 2023
Aerospace and Other Transportation Equipment	0.1%	3.3%	4.9%
Chemicals	-0.5%	1.0%	1.1%
Electrical Equipment	-1.1%	-0.5%	-1.6%
Fabricated Metal Products	-0.6%	-0.4%	-0.9%
Food Beverage and Tobacco Products	-0.3%	0.0%	-3.1%
Machinery	1.1%	2.0%	-1.6%
Motor Vehicles and Parts	5.1%	-5.0%	5.9%
Petroleum and Coal	1.5%	0.4%	0.7%
Plastics and Rubber Products	-0.1%	-1.3%	-6.6%
Primary Metals	-1.6%	-1.6%	0.7%

Preliminary data show that the **Manufacturing Production Index** increased 0.1 percent to 99.7 in August 2023, and was 0.6 percent lower than in August 2022. Nationally, manufacturing in four of Ohio's top 10 manufacturing industries increased production between July and August 2023. Increases in aerospace and other transportation equipment (3.3%), machinery (2%), chemicals (1%), petroleum and coal (0.4%) were offset by decreases in motor vehicles and parts (-5%), primary metals (-1.6%), plastics and rubber products (-1.3%), electrical equipment (-0.5%), fabricated metal products (-0.4%), and no change in food, beverage, and tobacco products.



Source: Institute for Supply Management

The Institute for Supply Management reported that the **Purchasing Managers Index (PMI)** for the United States was 49 in September, an increase of 1.4 percentage points from the August reading. The index remained below 50 for the 11th consecutive month, indicating continued contraction in the manufacturing sector.

Nationally, three of the top 10 industries for Ohio's manufacturing sector increased production in September.

Manufacturers of food, beverage, and tobacco products; primary metals; and petroleum and coal products all reported growth in the last month. The industries reporting the largest declines were plastics and rubber products; fabricated metal products; electrical



equipment; machinery; chemical products; and transportation equipment. According to the chair of the survey committee, the manufacturing sector continued to post weak month-over-month gains, a sign of improvement while remaining in contraction. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) described some improvement in business conditions, while uncertainty about long-term conditions remains.

“
Business conditions and market demand remain strong. We are projecting to be at capacity in the next 12 months. [Primary Metals]
 ”

“
Cost increases are now generally isolated to specific commodities rather than blanket increases due to ‘inflation.’ [Food, Beverage, and Tobacco Products]
 ”

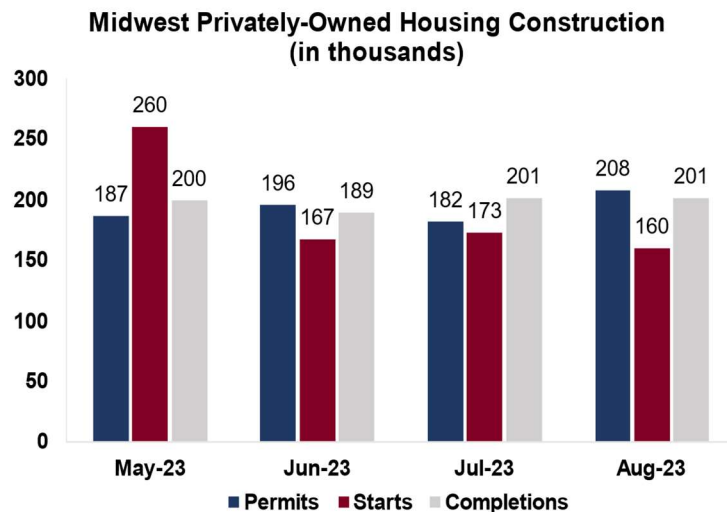
Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 15.1 percent between July and August 2023 and were 7.5 percent higher than the number of permits issued in August 2022.

Privately-owned housing starts in the Midwest decreased 7.5 percent between July and August and were 12.1 percent below August 2022 levels.

In August 2023, privately-owned housing completions in the Midwest were unchanged from July and were 2.4 percent below August 2022 levels.

New home sales in the Midwest decreased 17.2 percent between July and August 2023 and were 24.2 percent above August 2022 levels.



Source: U.S. Census Bureau through FRED

Activity in Ohio’s housing market continued to slow, while prices increased slightly in August. Total sales were 17.2 percent below August 2022 and the average sales price in Ohio was \$285,305, a 6.6 percent increase from August 2022. The president of Ohio



REALTORS reported that higher mortgage rates and low inventory levels continued to present challenges for potential homebuyers in the Ohio housing market in August 2023.

The **Housing Market Index** in the Midwest decreased four points to 38 in September, seven points below the national level. The national index fell five points over the same period, after rising for most of 2023.

U.S. Construction and Housing Market

The U.S. Census Bureau reported that **total construction spending** in August 2023 was at a seasonally adjusted annual rate of \$1.98 trillion, an increase of 0.5 percent from the revised July estimate. The August 2023 estimate was 7.4 percent above the August 2022 estimate.

Spending on public construction increased 0.6 percent between July and August to a seasonally adjusted annual rate of \$431.6 billion. Spending on educational construction increased 0.2 percent above the revised July estimate to \$90.6 billion in August, 12.4 percent above the August 2022 level. Highway construction spending in August was 0.4 percent above the revised July estimate and 12.9 percent above the August 2022 level.

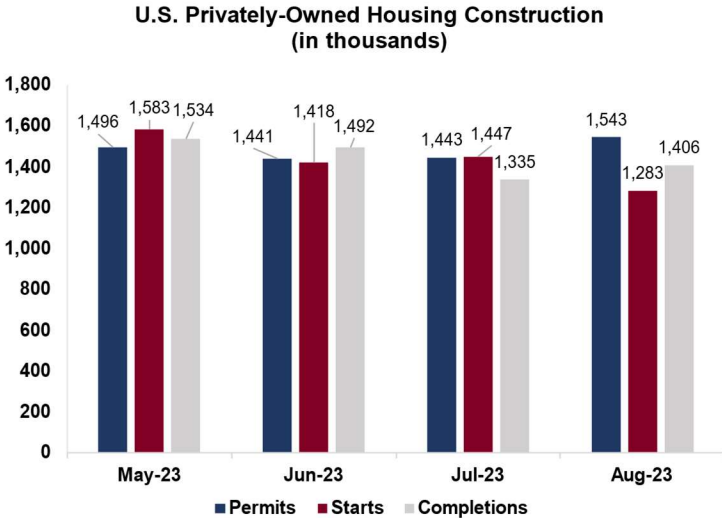


Source: National Association of Home Builders

Private sector construction spending increased 0.5 percent between July and August to a seasonally adjusted annual total of \$1.6 trillion, 4 percent above the July 2022 level. Residential construction in August was 0.6 percent above the revised level and 3.1 percent below the August 2022 level. Nonresidential construction in August increased 0.3 percent above July's revised level and was 19.7 percent above the August 2022 level.

