

State of Ohio Monthly Financial Report

OCTOBER 11, 2022

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

From: Kimberly Murnieks, Director



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Report Overview

\$877.4 MILLION IN NON-AUTO SALES AND USE TAX COLLECTIONS



GRF Non-Auto Sales and Use Tax collections in September totaled \$877.4 million.

PERSONAL INCOME TAX EXCEEDED THE ESTIMATE BY \$114.6 MILLION



September Personal Income Tax receipts exceeded the estimate by \$114.6 million (11.5%).

AUTO SALES AND USE TAX COLLECTIONS TOTALED \$177.8 MILLION



September Auto Sales and Use Tax collections totaled \$177.8 million.

“CAT” RECEIPTS FINISH ABOVE ESTIMATE



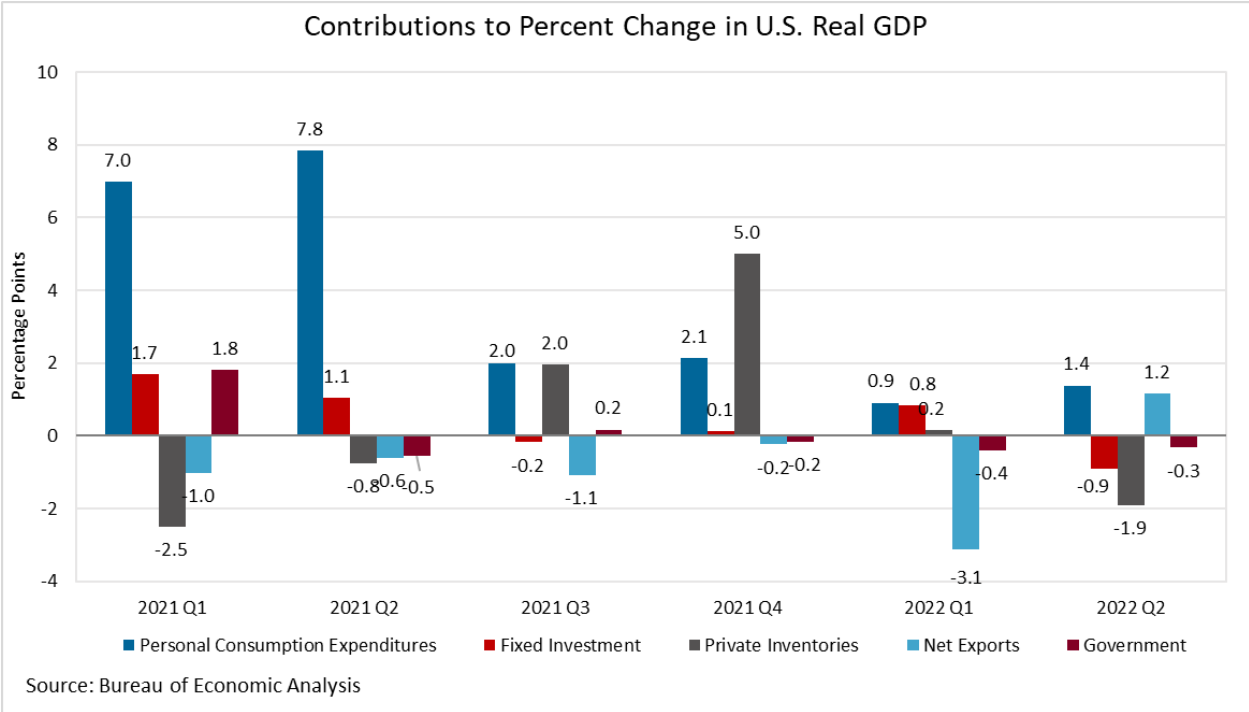
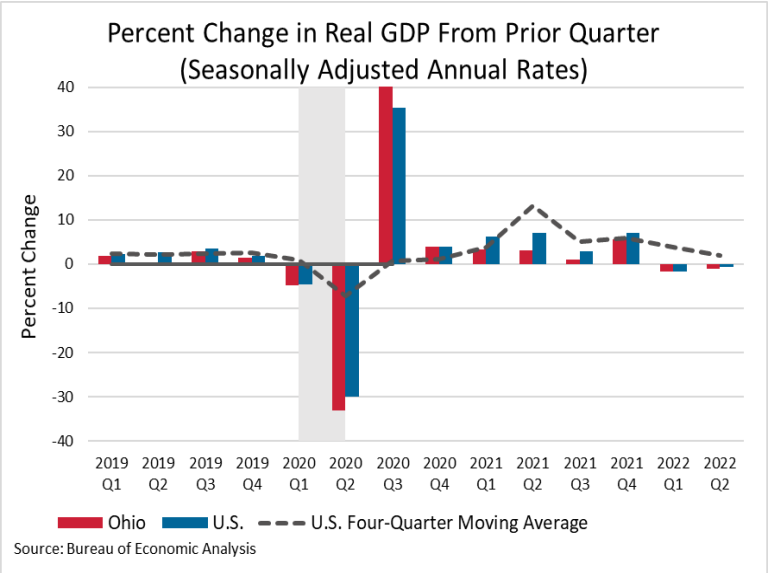
Commercial Activity Tax receipts in September exceeded the estimate by \$15 million (138%).

Economic Activity

Economic Outlook

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

The second quarter decrease in real GDP resulted from decreases in private inventories (-1.9 percentage points), fixed investment (-0.9 percentage points), and government expenditures (-0.3 percentage points). These decreases were partially offset by increases in net exports (1.2 percentage points) and personal consumption expenditures (1.4 percentage points).



Ohio's real GDP fell 1.1 percent during the second quarter of 2022, which was 0.5 percentage points below the national average. The change in GDP in Ohio largely reflected negative contributions in nondurable goods manufacturing (-1.1 percentage points), construction (-0.8 percentage points), and wholesale trade (-0.4 percentage points). These decreases were partially offset by increases in finance and insurance (0.5 percentage points) and management of companies and enterprises (0.3 percentage points).

The **Back-to-Normal Index** tracks the economic recovery compared to pre-pandemic levels. As of September 28, 2022, the national index was at 91.3 percent. Ohio's index was 2.3 percentage points higher at 93.6 percent. Ohio's average Back-to-Normal Index value in September was 92.7 percent, which was 1.3 percentage points above the national average of 91.4 percent.

In August, the Conference Board's **Leading Economic Index (LEI)** decreased 0.3 percent to 116.2, after declining a revised 0.5 percent in July. The index has now decreased in each of the last six months and seven of the eight months thus far in calendar year 2022. The Conference Board's senior director of economics reported that future expectations of a softening labor market combined with slowdowns in housing construction and reductions in the average workweek in manufacturing suggests that the risk of national recession in the near term is rising.

Economic forecasters remain divided about the future course of the national economy. Recent upward revisions to GDP and the ongoing robust labor market suggest that the economy is likely to regain some strength in the third quarter. While concerns about inflation, the Russian war in Ukraine, and supply chain disruptions could alter the overall outlook, forecasters estimate that growth in the third quarter will be in a more normalized range. Looking ahead, many forecasters anticipate that the national economy is likely to experience a recession, but there is uncertainty about timing and about the degree of impact of monetary policy from the Federal Reserve.

Economic Forecasts

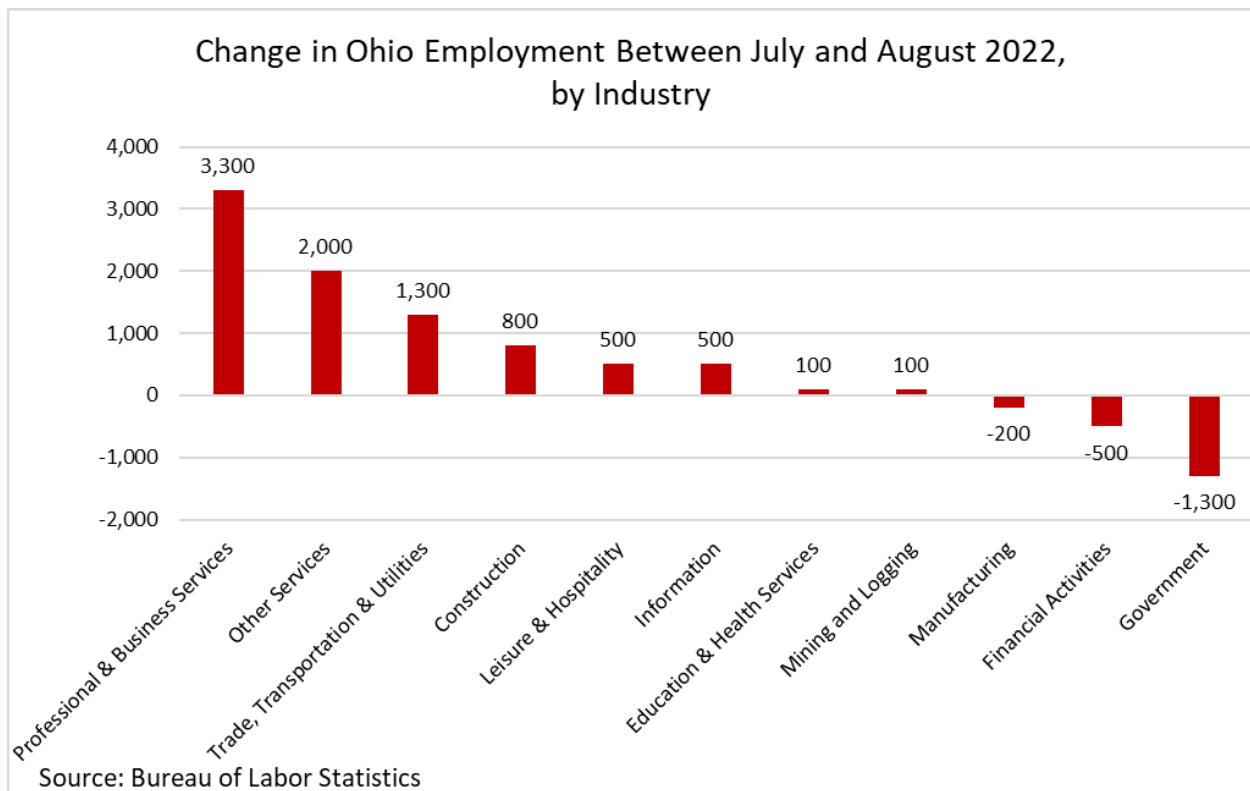
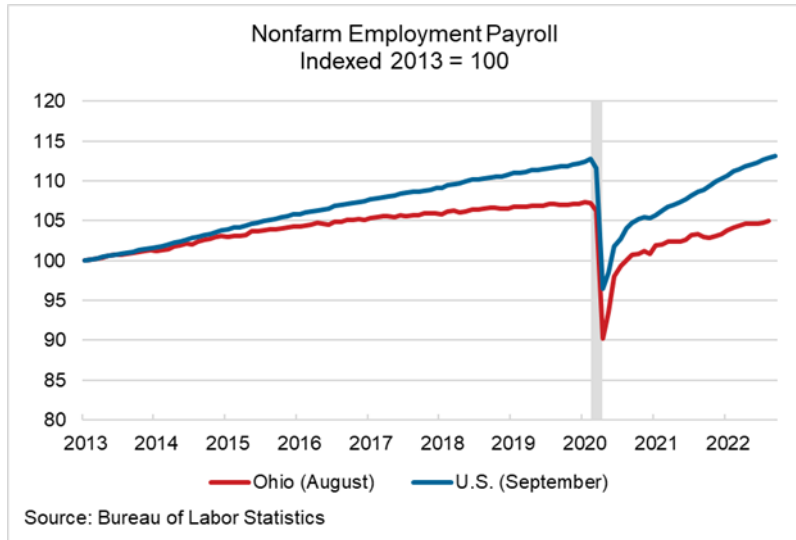
Source	Date	3rd Quarter 2022 Annualized GDP Forecast
Moody's Analytics High Frequency GDP Model	09/30/2022	1.8%
IHS Markit GDP Tracker	10/03/2022	2.3%
Federal Reserve Bank of Atlanta (GDPNow)	10/04/2022	2.3%
Federal Reserve Bank of Philadelphia Survey of Professional Forecasters	08/12/2022	1.4%
Wells Fargo	09/30/2022	2.7%
Conference Board	09/14/2022	0.3%

Ohio Labor Market

Ohio's nonfarm payroll employment increased 0.1 percent (7,500 jobs) to 5.5 million jobs between July and August 2022. This was 1.5 percent above the number of jobs in August 2021.

