OBM

September 10, 2018

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

FROM: Timothy S. Keen, Director TK

SUBJECT: Monthly Financial Report

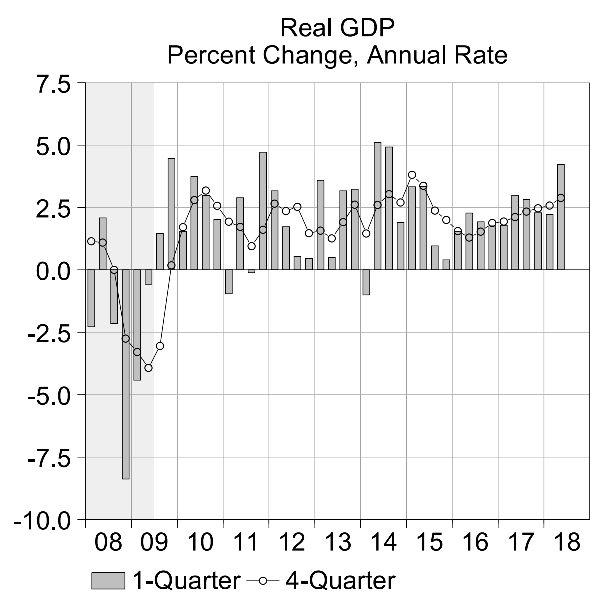
ECONOMIC SUMMARY

Economic Performance Overview

- The economy expanded at an annual rate of 4.2% in the second quarter and was 2.9% larger than a year earlier.
- U.S. employment increased by 201,000 jobs in August for a 3-month average of 185,000 jobs per month. The unemployment rate was steady at 3.9%, almost back to the expansion-low of 3.8% reached a few months ago.
- Ohio nonfarm payroll employment increased by 7,600 jobs in July and was up 82,200 from a year earlier. The unemployment rate increased to 4.6%, up from the expansion-low of 4.3% in the spring.
- Leading economic indicators remain consistent with uninterrupted economic growth into 2019.

Economic Growth

Second-quarter **real GDP** growth was revised slightly higher to 4.2%, lifting the year-over-year growth rate to 2.9%, which appears to represent an upward shift in the underlying trend. The upward revision to the second-quarter growth rate resulted from a positive adjustment to net exports that was only partially offset by a small downward adjustment to personal consumption expenditures.



Measures of inflation were unchanged, as the overall **GDP price index** increased 3.0%, and the change in the index for personal consumption expenditures, excluding food and energy, remained at 2.0%. Compared with a year ago, the overall index was up by 2.4%, which is the fastest pace since the fourth quarter of 2007, but still moderate.

In a sign of substantial momentum in the economy, **corporate profits** continued to rise at a rapid rate in the second quarter. Even before the direct effects of the corporate tax rate cut, economic profits – profits adjusted for inventory valuation and capital consumption – increased 14.0% at an annual rate to 7.7% above the year earlier level. After taxes, economic profits rose 10.0% annualized to 16.1% from a year ago. Profits not only provide funds for expansion, but more importantly promote expansion by signaling the existence of attractive business opportunities.

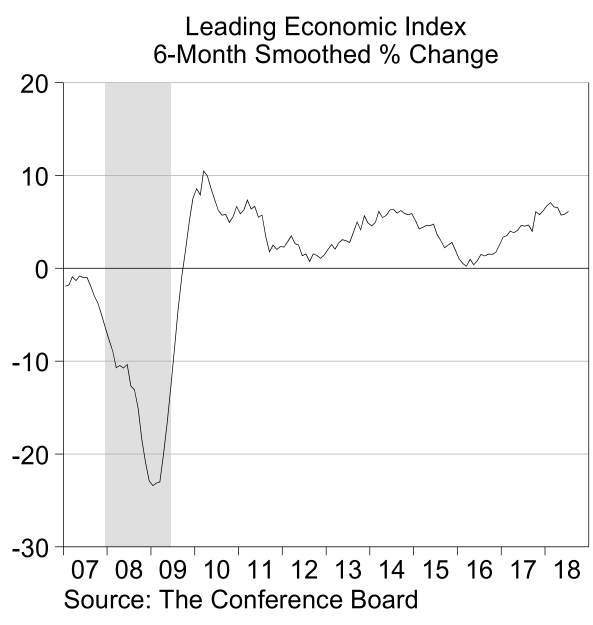
Sentiment among small businesses improved modestly in July to just shy of the highest-ever level recorded in July 1983, according to the **National Federation of Independent Business (NFIB)**. Six of the ten components of the Index of Small Business Optimism increased, two decreased, and two were unchanged. The largest increases were in plans to increase employment, expectations of higher real sales, and whether now is a good time to expand. Thirty percent of respondents plan capital outlays in the next few months, up one point from June. Plans to expand were most widespread in manufacturing.