In the U.S., the number of **building permits** issued for privately owned housing units increased 6.9 percent from July to August and was 2.7 percent below the number of permits issued in August 2022.

Nationally, privately-owned housing starts were down 11.3 percent from July to August and were 14.8 percent below the August 2022 level.



Source: U.S. Census Bureau through FRED

In August, **newly built single-family home sales** decreased by 8.7 percent compared to July and were 5.8 percent higher than sales in August 2022. The national median sales price in August 2023 was \$430,300, down 1.4 percent from July and down 2.3 percent from August 2022.

According to the National Association of Realtors, **existing home sales** decreased 0.7 percent in August compared to July. Existing home sales in August decreased slightly to an annual rate of 4 million housing units, a 15.3 percent decrease from August 2022. The median sales price of all existing homes increased 3.9 percent from a year ago to \$407,100. Available inventory in August 2023 totaled 1.1 million units, down 0.9 percent from July and 14.1 percent below the August 2022 inventory level.

Revenues

Total GRF tax revenues continue to match the estimate through the first quarter of FY 2024. GRF tax revenues in August exceeded the estimate by \$5.1 million (0.2%). Non-auto sales tax again led the way with actual receipts exceeding the anticipated amount by \$34.2 million (3.8%). For the year, total GRF tax revenues are now \$56 million (0.8%) above the estimate and \$190 million (2.8%) above last year.

Aggregate (tax and non-tax) GRF receipts totaled \$3.4 billion in September and were \$51.1 million (-1.5%) below estimate. As noted above, tax revenues were \$5.1 million (0.2%) above estimate. Non-tax receipts were \$58.1 million (-5%) below estimate and transfers were \$1.9 million 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	\$ 56.0	0.8%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (93.9)	-2.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 2.3	N/A
Total Revenue Variance		\$ (35.6)	-0.3%
Non-Federal Revenue Variance		\$ 98.3	1.9%
Federal Grants Variance		\$ (133.9)	-3.1%



The table below shows that sources below estimate (a negative variance of \$89.9 million) in September outweighed the number of sources above estimate (a positive variance of \$38.9 million), resulting in a net negative variance from estimate of \$51.1 million.

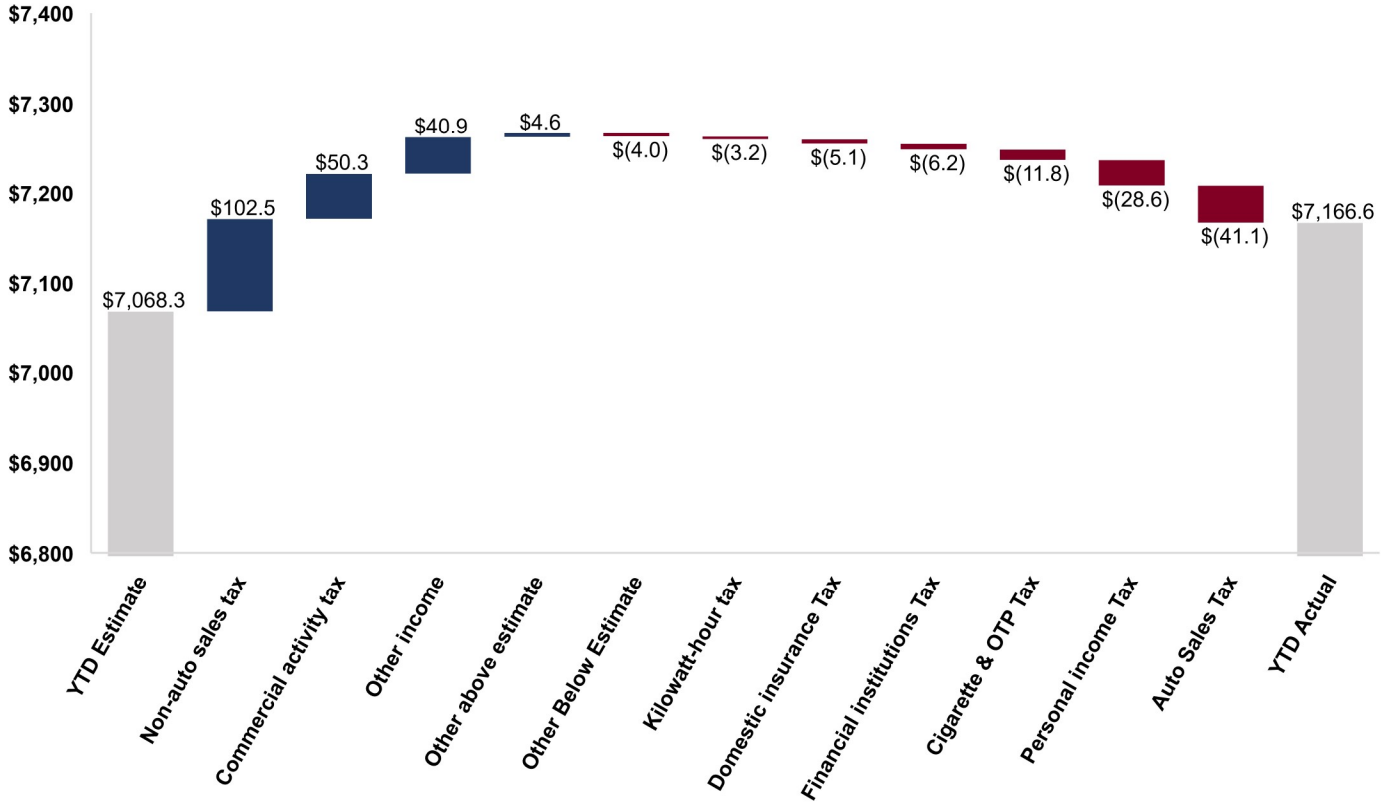
GRF Revenue Sources Relative to Monthly Estimates – September 2023
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales Tax	\$ 34.2	Federal Grants	\$ (57.1)
Other Income	\$ 1.9	Auto Sales Tax	\$ (11.9)
Commercial Activity Tax	\$ 1.4	Financial Institutions Tax	\$ (4.3)
Other revenue sources above estimate	\$ 1.3	Personal Income Tax	\$ (4.2)
		Cigarette and Other Tobacco Products Tax	\$ (3.0)
		Other revenue sources below estimate	\$ (9.4)
Total Above	\$ 38.9	Total Below	\$ (89.9)

