OBM

April 10, 2013

MEMORANDUM TO: The Honorable John R. Kasich, Governor
The Honorable Mary Taylor, Lt. Governor

FROM: Timothy S. Keen, Director TK

SUBJECT: Monthly Financial Report

ECONOMIC SUMMARY

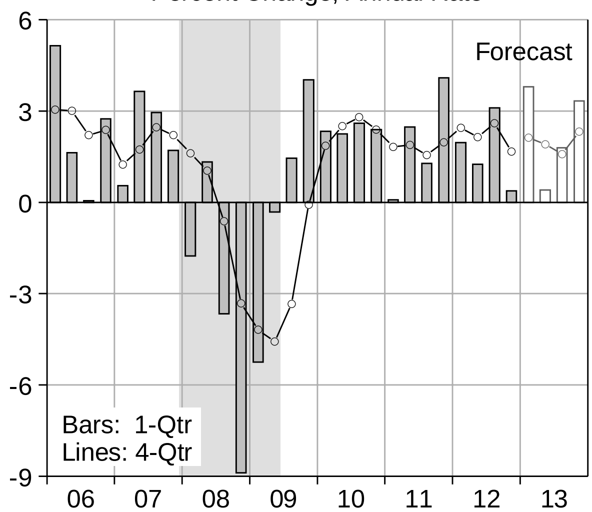
Economic Performance Overview

- Real GDP growth for the fourth quarter was revised upward again, this time to 0.4%. This followed a 3.1% increase in the third quarter. Forecasters now estimate that GDP accelerated in the first quarter of 2013.
- U.S. employment increased by 88,000 jobs in March, well below the average in recent months. The unemployment rate decreased by 0.1 point to 7.6%, reflecting the exit of a large number of job seekers form the labor force.
- Ohio employment increased by 16,100 jobs in February, following a total gain of 10,300 jobs in the two previous months. The Ohio unemployment rate was unchanged at 7.0% in February and was 0.7 percentage points below the national unemployment rate that month.
- Leading economic indicators have weakened recently, but remain consistent with uninterrupted growth at a modest pace across the country and especially in Ohio.

Economic Growth

Real GDP increased by 0.4% in the fourth quarter, a slight upward revision from the previous estimate of a 0.1% increase and the initial report of a 0.1% decrease. Real GDP grew at an annualized pace of approximately 1.7% in the second half of 2012, reflecting the 3.1% growth rate in the third quarter. Compared with a year earlier, real GDP was higher by just 1.7%, continuing the pattern of year-over-year deceleration that began in 2011.

Real GDP
Percent Change, Annual Rate



Source: IHS Global Insight, Apr-13

The consensus among analysts is that the lack of growth in real GDP during the fourth quarter resulted from one-time factors, and therefore does not represent the onset of sustained and broadening weakness in the economy. In fact, many major economic indicators improved in the first quarter, and analysts have revised first-quarter growth forecasts upward.

Since the expansion officially began in the second quarter of 2009, real GDP has advanced at an annual rate of 2.1% – the slowest pace during the first fourteen quarters of any expansion during the post-war period. In contrast, real GDP grew at a compound annual rate of 3.1% on average during the first fourteen quarters of expansion following the 1990-91 and 2001 recessions.

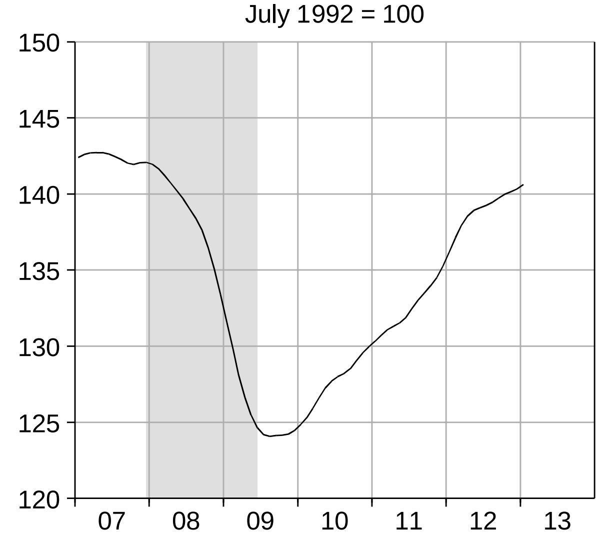
Real final sales growth slowed to 1.9% in the fourth quarter from 2.4% in the third quarter. Without the unusually large drop in defense spending, growth in real final sales would have been little changed from the third quarter. Since the expansion officially began in the second quarter of 2009, real final sales has increased at an annual rate of only 1.6% – the slowest pace by a notable margin among expansions in the post-war period that have lasted for at least fourteen quarters.

The consensus among forecasters is that real GDP growth picked up in the first quarter. Strong performance by retail sales and industrial production have pushed up estimates of first-quarter growth. Even so, forecasters project that the underlying rate of growth in real GDP is still about 2%, and that growth will increase modestly and not reach 3% until the fourth quarter of 2014, according to the March *Blue Chip Economic Indicators* consensus.

Leading indicators remain consistent with slow but uninterrupted growth through 2013. The four week moving average of the **Weekly Leading Index** increased in each of the three weeks ending March 22, lifting the 6-month smoothed rate of change to 6.6%. The growth rate remains below the recent peak of 8.8% reached at the end of January, but the index points toward continued growth immediately ahead.

The composite **Leading Economic Index** from the Conference Board tacked a 0.2% gain in January on top of a 0.5% increase in December. The 6-month smoothed rate of change moved up to 2.1% – the best since May. The recent pattern in the index is consistent with uninterrupted economic growth at a moderate pace.

Ohio Coincident Economic Index
July 1992 = 100

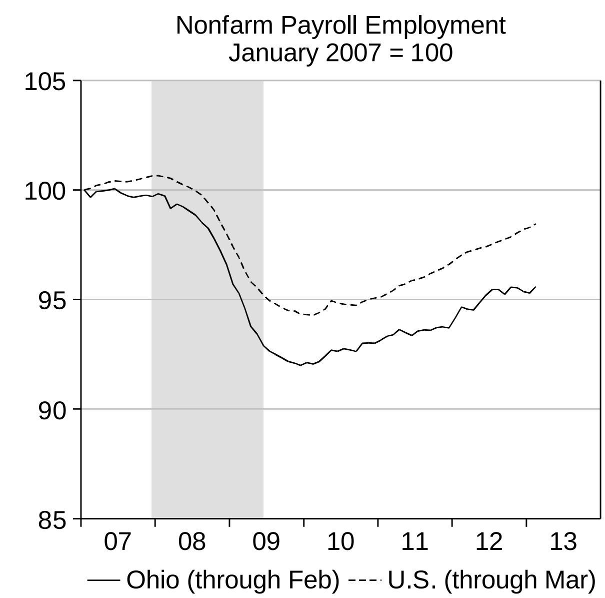


Source: Philadelphia Federal Reserve Bank

The Ohio economy continued to make progress through February, according to the **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia. The index increased 0.2% in February for the fifth consecutive gain at that pace. Compared with a year earlier, the index was higher by 2.5%. The state coincident index combines four state-level indicators to summarize current economic conditions. The four components are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate and real wage and salary disbursements.

Across the country, the Coincident Economic Index was higher than one month and three months earlier in 45 states and 46 states, respectively. The diffusion of increases and decreases across states has been a reliable indicator of changes in economic growth in the past, and currently points to uninterrupted growth in the Ohio and national economies.

The companion **Ohio Leading Economic Index** increased to 1.7% in January, but remained below 2% for the ninth month in a row (since May 2012). The index, which is compiled by the Federal Reserve Bank of Philadelphia, is designed to predict the rate of increase in the coincident index during the next six months. Index values have been revised significantly on occasion, but as it stands the recent pattern is consistent with ongoing expansion of the Ohio economy through the spring and summer but at a slower pace than early in 2012. The diffusion of positive readings has been fairly broad in recent months, with the index being greater than zero in at least 45 states in each month since last June.