The Ohio economy expanded slowly in July, according to the **Ohio coincident economic index** from the Philadelphia Federal Reserve. The index increased 0.1% after a 0.1% decline in June – the first monthly retreat since late 2012 – that was originally reported as a decline of 0.2%. However, compared with a year ago, the index was higher by 3.0%.

The diffusion of **state-level coincident economic indexes** was little changed and squarely consistent with likely further growth in the national economy. The coincident index was lower than the month before in only five states, which was down from six states in June. The index for only two states was lower than three months prior, which was the same as in June.

The **Ohio leading index**, which is designed to predict growth in the coincident index during the next six months, was revised up from a small negative in June to +0.1%, where it remained in July. Initial negative readings for two months last summer were also subsequently revised into positive territory a few months later.

The number of negative readings among individual **state-level composite leading indexes** was revised down from four to three in June and was only one in July. Compiled by the Philadelphia Federal Reserve, the diffusion across these state leading indexes has been a leading indicator of turning points in the national economy in the past. These indexes are very sensitive to the state unemployment rates, which are subject to large annual benchmark revisions early each year.



National leading indicators strengthened in July, as the Conference Board's composite **Leading Economic Index** increased 0.6%. Nine of the ten components of the index made positive contributions, led by average weekly initial unemployment claims. Only the average workweek of production workers, which was flat, failed to make a positive contribution. The leading index was 6.6% above the year earlier level, and points to economic growth through year-end.

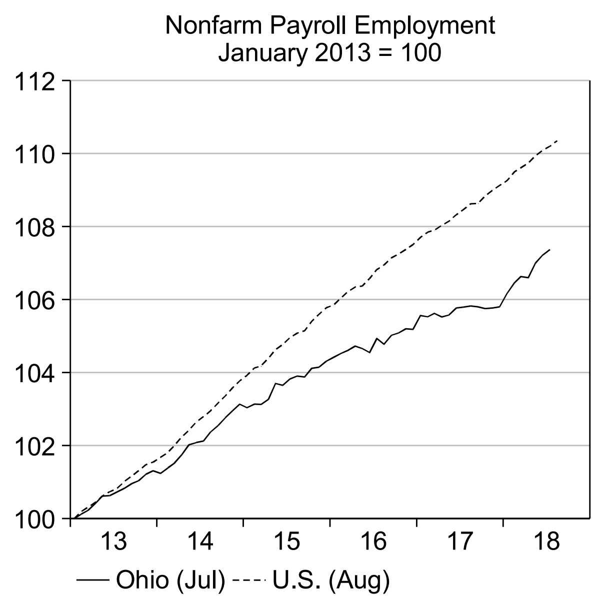
As shown in the table below, the **consensus among forecasters** is that real GDP growth in the second-quarter of 4.2% was relatively high, and third-quarter growth is expected to return to the recent trend of near 3%. With an estimate of 4.4%, the Federal Reserve Bank of Atlanta is an outlier. Other projections are clustered from 2.0% to 3.1%.

Source	Date	2018-Q3 GDP Forecast
Atlanta FRB (GDPNow)	9/5/18	4.4%
New York FRB (Nowcast)	8/31/18	2.0%
Philadelphia FRB (SPF*)	8/10/18	3.0%
Blue Chip	8/30/18	3.1% (2.7%-3.5%)
IHS	9/6/18	3.0%
*Survey of Professional Forecasters (2nd month of each quarter)		

Employment

Nonfarm payrolls across the country increased by 201,000 jobs in August, matching expectations for a gain of about 198,000 jobs. Private nonfarm payrolls increased by 204,000 jobs, with the decrease of 3,000 jobs in public sector jobs concentrated in local education.

Job growth in each of the previous two months was revised down by a total of 50,000 jobs. The average gain during the most recent three months was 185,000, in line with, but a little lower than the average during the previous twelve months of 196,000. Nonfarm payroll employment has increased by 1.65 million jobs year-to-date, which is 9.4% ahead of the gain of 1.51 million jobs during the year-earlier period.