In Ohio, the professional and business services industry category had the largest increase in jobs in August, followed by other services, and trade, transportation, and utilities services industries.

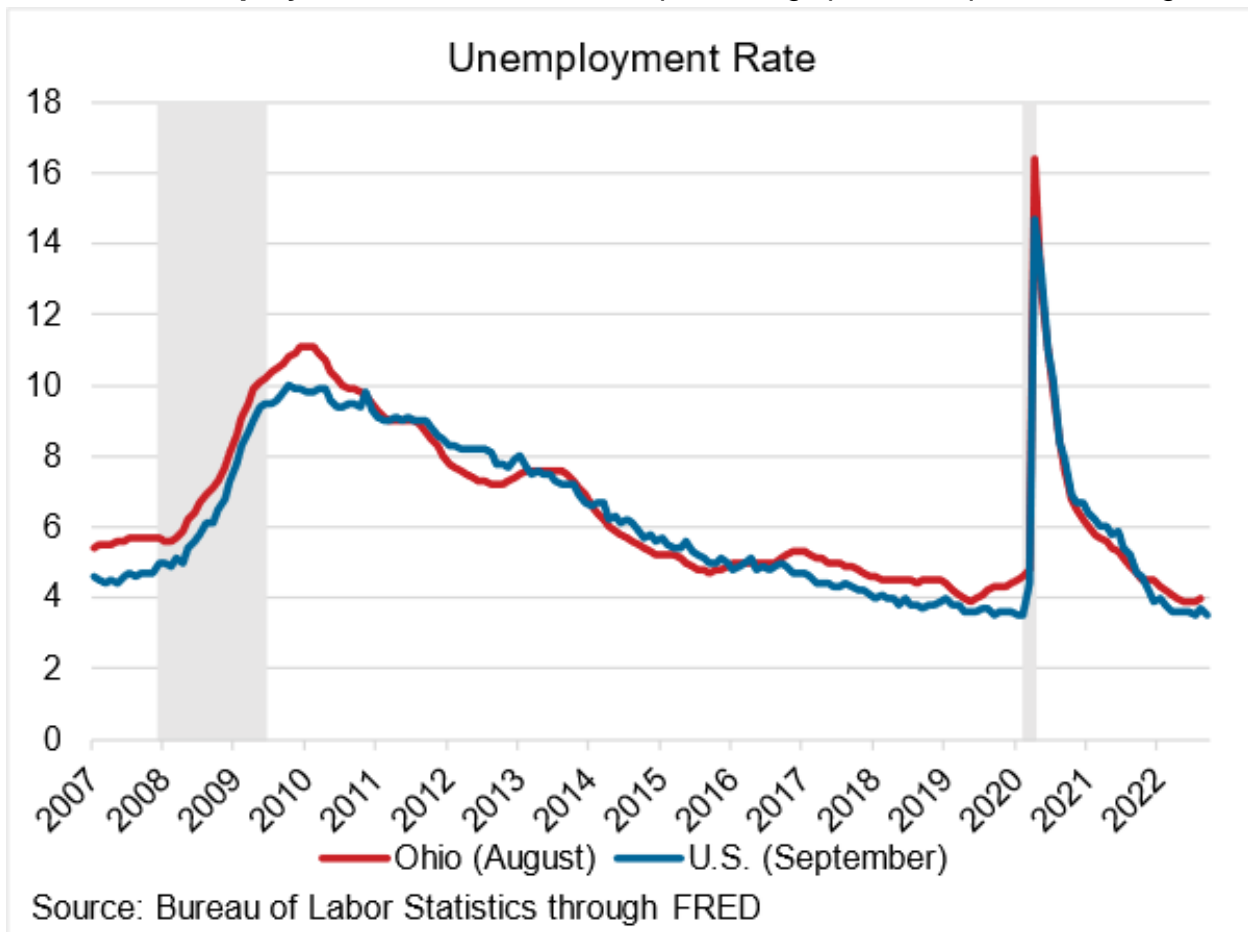
These gains were partially offset by losses in government and financial activities industries.

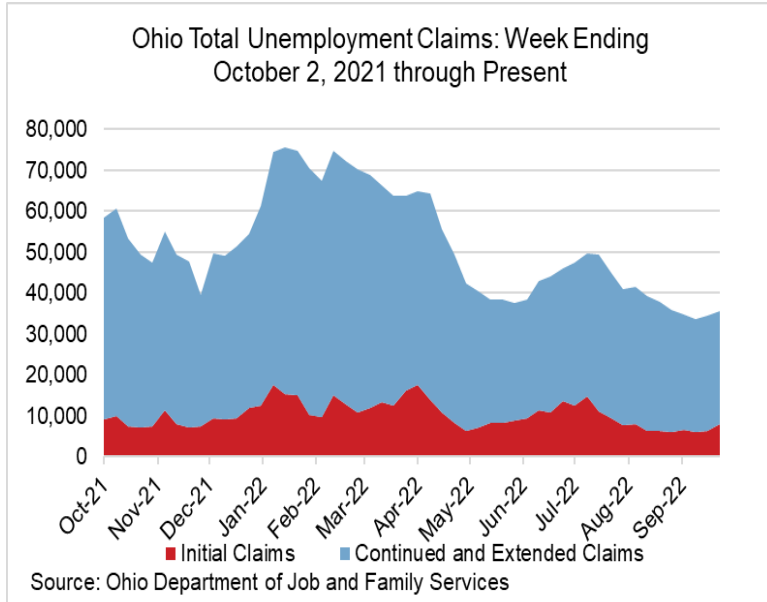


Ohio's **labor force participation rate** in August was 61.8 percent, a decrease of 0.1 percentage points from July and Ohio's **employee-population ratio** was 59.4 in August, a 0.2 percent decrease from July 2022.

The **State-Level Coincident Index**, a measure of employment conditions in each state, for Ohio was unchanged between July and August 2022 and has increased 0.2 percentage points over the last three months. Compared to August 2021, the Ohio index increased 3.6 percent. The U.S. coincident index increased 0.2 percent between July and August, and 0.8 percent over the last three months, for comparison.

The **Ohio unemployment rate** increased 0.1 percentage point to 4 percent in August.



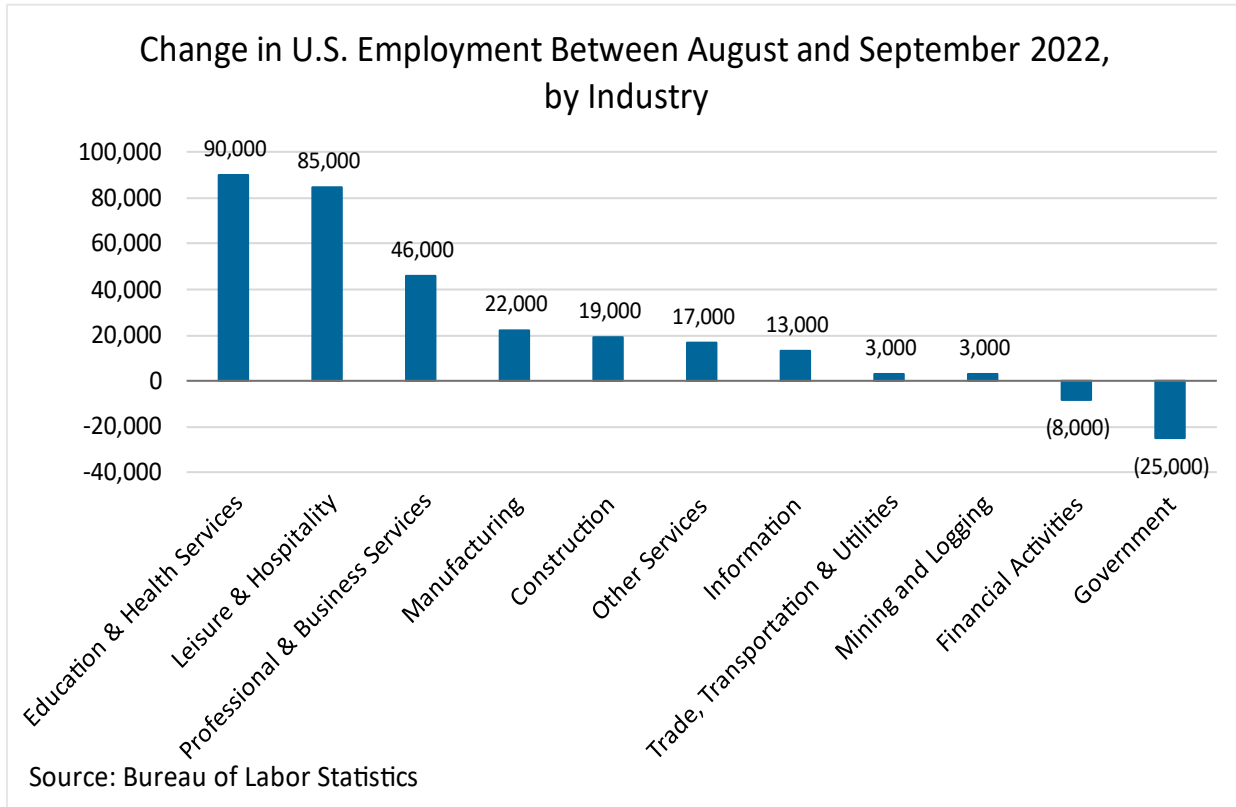


During the week ending September 24, 2022, a total of 8,004 **initial unemployment claims** were filed, a 24.7 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 27,523, a 2.1 percent decline from the prior week. Ohio unemployment claims continue to be at or below historic lows.

U.S. Labor Market

U.S. nonfarm payroll employment increased by 263,000 jobs in September. Job gains were widespread with the highest growth in education and health services, leisure and hospitality and professional and business services industries.

263,000
Jobs Added

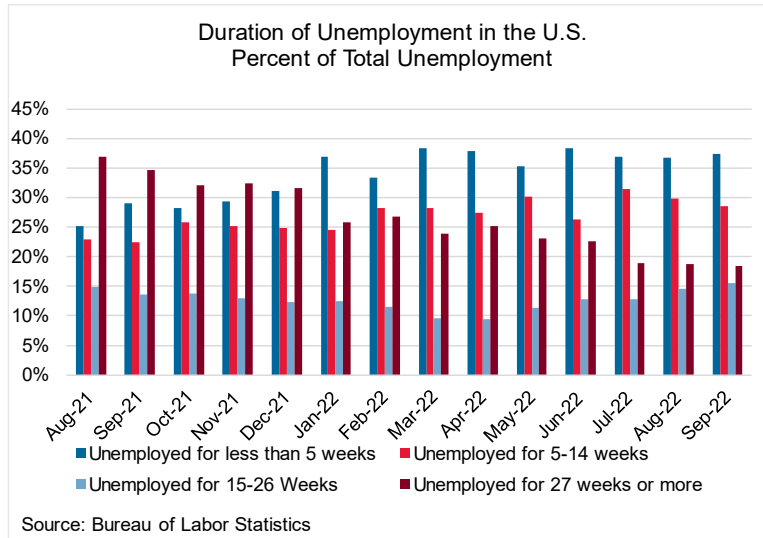


The **U.S. labor force participation rate** decreased by 0.1 percentage point to 62.3 percent in September. The employment-population ratio was unchanged, remaining at 60.1 percent. Both measures remain below February 2020 levels by 1.1 percentage points.