Employment

Nonfarm payroll employment increased by 88,000 jobs in March – the first increase below 100,000 since last June. The changes in the two previous months were revised up by a total of 61,000 jobs, bringing the 6-month average to 188,000 per month. Compared with a year earlier, employment was higher by 1.91 million jobs, or 1.4%.

The **unemployment rate** decreased 0.1 point to 7.6% in March, reflecting a 496,000 worker decrease in the labor force. According to the household survey that is used to calculate the unemployment rate, employment fell by 206,000 and unemployment fell by 290,000. The corresponding decline in the labor force indicates that the reduction in the number of unemployed came about through unemployed workers abandoning the search for work, especially considering that the median and average duration of unemployment both increased.

The **length of the workweek** was steady at 33.8 hours and decreased by 0.1 hours to 41.8 hours in manufacturing during March. Manufacturing overtime hours increased by 0.1 hour to 4.4 hours per week – the longest since July 2006. **Aggregate hours worked** increased marginally after a large increase in February, reflecting the unchanged length of the workweek and the modest gain in employment. For the quarter, aggregate hours worked increased at an annual pace of 2.6%. **Average hourly earnings** decreased marginally in March to 1.8% above the year earlier level, compared with inflation of 2.0% during the twelve months ending in February.

Employment gains in February were led by professional and business services (+51,000), education and health services (+44,000), and construction (+18,000). Health care contributed 24,000 of the 44,000 jobs added in education and health services, and temporary employment increased by 20,000. Job losses were concentrated in trade, transportation, and utilities (-27,000) and retail accounted for most of the total. Manufacturing employment declined by 3,000 jobs. Government employment fell by 7,000 jobs, due to a decline of 12,000 in U.S. Postal Service employment.

Ohio employment increased by 16,100 jobs in February, following increases of 4,200 in December and 6,100 in January. Employment increased a revised 40,300 jobs in 2012 (measured by the December to December change), and is up 22,200 jobs year-to-date in 2013. The Ohio unemployment rate was stable at 7.0% in February, up from 6.7% in December, but down from 7.5% in February a year ago and a peak for this cycle of 10.6% in February 2010. The Ohio unemployment rate was 0.7 percentage points below the national unemployment rate in February.

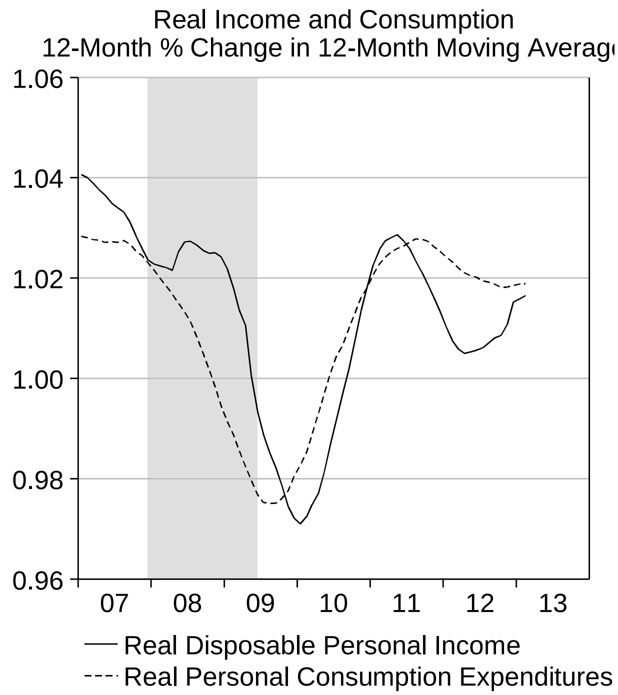
According to a survey by the Federal Reserve Bank of Cleveland of conditions in and around Ohio, hiring was sluggish across sectors in January and early February. Month-to-month changes in Ohio employment across sectors were skewed toward gains during February. Employment increased by 12,200 jobs in professional and business services, 4,900 jobs in educational and health services, 2,100 jobs in financial activities, 1,900 jobs in leisure and hospitality, and 1,200 jobs in manufacturing. The only two major sectors with employment losses during February were trade, transportation and utilities (-4,300) and construction (-3,700).

During the twelve months ending in February, Ohio employment increased in all major sectors except government (-11,200), construction (-7,900), information (-300), and trade, transportation and utilities (-100). The largest year-over-year employment increases occurred in education and health services (+19,000), professional and business services (+12,300), manufacturing (+8,400), and leisure and hospitality (+7,800). Private sector employment increased by 74,100 jobs, or 1.0%, compared with a 1.9% increase during the same period across the country.

Among the **contiguous states**, year-over-year employment growth was strongest in Indiana (+1.7%). Growth in the other states was as follows: Kentucky and Michigan (+1.6%), Ohio (+0.6%), Pennsylvania (+0.3%), and West Virginia (+0.1). Employment growth generally slowed across the region. Year-over-year growth in manufacturing was 1.3% in Ohio. Among the contiguous states, manufacturing employment increased 6.0% in Kentucky, 3.5% in Michigan, 3.3% in Indiana, and 0.4% in Pennsylvania, and decreased 3.2% in West Virginia. Also contributing to the lack of growth in total employment in West Virginia was a large decline in mining and logging employment.

Consumer Income and Consumption

The underlying trends in income and consumption have been obscured in recent months by Hurricane Sandy and major tax law changes. For example, **wage and salary disbursements** fell 0.2% in October, rebounded 1.1% and 0.7% in November and December, respectively, fell 0.6% in January and recovered 0.6% in February. As is typically the case, total income was somewhat less volatile, flattening out in October, remaining subdued in November and December and rebounding in January and February.



Hurricane Sandy disrupted income and spending in October and November, and reactions to expected tax law changes in January distorted incomes in November, December and January, as businesses accelerated bonuses and stock dividends into 2012 and in some cases paid special dividends.

On a smoothed basis that irons out month-to-month distortions, growth in both income and consumption has slowed during the past year but has remained solidly positive. The year-over-year change in the 12-month moving average was 3.5% for both personal income and personal consumption expenditures in February – still well ahead of inflation but down from 4.4% and 4.9%, respectively, in February 2012. The smoothed growth rate in wage and salary distributions was a touch lower at 3.3%.

A steep increase in the price of gasoline in February and March added to spending on non-durable goods, but likely at the expense of other items. Spending on durable goods has been flat, reflecting a relatively stable pace of light motor vehicle sales near 15.3 million units annually. Factors making positive contributions to consumer spending include: a low and stable rate of inflation, rising home sales and values, increases in stock prices, and improvements in labor markets.

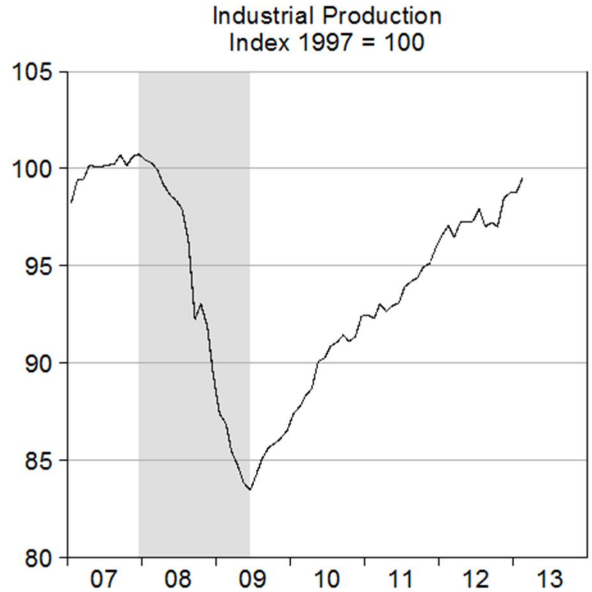
Retailers that responded to the Cleveland Federal Reserve Bank survey reported that sales were below year earlier levels in January, which many attributed to the tax increases that went into effect at the start of the year. Some described conditions as good or even strong while others expressed concern about the effects of higher gasoline prices on spending by lower-income households.