Job gains were mixed across sectors, though largely positive. The largest gains occurred in professional and business services (+53,000) and education and health services (+53,000), where health care contributed 33,200 jobs. Additionally, employment increased in trade, transportation and utilities by 37,000, although results were quite mixed within the category. Retail trade lost 5,900 jobs due to a 20,800 drop in jobs at clothing and clothing accessory stores, but transportation and warehousing added 20,200 jobs, and wholesale trade added 22,400 jobs. Construction added 23,000 jobs, while manufacturing lost 3,000 jobs, due mainly to a 4,900 job loss in the motor vehicle and parts industry.

The **unemployment rate** was flat at 3.9%, just 0.1 point above the very long-term low of 3.8% reached in May. The number of unemployed fell by 46,000 as the labor force declined by 469,000 people, and total employment fell by 423,000 workers (these results, which come from the household survey, are very different from those reported above from the establishment survey: the household survey can vary widely from the establishment survey on a monthly basis). Both the drop in employment and in the labor force seem to be the product of greater than expected changes associated with the return to school by younger workers, particularly those in the 16-19 and 20-24 age groups. The broadest measure of unemployment, the U-6 unemployment rate, decreased 0.1 point to 7.4% – the lowest level since March 2001. The U-6 unemployment rate includes those who say that they want to work but have stopped looking because they believe they cannot find a job and those working part-time who would prefer full-time work.

Average hourly earnings of all employees on private nonfarm payrolls increased 0.4% in August to 2.9% above the year earlier level. This is the fastest pace of wage increase on this basis during the current expansion and appears to resolve the question of whether the pace of wage gains had stabilized or was still increasing. Policymakers and investors are watching the rate of change in wages for signs that price inflation will pick up.

Ohio nonfarm payroll employment increased by 7,600 jobs in July after an upwardly revised increase of 11,700 jobs in June. Changes were mixed across sectors. Increases were concentrated in manufacturing (+4,700), construction (+2,200), education and health services (+1,500), and leisure and hospitality (+1,300). Decreases occurred mainly in professional and business services (-1,200) and government (-1,200), which occurred across federal, state, and local. Ohio employment is up by 81,800 jobs year-to-date to a new cycle-high of just over 5.6 million jobs. Employment is roughly 20,000 short of reaching its previous all-time high set in May of 2000.

During the twelve months ending in July, Ohio employment increased by 82,200 jobs. The largest gains were in leisure and hospitality (+17,200), manufacturing (+16,700), and trade, transportation and utilities (+14,200). Construction employment increased by 7,100 jobs. The only decline occurred in information (-700), which has not increased on a year-over-year basis since November 2016.

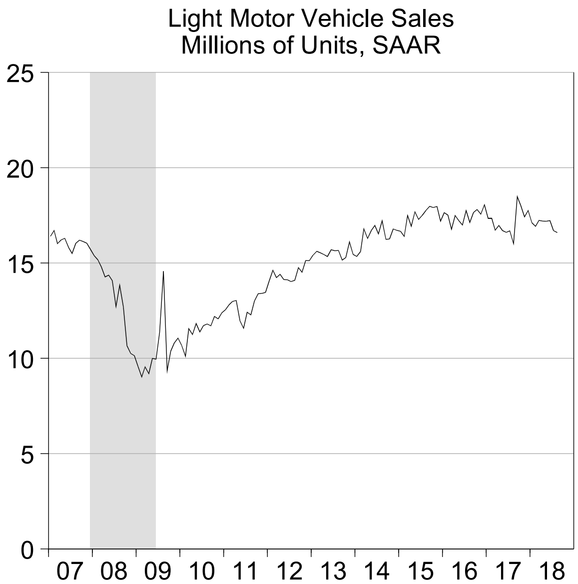
Among the **contiguous states**, employment increased on a year-over-year basis in Ohio and Michigan (1.5%), Pennsylvania (+1.2%), West Virginia (+1.0%), Kentucky (+0.8%), and Indiana (+0.6%). Manufacturing employment increased year-over-year in Michigan (2.7%), Ohio (2.4%), Kentucky (1.2%), Indiana (1.1%), and 0.8% in Pennsylvania (0.8%). It decreased 0.2% in West Virginia.

The **Ohio unemployment rate** increased in July to 4.6% – the highest level since January. The rate had reached a cycle-low of 4.3% in April and May. The 0.5 point decline in the year-over-year unemployment rate from 5.1% in July 2017 to the current 4.6% resulted from an increase of 37,600 workers, a 9,900 increase in the labor force, and a 27,800 person decline in the number of unemployed.