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



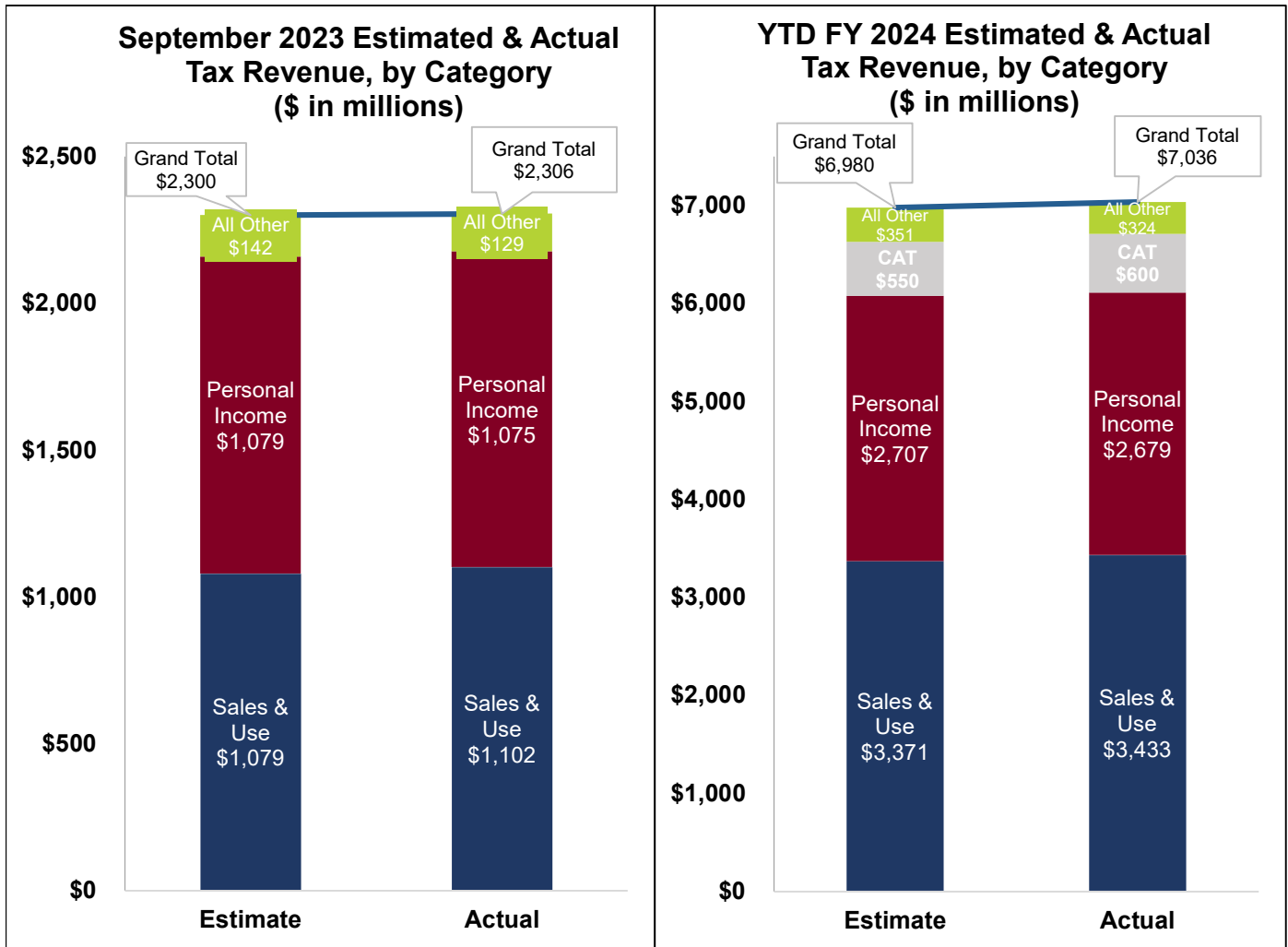
Actuals vs. Estimates: YTD GRF Non-Federal Sources (\$ in millions)



The preceding chart shows the relative contributions of the various revenue sources to the overall variance between actual and estimated non-federal revenues through September 2023, with the net difference totaling \$98.3 million.



The following chart shows the composition of estimated and actual GRF tax revenues for September 2023 and the year-to-date. All tax sources are allocated among several major categories. The chart shows that sales and use tax revenues have generated just under half of the tax revenues for the first three months of the fiscal year.



For September, total receipts and transfers were \$125.7 million (-3.6%) below last year. Tax receipts decreased by \$17.4 million (-0.7%) and non-tax receipts decreased by \$110.2 million (-9.1%). Transfers increased by \$1.9 million from last year. For the year-to-date, tax receipts are \$190 million (2.8%) above last year and non-tax receipts are \$8.8 million (-0.2%) below last year. Transfers are \$3.3 million (-59%) below last year on a year-to-date basis.

The source with the largest year-over-year dollar increase during September was non-auto sales tax, at \$68 million (7.7%). The next largest increases were transfers in-other at \$1.9 million and other income at \$1.6 million (158.3%). The largest decreases were in federal grants at \$97.1 million (-8.2%), followed by auto sales tax at \$21.5 million (-12.1%), and ISTVs at \$13.8 million (-99.9%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections for September totaled \$945.4 million and were \$34.2 million (3.8%) above the estimate. Year-to-date revenue is \$102.5 million (3.6%) above estimate. September revenue increased by \$68 million (7.7%) over last year and has increased by \$194 million (7.1%) for the year-to-date. This year's growth has been boosted in part by last year's unusually large refund payments which suppressed last year's GRF collections. If the July-September of 2022 refunds had equaled the amounts paid this year, year-to-date GRF non-auto sales tax revenue would have increased by 1.9 percent.



Through September, there have now been four consecutive months of significant revenue growth, following essentially flat collections in April and May. Sales tax growth has been roughly consistent with that exhibited in recent U.S. retail activity data.

The latest national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows consistent year-over-year retail sales growth within the two percent to four percent range over the past 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 2.7 percent year-over-year increase in national non-seasonally adjusted sales during August 2023. This compares to year-over-year growth of 3.2 percent in July and 2.7 percent in June. Meanwhile, year-over-year growth in Ohio GRF non-auto sales tax revenue was 3.3 percent, 2.9 percent, and 3.6 percent in August, July, and June, respectively (after adjusting July and August 2022 for this year's refund amounts).

MARTS data also show month-over-month sales growth for retail categories subject to Ohio sales tax. Based on seasonally adjusted figures, August 2023 sales for the retail categories listed above were flat with July, following a 0.8 percent increase in July from June and a 0.2 percent increase in June from May.

Auto Sales Tax

September auto sales tax revenues were \$156.3 million, an amount that was \$11.9 million (-7%) below the estimate. Year-to-date revenues are \$41.1 (-7.7%) below estimate. Revenues were \$21.5 million (-12.1%) below last September and are \$43.9 million (-8.2%) below last year for the first three months of the fiscal year.

Auto sales tax receipts have been volatile since the pandemic, and this helps explain the recent performance. Last year's dramatic revenue swings and current developments in the auto market create notable year-over-year variability and uncertainty for the current year. As evidence of this, last September's revenue was much higher than in any previous September and was \$24.3 million (15.9%) higher than last year's then-record revenue. Last year's high level may not have been sustainable. Year-to-date revenues appear to reflect the continued evolution of the dynamic auto market rather than a slowdown in underlying vehicle demand. This September's receipts were slightly (1.8%) above the level of September 2021; without last year's exceptional receipts, this year would have been the highest on record.