Consumer confidence has varied widely in recent months, especially according to the survey by the Conference Board. The Reuters/University of Michigan poll has been somewhat steadier. Even though both surveys show substantial improvement since the depths of the recession, levels remain close to average levels observed during recession in the past.

Manufacturing

Industrial production increased 0.78% in February and the slight decline in January was revised up to no change. Utility output increased 1.6% as weather returned to normal in February. Mining output decreased 0.3%. Manufacturing production accounted for the most of the overall gain, rising by 0.7% after a 0.3% decrease in January. Compared with a year ago, industrial production was up by 2.5% and manufacturing production was up by 2.0%.

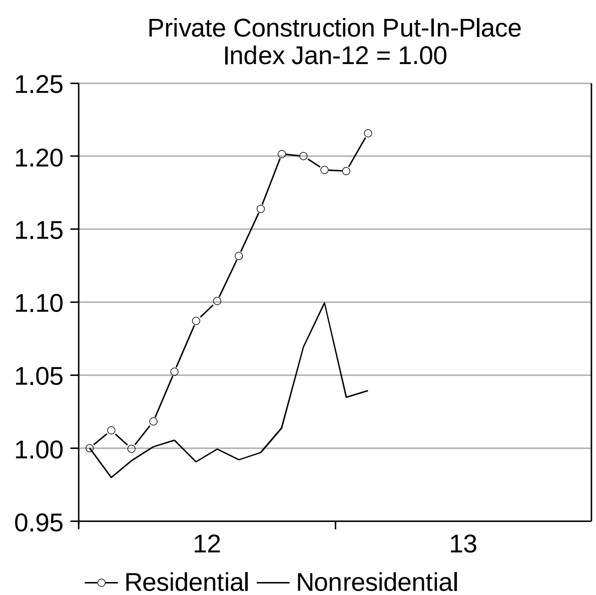
Of particular importance to the Ohio economy, production of primary metal has weakened recently with the year-over-year rate of change falling from 9.2% in February 2012 to -5.9% in February 2013. Growth in production of machinery and in fabricated metal, which are also important for the Ohio economy, remained steady in recent months, but were weaker on a year-over-year basis.



Factory orders increased 0.9% in February on top of a 0.4% gain in January that followed a very slight decline in December. New orders jumped 3.0% with almost all of the gain occurring in defense, aircraft and petroleum and coal. The strength in the February report owed much to the normalization of activity following the 61.4% drop in new defense orders in January. Defense orders increased 41.7% in February. The core non-defense capital goods excluding the aircraft category was little changed in February after a 1.6% decline in January.

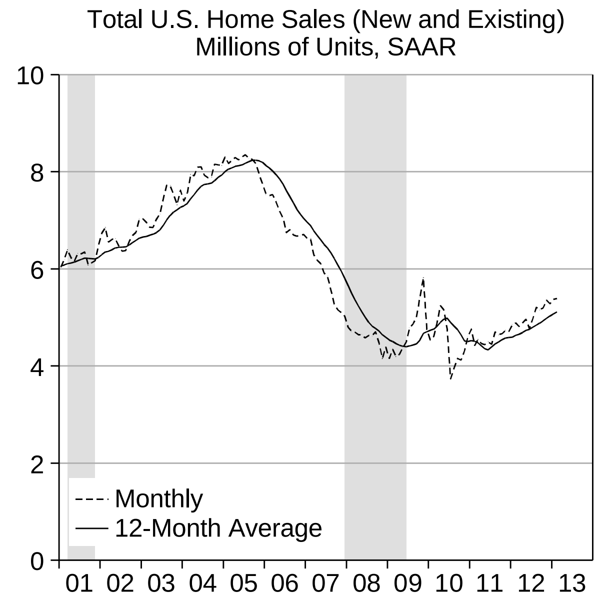
Reports from factories in and around Ohio indicated that new orders and production were steady or up slightly during January and early February, according to the Cleveland Federal Reserve Bank survey. Strength was concentrated in suppliers to energy, residential construction and transportation industries. Defense contractors noted concerns about the effects of federal spending plans. Steel producers reported that shipments were up from the start of year. Many respondents noted a positive outlook compared with the fourth quarter.

After a string of three impressive improvements during December-February, the assessment of **purchasing managers** in manufacturing deteriorated in March. The composite index slid from 54.2 to 51.3 – still above the neutral level of 50, but a notable month-to-month setback. The decline reflected a steep deterioration in the new orders component, which dropped from 57.8 to 51.4, and declines in production and order backlogs. On the positive front, the index for new export orders improved, as did the employment component.



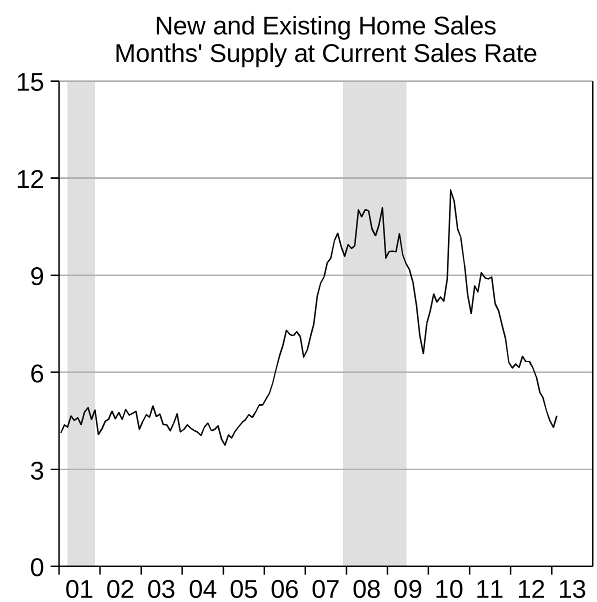
Construction

Total **construction put-in-place** increased 1.2% in February after a 2.1% decrease in January. Excluding residential improvements, total construction increased 1.3%. From a year earlier, total construction increased 7.9%. The mix of activity shifted significantly away from non-residential toward residential since last March. After increasing by 8.5% in residential and 8.6% in non-residential during the year ending March 2012, construction put-in-place accelerated to 20.8% through February for residential and decelerated to 2.4% for non-residential. The difference was even larger in terms of annual rates of change, underscoring the resurgence in residential construction in recent months.



The **Architecture Billings Index** from the American Institute of Architects strengthened further in February to its best level since July 2007, pointing to a likely pickup in activity in coming months. The **Inquiries for New Work Index** also strengthened again in February, rising to 64.8, compared with a neutral level of 50. The **Billings Index for the Midwest** moved higher to 54.7 for the sixth monthly improvement in a row. The recent patterns in the AIA indexes raise the likelihood of further gains in non-residential construction in coming months.

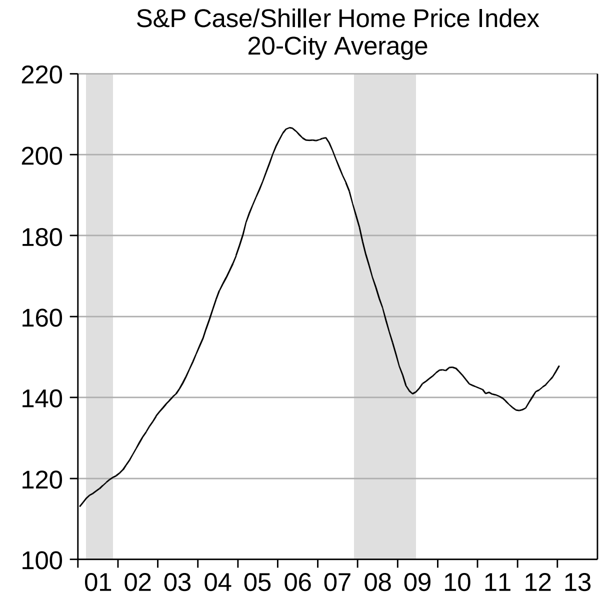
Housing construction continued to improve in February. **Housing starts** across the country increased 2.8% in February on a 3-month moving average basis to 31.6% higher than a year earlier. Permits gained 1.7% to 31.9% above the year earlier level. In the Midwest, housing starts declined 5.0% on a 3-month moving average basis on top of a 12.1% decline in January. Midwest permits fell 2.9% after declines of 1.1% in January and 0.9% in December.