Across the country in July, the unemployment rate decreased notably from the month before in eleven states, led by declines of 0.2 points in Alaska, Georgia, New York, and South Carolina. Two states had meaningfully higher rates than the month before – Louisiana and Maine. Changes in the unemployment rate in the remaining 37 states and the District of Columbia were not statistically significant.

Consumer Income and Consumption

Personal income and personal consumption expenditures continued growing in July. **Personal income** increased 0.3%, driven by a 0.4% increase in wage and salary disbursements. Both measures increased by 0.4% in June and were up 4.7% from a year earlier.



Personal consumption expenditures growth was stable at 0.4% for the second-straight month in July. The gain came entirely from spending on non-durable goods and services, each of which increased by 0.4%. Durable goods spending fell 0.2% for the second monthly drop in a row. Spending for durable goods was held back by a 3.1% decrease in sales of light motor vehicles, which fell to the lowest level since August 2017. Motor vehicle sales declined an additional 0.6% in August. Unit sales might have peaked for this cycle, having been below the 12-month moving average in each of the most recent four months and six out of the last eight months.

Consumer confidence was mixed but generally robust again in August. The Conference Board Index of Consumer Confidence jumped 5.5 points to the highest level since late 2000, lifted by improvements in both assessments of current conditions and expectations. The overall index was 40.1% higher than the average during economic expansions since 1977. The University of Michigan Index of Consumer Sentiment deteriorated somewhat for the second-straight month, due mainly to less enthusiastic assessments of current conditions. The overall index was 10.0% above the historical expansion average.

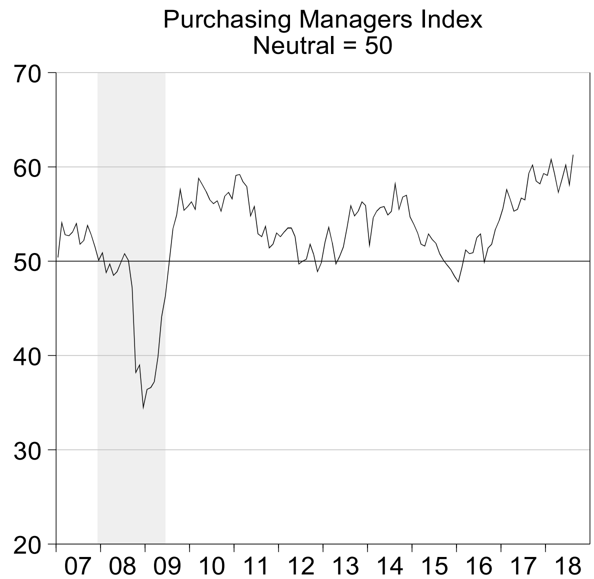
Industrial Activity

Industrial production increased by 0.1% in July, and the June gain was revised higher from 0.6% to 1.0%. Compared with a year earlier, production is up 4.2%. **Manufacturing** production jumped by 0.3%, on top of the 0.8% rise in June, to 2.8% above the year earlier level. **Mining** output decreased 0.3%, despite gains in oil and gas extraction. **Utilities** production decreased 0.5% for the third decline in a row.

Production across the country in some industries that are key employers in Ohio was largely positive. Motor vehicles and parts production increased 0.9%, machinery output and primary metal output each were up 0.6%, while fabricated metal output was flat. Compared with a year ago, production was higher by 8.8% in motor vehicles and parts, 5.9% in fabricated metal products, 4.3% in machinery, and 4.2% in primary metal.

Reports of improving conditions from **purchasing managers** in manufacturing during August were more widespread than at any time in the last fourteen years. The PMI®, which is a diffusion index that measures the extent to which respondents report increasing, unchanged, or decreasing activity, increased 3.2 points to 61.3

The key New Orders and Production sub-indexes both posted strong increases – New Orders from 60.2 to 65.2 and Production from 58.5 to 63.3. The Backlog of Orders index increased 2.8 points to 57.5, indicating that the pace of orders is outstripping production capabilities. The Supplier Deliveries sub-index, which is another measure of how quickly demand is being satisfied, increased 2.4 points to 64.5, indicating that deliveries have slowed. The New Export Orders sub-index was nearly flat, and the Imports Index declined but remained comfortably above 50.