The **U.S. unemployment rate** decreased 0.2 percentage points to 3.5 percent. The number of unemployed individuals decreased to 5.8 million. The unemployment rate decreased for all racial groups; the largest decreases were for individuals who identify as Hispanic, down 0.7 percentage points, and for individuals who identify as Black, down 0.6 percentage points. The unemployment rate for individuals who identify as Asian and White decreased 0.3 and 0.1 percentage points, respectively. The unemployment rate for women decreased 0.2 percentage points between August and September. For men, the unemployment rate decreased 0.2 percentage points. The unemployment rate for teenagers increased by 1 percentage points.

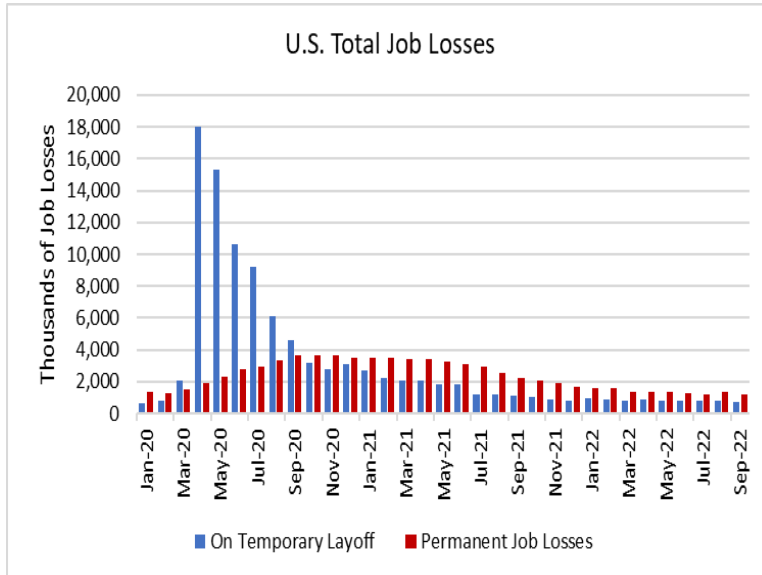
Unemployment Rates by Demographic Group

	July-22	August-22	September-22
Women	3.1%	3.3%	3.1%
Men	3.2%	3.5%	3.3%
Teenagers, 16-19	11.5%	10.4%	11.4%
Black	6.0%	6.4%	5.8%
White	3.1%	3.2%	3.1%
Asian	2.6%	2.8%	2.5%
Hispanic	3.9%	4.5%	3.8%



In September, 18.5 percent of unemployed individuals were unemployed for 27 or more weeks. This measure increased by 70,000 and has now returned to its February 2020 level.

The number of **people not in the labor force who currently want a job** decreased by 6.1 percent to 5.8 million, 838,000 people more than in February 2020.



The number of unemployed people who were on **temporary layoff** decreased to 758,000 in September, 22,000 lower than in February 2020.

The number of people with **permanent job losses** decreased by 173,000 in September to 1.2 million and is 114,000 less than in February 2020.

Consumer Income and Consumption

Personal income increased by \$71.6 billion (0.3%) in August to \$21.9 trillion. Gains in August were due to increases in employees' compensation of \$46.8 billion (0.3%).

\$21.9 Trillion

Personal consumption expenditures increased by \$67.5 billion (0.4%) between July and August. Overall spending on goods decreased 0.5 percent. Spending on durable goods increased 0.1 percent, which was primarily attributed to increases in motor vehicles and parts (1.0%) and moderate decreases in spending in other categories like furnishings and durable household equipment (0.3%). Spending on nondurable goods decreased 0.8 percent which was primarily driven by a decrease in spending on gasoline and other energy goods (-8.1%). Spending on services increased 0.8 percent in August, primarily due to transportation services (3.7%), housing and utilities (1.0%), and financial services and insurance (0.9%).

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

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

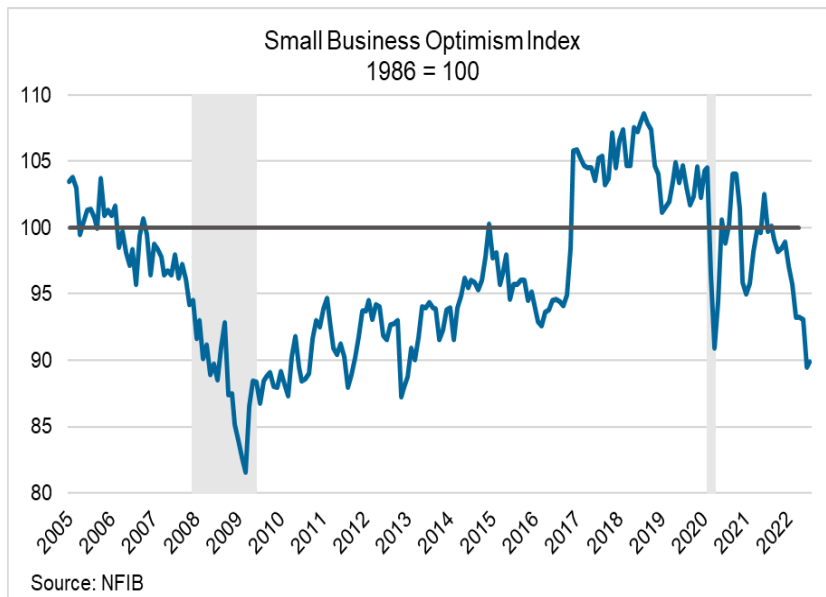
	July 2022	August 2022	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$2,264,582	\$2,256,295	-0.4%	2.9%	8.9%
Motor vehicles and parts	\$561,950	\$564,630	0.5%	1.5%	-1.7%
Furnishings and durable household equipment	\$522,658	\$517,733	-0.9%	-2.6%	2.5%
Recreational goods and vehicles	\$919,693	\$913,875	-0.6%	8.8%	20.5%
Other durable goods	\$346,376	\$343,700	-0.8%	3.9%	24.4%
Nondurable Goods	\$3,292,266	\$3,290,208	-0.1%	-2.2%	5.9%
Clothing and footwear	\$491,465	\$491,345	0.0%	-0.3%	19.6%
Gasoline and other energy goods	\$418,654	\$427,471	2.1%	-2.0%	9.0%
Other nondurable goods	\$1,325,293	\$1,315,247	-0.8%	0.2%	6.9%
Services	\$8,734,385	\$8,755,926	0.2%	3.0%	11.0%
Food services and accommodations	\$908,764	\$908,965	0.0%	4.9%	28.9%
Other Services	\$1,210,735	\$1,206,767	-0.3%	4.1%	18.3%
Health Care	\$2,256,438	\$2,299,065	0.4%	1.9%	9.1%

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

Personal saving was \$652.8 billion in August 2022, a marginal decline compared to July’s revised level and was 33 percent below the February 2020 level. The **personal savings rate** was 3.5 percent in August, unchanged from July’s revised estimate.

The **Consumer Price Index for All Urban Consumers (CPI)** showed an increase of 0.1 percent in August, which followed no change in July. The “all items” index has increased 8.2 percent over the last 12 months. In August, energy prices fell 5 percent compared to July.

Consumer opinion surveys reported increases in consumer confidence in September. Respondents in the University of Michigan’s **Survey of Consumers** reported a 2.2 percent increase in consumer sentiment to 59.5 compared to August. Most of September’s increase can be attributed to year-ahead expectations and the recent deceleration in inflation. The Conference Board’s **Consumer Confidence** Index increased by 4.4 points to 108 in August. This was the second consecutive increase, as consumers’ saw declining fuel prices in September when compared to previous months.



The **Small Business Optimism Index** rose 1.9 points to 91.8 in August. This is the eighth consecutive month that the index was below 98, the 48-year average, but reversed some of the declines in the last six months. Inflation was identified as the single most important problem by 29 percent of respondents, an eight-point decrease from July. Small business owners continue to report that they are struggling to hire as 49 percent of

owners reported job openings that could not be filled, the same level as July. Additionally, the Uncertainty Index increased by 7 points in August, as more owners are unsure of what is ahead.

Travel and Tourism

Average airline checkpoint traffic for the month of September decreased 5.6 percent from August. **Total travel throughput** in September 2022 was 23.1 percent higher than in September 2021 but was 5.9 percent lower than September 2019.

The **hotel occupancy rate** for the week ending September 24, 2022, was 70 percent, which was 1.5 percent below the comparable week in 2019. The **average daily rate** for a hotel room was \$157.99, a 15.7 percent increase from 2019. **Revenue per available room** was \$110.60, which was 13.9 percent more than in 2019.

Ohio **turnpike passenger vehicle miles traveled** between September 1-25, 2022, increased 7.1 percent compared to the same period in 2021 and increased 15.3 percent compared to the same period in 2019. **Turnpike commercial vehicle miles traveled** in Ohio between September 1-25, 2022, increased 5.1 percent compared to 2021 and increased 17.1 percent compared to the same period in 2019. **Total turnpike revenue** from September 1-25, 2022, increased 10.9 percent compared to the same period in 2021 and was 24.8 percent higher than 2019.

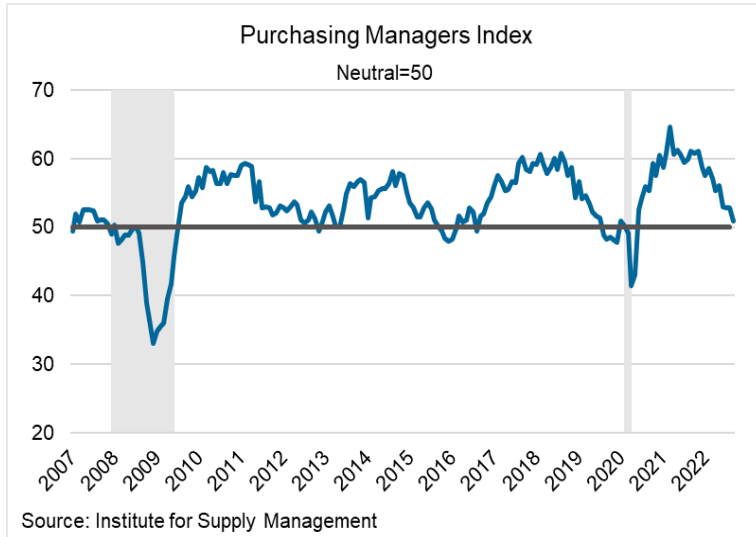
Industrial Activity

According to the Board of Governors of the Federal Reserve System, **total industrial production** decreased 0.2 percent between July and August and was 3.7 percent higher than in August 2021. The total index was 2.8 percent above levels in February 2020.

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

Manufacturing Sector	Percent Change June to July 2022	Percent Change July to August 2022	Percent Change August 2021 to August 2022
Aerospace and Other Transportation Equipment	1.9%	2.1%	8.5%
Chemicals	0.6%	0.3%	3.0%
Electrical Equipment	-1.4%	-1.0%	2.8%
Fabricated Metal Products	1.7%	-0.9%	3.6%
Food Beverage and Tobacco Products	0.1%	-1.0%	1.4%
Machinery	0.7%	1.0%	3.1%
Motor Vehicles and Parts	3.2%	-1.4%	10.2%
Petroleum and Coal	-0.2%	3.6%	2.3%
Plastics and Rubber Products	1.8%	0.1%	5.8%
Primary Metals	0.4%	-0.4%	-0.7%

The **Manufacturing Production Index** increased 0.1 percent in August to 102.2 and was 3.3 percent higher than the August 2021 level. Nationally, manufacturing in five of Ohio's top 10 industries increased production between July and August. Increases in petroleum and coal products (3.6%), aerospace and other transportation equipment (2.1%), and machinery (1.0%) were partially offset by decreases in motor vehicles and parts (-1.4%), electrical equipment (-1.0%), food, beverage, and tobacco products (-1.0%), and fabricated metal products (-0.9%) industries.