National sales of new light vehicles in September were consistent with the stronger monthly levels seen in the first half of the calendar year. According to the U.S. Department of Commerce's Bureau of Economic Analysis, new light vehicle sales reached a seasonally adjusted annual rate (the number of sales that occurred during the month adjusted for seasonal variations and expressed as an annualized total) of 15.7 million units. This is 2.1 percent above August and up 14.4 percent from a year ago. On an unadjusted basis, September 2023 light vehicle unit sales were at 1.33 million units. This is 0.7 percent above the previous month and 18.5 percent above last September.

Transaction prices for new vehicles remain high, although price growth has slowed this calendar year. The latest release from the Bureau of Labor Statistics of Consumer Price Index (CPI-U) data shows a 2.9 percent year-over-year price increase for new vehicles in August. August's price index is 0.3 percent above the previous month, breaking four consecutive months of flat or negative growth that followed 24 consecutive months of price increases. Growth since the end of last year has been quite modest: compared to December 2022, the CPI-U for new motor vehicles in August 2023 increased by 0.6 percent. Even with this year's slowdown, prices remain well above their pre-pandemic levels: the CPI-U for new motor vehicles has increased 21 percent since February 2020.

Turning to used vehicles, Cox Automotive estimates that the number of used vehicle retail sales in August were 3 million, not annualized or seasonally adjusted, up 2.6 percent from last year and down 8.3 percent from July. The pandemic disrupted the used vehicle market, as supply failed to meet underlying demand and prices rose. Prices peaked in January 2022, and have generally trended downward since then. Even so, the Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, was 1.5 percent above the previous month in the first half of September 2023. This is the second monthly increase after four consecutive month-over-month declines.

The measure was 3.5 percent lower in September 2022. Retail price movements typically move in the same direction as wholesale prices but with a lag. The August CPI-U for used vehicles shows a three percent decline since May but given the recent upward movement in wholesale prices, retail prices may soon resume a modest growth trajectory. On a year-over-year basis, the CPI-U was 6.6 percent higher than last August. Used-vehicle prices remain well above their pre-pandemic levels, with the August 2023 CPI-U index being 39.9 percent higher than in January 2020.

The national indicators discussed above do not appear to track the recent performance of auto sales tax revenues. However, quarterly data from the Ohio Bureau of Motor Vehicles (BMV) provides some insight. According to BMV data for the third quarter of calendar year 2023, aggregate new and used motor vehicle sales were down by \$448.3 million (-4.7%) from the previous year. New and used vehicles moved in opposite directions: used vehicle sales were down by \$600.9 million (-9.8%) and new vehicle sales up by \$152.6 million (4.4%).

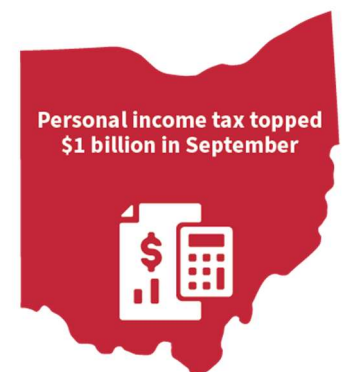
Details on transaction volumes and prices shed further light on the differences in the growth of new and used vehicle markets. The total number of taxable motor vehicle transactions decreased by 12,435 (-2.4%) in the third quarter compared to a year ago, with new vehicle transactions increasing by 2,835 (2.9%) and used vehicle transactions decreasing by 15,270 (-3.6%). Average prices also moved in different directions. New vehicle prices rose by 1.4 percent, while used vehicle prices fell by 6.4 percent; composite prices fell by 2.5 percent. Used vehicle prices peaked in the fourth quarter of 2022 and have declined 6.6 percent since then; prices remain 44.1 percent above the pandemic-era low reached in the third quarter of 2020.

In summary, the third quarter of calendar year 2023 had similar dynamics to those observed in recent quarters, with new vehicle sales showing modest year-over-year growth and used vehicle sales declining due to declines in both the number of transactions and average prices.

Personal Income Tax

September GRF personal income tax receipts totaled \$1.1 billion and were \$4.2 million (-0.4%) below the estimate. Year-to-date revenue is \$28.6 million (-1.1%) below estimate. On a year-over-year basis, September income tax collections are down \$34.2 million (-3.1%). Year-to-date revenue is \$2.5 million (-0.1%) below last year.

Withholding collections for September amounted to \$791.6 million and were \$104.4 million (-11.7%) below estimate. For the fiscal year-to-date, the withholding component is \$121.3 million (-4.6%) below estimate. This component was \$95.1 million (-10.7%) below last September; and is \$24.9 million (-1%) below last year for the fiscal year-to-date.



The withholding category includes taxes paid by certain types of pass-through entities on their taxable income. This is a separate revenue stream from the income tax withheld by employers and paid to the state. Beginning in tax year 2022, an additional filing option for pass-through entities became available. Collections from this new filing option are not reported in the withholding category but rather in the annual tax return and estimated payment categories, as appropriate. The shift to this pass-through entity tax filing option explains much of the negative variance from estimate for the withholding category and the decline in collections from last year. Employer withholding has performed significantly better than the overall withholding category: excluding pass-through entity tax payments, year-to-date withholding collections are up \$108.4 million (4.5%) from last year.

The third quarterly estimated payment due date for the current calendar year was in September, making it an important collection month. September collections exceeded the estimate by \$13.9 million (6%) and were \$10.3 million (-4%) below last year. The combined March through September results reflect the first three quarterly payments for calendar year 2023. The positive variance of \$194.3 million (34.9%) over these seven months is a continuing sign of vibrant performance for non-withheld revenue sources this calendar year.

The annual filing season for the 2022 tax year continues, although it now consists primarily of returns filed by taxpayers who have taken advantage of filing extensions. Annual tax return payments substantially exceeded the estimate in September, by \$104.5 million (342.6%). This component increased by \$97.4 million (259.2%) from last year. As discussed above, the annual return category experienced a significant increase due to pass-through entity taxpayers taking advantage of a new filing option, with a corresponding shift in collections from the withholding category to the annual return category. Payments for this category are \$421 million (33.2%) above the estimate for the past (January-September) filing season while they are now \$51 million (-2.9%) below the prior year. The revenue forecast for this filing season anticipated a significant decline from the historic highs of last year; as the decline has been much less than expected, there is a strong positive variance from the estimate year-to-date.

The two remaining tax collection categories (trust and other) were a combined \$1.9 million (-14.2%) below the September estimate. For the past filing season, the combined categories are \$47.8 million (-26%) below estimate and are down \$90.9 million (-40%) from last year. The negative variance and most of the year-over-year decrease is in the trust category, likely reflecting lower taxable investment income that trusts will experience in tax year 2022.