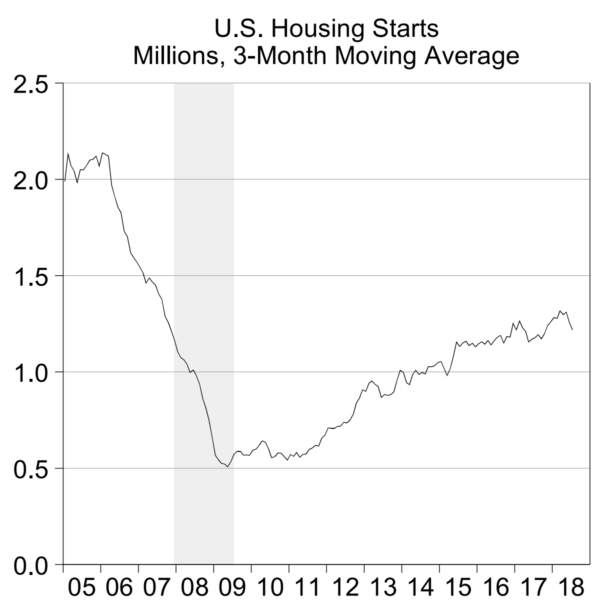


Of the eighteen industries tracked by the Manufacturing ISM® *Report on Business*, sixteen reported growth in the latest month. Among the industries with a disproportionate effect on Ohio manufacturing employment, machinery, transportation equipment, and fabricated metal products reported expansion, with magnitudes in that order. Only primary metals reported a decrease.

Respondents across industries expressed ongoing concerns about tariffs. A contact in the fabricated metal products industry said that, "dealing with tariffs on steel purchases and not knowing if or when they will end makes planning difficult". A respondent in the machinery industry said that business is positive, but, "tariff impacts are still a concern". On a positive note, according to a contact in the transportation equipment industry, "generally high levels of demand continue, and [we are] planning for this elevated rate through the rest of the year".

Construction

Construction put-in-place was essentially unchanged in July, down 0.1%. The June decline was revised up from -1.1% to -0.8%. Private construction also declined by 0.1%, while public construction increased 0.7%. The main source of growth was the unreliably measured and prone-to-revision category of residential improvements. Otherwise, notable increases in activity were limited to public education and public conservation. Construction put-in-place in both the single-family and multi-family categories declined on the month, and private commercial posted a very large decline.



Housing activity remained weak in July. Total **housing starts** fell 2.9% on a 3-month moving average basis in July, as single-family starts declined 1.3% and multi-family starts decreased 6.7%. Midwest starts increased 2.3%, also on a 3-month moving average basis, reflecting an increase of 8.6% in single-family starts that outweighed the 10.6% drop in multi-family starts.

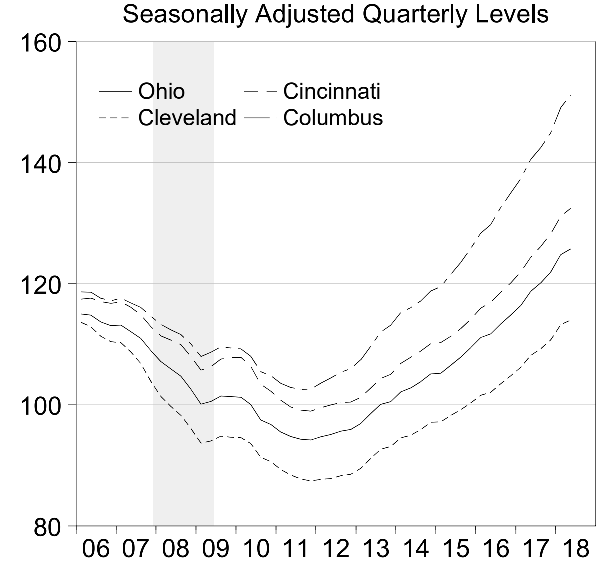
The more-forward-looking permits also were weak. Across the country, permits decreased 1.5% on a 3-month moving average basis as multi-family permits fell 5.1% and single-family permits only edged higher. The picture was similar in the Midwest, where permits fell 2.4%, as both single-family (-1.4%) and multi-family (-4.2%) declined.

Home sales also were down in June on a 3-month moving average basis, reflecting recent increases in home prices and mortgage rates and possibly tax law changes. Sales of existing homes decreased 0.7% nationally and by 1.0% in the Midwest. Both were down moderately from a year earlier. Sales of newly built homes slipped 0.3% across the country and 4.1% in the Midwest on a 3-month moving average basis. Compared with a year earlier, new home sales still were higher by 8.1% nationally and 20.1% in the Midwest.