In September 2022, the Institute for Supply Management reported that the **Purchasing Managers Index (PMI)** for the United States was at 50.9, a decrease of 1.9 points from August’s reading. The index remains above 50, indicating an overall expansion of the economy for the 28th consecutive month.

Across the nation, eight of the 10 industries most important to Ohio manufacturing reported growth in the last month, with plastics and

rubber products, food, beverage, and tobacco products, transportation equipment, and machinery leading the way. The two industries reporting contraction were fabricated metal products and chemical products.

Anecdotal evidence from purchasing and supply executives nationwide surveyed by Institute for Supply Management (ISM) suggested that many in the manufacturing industry are adjusting to potentially lower demand in the future.

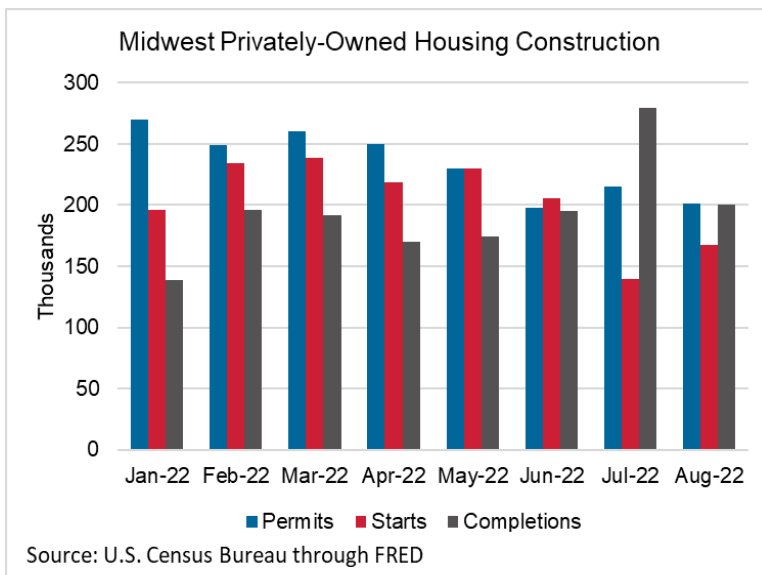
“Concerns of global economic slowdown are growing, and (we are) experiencing some customers pulling back orders. [Chemical Products]”

“Business continues to be strong. Some commodities within the supply chain are starting to stabilize, while others are still causing disruption for production. Electrical and wiring components continue to cause significant issues. (We) cannot run as consistently as we would like. [Electrical Equipment, Appliances & Components]”

Ohio and Midwest Construction and Housing Market

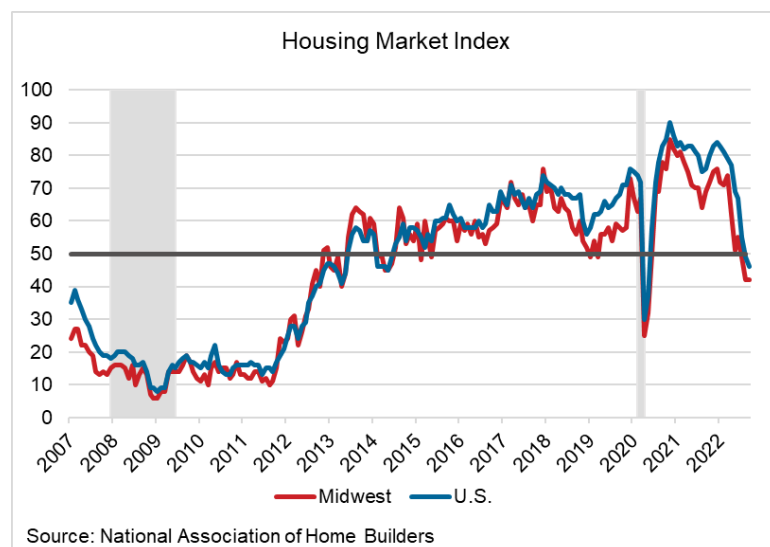
In Ohio, **building permits** for privately-owned housing units decreased 3.4 percent between July and August and were 21 percent below the number of permits issued in August 2021. Privately-owned housing starts in the Midwest increased 19.3 percent between July and August but were 14.8 percent below August 2021 levels.

In August, privately-owned housing completions in the Midwest decreased 28.3 percent compared to July and were 22 percent above August 2021.



New home sales in the Midwest increased 16.7 percent between July and August and were 5 percent above August 2021.

Activity in the Ohio housing market continued to pull back in August and is showing signs of stabilizing. Total sales in August were 6.4 percent below August 2021 and the average sale price in Ohio was \$267,659, a 6.9 percent increase compared to August 2021, suggesting the market remains competitive.



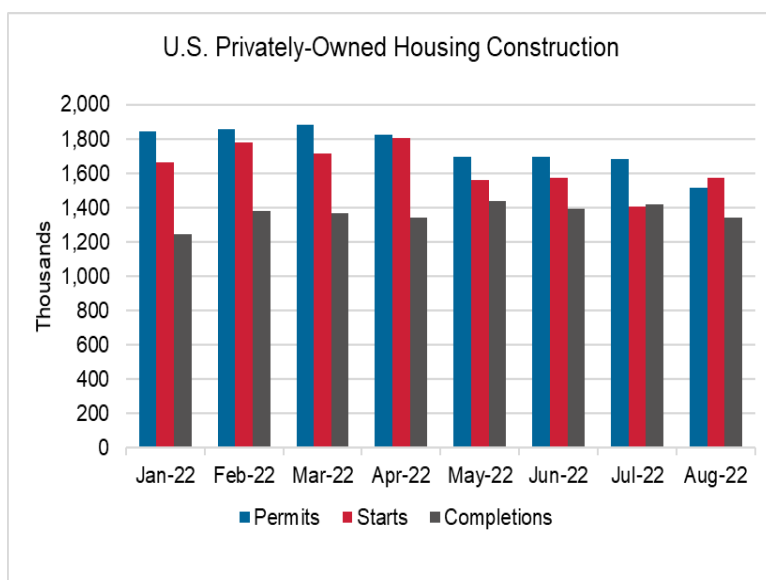
The **Housing Market Index** in the Midwest was unchanged in September at 42. The Midwest Index was four points lower than the national level in September. Higher mortgage interest rates and elevated construction costs have brought both the national and regional indices below the 50-year average, signaling it is in contraction.

U.S. Construction and Housing Market

The U.S. Census Bureau estimated **total construction spending** in August 2022 at \$1.8 trillion, which was 0.7 percent below the revised July estimate. The August 2022 estimate was 8.5 percent above August 2021 and 19.8 percent above August 2020.

Public sector construction spending in August was at a seasonally adjusted annual total of \$355.3 billion. This was 0.8 percent above the revised July estimate and 3.3 percent above the August 2021 estimate. Spending in August on educational construction was 0.4 percent below July's revised value and 3 percent below August 2021. Highway construction spending in August was 1.4 percent below the revised July value and 1.7 percent above August 2021.

Private sector construction spending in August was at a seasonally adjusted annual rate of \$1.4 trillion. This was 0.6 percent below the revised July estimate but 9.9 percent above the August 2021 level. Residential construction in August decreased 0.9 percent from July but was 12.5 percent above August 2021. Nonresidential construction in August decreased 0.1 percent from the revised July estimate and was 5.5 percent above August 2021.



In the U.S., **building permits** for privately-owned housing units decreased 10 percent between July and August, and were 14.4 percent below the number of permits issued in August 2021.

Nationally, privately-owned housing starts increased 12.2 percent between July and August and were 0.1 percent below August 2021 levels.

In August, **newly built single-family home sales** increased 28.8 percent compared to July

and were 0.1 percent below sales in August 2021. The national median sales price in August 2022 was \$436,800, a 6.3 percent decrease compared to July and was 8 percent more compared to August 2021.

Existing home sales, as reported by the National Association of Realtors, decreased 0.4 percent in August compared to July. August's existing home sales declined to 4.8 million housing units, a 19.9 percent decrease from August 2021. The median sale price of all existing homes rose 7.7 percent from a year ago to \$389,500. August 2022 was the 126th consecutive month of year-over-year increases in existing median home sale prices. Available inventory in August 2022 totaled 1.3 million units, a 1.5 percent decrease from July, and was unchanged from August 2021 inventory level.

Revenues

Total GRF tax revenues performed robustly in September, exceeding estimate by \$155.5 million (7.2%). Revenues have performed above expectations through the first quarter of FY 2023, exceeding the year-to-date estimate by 3.6%. Personal income tax had the largest positive variance in September, exceeding the estimate by \$114.6 million (11.5%); in fact, this source accounted for 74 percent of the month’s total tax variance. September tax revenues also grew by \$136.4 million (6.2%) from last year, with income tax accounting for 57 percent of the increase. For the fiscal year-to-date, tax revenues have increased by \$369.9 million (5.7%).

Aggregate (tax and non-tax) GRF receipts and transfers totaled \$3.5 billion in September and were \$61.9 million (1.8%) above estimate. As noted above, tax revenues were above estimate. Non-tax receipts were \$93.5 million (-7.2%) below estimate. For the year-to-date, tax revenues and transfers are all above estimate, and non-tax revenues are below estimate, as shown in the table below.

**YTD and Percent Variance for Revenues
(\$ in Millions)**

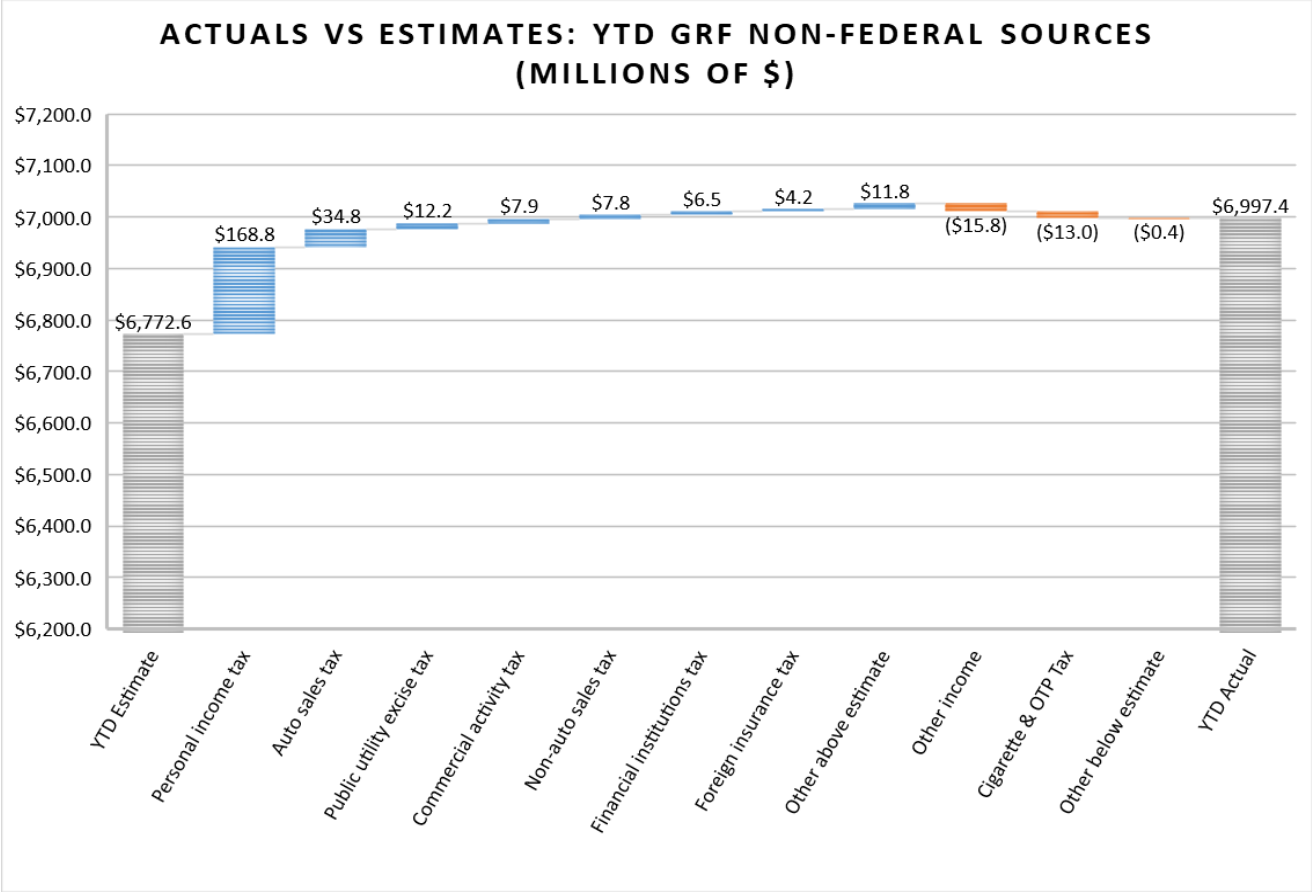
Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$238.2	3.6%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$46.0)	-1.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$0.6	12.7%
Total Revenue Variance:		\$192.8	1.8%
Non-Federal Revenue Variance		\$224.8	3.3%
Federal Grants Variance		(\$32.0)	-0.8%

The table below shows that sources above estimate (a positive variance of \$203.4 million) in September outweighed the size of sources below estimate (a negative variance of \$141.5 million), resulting in a \$61.9 million net positive variance from estimate.