September refunds were \$15.6 million (33.9%) above estimate, continuing the negative tax variance observed throughout the calendar year. Refunds for the month were \$15.2 million (32.6%) higher than last year. Total refund issuance for the January-September period has exceeded estimates by \$277.1 million (12.6%) and is up \$402.7 million (19.5%) from the last filing season. Details from the Department of Taxation show that both the number of refunds and the average refund value for the past filing season are

up 12 percent and 8 percent, respectively, from last year. Average refund growth has been even more pronounced during this fiscal year, but results for the filing season will not be available until all of the 2022 tax returns due in October have been processed.

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

	Actual Sep	Estimate Sep	\$ Var	Actual Sep-2023	Actual Sep-2022	\$ Var Y-to-Y
Withholding	\$ 791.6	\$ 896.0	\$(104.4)	\$ 791.6	\$ 886.7	\$ (95.1)
Quarterly Est.	\$ 246.4	\$ 232.5	\$ 13.9	\$ 246.4	\$ 256.7	\$ (10.3)
Annual Returns/40 P	\$ 135.0	\$ 30.5	\$ 104.5	\$ 135.0	\$ 37.6	\$ 97.4
Trust Payments	\$ 8.5	\$ 5.8	\$ 2.7	\$ 8.5	\$ 10.3	\$ (1.8)
Other	\$ 3.3	\$ 7.9	\$ (4.6)	\$ 3.3	\$ 8.7	\$ (5.4)
Less: Refunds	\$ (61.8)	\$ (46.2)	\$ (15.6)	\$ (61.8)	\$ (48.6)	\$ (15.2)
Local Distributions	\$ (47.7)	\$ (47.1)	\$ (0.6)	\$ (47.7)	\$ (44.0)	\$ (3.8)
Net to GRF	\$1,075.2	\$ 1,079.4	\$ (4.2)	\$ 1,075.2	\$ 1,109.4	\$ (34.2)

Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$2.2 million (-9.5%) below the September estimate and are \$50.3 million (9.2%) above the year-to-date estimate. Receipts in September were down by \$4.8 million (-18.4%) from last year, while year-to-date collections are up \$104.2 million (21%)

September is not a significant collections month for the CAT because it immediately follows the month in which tax payments are due for the April-June gross receipts activity period. As CAT revenue is derived from quarterly tax payments, it is more useful to examine the revenue stream in quarterly increments than in monthly increments. CAT revenue performance has been particularly impressive over the past three years, with 12 consecutive quarters of positive variance from estimate through September 2023.

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 that all CAT revenues (less the two fund deposits mentioned above) be credited to the GRF. Under the new law, the GRF share is reduced only to the extent that deposits are required to be made to the school district and local government tangible personal property tax replacement funds to cover the semiannual statutory reimbursements paid to those entities. An all-fund analysis provides a purer measure of this year's underlying CAT revenue production by removing the effects of the change in revenue accounting. For the fiscal year to date, all-fund CAT revenue is up \$16.8 million (2.9%) over the prior year.



GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.1 billion and were \$58.1 million (-5%) below estimate for the month of September. Year-to-date non-tax receipts are \$4.3 billion which is \$93.9 million (-2.1%) below estimate.

The monthly variance in non-tax receipts was due to the federal grants category, which was \$57.1 million below estimate. This variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.



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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL SEPTEMBER	ESTIMATE SEPTEMBER	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	945,425	911,200	34,225	3.8%	2,941,660	2,839,200	102,460	3.6%
Auto Sales & Use	156,342	168,200	(11,858)	-7.0%	490,859	532,000	(41,141)	-7.7%
Subtotal Sales & Use	1,101,768	1,079,400	22,368	2.1%	3,432,519	3,371,200	61,319	1.8%
Personal Income	1,075,165	1,079,400	(4,235)	-0.4%	2,678,798	2,707,400	(28,602)	-1.1%
Corporate Franchise	26	0	26	N/A	111	0	111	N/A
Financial Institutions Tax	(7,751)	(3,500)	(4,251)	-121.5%	(8,496)	(2,300)	(6,196)	-269.4%
Commercial Activity Tax	21,171	23,400	(2,229)	-9.5%	599,931	549,600	50,331	9.2%
Petroleum Activity Tax	2,931	2,000	931	46.5%	2,931	2,000	931	46.5%
Public Utility	(628)	0	(628)	N/A	41,049	39,900	1,149	2.9%
Kilowatt Hour	26,833	27,500	(667)	-2.4%	74,275	77,500	(3,225)	-4.2%
Natural Gas Distribution	0	0	0	N/A	13,497	13,400	97	0.7%
Foreign Insurance	8,734	10,700	(1,966)	-18.4%	9,976	10,900	(924)	-8.5%
Domestic Insurance	324	0	324	N/A	1,145	6,200	(5,055)	-81.5%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	68,265	71,300	(3,035)	-4.3%	159,774	171,600	(11,826)	-6.9%
Alcoholic Beverage	3,923	5,300	(1,377)	-26.0%	15,537	17,000	(1,463)	-8.6%
Liquor Gallonage	4,790	4,900	(110)	-2.2%	14,534	15,200	(666)	-4.4%
Estate	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,305,551	2,300,400	5,151	0.2%	7,035,580	6,979,600	55,980	0.8%
NON-TAX RECEIPTS								
Federal Grants	1,094,760	1,151,854	(57,095)	-5.0%	4,183,486	4,317,419	(133,934)	-3.1%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	1,262	3,730	(2,468)	-66.2%	9,445	10,342	(897)	-8.7%
Other Income	2,671	1,250	1,421	113.7%	119,243	78,350	40,893	52.2%
ISTV'S	17	0	17	N/A	23	0	23	N/A
Total Non-Tax Receipts	1,098,710	1,156,835	(58,125)	-5.0%	4,312,197	4,406,111	(93,915)	-2.1%
TOTAL REVENUES	3,404,261	3,457,235	(52,973)	-1.5%	11,347,777	11,385,711	(37,934)	-0.3%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	0.0%
Transfers In - Other	1,909	0	1,909	N/A	2,308	0	2,308	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	0.0%
Total Transfers	1,909	0	1,909	N/A	2,308	0	2,308	N/A
TOTAL SOURCES	3,406,171	3,457,235	(51,064)	-1.5%	11,350,085	11,385,711	(35,626)	-0.3%