Sales of existing homes inched higher in February on a 3-month moving average basis to 10.6% above the year earlier level. In the Midwest, existing home sales slipped 0.9%, reversing the 0.9% increase in January and rising to 15.2% above the year earlier level. **Sales of newly built homes** increased 1.4% in February on a 3-month moving average basis to a 17.1% year-over-year gain. In the Midwest, new home sales jumped 10.8% in February after no change in January to 2.0% above the year earlier level.

Home builders reported to the Cleveland Federal Reserve Bank that the recent upturn in sales of new single-family homes continued through January, and that sales were significantly higher than a year earlier. The mid to high priced market was performing the best, and demand for multi-family homes remains strong, according to the survey.

The **inventory of existing homes** increased slightly in February. Relative to the pace of sales, the inventory of unsold homes increased to 4.7 months – still the lowest since the recession other than in the two previous months and below the 1999-2005 average of 4.4 months. The **inventory of new homes** also inched higher in February, and relative to the pace of sales the inventory increased slightly to 4.4 months – only slightly above the average during 1999-2005. The return of the inventory of homes on the market to normal levels is an important indication of the improvement in the housing sector.



Home prices posted the twelfth straight monthly increase in January, according to the S&P/Case-Shiller 20-city composite home price index. The index increased 1.0% in January, lifting the total increase since the cyclical low point reached in January to 8.1%. The index was still down 28.4% from the all-time peak reached in April 2006. Home prices in Cleveland increased 0.9% in January. Cleveland home prices have increased for six straight months and are 4.8% higher than a year earlier, 5.1% above the cyclical low point, but remain 17.2% below the peaked reached in January 2006.

REVENUES

NOTE: Estimates reflected in the revenue tables are based on July 2012 OBM revisions and do not include or reflect updated fiscal year 2013 annual estimates contained in the Executive Budget for fiscal years 2014-2015.

March **GRF receipts totaled $2,073.5 million** and were $80.1 million (4.0%) above the estimate. Monthly tax receipts totaled $1,403.9 million and were $34.5 million (2.5%) above the estimate, while non-tax receipts totaled $669.6 million and were $57.6 million (9.4%) above the estimate. Year-to-date variances by category are provided in the following table ($ in millions).

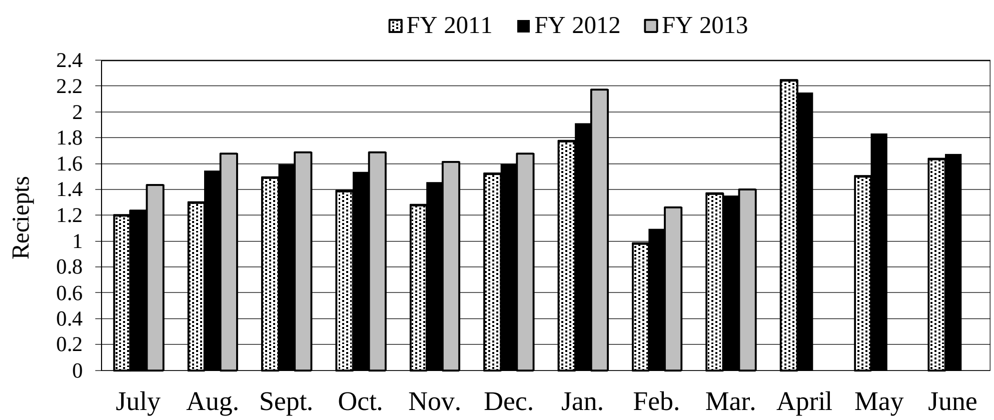
Category	**Includes:**	**YTD Variance**	**% Variance**
Tax receipts	Sales & use, personal income, corporate franchise, commercial activity, MCF, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	$310.9 million	2.2%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	$508.4 million	8.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	($18.9 million)	(16.3%)
TOTAL REVENUE VARIANCE:		$800.4 million	3.9%

After falling short of the estimate in February due to timing issues, tax receipts rebounded in March thanks to higher-than-expected corporate franchise tax and foreign insurance tax receipts, which more than offset higher than expected income tax refunds. On a year-over-year basis, monthly receipts were $49.0 million (3.6%) higher than they were in March 2012, with the largest contributions to this year-over-year growth attributable to the non-auto sales tax, corporate franchise tax, and the foreign insurance tax.

GRF Revenue Sources Relative to Monthly Estimates - March 2013
($ in millions)

Individual Sources Above Estimate		Individual Sources Below Estimate	
Non-Auto Sales Tax	$4.3	Personal Income Tax	($57.4)
Corporate Franchise Tax	$30.3	Kilowatt Hour Tax	($3.9)
Foreign Insurance Tax	$52.6	Liquor Transfers	($12.0)
Other Business & Property Tax	$4.3	Other Sources Below Estimate	($2.8)
Cigarette Tax	$3.0		
Alcoholic Beverage Tax	$2.4		
Estate Tax	$1.2		
Federal Grants	$35.0		
License & Fees	$19.8		
ISTV's	$3.0		
Other Sources Above Estimate	$0.3		
Total above	**$156.2**	**Total below**	**($76.1)**

Tax Revenue Comparison by Month
($ in billions)



Non-Auto Sales and Use Tax

Following up on a strong February where receipts were $22.8 million above estimate, the non-auto sales tax again exceeded projections in March with total receipts of $532.7 million exceeding the estimate by $4.3 million (0.8%). Combined, the performance of the tax in February and March has more than made up for the $26.1 million January shortfall. Year-to-date, this tax source is still $22.2 million (0.4%) below the estimate. On a year-over-year basis, March 2013 receipts were $23.6 million (4.6%) above those of March 2012, with year-to-date receipts $229.0 million (4.4%) higher than those at the same point in fiscal year 2012. Due to the continued erratic performance of this tax source, OBM continues to closely monitor its performance.

Auto Sales Tax

Auto sales tax receipts for the month of March totaled $94.3 million and were $1.9 million (1.9%) below the estimate. While the level of unit sales of automobiles continues to hold up, the performance of this tax can vary significantly from month-to-month and it is possible that the variance experienced in March might be tied to colder than normal weather. Despite the shortfall in March, year-to-date receipts are $9.5 million (1.2%) above the estimate. On a year-over-year basis, March 2013 receipts were $1.9 million (1.9%) below those of March 2012, while fiscal year 2013 year-to-date receipts are $18.7 million (2.4%) higher than the same point in the previous fiscal year.

Personal Income Tax

Despite being above estimate in the withholding component, March personal income tax receipts totaled $470.7 million and were $57.4 million (10.9%) below the estimate. OBM does not consider this shortfall to be a source of concern, as it was largely related to the timing of refunds (see below) and income tax revenues are still $171 million above estimate for the fiscal year and $588 million above last year.

As discussed in the February report, refunds in March reflect the continuing correction for the delayed filing of tax returns in January and pushing forward of refunds estimated for January into later months. As a result, the majority of the March shortfall was due to higher-than-estimated refunds that totaled $303.8 million and exceeded the estimate by $44.2 million (17.0%). For the year-to-date, refunds are now actually slightly ahead of the estimate. April is the last month with significant estimated refund amounts, so this month should clarify where refunds will end the year relative to the estimate.

The second biggest shortfall was in the miscellaneous other sources component, which totaled $4.8 million and was $13.6 million (73.8%) below the estimate. This category, which consists mostly of attorney general collections of income tax due, is volatile from month to month and there is no further detail available to analyze the shortfall. Finally, payments associated with annual returns totaled $80.1 million in March and were $2.7 million (3.3%) below the estimate.