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

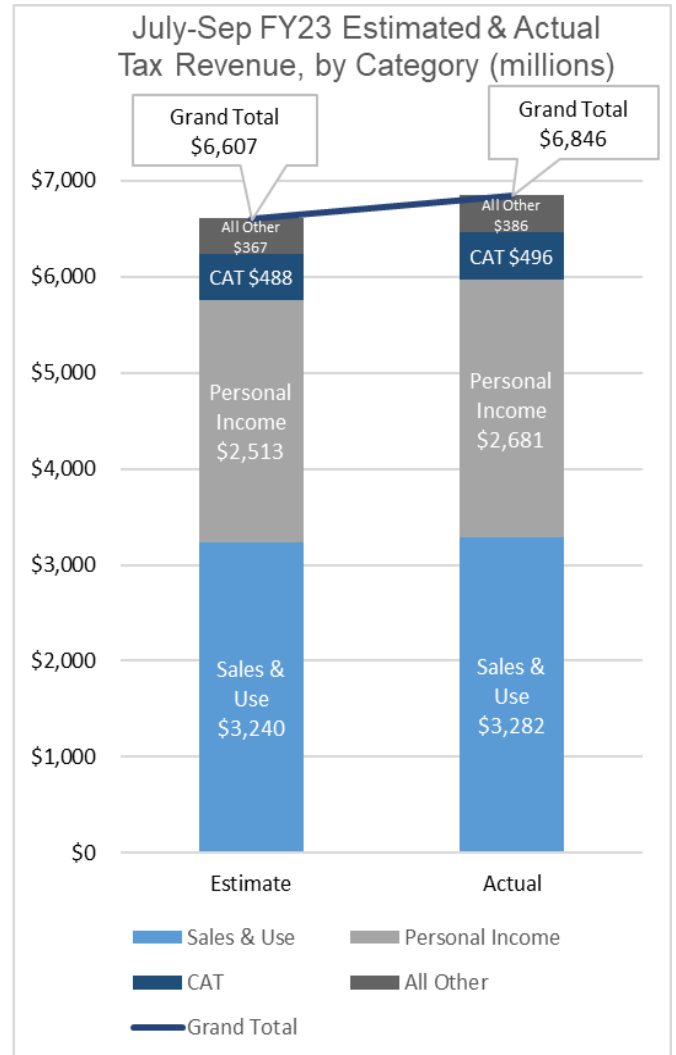
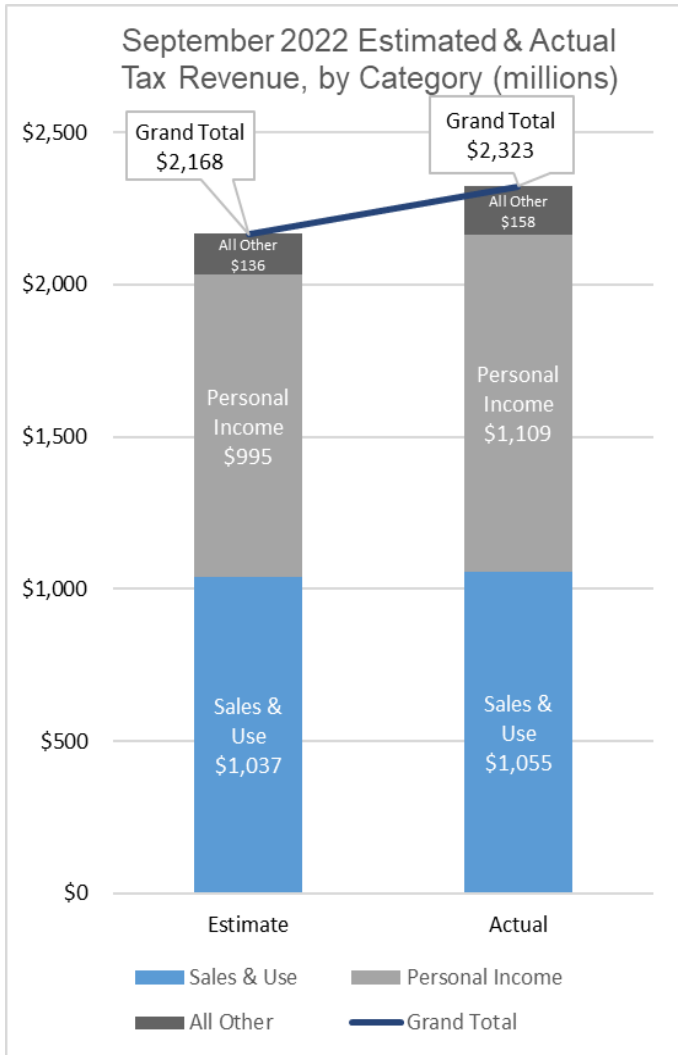
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Personal Income	\$114.6	Other Income	(\$125.2)
Federal Grants	\$33.1	Non-Auto Sales Tax	(\$9.5)
Auto Sales Tax	\$27.6	Cigarette and Other Tobacco Products Tax	(\$5.4)
Commercial Activity Tax	\$15.0	Other sources below estimate	(\$1.4)
Foreign Insurance Tax	\$4.7		
Public Utility Tax	\$2.7		
Alcoholic Beverage Tax	\$2.2		
Other sources above estimate	\$3.5		
Total	\$203.4	Total Below	(\$141.5)

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



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for fiscal year 2023 to date, with the net difference totaling \$224.8 million.

The following two graphs show the composition of estimated and actual GRF tax revenues for September 2022 and for the fiscal year-to-date. All tax sources are allocated among several major categories. The charts show the preponderant impact of the sales and use tax and the personal income tax on the GRF revenue structure. The graphs also show that personal income tax produced more revenue than the sales and use tax in September, although for the year-to-date the ranking is reversed.



For September, total receipts and transfers were \$540.5 million (18.1%) above the previous year. Tax receipts increased by \$136.4 million (6.2%) and non-tax receipts increased by \$410.6 million (51.4%). Transfers declined by \$6.6 million. For the year-to-date, tax receipts are \$369.9 million (5.7%) above last year and non-tax receipts are \$1.2 billion (36.3%) above the prior year. Transfers are \$36.3 million (-86.6%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during September was Federal grants, at \$525.3 million (78.8%) above last year. The next-largest increases were personal income tax at \$78 million (7.6%) and auto sales tax at \$24.3 million (15.9%). The largest declines were experienced by other income at \$127.1 million (-99.2%) and transfers in-other at \$6.6 million.

Non-Auto Sales Tax

September GRF non-auto sales and use tax collections totaled \$877.4 million and were \$9.5 million (-1.1%) below the estimate. Through September, the source is \$7.8 million (0.3%) above estimate. Revenues increased by \$12.1 million (1.4%) from last September. Year-to-date revenue is now \$64.9 million (2.4%) above fiscal year 2022. Following a 5.4 percent growth rate for August 2022 revenues, September's growth rate was closer to July's 0.6 percent rate. However, this is not a sign of declining consumption growth for the economy. Substantial year-over-year increases in refunds, issued during this fiscal year, reduced the growth rates of net post-refund revenues. This was particularly true in September, which experienced a \$63.2 million refund increase. If September refunds had been the same as the prior-year level, all-funds non-auto sales tax revenues would have grown by 7.4 percent instead of the actual 1.8 percent rate. Applying the same constant-refund calculation to the entire year-to-date, non-auto sales tax revenues would have increased by 6 percent rather than the actual 2.9 percent growth rate.



The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows larger year-over-year retail sales growth in August than in July. 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 an 8.4 percent year-over-year increase in national non-seasonally adjusted sales during August 2022. This compares to the year-over-year growth rate of 7.7 percent in July and 5.5 percent in June. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 5.8 percent, 1.2 percent, and 8.7 percent during August, July, and June, respectively.

The MARTS data also show modest retail sales growth on a month-over-month basis. Based on seasonally adjusted figures, August 2022 sales for the above-indicated retail categories increased by 0.1 percent from July, following a 0.6 percent increase from June.

Auto Sales Tax

September auto sales tax revenues were \$177.8 million, which is \$27.6 million (18.4%) above the estimate. This source is \$34.8 million (7.0%) above estimate for the fiscal year. Revenues were \$24.3 million (15.9%) above last September. For the year, revenues are \$22 million (4.3%) above fiscal year 2022.

The latest national unit sales figures remain consistent with levels observed throughout this year. According to the U.S. Department of Commerce's Bureau of Economic Analysis, new light vehicle sales in September reached 13.5 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 2.9 percent above August and up 9.6 percent from a year ago. On an unadjusted basis, September light vehicle unit sales were at 1.1 million units. This is 1 percent below August and is 9.5 percent above last September. New vehicle transaction prices are substantially higher than a year ago, but month-over-month growth has tapered. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$44,942 in September, up 5.7 percent relative to last year and down 0.1 percent from August.

Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during September to be 3 million, not annualized and not seasonally adjusted, down 4 percent from last month and down 11 percent from last year. Used vehicle prices have grown considerably since the onset of the pandemic, although year-over-year growth has dropped in recent months and has been declining on a month-over-month basis during this calendar year. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of September 2022 was just 0.6 percent higher than the previous year, and 2.3 percent below the preceding month. The index is at its lowest level since September 2021.

Ohio-specific data for the most recent available quarter continue to show an increase in used vehicle prices relative to the prior year but also indicate receding growth. According to quarterly motor vehicle transaction data from the Bureau of Motor Vehicles (BMV), the average taxable price of titled used motor vehicles increased by 0.8 percent in the third quarter of calendar year 2022 from the second quarter; in comparison, quarter-to-quarter growth was 2.1 percent, 3.4 percent, and 7.7 percent during Q2 2022, Q1 2022, and Q4 2021, respectively. Meanwhile, average new vehicle prices increased by 4.3 percent relative to the prior quarter, a stronger growth rate than experienced during the several preceding quarters.



The third-quarter data also show that aggregate used vehicle sales increased on a year-over-year basis, growing by \$127.4 million (2.1%). In Q3 2022, new vehicle sales ended four consecutive quarters of year-over-year declines with a \$283 million (8.8%) increase. All told, total new and used motor vehicle sales in the third quarter increased by \$410.4 million (4.5%) from last year. The year-over-year growth dynamics of the third quarter were like the four preceding quarters, with a decline in the number of unit sales but an increase in average prices.