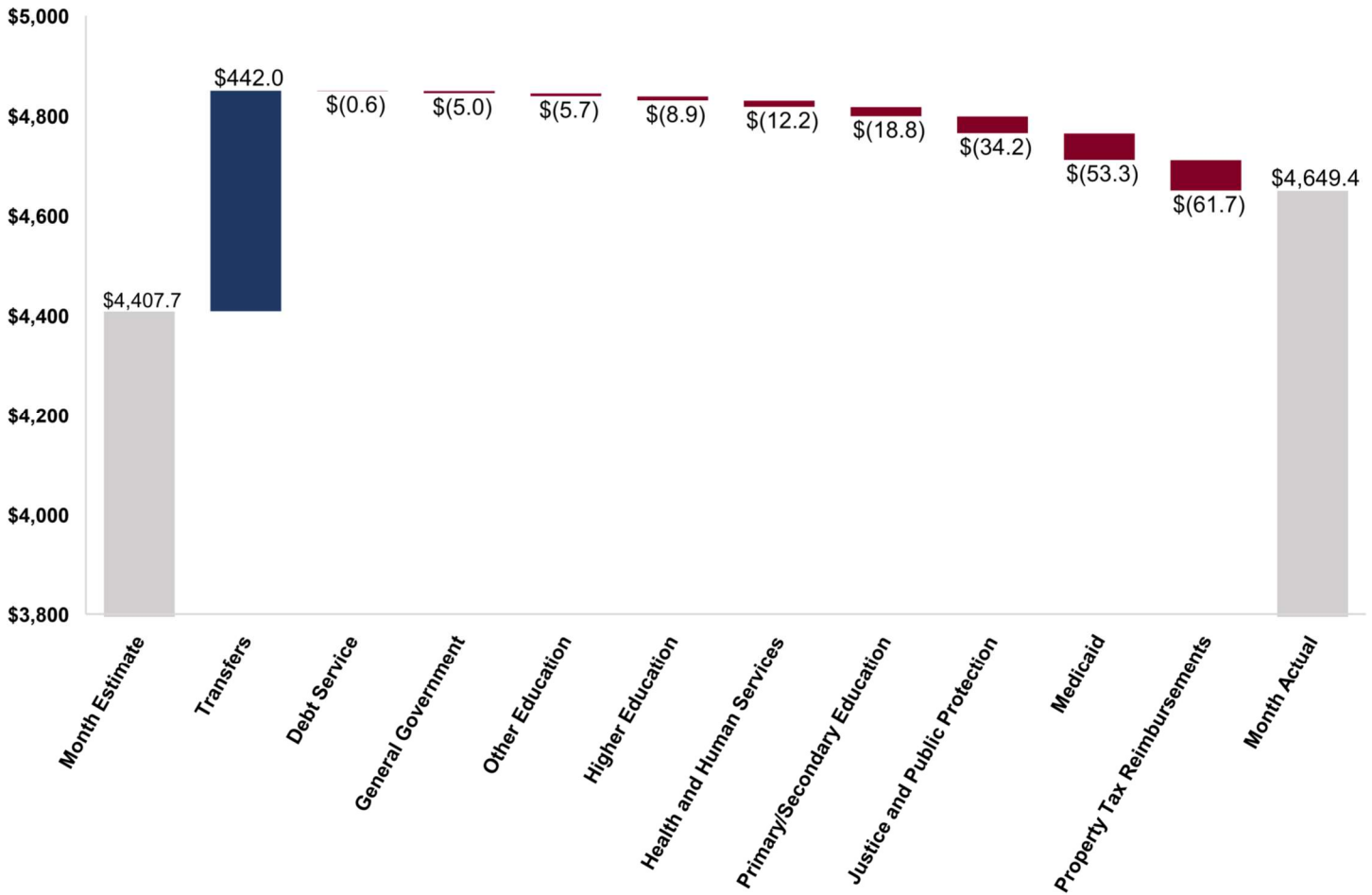
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2024 VS ACTUAL FY 2023
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	SEPTEMBER FY 2024	SEPTEMBER FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	945,425	877,431	67,994	7.7%	2,941,660	2,747,706	193,954	7.1%
Auto Sales & Use	156,342	177,841	(21,499)	-12.1%	490,859	534,782	(43,923)	-8.2%
Subtotal Sales & Use	1,101,768	1,055,272	46,496	4.4%	3,432,519	3,282,488	150,031	4.6%
Personal Income	1,075,165	1,109,359	(34,195)	-3.1%	2,678,798	2,681,285	(2,487)	-0.1%
Corporate Franchise	26	34	(8)	-23.0%	111	(20)	130	660.5%
Financial Institutions Tax	(7,751)	(2,425)	(5,327)	-219.7%	(8,496)	(1,795)	(6,702)	-373.4%
Commercial Activity Tax	21,171	25,947	(4,776)	-18.4%	599,931	495,726	104,205	21.0%
Petroleum Activity Tax	2,931	2,538	393	15.5%	2,931	2,538	393	15.5%
Public Utility	(628)	2,703	(3,330)	-123.2%	41,049	44,100	(3,051)	-6.9%
Kilowatt Hour	26,833	29,932	(3,099)	-10.4%	74,275	82,574	(8,299)	-10.1%
Natural Gas Distribution	0	0	(0)	N/A	13,497	13,899	(402)	-2.9%
Foreign Insurance	8,734	13,380	(4,646)	-34.7%	9,976	13,807	(3,831)	-27.7%
Domestic Insurance	324	0	324	N/A	1,145	17,530	(16,386)	-93.5%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	68,265	74,822	(6,557)	-8.8%	159,774	179,634	(19,860)	-11.1%
Alcoholic Beverage	3,923	6,559	(2,636)	-40.2%	15,537	19,117	(3,579)	-18.7%
Liquor Gallonage	4,790	4,848	(58)	-1.2%	14,534	14,713	(179)	-1.2%
Estate	0	0	0	N/A	0	5	(5)	-98.9%
Total Tax Receipts	2,305,551	2,322,970	(17,419)	-0.7%	7,035,580	6,845,603	189,977	2.8%
NON-TAX RECEIPTS								
Federal Grants	1,094,760	1,191,903	(97,143)	-8.2%	4,183,486	4,174,847	8,639	0.2%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	1,262	2,226	(964)	-43.3%	9,445	10,584	(1,139)	-10.8%
Other Income	2,671	1,034	1,637	158.3%	119,243	121,806	(2,563)	-2.1%
ISTV'S	17	13,783	(13,766)	-99.9%	23	13,784	(13,761)	-99.8%
Total Non-Tax Receipts	1,098,710	1,208,946	(110,236)	-9.1%	4,312,197	4,321,021	(8,825)	-0.2%
TOTAL REVENUES	3,404,261	3,531,916	(127,655)	-3.6%	11,347,777	11,166,624	181,153	1.6%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,909	0	1,909	N/A	2,308	5,635	(3,327)	-59.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,909	0	1,909	N/A	2,308	5,635	(3,327)	-59.0%
TOTAL SOURCES	3,406,171	3,531,916	(125,746)	-3.6%	11,350,085	11,172,259	177,826	1.6%