On a year-over-year basis, monthly personal income tax receipts were $40.3 million (7.9%) below the March 2012 level. The major contributor to this decline was that refunds were $39.2 million (14.8%) higher than for the same month in the previous fiscal year. The miscellaneous other sources component was also $13.6 million (73.8%) below the same month in the previous fiscal year. Lastly, the presence of one less revenue processing day relative to last year also contributed to the decline. The only major positive contribution to year-over-year growth came from the reductions in distributions to the local government fund that were $16.0 million (43.7%) lower than those of March 2012 (as a result of changes contained in H.B. 153 of the 129^{th} General Assembly).

Year-to-date through the first three quarters of fiscal year 2013, personal income tax receipts are $6,252.9 million which is $171.0 million (2.8%) above estimate and $587.7 million (10.4%) higher than the March 2012 level.

FY2013 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)						
	ESTIMATE MAR	**ACTUAL MAR**	**$ VAR MAR**	**ESTIMATE Y-T-D**	**ACTUAL Y-T-D**	**$ VAR Y-T-D**
Withholding	$686.2	$688.2	$2.0	$6,045.8	$6,099.0	$53.2
Quarterly Est.	$20.2	$20.2	$0.0	$783.3	$932.1	$148.8
Trust Payments	$1.0	$1.8	$0.8	$22.7	$54.9	$32.2
Annual Returns & 40 P	$82.8	$80.1	($2.7)	$249.9	$229.5	($20.4)
Other	$18.4	$4.8	($13.6)	$92.1	$71.8	($20.3)
Less: Refunds	($259.6)	($303.8)	($44.2)	($862.0)	($879.8)	($17.8)
Local Distr.	($21.0)	($20.6)	$0.4	($250.0)	($254.7)	($4.7)
Net to GRF	**$528.0**	**$470.7**	**($57.4)**	**$6,081.8**	**$6,252.9**	**$171.0**

Corporate Franchise Tax

Corporate franchise tax receipts for the month of March totaled $50.3 million and were $30.3 million above the estimate of $20.0 million. This overage appears to have been caused by a mix of both continuing strength in the tax and timing. OBM is closely monitoring its performance in the current month to see if there was any pull-forward effect of revenues expected for April into March. Early indications are that April franchise tax revenues may fall short of the estimate but combined March and April revenues will exceed the estimate, which was $48 million (March collections by themselves exceeded that amount).

Year-to-date corporate franchise tax receipts total $202.5 million are $126.5 million (166.4%) above the estimate and $110.3 million (119.8%) higher than those at the same point in fiscal year 2012. As noted in previous months' reports, refund activity for the year-to-date has not been as high as expected and that combined with a number of unexpected one-time settlements has driven the year-to-date performance higher both relative to estimate and relative to fiscal year 2012 performance.

Commercial Activity Tax

March commercial activity tax (CAT) receipts to the GRF totaled $6.1 million and were $0.9 million (13.5%) below the estimate. On a year-over-year basis, March 2013 GRF CAT receipts were $2.7 million (82.0%) higher than those of March 2012, largely due to provisions contained in H.B. 153 of the 129th General Assembly that modified the distribution of CAT receipts, with the portion of total receipts being allocated to the GRF increasing from 25.0 percent in fiscal year 2012 to 50.0 percent in fiscal year 2013. The all-funds CAT receipts for March totaled $13.8 million and were $0.4 million (2.1%) below the $14.1 million estimate. On a year-to-date basis, total GRF CAT receipts are $624.1 million, which is $19.5 million (3.1%) below the estimate, while all-funds CAT receipts are $1,233.6 million and are $36.6 million (2.9%) below the estimate of $1,270.2 million.

Kilowatt-Hour Tax

March kilowatt hour receipts totaled $31.1 million and were $3.9 million (11.1%) below the estimate, bringing the year-to-date total to $246.4 million which is $3.3 million (1.3%) below the estimate. On a year-over-year basis, this tax source was $0.7 million (2.3%) above the March 2012 level, while year-to-date fiscal year 2013 receipts are $8.4 million (3.5%) above the level at the same point in the previous fiscal year.

Other Business & Property Tax

The other business & property tax, primarily the dealers in intangibles tax, was $4.2 million above the March estimate of $0.2 million. Due to the billing cycle for this tax, almost all revenue for this source is received in May and June. As billings have not yet been sent out for the current year, the March monthly variance is believed to be attributable to unexpected tax settlements of prior year liability. For the year-to-date, receipts total $4.8 million, which is $5.9 million (536.8%) above estimate and $6.4 million (400.7%) above collections at the same point in fiscal year 2012.

Foreign Insurance Tax

Correcting for the timing issue discussed in the last monthly report, March receipts for the foreign insurance tax totaled $138.1 million and were $52.6 million (61.6%) above the estimate. As a result, fiscal year-to-date receipts now total $288.6 million, which is $6.7 million (2.4%) above the estimate. On a year-over-year basis, monthly receipts are $45.4 million (49.0%) above those of March 2012, while year-to-date fiscal year 2013 receipts are $9.7 million (3.5%) above those at the same point in the previous fiscal year.

Foreign insurance tax receipts are above the total estimate for fiscal year 2013. The estimates for April through June are negative, with an estimated net $12 million in refunds expected.

Cigarette Tax

Cigarette tax receipts for the month of March totaled $63.1 million and were $3.0 million (5.0%) above the estimate, bringing the year-to-date total to $558.4 million which is $5.5 million (1.0%) above the estimate. On a year-over-year basis, March 2013 cigarette tax receipts were $3.0 million (4.5%) lower than those of March 2012, while year-to-date fiscal year 2013 receipts are $12.0 million (2.1%) lower than the same point in the previous fiscal year, a decline that is slightly below the 3.0 percent decline we have seen with this tax source in recent years.

Alcoholic Beverage Tax

Alcoholic beverage tax receipts during the month of March totaled $6.9 million and exceeded the estimate by $2.4 million (52.7%), helping correct what OBM believes has been a timing-related shortfall in this tax source. Year-to-date receipts for the tax now total $41.0 million and are still $2.0 million (4.7%) below estimate. On a year-over-year basis, March receipts were $2.2 million above those of March 2012 with year-to-date receipts $1.6 million (3.7%) below those at the same point in fiscal year 2012. OBM will continue to monitor this source to determine if the year-over-year decline will continue.