Personal Income Tax

September GRF personal income tax receipts totaled \$1.1 billion and were \$114.6 million (11.5%) above the estimate. Every tax payment component performed above expectations during the month. For the year-to-date, revenue is \$168.8 million (6.7%) above estimate. On a year-over-year basis, September income tax collections increased by \$78 million (7.6%). Year-to-date revenue for FY 2023 is \$218.2 million (8.9%) above the prior year.

Withholding collections amounted to \$886.7 million in September and were \$38.3 million (4.5%) above estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$77.3 million (3.2%). This component was \$50.3 million (6.0%) above last September and is \$163.8 million (6.9%) above last year for the fiscal year-to-date. A three percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$215.4 million (9.0%) higher than the previous year if the withholding tax rate reduction had not taken effect.

The third quarterly estimated payment for calendar year 2022 was due in September, which is typically the second most significant month of the year for this tax payment component, eclipsed only by January's collections. September's estimated payments were \$48.9 million (23.5%) above estimate and were \$30 million (13.2%) above last year. Since April, when the first quarterly payment was due, estimated payments have exceeded projections by \$107.5 million (17.9%). They have grown by \$66.7 million (10.4%) relative to the same period of the prior year.



Annual return payments were \$21.1 million (127.8%) over the estimate during the month. For the year-to-date, collections are now \$28.9 (72.0%) above estimate. This component increased by \$3.6 million (10.6%) relative to last September and has increased by \$7.3 million (11.8%) for the fiscal year. Annual return collections are somewhat larger in October than September, since October is when taxpayers using filing extensions are required to file their annual tax return. The strong September outcome likely indicates a positive variance for October.

September refunds were \$0.9 million (-1.9%) below estimate for the month. For the elapsed filing season, refund payments are \$406.9 million (-16.5%) below estimate. The month's refunds were \$6.3 million (15.7%) above last year. Refunds for the current fiscal year have decreased by \$9.2 million (-7.3%) from FY 2022 while for the filing season they have increased by \$348 million (20.3%).

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

	Actual Sept	Estimate Sept	\$ Var	Actual Sept-2022	Actual Sept-2021	\$ Var Y-to-Y
Withholding	\$886.7	\$848.4	\$38.3	\$886.7	\$836.4	\$50.3
Quarterly Est.	\$256.7	\$207.8	\$48.9	\$256.7	\$226.7	\$30.0
Annual Returns / 40 P	\$37.6	\$16.5	\$21.1	\$37.6	\$34.0	\$3.6
Trust Payments	\$10.5	\$6.8	\$3.5	\$10.5	\$7.7	\$2.6
Other	\$8.7	\$5.5	\$3.2	\$8.7	\$8.0	\$0.7
Less: Refunds	(\$46.6)	(\$47.5)	\$0.9	(\$46.6)	(\$40.3)	(\$6.3)
Local Distributions	(\$44.0)	(\$42.7)	(\$1.3)	(\$44.0)	(\$41.1)	(\$2.9)
Net to GRF	\$1,109.4	\$994.8	\$114.6	\$1,109.4	\$1,031.4	\$78.0

Commercial Activity Tax

September GRF revenues from the Commercial Activity Tax (CAT) were \$15 million (138.0%) above the estimate, offsetting a \$7.1 million negative variance in August. Revenues are \$7.9 million (1.6%) above estimate for the fiscal year. CAT revenue in September increased by \$12 million (85.8%) from last year while fiscal year-to-date revenue is \$40.2 million (8.8%) above the previous year.

Most CAT revenue comes from quarterly tax payments, so it is useful to analyze the tax in quarterly increments. Since the fiscal year has elapsed by exactly one quarter, the year-to-date figures cited above apply to the first quarter. This marks the eighth consecutive quarter with a positive variation from estimate. Although growth in the first quarter of FY 2023 was more modest than the elevated levels displayed throughout FY 2022, the year-over-year growth rate was quite respectable relative to historical trend. Furthermore, revenue volume reached an all-time high for the first quarter of any fiscal year.



GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.2 billion and were \$93.5 million (-7.2%) below estimate for the month of September. Year-to-date non-tax receipts totaled \$4.3 billion and were \$46 million (-1.1%) below estimate.

The monthly variance was driven by the Other Income category, which was \$125.2 million (-99.2%) below estimate for the month due to timing of the JobsOhio deferred payment from liquor profits. This payment was estimated for September but occurred in August.

Revenue from Federal grants totaled \$1.2 billion in September and was \$33.1 million (2.9%) above estimate. This variance was primarily attributable to the timing of revenue deposits as some revenue estimated for August posted in September.

10/5/2022

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ESTIMATE FY 2023
(\$ 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	877,431	886,900	(9,469)	-1.1%	2,747,706	2,739,900	7,806	0.3%
Auto Sales & Use	177,841	150,200	27,641	18.4%	534,782	500,000	34,783	7.0%
Subtotal Sales & Use	1,055,272	1,037,100	18,172	1.8%	3,282,488	3,239,900	42,588	1.3%
Personal Income	1,109,359	994,800	114,559	11.5%	2,681,285	2,512,501	168,785	6.7%
Corporate Franchise	34	0	34	N/A	(20)	200	(220)	-109.9%
Financial Institutions Tax	(2,425)	(4,000)	1,575	39.4%	(1,795)	(8,300)	6,505	78.4%
Commercial Activity Tax	25,947	10,900	15,047	138.0%	495,726	487,800	7,926	1.6%
Petroleum Activity Tax	2,538	1,700	838	49.3%	2,538	1,700	838	49.3%
Public Utility	2,703	0	2,703	N/A	44,100	31,900	12,200	38.2%
Kilowatt Hour	29,932	28,900	1,032	3.6%	82,574	78,900	3,674	4.7%
Natural Gas Distribution	0	0	0	N/A	13,899	12,400	1,499	12.1%
Foreign Insurance	13,380	8,700	4,680	53.8%	13,807	9,600	4,207	43.8%
Domestic Insurance	0	0	0	N/A	17,530	17,500	30	0.2%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	74,822	80,200	(5,378)	-6.7%	179,634	192,600	(12,967)	-6.7%
Alcoholic Beverage	6,559	4,400	2,159	49.1%	19,117	15,900	3,217	20.2%
Liquor Gallonage	4,848	4,800	48	1.0%	14,713	14,800	(86)	-0.6%
Estate	0	0	0	N/A	5	0	5	1309.1%
Total Tax Receipts	2,322,970	2,167,500	155,470	7.2%	6,845,603	6,607,402	238,201	3.6%
NON-TAX RECEIPTS								
Federal Grants	1,191,903	1,158,797	33,106	2.9%	4,174,847	4,206,850	(32,004)	-0.8%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	2,226	3,523	(1,297)	-36.8%	10,584	8,670	1,914	22.1%
Other Income	1,034	126,250	(125,215)	-99.2%	121,806	137,644	(15,838)	-11.5%
ISTV'S	13,783	13,900	(117)	-0.8%	13,784	13,901	(116)	-0.8%
Total Non-Tax Receipts	1,208,946	1,302,470	(93,524)	-7.2%	4,321,021	4,367,065	(46,044)	-1.1%
TOTAL REVENUES	3,531,916	3,469,970	61,947	1.8%	11,166,624	10,974,467	192,157	1.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	5,635	5,000	635	12.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	0	0	N/A	5,635	5,000	635	12.7%
TOTAL SOURCES	3,531,916	3,469,970	61,947	1.8%	11,172,259	10,979,467	192,792	1.8%