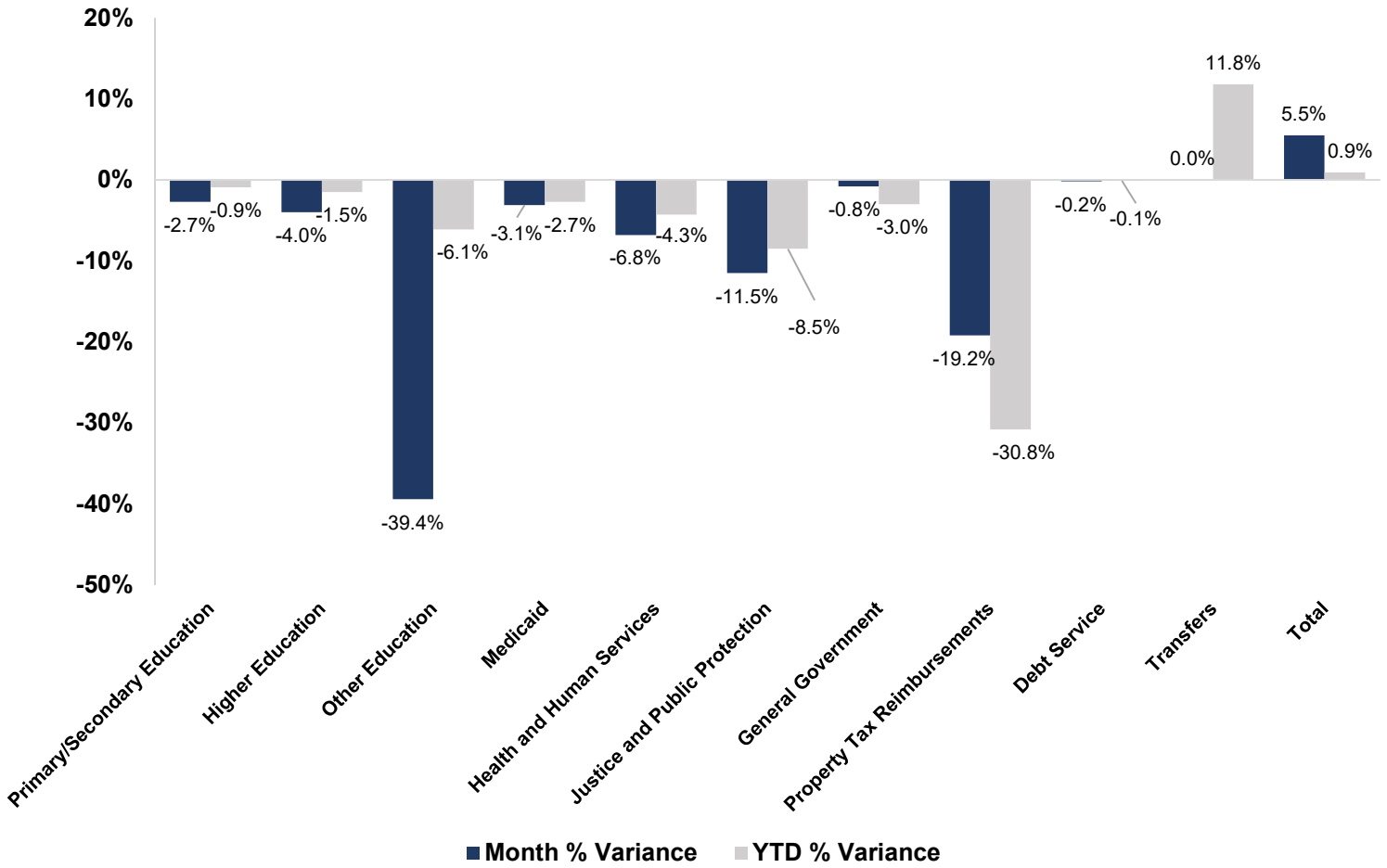
Disbursements

September GRF disbursements, for all uses, totaled \$4.6 billion and were \$241.6 million (5.5%) above estimate. This variance was primarily due to spending above-estimate in the operating transfers out category, partially offset by below-estimate disbursements in the property tax reimbursements category. On a year-over-year basis, September total uses were \$1 billion (28.9%) higher than those of the same month in the last fiscal year, with the general government category largely responsible for the difference.

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



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



Primary and Secondary Education

This category includes GRF expenditures for the Ohio Department of Education. September disbursements for this category totaled \$674.4 million and were \$18.8 million

\$674.4 MILLION

(-2.7%) below estimate. This variance was primarily due to lower-than-estimated disbursements for educational choice scholarship programs, which were \$11.7 million (20.7%) below estimate. Recently enacted changes to the EdChoice Expansion Scholarship Program have resulted in a significant increase in applications to the Department. Less than half of the applications (44.3%) have been approved to date, resulting in fewer dollars spent in September. Disbursements are expected to increase in the coming months as additional applications are approved.

Year-to-date disbursements are \$2.4 billion, which is \$22.3 million (-0.9%) below the estimate. On a year-over-year basis, disbursements in this category are \$58.1 million (9.4%) higher than for the same month in the last fiscal year while year-to-date expenditures are \$130.5 million (5.8%) 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

September GRF disbursements for the Medicaid Program totaled \$1.7 billion and were \$53.3 million (-3.1%) below estimate and \$30.1 million (1.8%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$6.3 billion and were \$171.1 million (-2.7%) below estimate.

Total Medicaid caseload declined in September by 58,825 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 September. 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 being phased-out and will end in December 2023.

September all-funds disbursements for the Medicaid Program totaled \$2.8 billion and were \$124.3 million (-4.2%) below estimate and \$109.6 million (4.1%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$8.8 billion and were \$279.3 million (-3.1%) below estimate. The all-funds disbursement variance was primarily attributable to the caseload reduction and a lower than expected per member per month cost, or the amount paid per individual enrolled in a managed care plan, for the month of September. Additionally, administrative spending for Medicaid partner agencies was below estimate due to timing and a service payment from the Department of Developmental Disabilities that was planned for September that will instead be made in October. 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)

	September Estimate	September Actual	Variance	Variance %
GRF	\$ 1,716.2	\$ 1,662.5	\$ (53.6)	-3.1%
Non-GRF	\$ 1,215.8	\$ 1,145.1	\$ (70.7)	-5.8%
All Funds	\$ 2,932.0	\$ 2,807.6	\$ (124.3)	-4.2%

Medicaid Enrollment

Total September enrollment was 3.34 million, which was 67,834 (-2%) below estimate and 123,596 (-3.6%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.39 million and was 43,548 (-1.3%) below estimate. The department resumed routine Medicaid eligibility operations in April. Total enrollment declined by an estimated 251,645 between April and September. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

September enrollment by major eligibility category was: Covered Families and Children (CFC), 1.79 million; Group VIII Expansion, 903,163; and Aged, Blind and Disabled (ABD), 508,169.

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

Department of Administrative Services

September disbursements for the Department of Administrative Services totaled \$13.5 million and were \$9.4 million (230.9%) above estimate. Approximately \$10.5 million in invoices for the Multi-Agency Radio Communication System (MARCS) program originally scheduled for August were paid in September. MARCS provides statewide, secure, and reliable public service wireless communications for public safety and first responders.



Department of Rehabilitation and Correction

Disbursements for operations of the Department of Rehabilitation and Correction's institutions totaled \$129.4 million and was \$22 million (-14.5%) below the September estimate. Supply purchases and maintenance projects previously scheduled to occur in September will occur later in the fiscal year.