GRF non-tax receipts totaled $669.6 million in March and were $57.6 million (9.4%) above the estimate, primarily due to an overage in federal grants tied to timing issues with Medicaid spending and better than expected performance in license and fees and ISTV revenue. As was the case in February, due to the completion of the JobsOhio liquor transaction, no liquor profits transfers occurred during the month of March. As a result, **GRF transfers** were $12.0 million below estimate for the month. For the year-to-date, transfers total $97.3 million, or $18.9 million (16.3%) below the estimate. The shortfall will obviously continue through the remainder of fiscal year 2013, as the GRF will be receiving no more monthly liquor profit transfers.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
($ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL MARCH	ESTIMATE MARCH	$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	532,726	528,400	4,326	0.8%	5,440,164	5,462,400	(22,236)	-0.4%
Auto Sales & Use	94,248	95,200	(952)	-1.0%	783,047	773,600	9,447	1.2%
Subtotal Sales & Use	626,974	623,600	3,374	0.5%	6,223,211	6,236,000	(12,789)	-0.2%
Personal Income	470,655	528,032	(57,377)	-10.9%	6,252,880	6,081,843	171,038	2.8%
Corporate Franchise	50,342	20,000	30,342	151.7%	202,481	76,000	126,481	166.4%
Commercial Activity Tax	6,058	7,000	(942)	-13.5%	610,249	629,700	(19,451)	-3.1%
Public Utility	497	1,200	(703)	-58.6%	68,501	74,900	(6,399)	-8.5%
Kilowatt Hour	31,109	35,000	(3,891)	-11.1%	246,388	249,700	(3,312)	-1.3%
MCF Tax	106	0	106	N/A	23,940	31,200	(7,260)	-23.3%
Foreign Insurance	138,140	85,500	52,640	61.6%	288,556	281,900	6,656	2.4%
Domestic Insurance	324	200	124	61.9%	4,949	(200)	5,149	2574.3%
Other Business & Property	4,368	100	4,268	4268.5%	4,805	(1,100)	5,905	536.8%
Cigarette	63,102	60,100	3,002	5.0%	558,419	552,900	5,519	1.0%
Alcoholic Beverage	6,874	4,500	2,374	52.7%	40,967	43,000	(2,033)	-4.7%
Liquor Gallonage	3,008	3,000	8	0.3%	30,372	29,900	472	1.6%
Estate	2,304	1,100	1,204	109.4%	76,000	35,100	40,900	116.5%
Total Tax Receipts	1,403,860	1,369,332	34,529	2.5%	14,631,718	14,320,843	310,876	2.2%
NON-TAX RECEIPTS								
Federal Grants	629,174	594,185	34,989	5.9%	6,155,302	6,169,913	(14,611)	-0.2%
Earnings on Investments	0	0	0	N/A	4,448	2,500	1,948	77.9%
License & Fees	36,283	16,465	19,817	120.4%	60,791	40,133	20,657	51.5%
Other Income	1,160	1,385	(225)	-16.2%	504,131	20,411	483,720	2369.9%
ISTV'S	3,028	1	3,027	N/A	24,342	7,620	16,722	219.5%
Total Non-Tax Receipts	669,644	612,036	57,608	9.4%	6,749,013	6,240,577	508,436	8.1%
TOTAL REVENUES	**2,073,504**	**1,981,368**	**92,136**	**4.7%**	**21,380,731**	**20,561,419**	**819,312**	**4.0%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	12,000	(12,000)	N/A	88,000	111,000	(23,000)	-20.7%
Transfers In - Other	0	0	0	N/A	9,251	5,166	4,085	79.1%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	12,000	(12,000)	N/A	97,251	116,166	(18,915)	-16.3%
TOTAL SOURCES	**2,073,504**	**1,993,368**	**80,136**	**4.0%**	**21,477,982**	**20,677,586**	**800,397**	**3.9%**

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ACTUAL FY 2012
($ in thousands)

REVENUE SOURCE	MONTH MARCH FY 2013	MONTH MARCH FY 2012	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2013	YEAR-TO-DATE ACTUAL FY 2012	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	532,726	509,167	23,559	4.6%	5,440,164	5,211,149	229,015	4.4%
Auto Sales & Use	94,248	96,101	(1,853)	-1.9%	783,047	764,349	18,698	2.4%
Subtotal Sales & Use	626,974	605,268	21,706	3.6%	6,223,211	5,975,498	247,713	4.1%
Personal Income	470,655	510,997	(40,342)	-7.9%	6,252,880	5,665,140	587,740	10.4%
Corporate Franchise	50,342	34,905	15,437	44.2%	202,481	92,140	110,341	119.8%
Commercial Activity Tax	6,058	3,328	2,730	82.0%	610,249	301,330	308,919	102.5%
Public Utility	497	1,904	(1,407)	-73.9%	68,501	79,504	(11,002)	-13.8%
Kilowatt Hour	31,109	30,420	688	2.3%	246,388	237,980	8,409	3.5%
MCF Tax	106	0	106	N/A	23,940	31,328	(7,388)	-23.6%
Foreign Insurance	138,140	92,706	45,434	49.0%	288,556	278,835	9,721	3.5%
Domestic Insurance	324	14	309	2136.6%	4,949	137	4,811	3504.8%
Other Business & Property	4,368	175	4,193	2391.5%	4,805	(1,598)	6,403	400.7%
Cigarette	63,102	66,057	(2,955)	-4.5%	558,419	570,436	(12,017)	-2.1%
Alcoholic Beverage	6,874	4,719	2,154	45.7%	40,967	42,537	(1,570)	-3.7%
Liquor Gallonage	3,008	3,027	(19)	-0.6%	30,372	29,465	907	3.1%
Estate	2,304	1,300	1,004	77.3%	76,000	37,383	38,617	103.3%
Total Tax Receipts	1,403,860	1,354,822	49,038	3.6%	14,631,718	13,340,115	1,291,603	9.7%
NON-TAX RECEIPTS								
Federal Grants	629,174	669,367	(40,193)	-6.0%	6,155,302	5,849,756	305,546	5.2%
Earnings on Investments	0	0	0	N/A	4,448	2,711	1,737	64.1%
License & Fee	36,283	20,181	16,102	79.8%	60,791	53,790	7,001	13.0%
Other Income	1,160	534	626	117.3%	504,131	10,618	493,513	4647.8%
ISTV'S	3,028	1	3,026	N/A	24,342	13,067	11,274	86.3%
Total Non-Tax Receipts	669,644	690,083	(20,439)	-3.0%	6,749,013	5,929,942	819,071	13.8%
TOTAL REVENUES	**2,073,504**	**2,044,905**	**28,599**	**1.4%**	**21,380,731**	**19,270,057**	**2,110,674**	**11.0%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	88,000	72,500	15,500	21.4%
Transfers In - Other	0	(153,668)	153,668	N/A	9,251	48,975	(39,724)	-81.1%
Temporary Transfers In	0	0	0	N/A	0	180,718	(180,718)	N/A
Total Transfers	0	(153,668)	153,668	N/A	97,251	302,193	(204,942)	-67.8%
TOTAL SOURCES	**2,073,504**	**1,891,237**	**182,267**	**9.6%**	**21,477,982**	**19,572,250**	**1,905,732**	**9.7%**

DISBURSEMENTS

March 2013 GRF disbursements, across all fund uses, totaled $2,210.3 million and were $8.1 million (0.4%) above estimate. On a year-over-year basis, disbursements for March 2013 were $150.9 million (7.4%) higher than those of March 2012, and this was primarily attributable to higher disbursements in the Debt Service and Public Assistance and Medicaid categories. Year-to-date variances by category are provided in the table below.

Category	**Description**	**YTD Variance**	**% Variance**
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	($182.4 million)	(0.9%)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$7.8 million	2.3%
TOTAL DISBURSEMENTS VARIANCE:		($174.6 million)	(0.8%)

GRF disbursements are reported according to functional categories. This section contains information describing spending and variances within each of these categories.

Primary, Secondary and Other Education

This category includes expenditures made by the Department of Education, the eTech Ohio Commission, the Ohio State School for the Blind, and the Ohio School for the Deaf, as well as disbursements made to libraries and arts organizations. March disbursements in this category totaled $465.4 million and were $48.4 million (9.4%) below the estimate.

March disbursements for the Department of Education alone totaled $459.8 million and were $50.9 million (10.0%) below the estimate. Expenditures for the school foundation program totaled $438.1 million and were $52.1 million (10.6%) below the estimate. The variance in the foundation funding line item is due to the Department of Education using fiscal year 2013 October Average Daily Membership (ADM) rather than estimated ADM to make payments to school districts, which results in some variability. Moreover, disbursements from the foundation program during the prior two months were significantly higher than original estimates. This variability will likely continue through the remainder of the fiscal year.

Higher Education

March disbursements for Higher Education totaled $163.2 million and were $3.3 million (2.0%) below the estimate. Year-to-date disbursements are $1,604.0 million, which is $11.3 million (0.7%) below the estimate. The monthly variance is due primarily to Ohio National Guard Scholarship Program spending, which was $3.6 million below the monthly estimate as a result of lower than expected requests for reimbursement from higher education institutions. On a year-over-year basis, disbursements in this category were $0.8 million (0.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures are nearly equal to those at the same point in fiscal year 2012.

Public Assistance and Medicaid

March disbursements in this category, which include all GRF expenditures by the Ohio Department of Job and Family Services (ODJFS), totaled $1,071.4 million and were $51.5 million (5.1%) above the monthly estimate. Fiscal year-to-date expenditures are $10,375.9 million, which is $41.4 million (0.4%) below estimate.