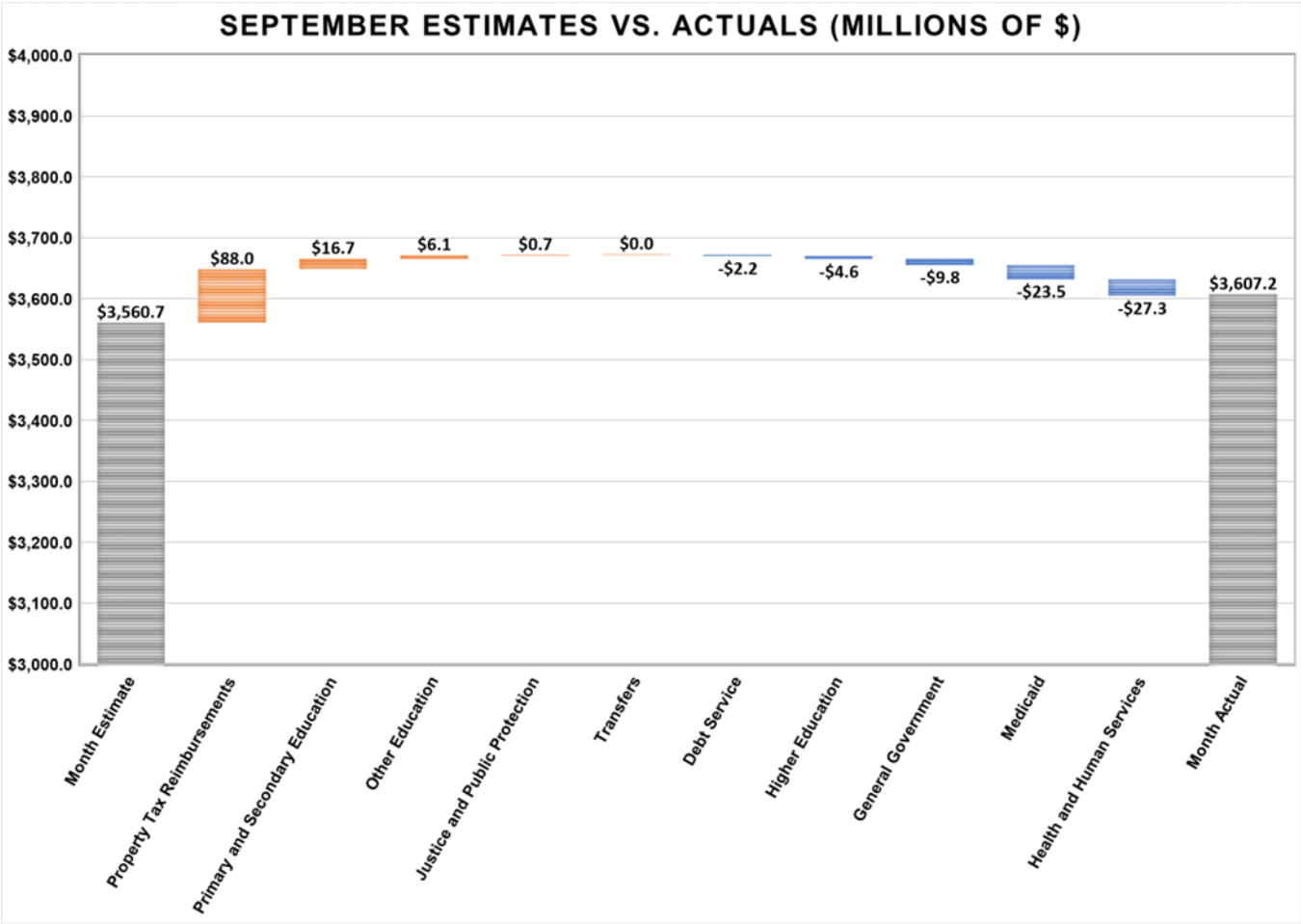
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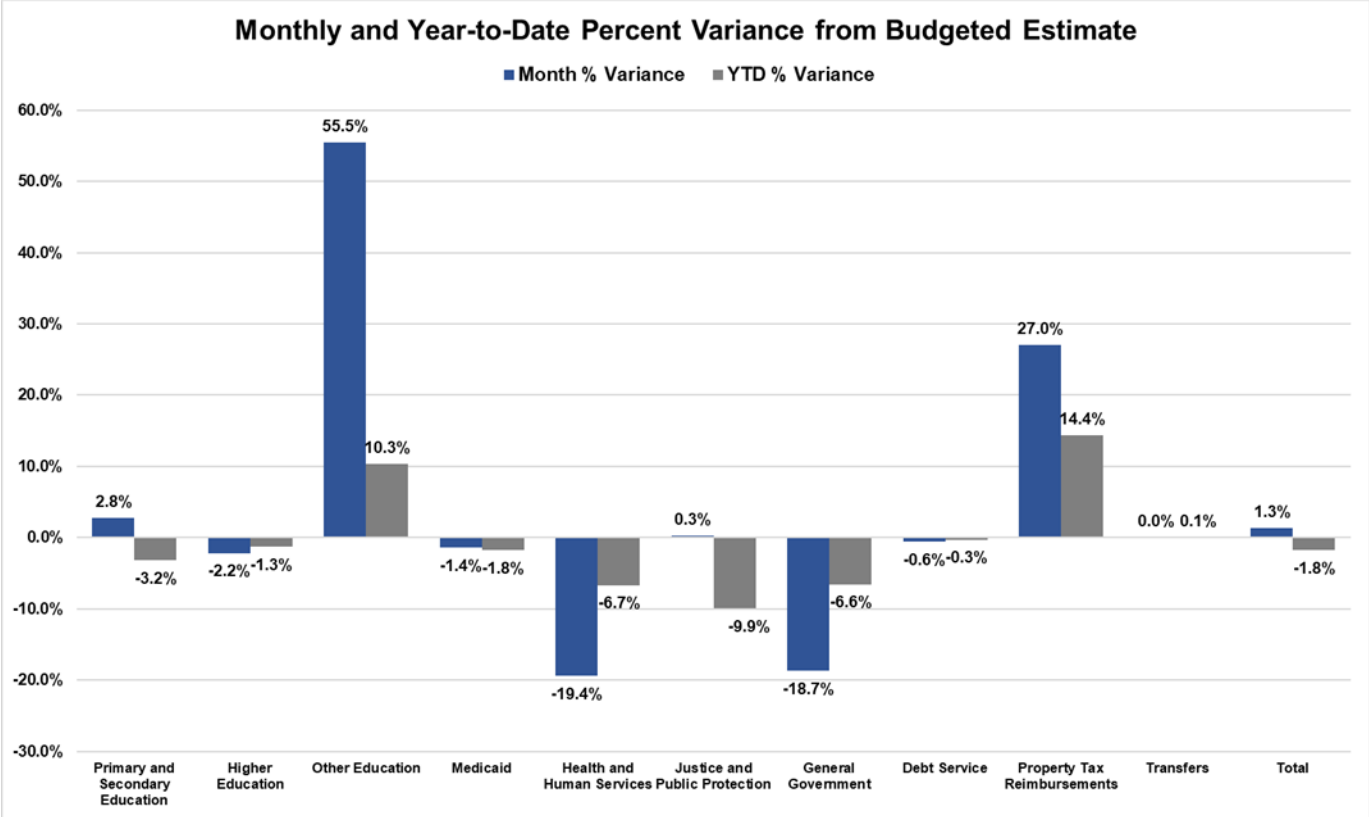
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2023 VS ACTUAL FY 2022
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	SEPTEMBER	SEPTEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2023	FY 2022	VAR	VAR	FY 2023	FY 2022	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	877,431	865,294	12,137	1.4%	2,747,706	2,682,774	64,932	2.4%
Auto Sales & Use	177,841	153,508	24,333	15.9%	534,782	512,793	21,989	4.3%
Subtotal Sales & Use	1,055,272	1,018,802	36,470	3.6%	3,282,488	3,195,567	86,922	2.7%
Personal Income	1,109,359	1,031,409	77,950	7.6%	2,681,285	2,463,063	218,222	8.9%
Corporate Franchise	34	28	7	24.5%	(20)	435	(455)	-104.5%
Financial Institutions Tax	(2,425)	(3,382)	957	28.3%	(1,795)	(3,405)	1,611	47.3%
Commercial Activity Tax	25,947	13,969	11,978	85.8%	495,726	455,543	40,183	8.8%
Petroleum Activity Tax	2,538	1,425	1,113	78.1%	2,538	1,425	1,113	78.1%
Public Utility	2,703	(277)	2,980	1074.4%	44,100	34,600	9,500	27.5%
Kilowatt Hour	29,932	24,429	5,503	22.5%	82,574	77,859	4,715	6.1%
Natural Gas Distribution	0	0	0	N/A	13,899	12,874	1,025	8.0%
Foreign Insurance	13,380	10,731	2,648	24.7%	13,807	10,737	3,070	28.6%
Domestic Insurance	0	36	(36)	N/A	17,530	1,650	15,880	962.6%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	74,822	79,468	(4,645)	-5.8%	179,634	191,712	(12,078)	-6.3%
Alcoholic Beverage	6,559	5,104	1,455	28.5%	19,117	18,637	479	2.6%
Liquor Gallonage	4,848	4,811	37	0.8%	14,713	15,005	(292)	-1.9%
Estate	0	1	(1)	N/A	5	4	2	49.1%
Total Tax Receipts	2,322,970	2,186,554	136,417	6.2%	6,845,603	6,475,705	369,898	5.7%
NON-TAX RECEIPTS								
Federal Grants	1,191,903	666,552	525,351	78.8%	4,174,847	3,012,930	1,161,917	38.6%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	2,226	3,497	(1,271)	-36.3%	10,584	8,916	1,668	18.7%
Other Income	1,034	128,158	(127,124)	-99.2%	121,806	147,841	(26,035)	-17.6%
ISTV'S	13,783	120	13,663	11428.7%	13,784	203	13,581	6683.9%
Total Non-Tax Receipts	1,208,946	798,326	410,620	51.4%	4,321,021	3,169,890	1,151,131	36.3%
TOTAL REVENUES	3,531,916	2,984,880	547,036	18.3%	11,166,624	9,645,595	1,521,029	15.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	6,585	(6,585)	N/A	5,635	41,895	(36,260)	-86.6%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	6,585	(6,585)	N/A	5,635	41,895	(36,260)	-86.6%
TOTAL SOURCES	3,531,916	2,991,465	540,452	18.1%	11,172,259	9,687,491	1,484,769	15.3%

Disbursements

September GRF disbursements, across all uses, totaled \$3.6 billion and were \$46.5 million (1.3%) above estimate. This variance was primarily attributable to above estimate disbursements in Property Tax Reimbursements, which was partially offset by below estimated disbursements in Health and Human Services, Medicaid, and General Government. On a year-over-year basis, September total uses were \$1.1 billion (46.8%) higher than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.





Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. September disbursements for this category totaled \$616.3 million and were \$16.7 million (2.8%) above estimate. This variance was primarily attributable to payments for educational choice scholarship programs, which were \$7.5 million (29.4%) above estimate due to an increased demand for scholarships and the department processing payments faster than anticipated. These programs provide scholarship funding for eligible students to attend a chartered nonpublic school or to receive special education services from a private provider. Payments to schools and providers are made monthly, and student applications are continually reviewed by the Department.

\$616.3 MILLION

Year-to-date disbursements were \$2.2 billion, which were \$73.5 million (-3.2%) below estimate. On a year-over-year basis, disbursements in this category were \$299.7 million (94.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$135.5 million (6.4%) higher than the same point in FY 2022. This year-over-year variance was primarily attributable to an additional school foundation payment occurring in September of FY 2023 compared to September of FY 2022.

Medicaid

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

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 \$1.6 billion and were \$23.5 million (-1.4%) below estimate and \$677.7 million (71.0%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements were \$105 million (-1.8%) below estimate.

The monthly GRF variance was due primarily to general underspending within the managed care program, which was mostly attributable to a delayed reconciliation payment with managed care organizations. This reconciliation payment was estimated to occur in August but will likely occur in October instead. Managed care caseloads remain close to estimate and were 5,800 (-0.2%) below estimate in September. Partially offsetting this variance was above estimate spending in the fee-for-service program, which was mostly attributable to the timing of some payments in the Medicaid Schools Program disbursing earlier than anticipated. Fee-for-service caseloads are slightly above estimate, also contributing to the above estimate spending. Fee-for-service caseloads were 8,000 (2.3%) above estimate in September.

The year-over-year variance was due primarily to the timing and use of non-GRF funding sources—FY 2022 used more non-GRF funding sources in September when compared with FY 2023—and increased costs associated with the pandemic. Notably, caseloads are approximately 185,900 higher than a year ago.

September all-funds disbursements for the Medicaid Program totaled \$2.7 billion and were \$48.5 million (-1.8%) below estimate and \$385.7 million (-12.5%) below disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements were \$207.5 million (-2.5%) below estimate.

The all-funds monthly variance was primarily attributable to delays in some administration related payments as well as the delayed reconciliation payment mentioned above. Partially offsetting some of the variance was above estimate payments in the fee-for-service program, notably in the Medicaid Schools Program as previously noted. The year-over-year variance was primarily due to increased costs associated with the pandemic.

**Current Month’s Disbursement Variance by Funding Source
(\$ in Millions)**

	September Estimate	September Actual	Variance	Variance %
GRF	\$1,656.2	\$1,632.8	-\$23.5	-1.4%
Non-GRF	\$1,090.2	\$1,065.3	-\$25.0	-2.3%
All-Funds	\$2,746.5	\$2,698.0	-\$48.5	-1.8%

**Totals may not add due to rounding*

Medicaid Enrollment

Total September enrollment was 3.46 million, which was 4,550 (0.1%) above estimate and 185,900 (5.7%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.44 million and was 3,100 (0.1%) above estimate.

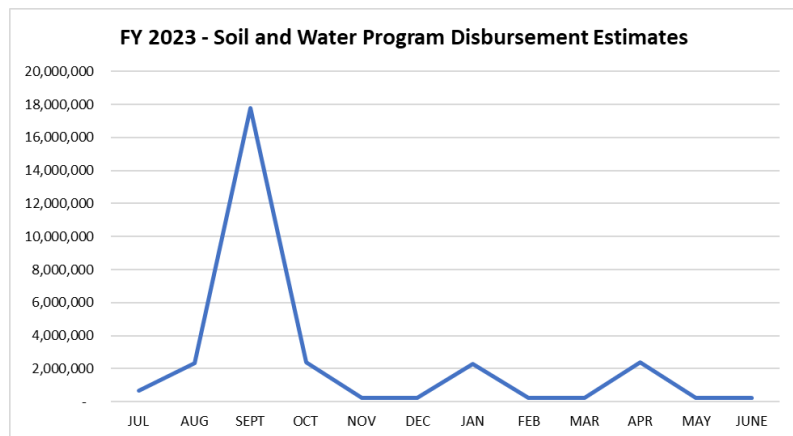
September enrollment by major eligibility category was: Covered Families and Children, 1.88 million; Group VIII Expansion, 927,950; and Aged, Blind and Disabled, 508,575.

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

Department of Agriculture

The Department of Agriculture's GRF budget consists of numerous programs, including Animal Health, Meat Inspection, the Consumer Protection Laboratory, and Ride Inspection. The Soil and Water Program accounts for 67.6 percent of the department's FY 2023 GRF appropriations. It includes payments to Ohio's Soil and Water Districts and the department's Soil and Water Division.

In September, the Soil and Water Program makes payments to farmers participating in the H2Ohio program. H2Ohio is a comprehensive, data-driven approach to improving water quality over the long term and ensuring safe and clean water for all Ohioans. Through the program, farmers are paid on a reimbursement basis after



Best Management Practices are verified, such as a Voluntary Nutrient Management Plan or Conservation Crop Rotation. The program also makes quarterly payments to the Soil and Water Conservation Districts for water and conservation program implementation. September disbursements totaled \$14.9 million for the program and were \$2.9 million (-16.5%) below estimate. This variance is due to subsidy payments to the Soil and Water Conservation Districts being made in October that were originally planned for September.