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.

September disbursements in this category totaled \$261.7 million and were \$34.2 million (-11.5%) below the estimate. Year-to-date disbursements total \$794.9 million and are \$74 million (-8.5%) below the estimate.

On a year-over-year basis, disbursements in this category are \$59.7 million (29.6%) higher than for the same month in the last fiscal year while year-to-date expenditures were \$103 million (14.9%) higher 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.

September disbursements in this category totaled \$652 million and were \$5 million (-0.8%) below the estimate. Year-to-date disbursements are \$741 million and \$22.6 million (-3%) below estimate. On a year-over-year basis, disbursements in this category were \$609.4 million higher than for the same month last fiscal year due to a one-time \$600 million economic development payment made by the Department of Development. Year-to-date expenditures were \$611.5 million (472.3%) higher 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 expenditures to the extent that these agencies spend GRF to support Medicaid services.

September disbursements in this category totaled \$167.5 million and were \$12.2 million (-6.8%) below the estimate. Year-to-date disbursements are \$440.9 million and \$19.7 million (-4.3%) below estimate. On a year-over-year basis, disbursements in this category are \$54.2 million (47.8%) higher than for the same month last fiscal year while year-to-date expenditures are \$46.6 million (11.8%) higher than at the same point in FY 2023.

Transfers Out

Transfers out totaled \$442 million in September and \$6.3 billion year-to-date. The year-to-date variance of \$661.9 million (11.8%) above estimate is due to transfers to various capital funds to support capital appropriations authorized in the 2023-2024 capital budget. These transfers were budgeted for June but instead occurred in July and September. To date, funding the current capital budget with cash instead of issuing bonds has resulted in approximately \$696 million in gross interest savings to Ohio taxpayers over what would have been the life of the bonds.



Higher Education

September disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$212.3 million and were \$8.9 million (-4%) below the estimate. This variance was primarily due to expenditures in the Choose Ohio First Scholarship and Ohio College Opportunity Grant programs, which were \$4.1 million below the estimate.

Year-to-date disbursements totaled \$593.1 million and were \$8.9 million (-1.5%) below estimate. On a year-over-year basis, disbursements in this category were \$3.9 million (1.9%) higher than for the same month last fiscal year while year-to-date expenditures are \$15.1 million (-2.5%) lower than at the same point in FY 2023.

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, and disbursements made to libraries, and cultural and arts organizations.

September disbursements in this category totaled \$8.8 million and were \$5.7 million (-39.4%) below estimate. On a year-over-year basis, disbursements in this category were \$8.2 million (-48.4%) below than for the same month in the last fiscal year while year-to-date disbursements were \$2.8 million (8%) above the same point in FY 2023.

Property Tax Reimbursement

Property tax reimbursement payments are made to local governments and school districts to reimburse these entities for revenue lost as a result of the 10 percent and 2.5 percent rollbacks and the homestead exemption.

September reimbursements totaled \$259.5 million and were \$61.7 million (-19.2%) below the estimate. Year-to-date reimbursements totaled \$380.7 million and were \$169.4 million (-30.8%) below estimate. Both variances are primarily timing related and are expected to be offset by higher disbursements in future months.

Debt Service

September debt service payments were \$308.3 million, \$0.6 million (-0.2%) below estimate. This variance was primarily due to the presence of variable rate debt in the portfolio.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL SEPTEMBER	ESTIMATED SEPTEMBER	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	674,382	693,201	(18,819)	-2.7%	2,377,061	2,399,319	(22,258)	-0.9%
Higher Education	212,319	221,260	(8,940)	-4.0%	593,126	602,014	(8,888)	-1.5%
Other Education	8,778	14,487	(5,709)	-39.4%	38,475	40,992	(2,516)	-6.1%
Medicaid	1,662,896	1,716,176	(53,280)	-3.1%	6,254,286	6,424,983	(170,697)	-2.7%
Health and Human Services	167,521	179,698	(12,177)	-6.8%	440,860	460,586	(19,726)	-4.3%
Justice and Public Protection	261,675	295,841	(34,166)	-11.5%	794,905	868,928	(74,023)	-8.5%
General Government	651,966	656,956	(4,991)	-0.8%	741,013	763,661	(22,647)	-3.0%
Property Tax Reimbursements	259,523	321,251	(61,728)	-19.2%	380,704	550,093	(169,389)	-30.8%
Debt Service	308,309	308,872	(563)	-0.2%	644,954	645,549	(594)	-0.1%
Total Expenditures & ISTV's	4,207,369	4,407,741	(200,372)	-4.5%	12,265,385	12,756,124	(490,739)	-3.8%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	442,000	0	442,000	N/A	6,109,218	5,447,298	661,920	12.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	442,000	0	442,000	N/A	6,259,218	5,597,298	661,920	11.8%
Total Fund Uses	4,649,369	4,407,741	241,628	5.5%	18,524,604	18,353,422	171,182	0.9%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	SEPTEMBER FY 2024	SEPTEMBER FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	674,382	616,271	58,111	9.4%	2,377,061	2,246,567	130,494	5.8%
Higher Education	212,319	208,387	3,933	1.9%	593,126	608,177	(15,052)	-2.5%
Other Education	8,778	17,023	(8,245)	-48.4%	38,475	35,638	2,838	8.0%
Medicaid	1,662,896	1,632,757	30,139	1.8%	6,254,286	5,851,023	403,264	6.9%
Health and Human Services	167,521	113,332	54,189	47.8%	440,860	394,246	46,615	11.8%
Justice and Public Protection	261,675	201,969	59,706	29.6%	794,905	691,937	102,967	14.9%
General Government	651,966	42,573	609,393	1431.4%	741,013	129,479	611,535	472.3%
Property Tax Reimbursements	259,523	413,468	(153,945)	-37.2%	380,704	647,074	(266,371)	-41.2%
Debt Service	308,309	359,028	(50,720)	-14.1%	644,954	821,611	(176,657)	-21.5%
Total Expenditures & ISTV's	4,207,369	3,604,808	602,561	16.7%	12,265,385	11,425,752	839,633	7.3%
Transfers Out:								
BSF Transfer	0	0	0	N/A	150,000	0	150,000	N/A
Operating Transfer Out	442,000	2,394	439,606	18,365.6%	6,109,218	674,153	5,435,065	806.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	442,000	2,394	439,606	18,365.6%	6,259,218	674,153	5,585,065	828.5%
Total Fund Uses	4,649,369	3,607,201	1,042,168	28.9%	18,524,604	12,099,905	6,424,699	53.1%

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

July 1, 2023 Beginning Cash Balance*	\$8,990,658.7
Plus FY 2024 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
Total Sources Available for Expenditures & Transfers	51,251,785.2
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
Total Estimated Uses	49,516,881.4
FY 2024 UNENCUMBERED ENDING FUND BALANCE***	\$1,734,903.8

*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

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.