Public Assistance and Non-Medicaid

ODJFS, Non-Medicaid, General Revenue Fund (GRF) disbursements totaled $91.0 million for the month of March and were $10.2 million (12.7%) above the estimate. Major monthly variances were attributable to the following:

- TANF State/Maintenance of Effort subsidy disbursements were $8.1 million (51.7%) above estimate due to the quarterly county TANF administrative allocation being paid from the line item in March, instead of in October as originally planned.
- Family Assistance – Local disbursements were $4.1 million (174.2%) above estimate due to higher-than-anticipated county expenditures for the month. Expenses vary from month to month and are based on the amounts that are drawn down by the 88 counties to assist in their Income Maintenance Allocation.
- Health Care Programs expenditures were $1.2 million (59.2%) above estimate due to higher-than-anticipated monthly health care administrative costs being coded to this line item. It is expected that administrative expenses in the line item will return to normal levels in April.

Medicaid

This sub-category includes expenditures by the Department of Job and Family Services for Medicaid services contained primarily in the 600525 line item. Please note that administrative costs related to the ODJFS program are included in the previous sub-category.

Expenditures

GRF disbursements year-to-date for the ODJFS portion of the Medicaid Program are $9,795.3 million, which is $11.1 million (0.1%) over estimate and $589.9 million (6.4%) above the same point in the previous fiscal year. Disbursements in March totaled $1,091.5 million and were $41.3 million (4.4%) above the estimate and $53.7 million (5.8%) above disbursements in March 2012. Due to a delay in the collection of certain assessments, payments normally made from non-GRF funds were instead paid by the GRF. An opposite effect is expected in future months when the assessments are collected.

All funds year-to-date disbursements equal $11,250.1 million and are $560.5 million (4.7%) below the estimate and $227.8 million (2.1%) above the same point in the previous fiscal year. All funds disbursements for the month of March totaled $1,241.3 million and were $99.7 million (7.4%) below the estimate and $27.7 million (2.3%) above disbursements in March 2012.

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

		March Projection		March Actual		Variance	Variance %
GRF	$	939,044,763	$	980,331,355	$	41,286,592	4.4%
Non-GRF	$	402,012,586	$	260,996,639	$	(141,015,947)	-35.1%
All Funds	$	1,341,057,349	$	1,241,327,994	$	(99,729,355)	-7.4%

Categorical Variances

Managed Care ABD and CFC – The $63.5 million negative variance within managed care CFC accounts for much of the total monthly underspend. The below estimate spending in this category is driven by lower-than-anticipated capitation payments, delivery payments, and caseload. The ABD category saw a lower caseload than expected which was the primary factor in the category being $22.4 million under estimate.

Department of Aging Waivers – Another negative variance was observed in the Aging Waivers category, primarily due to lower-than-expected caseload volume. In addition, the service cost per consumer enrolled in PASSORT/Choices was lower than projected, which contributed $9.6 million to the overall negative variance.

Caseload

Total March enrollment across all categories was 2.40 million. The most significant components are the Covered Families and Children (CFC) category, which increased by 134 persons to a March total of 1.69 million persons, and the Aged, Blind and Disabled (ABD) category, which increased by 4,300 people to a March total of 394.9 thousand covered lives.

Total enrollment across all categories for the same period last year was 2.23 million covered persons, including 1.68 million persons in the CFC category and 408.1 thousand people in the ABD category. Please note that these data are subject to revision.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Health, Aging, Mental Health, Developmental Disabilities, and ODADAS. Examples of expenditures in this category include: 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 this category instead of the previous category.

March disbursements in this category totaled $69.5 million and were $2.9 million (4.3%) above the estimate. On a year-over-year basis, this category was $7.2 million (11.6%) higher than the same month in the previous fiscal year. Year-to-date disbursements are $747.6 million, which is $19.8 million (2.6%) below the estimate.

Department of Health

March disbursements for the Department of Health totaled $5.9 million and were $0.4 million (7.3%) above estimate. Year-to-date expenditures are $57.8 million, which is $11.5 million (16.6%) below the estimate. Major monthly variances within individual line items are attributable to the following:

- Federally Qualified Health Centers (FQHCs) disbursements were $1.0 million above estimate due to the receipt of necessary reporting information from FQHCs that was expected earlier in the fiscal year. Accordingly, approved subsidy funding was disbursed to these entities.
- Help Me Grow disbursements were $0.8 million under estimate due to continued implementation of a fee for service model. The variance is attributable to conservative billing by vendors who are adapting to the new model. Disbursements will increase in the following months as Health continues outreach and training efforts with vendors to produce more accurate billing and prevent the lag in expenditures. Please note that services to children are not being disrupted or delayed.
- AIDS Prevention and Treatment disbursements were $0.1 million under estimate for the month because a grant sub-recipient issued a refund for unspent funds. This program's disbursements are $2.3 million below estimate for the year primarily due to the timing of the federal Ryan White grant program, which begins on April 1st. All funds will be encumbered in the remaining quarter.

Department of Aging

March disbursements for the Department of Aging totaled $1.1 million and were $0.2 million (17.4%) below estimate for the month. The variance is found mostly within the Senior Community Services program and is attributable to the timing of the Title III – Nutrition Services federal award. Disbursements for this line are lower when Area Agencies on Aging (AAAs) can access federal funding in a timely manner, which had been the case through March. However, because a new federal award has not been issued, disbursements likely will be higher-than-anticipated in the last quarter as AAAs attempt to balance their revenue stream. Year-to-date expenditures are $10.5 million, which is $0.8 million (7.0%) below estimate.

Department of Mental Health

March disbursements for the Department of Mental Health totaled $21.7 million and were $4.8 million (28.6%) above estimate. Year-to-date expenditures are $234.3 million, which is $8.8 (3.6%) below estimate. The monthly variance is primarily attributable to Hospital Services disbursements, which were $4.8 million (31.5%) above estimate due to the posting of payroll in March that was expected to post in April. Accordingly, an opposite effect is anticipated for the month of April.

Department of Developmental Disabilities

March disbursements for the Department of Developmental Disabilities totaled $36.7 million and were $1.7 million (4.3%) below the estimate. The variance is a result of lower-than-anticipated spending in the Medicaid State Match line item, which was $1.6 million (4.3%) below the estimate. The discrepancy is attributable to lower-than-expected payments to Developmental Centers and ICFs/IID. Medicaid State Match line item disbursements are $1.3 million (0.4%)

below estimate for the year. Year-to-date expenditures for the department as a whole are $396.8 million, which is $2.9 million (0.7%) below estimate.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Correction and the Department of Youth Services. March disbursements in this category totaled $202.4 million and were $13.1 million (6.1%) below the estimate. On a year-over-year basis, this category was $36.8 million (22.2%) higher than the same month in the previous fiscal year. Year-to-date disbursements are $1,508.0 million, which is $59.5 million (3.8%) below the estimate.

Department of Rehabilitation and Correction
Department of Rehabilitation and Correction disbursements totaled $159.2 million in March and were $11.8 million (6.9%) below the estimate. This variance was largely in the Institutional Services and Medical Services lines, due to an overall decrease in personnel and cost savings initiatives in medical services.

Department of Youth Services
Department of Youth Services disbursements totaled $23.1 million in March and were $2.2 million (8.9%) below the estimate. This variance was largely in the RECLAIM Ohio line due to lower than-anticipated spending in personnel and supplies.

Environmental Protection and Natural Resources

March disbursements for the Environmental Protection and Natural Resources category totaled $4.5 million and were $0.3 million (6.4%) below the estimate. On a year-over-year basis, this category was $1.4 million (44.5%) above the same month in the previous fiscal year. Year-to-date disbursements are $54.8 million, which is $2.2 million (3.9%) below the estimate.

Transportation

March disbursements for the Transportation category totaled $0.7 million and were $0.1 million (16.0%) below the estimate. On a year-over-year basis, this category was $0.2 million (22.3%) above the same month in the previous fiscal year. Year-to-date disbursements are $7.5 million, which is $0.5 million (6.2%) below the estimate.