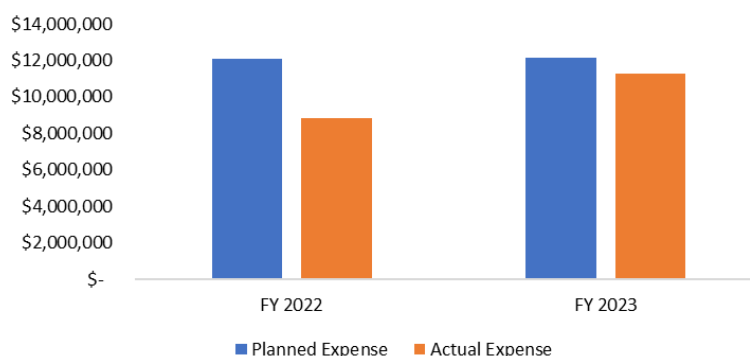
Department of Mental Health and Addiction Services

September disbursements for the Department of Mental Health and Addiction Services totaled \$37.1 million and were \$723,335 (-2.0%) below estimate. The variance is primarily attributable to below estimate disbursements in Criminal Justice Service programs which were \$1.1 million (-36.0%) below estimate. These programs create and strengthen links between the criminal justice and behavioral health systems to ensure individuals get the care they need. Specific programming includes grants to facilitate relationships, funding of specialized docket courts, including the Addiction Treatment Program, and re-entry programming. The distribution of grants occurs monthly or quarterly. To date, Mental Health and Addiction Services disbursed \$4.9 million to Criminal Justice Service programs. Disbursements for these programs will increase throughout the fiscal year in communities across Ohio.

Department of Health

Help Me Grow is an evidence-based voluntary family support program for pregnant women and new parents that promotes healthy growth and development for babies and children through home visiting. Home visitors are well-trained professionals who use a compassionate approach that empowers parents with skills, tools, and confidence to nurture the healthy growth of their children. The Department of Health received \$41.4 million in appropriation to conduct this program in FY 2023, a 5.2 percent increase from the previous biennium. Year-to-date the department disbursed \$11.3 million for home visiting services. This is \$851,000 lower than planned, but \$2.4 million higher than the previous year. The lower-than-expected disbursement occurred due to families and service providers currently deciding whether to meet virtually or in-person due to social distancing preferences. Virtual visits are less expensive and decrease the program's costs. In-person visits have continued to increase this fiscal year, hence the increased disbursement compared to last fiscal year, and the department expects it to continue to grow. The reduced expenditures have not impacted service levels. The program continues to serve over 8,000 families, which is a 5 percent increase from the previous year.

Help Me Grow - Planned v. Actual Expense in the 1st Quarter of FY 2022 & FY 2023



Ohio Public Defender Commission

September disbursements for The Ohio Public Defender Commission totaled \$27.9 million and were \$19.7 million (239.6%) above estimate. The variance was primarily attributable to a \$13.3 million payment used to reimburse Ohio counties for the costs of providing legal counsel to indigent persons in criminal and juvenile matters. This payment offset the below-estimate August disbursement. The Commission receives over 13,000 reimbursement submissions from counties in an average month.

Department of Rehabilitation and Correction

September disbursements for the Department of Rehabilitation and Correction totaled \$130.7 million and were \$17.9 million (-12.1%) below estimate. The largest variance in September was due to the agency's operation of correctional institutions, which includes costs such as payroll, facility maintenance, support services, security, and unit management. Operations were \$13.2 million (-11.7%) below estimate partly due to facilities using existing inventory before placing orders for supplies and equipment. Additionally, the agency continues to address a position vacancy rate over 9.1 percent, particularly in the correction officers and nursing ranks.

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 \$202 million and were \$688,000 (0.3%) above estimate. Year-to-date disbursements were \$691.9 million and were \$76 million (-9.9%) below estimate. On a year-over-year basis, disbursements in this category were \$23.3 million (13.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$16 million (2.4%) 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.

September disbursements in this category totaled \$42.6 million and were \$9.8 million (-18.7%) below estimate partly due to the Department of Agriculture processing payments to Ohio's Soil and Water Conservation Districts in October which had been planned for September. Year-to-date disbursements were \$129.5 million and were \$9.1 million (-6.6%) below estimate. On a year-over-year basis, disbursements in this category were \$8.7 million (-17.0%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$13.1 million (-9.2%) lower than at the same point in FY 2022.

Health and Human Services

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

September disbursements in this category totaled \$113.3 million and were \$27.3 million (-19.4%) below estimate primarily due to Job and Family Services payments, such as to the Governor's Imagination Library, posting in the previous month instead of September. Year-to-date disbursements were \$394.2 million and were \$28.2 million (-6.7%) below estimate. On a year-over-year basis, disbursements in this category were \$16.5 million (-12.7%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$27.5 million (7.5%) higher than at the same point in FY 2022.

Transfers Out

September transfers out totaled \$2.4 million, though none were estimated. Year-to-date transfers out totaled \$674.2 million and were \$453,000 (0.1%) above estimate. The monthly variance was primarily attributable to a \$2.3 million transfer out to the National Guard Scholarship Reserve Fund.

Higher Education

September disbursements in this category totaled \$208.4 million and were \$4.6 million (-2.2%) below estimate primarily due to lower-than-expected requests for reimbursement from higher education institutions for the Choose Ohio First, War Orphans and Severely Disabled Veterans' Children, and Ohio College Opportunity Grant scholarship programs. Year-to-date disbursements were \$608.2 million and were \$8.1 (-1.3%) below estimate. On a year-over-year basis, disbursements in this category were \$10.5 million (5.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$45.3 million (8.0%) 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. September property tax reimbursements totaled \$413.5 million and were \$88 million (27%) above estimate. Year-to-date disbursements totaled \$647.1 million and were \$81.5 (14.4%) above estimate. The year-to-date variance is primarily timing related and is expected to offset with lower than estimated payments later in the fiscal year.

Other Education

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

September disbursements in this category totaled \$17 million and were \$6.1 million (55.5%) above estimate partly due to the Ohio History Connection quarterly payment posting in September instead of October. Year-to-date disbursements were \$35.6 million and were \$3.3 (10.3%) above estimate. On a year-over-year basis, disbursements in this category were \$4.3 million (33.4%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$5.5 million (18.1%) higher than at the same point in FY 2022.

Debt Service

September payments for debt service totaled \$359 million and were \$2.2 million (-0.6%) below estimate. This variance is primarily attributable to variable rate bonds in the state's portfolio. Year-to-date disbursements in this category totaled \$821.6 million and were \$2.6 million (-0.3%) below estimate. On a year-over-year basis, disbursements were \$16.6 million (-4.4%) below the same period in the previous fiscal year while year-to-date expenditures were \$63.1 million (8.3%) higher than at the same point in FY 2022. Year-over-year variance was primarily attributable to the utilization of available cash resources to redeem outstanding General Obligation bonds to reduce the State's overall debt service obligations.

10/5/2022

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	SEPTEMBER	SEPTEMBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary and Secondary Education	616,271	599,548	16,723	2.8%	2,246,567	2,320,041	(73,474)	-3.2%
Higher Education	208,387	212,993	(4,606)	-2.2%	608,177	616,250	(8,073)	-1.3%
Other Education	17,023	10,948	6,075	55.5%	35,638	32,299	3,338	10.3%
Medicaid	1,632,757	1,656,250	(23,493)	-1.4%	5,851,023	5,956,005	(104,983)	-1.8%
Health and Human Services	113,332	140,640	(27,308)	-19.4%	394,246	422,432	(28,187)	-6.7%
Justice and Public Protection	201,969	201,282	688	0.3%	691,937	767,898	(75,961)	-9.9%
General Government	42,573	52,388	(9,815)	-18.7%	129,479	138,587	(9,108)	-6.6%
Property Tax Reimbursements	413,468	325,451	88,017	27.0%	647,074	565,610	81,464	14.4%
Debt Service	359,028	361,228	(2,200)	-0.6%	821,611	824,245	(2,634)	-0.3%
Total Expenditures & ISTV's	3,604,808	3,560,728	44,080	1.2%	11,425,752	11,643,369	(217,617)	-1.9%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	2,394	0	2,394	N/A	674,153	673,700	453	0.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	2,394	0	2,394	N/A	674,153	673,700	453	0.1%
Total Fund Uses	3,607,201	3,560,728	46,473	1.3%	12,099,905	12,317,069	(217,164)	-1.8%

10/5/2022

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	SEPTEMBER FY 2023	SEPTEMBER FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	616,271	316,597	299,673	94.7%	2,246,567	2,111,022	135,545	6.4%
Higher Education	208,387	197,873	10,514	5.3%	608,177	562,907	45,270	8.0%
Other Education	17,023	12,759	4,264	33.4%	35,638	30,187	5,450	18.1%
Medicaid	1,632,757	955,091	677,666	71.0%	5,851,023	4,353,108	1,497,914	34.4%
Health and Human Services	113,332	129,863	(16,531)	-12.7%	394,246	366,697	27,549	7.5%
Justice and Public Protection	201,969	178,651	23,318	13.1%	691,937	675,917	16,021	2.4%
General Government	42,573	51,311	(8,739)	-17.0%	129,479	142,591	(13,112)	-9.2%
Property Tax Reimbursements	413,468	239,931	173,537	72.3%	647,074	538,546	108,528	20.2%
Debt Service	359,028	375,666	(16,637)	-4.4%	821,611	758,497	63,114	8.3%
Total Expenditures & ISTV's	3,604,808	2,457,742	1,147,066	46.7%	11,425,752	9,539,472	1,886,280	19.8%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	2,394	0	2,394	N/A	674,153	2,941,052	(2,266,899)	-77.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	2,394	0	2,394	N/A	674,153	2,941,052	(2,266,899)	-77.1%
Total Fund Uses	3,607,201	2,457,742	1,149,459	46.8%	12,099,905	12,480,523	(380,618)	-3.0%

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

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

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

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

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

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

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Glossary

<p>Average Daily Rate</p>	<p>A measure of a hotel’s profit and performance, the average rate paid per hotel room that is occupied at United States hotel properties. It is calculated by dividing room revenue by rooms sold.</p>
<p>Back-to-Normal Index</p>	<p>Created by Moody’s Analytics and CNN to track the economic recovery. The national index includes 37 indicators of economic activity, combining the 25 traditional economic indicators used in Moody’s High Frequency GDP model, with 12 real-time indicators. Each state index is composed of a weighted average of the national index and six state-level indicators. Both indices range from zero, representing no economic activity, to 100 percent, indicating full economic recovery to pre-pandemic levels.</p>
<p>Beige Book</p>	<p>This report published by the Board of Governors of the Federal Reserve System evaluates current economic conditions across the 12 Federal Reserve districts in the United States, highlighting changes in economic conditions since the previous report.</p>
<p>Building Permits</p>	<p>The number of privately-owned housing units authorized for construction in Ohio or in the United States. Permits for a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters are included in this measure.</p>
<p>Consumer Confidence</p>	<p>The Conference Board’s measure reflects present and anticipated business conditions. The monthly report measures consumer attitudes, buying intentions, vacation plans, and consumers expectations on inflations, stock prices, and interest rates in the United States.</p>
<p>Consumer Price Index for All Urban Consumers</p>	<p>Computed by the Bureau of Labor Statistics, this index measures the average change in prices paid by consumers for goods and services over time. The index is based on spending patterns of urban consumers for more than 200 items and over 120 different combinations of items such as food and beverages, housing, and energy.</p>
<p>Continued and Extended Unemployment Claims</p>	<p>Continued unemployment claims include the number of Ohio residents filing for ongoing unemployment benefits for a period up to 26 weeks, after their initial claim. In some cases, the federal government may extend the period that unemployment benefits may be received, even if the worker has exhausted regular unemployment insurance period.</p>
<p>Employment Trends Index</p>	<p>The Conference Board’s Leading composite index indicates the direction of employment through the aggregation of eight leading employment indicators.</p>

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 (i.e., after-tax income) and personal outlays.
Personal Savings 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.
Turnpike Commercial Vehicle Miles Traveled	The number of miles traveled on the Ohio Turnpike by a commercial vehicle; a commercial vehicle is any car, truck, van, or other vehicle that a person uses to conduct business.

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