General Government

March disbursements for the General Government category totaled $58.1 million and were $1.2 million (2.0%) below the estimate. On a year-over-year basis, this category was $28.9 million (99.0%) above the same month in the previous fiscal year. Year-to-date disbursements are $266.9 million, which is $25.0 million (8.6%) below the estimate.

Department of Administrative Services
The Department of Administrative Services (DAS) disbursements totaled $41.8 million during the month of February and were $2.1 million (5.2%) over the estimate. This occurred chiefly

because, like last month, $1.8 million in rent bills for GRF-supported state agencies, veterans organizations, and vacant space in state buildings managed by DAS, which was expected in prior months, posted in March. The fiscal year 2013 rates for these buildings were completed in February, allowing the delayed expenses from prior months to be billed and paid.

Community and Economic Development

March disbursements for the Community and Economic Development category totaled $10.8 million and were $2.2 million (16.7%) below the estimate. On a year-over-year basis, this category was $6.1 million (36.0%) above the same month in the previous fiscal year. Year-to-date disbursements are $67.2 million, which is $12.3 million (15.4%) below the estimate.

Tax Relief and Other

Payments from the tax relief category are made to local governments and school districts to reimburse these entities for revenues foregone as a result of the 10.0 percent and 2.5 percent rollback, as well as the homestead exemption. March disbursements for tax relief were $28.6 million and were $9.5 million (49.4%) above the monthly estimate of $19.2 million. For the year-to-date, tax relief payments total $899.8 million and are $17.0 million (1.9%) above estimate.

Debt Service

March disbursements for the Debt Service category totaled $122.1 million and were $0.5 million (0.4%) below the estimate. Year-to-date disbursements are $697.9 million, which is $15.9 million (2.2%) below the estimate. On a year-over-year basis, this category was $78.2 million (178.1%) above the same month in the previous fiscal year and for the year-to-date, disbursements are $379.8 million (119.4%) higher than they were a year earlier. The year-over-year growth is the result of an end to debt restructuring beginning in fiscal year 2013.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
($ in thousands)

	MONTH				YEAR-TO-DATE			
Functional Reporting Categories Description	**ACTUAL MARCH**	**ESTIMATED MARCH**	**$ VAR**	**% VAR**	**YTD ACTUAL**	**YTD ESTIMATE**	**$ VAR**	**% VAR**
Primary, Secondary and Other Education	465,449	513,876	(48,427)	-9.4%	4,988,985	5,000,739	(11,754)	-0.2%
Higher Education	163,240	166,580	(3,340)	-2.0%	1,604,139	1,615,283	(11,144)	-0.7%
Public Assistance and Medicaid	1,071,368	1,019,842	51,526	5.1%	10,375,897	10,417,340	(41,443)	-0.4%
Health and Human Services	69,520	66,629	2,891	4.3%	747,571	767,349	(19,778)	-2.6%
Justice and Public Protection	202,416	215,526	(13,110)	-6.1%	1,508,016	1,567,483	(59,467)	-3.8%
Environmental Protection and Natural Resources	4,495	4,801	(306)	-6.4%	54,793	57,007	(2,214)	-3.9%
Transportation	676	804	(129)	-16.0%	7,468	7,962	(494)	-6.2%
General Government	58,104	59,303	(1,199)	-2.0%	266,884	291,892	(25,008)	-8.6%
Community and Economic Development	10,799	12,960	(2,160)	-16.7%	67,178	79,449	(12,271)	-15.4%
Tax Relief and Other	28,612	19,150	9,463	49.4%	915,348	898,445	16,903	1.9%
Capital Outlay	0	0	0	N/A	137	0	137	N/A
Debt Service	122,135	122,635	(501)	-0.4%	697,907	713,771	(15,864)	-2.2%
Total Expenditures & ISTV's	**2,196,812**	**2,202,105**	**(5,292)**	**-0.2%**	**21,234,325**	**21,416,721**	**(182,396)**	**-0.9%**
Transfers Out:								
Operating Transfer Out	13,438	0	13,438	N/A	345,701	337,931	7,770	2.3%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**13,438**	**0**	**13,438**	**N/A**	**345,701**	**337,931**	**7,770**	**2.3%**
Total Fund Uses	**2,210,250**	**2,202,105**	**8,146**	**0.4%**	**21,580,026**	**21,754,652**	**(174,626)**	**-0.8%**

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ACTUAL FY 2012
($ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	MARCH FY 2013	MARCH FY 2012	$ VAR	% VAR	ACTUAL FY 2013	ACTUAL FY 2012	$ VAR	% VAR
Primary, Secondary and Other Education	465,449	557,850	(92,401)	-16.6%	4,988,985	4,950,579	38,406	0.8%
Higher Education	163,240	162,488	752	0.5%	1,604,139	1,603,186	953	0.1%
Public Assistance and Medicaid	1,071,368	988,259	83,108	8.4%	10,375,897	9,799,163	576,734	5.9%
Health and Human Services	69,520	62,315	7,205	11.6%	747,571	769,294	(21,723)	-2.8%
Justice and Public Protection	202,416	165,599	36,817	22.2%	1,508,016	1,408,306	99,710	7.1%
Environmental Protection and Natural Resources	4,495	3,110	1,385	44.5%	54,793	54,252	541	1.0%
Transportation	676	869	(193)	-22.3%	7,468	7,497	(29)	-0.4%
General Government	58,104	29,195	28,908	99.0%	266,884	221,600	45,284	20.4%
Community and Economic Development	10,799	16,865	(6,066)	-36.0%	67,178	72,768	(5,591)	-7.7%
Tax Relief and Other	28,612	15,417	13,195	85.6%	915,348	885,462	29,886	3.4%
Capital Outlay	0	0	0	N/A	137	120	17	14.4%
Debt Service	122,135	43,914	78,220	178.1%	697,907	318,066	379,841	119.4%
Total Expenditures & ISTV's	**2,196,812**	**2,045,882**	**150,931**	**7.4%**	**21,234,325**	**20,090,295**	**1,144,029**	**5.7%**
Transfers Out:								
Operating Transfer Out	13,438	(153,668)	167,105	-108.7%	345,701	337,047	8,654	2.6%
Temporary Transfer Out	0	0	0	N/A	0	237,356	(237,356)	N/A
Total Transfers Out	**13,438**	**(153,668)**	**167,105**	**N/A**	**345,701**	**574,402**	**(228,701)**	**-39.8%**
Total Fund Uses	**2,210,250**	**1,892,214**	**318,036**	**16.8%**	**21,580,026**	**20,664,698**	**915,328**	**4.4%**

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) ending fund balance for FY 2013. Based on the estimated revenue sources for FY 2013 and the estimated FY 2012 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2013 is an estimated $552.0 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2013 nor should it be considered as equivalent to the FY 2013 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF ending fund balance will be impacted by any GRF expenditures or transfers that may be authorized by the General Assembly or by the Controlling Board during the course of the fiscal year.

NOTE: The Fund Balance is based on the fiscal year 2013 estimates prepared in July 2012 and does not include or reflect fiscal year 2013 annual updates contained in the Executive Budget for fiscal years 2014-2015.

FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2013
($ in thousands)

July 1, 2012 Beginning Cash Balance	**$ 973,446**
Plus FY 2013 Actual Revenues	20,443,500
Plus FY 2013 Actual Federal Revenues	8,151,329
Plus FY 2013 Actual Transfers to GRF	187,500
Total Sources Available for Expenditure & Transfer	**29,755,775**
Less FY 2013 Actual Disbursements	28,574,011
Less FY 2013 Actual Total Encumbrances as of June 30, 2013	236,790
Less FY 2013 Actual Transfers Out	392,981
Total Actual Uses	**29,203,782**
FY 2013 UNENCUMBERED ENDING FUND BALANCE*	**551,993**

*Note: Targeted one half of one percent year-end carryover balance is $143.9 million

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