Limited supply is raising prices and limiting sales. **Home prices** nationally posted their 76th straight monthly increase in June to 6.3% above the year earlier level, 48.0% above the cyclical low reached in February 2012, and 9.8% above the previous peak in February 2007, according to the Case-Shiller index.

As reported by Freddie Mac, home prices increased 1.2% in the second quarter and by 7.1% year-over-year. In comparison, prices across Ohio increased 0.8% in the quarter and 5.9% from a year ago. In major metro areas in Ohio: prices increased 1.0% in the quarter and 6.5% from a year ago in Cincinnati; 0.7% in the quarter and 5.4% from a year ago in Cleveland; and 1.4% in the quarter and 7.6% from a year ago in Columbus – all after seasonal adjustment.

Freddie Mac Home Price Indexes
Seasonally Adjusted Quarterly Levels



REVENUES

August **GRF receipts totaled $2,994.2 million** and were $24.8 million (0.8%) below estimate. However, as has often been the case over the past several years, non-federal revenues were above estimate, while federal revenues were below estimate due to Medicaid underspending. Non-federal revenues were above estimate by $12.6 million (0.6%). This variance was primarily attributable to tax revenues, which were above estimate by $16.2 million (0.8%). Federal revenues were below estimate by $37.3 million (3.9%), as GRF Medicaid spending was below estimate by $70.2 million (4.9%). These results are qualitatively the same as for July; an overage in tax revenues and a shortfall in federal revenues due to Medicaid underspending, therefore, the results for the fiscal year-to-date so far show the same pattern. Variances for the fiscal year-to-date by category are provided in the following table ($ in millions).

Category	**Includes:**	**YTD Variance**	**% Variance**
Tax receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, MCF, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	$27.8	0.7%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	($106.9)	-5.4%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	($4.2)	-5.2%
TOTAL REVENUE VARIANCE:		**($83.2)**	**-1.4%**
Non-federal revenue variance		**$26.6**	**0.7%**
Federal grants variance		**($109.8)**	**-5.5%**

On a year-over-year basis, monthly receipts were $355.3 million (13.5%) higher than in August of the previous fiscal year, due to both a $101.0 million increase in tax revenues and a $258.6 million increase in federal grants. The increase in federal grants this August follows an even larger decline ($315.2 million) in federal grants in July. The issue is not that federal grants are showing month to month volatility this year – instead, it was last year that federal grants showed very large monthly swings early in the year.

The $101.0 million (5.1%) increase in tax revenues from last August was driven largely by the non-auto sales tax, whose revenues rose by $64.4 million (9.5%). Although results have varied sharply from month-to-month, non-auto sales tax revenues have been on an improving growth trend since last February. Income tax revenues also rose by $22.5 million (3.3%) from last August, and a number of other taxes also posted smaller increases.

GRF Revenue Sources Relative to Monthly Estimates – August 2018
($ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales Tax	$27.3	Federal Grants	($37.3)
Cigarette and Other Tobacco Tax	$4.7	Personal Income Tax	($13.2)
Public Utility	$3.0	Commercial Activity Tax	($11.8)
Natural Gas Distribution	$2.1	Transfers In	($4.2)
Kilowatt Hour	$2.1	Other Sources Below Estimate	($1.0)
Other Sources Above Estimate	$3.6		
Total above	**$42.8**	**Total below**	**($67.5)**

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

Non-Auto Sales and Use Tax

August non-auto sales and use tax collections totaled $745.9 million and were $27.3 million (3.8%) above estimate. On a year-over-year basis, August receipts were $64.4 million (9.5%) above the same month last year. The point has finally been reached where revenues from the prior month do not need to be adjusted for the impact of the repealed sales tax on Medicaid Health Insuring Corporations (MHICs), since last July was the final month that the state received those revenues. From this point forward in fiscal year 2019, year-to-year comparisons of monthly revenue will be free of those adjustments, but the comparisons of year-to-date revenue will still be adjusted because of the July MHIC revenues in fiscal year 2018.

Monthly and year-to-date revenues, adjusted for MHIC collections, are shown in the table below. Note that the table shows not only GRF revenues, but also sales tax revenues distributed to the Public Library Fund (PLF) making the growth percentages slightly different than those for the GRF alone.

Non-Auto Sales Tax Revenue Growth Without MHIC– FY18 through August
($ in millions)

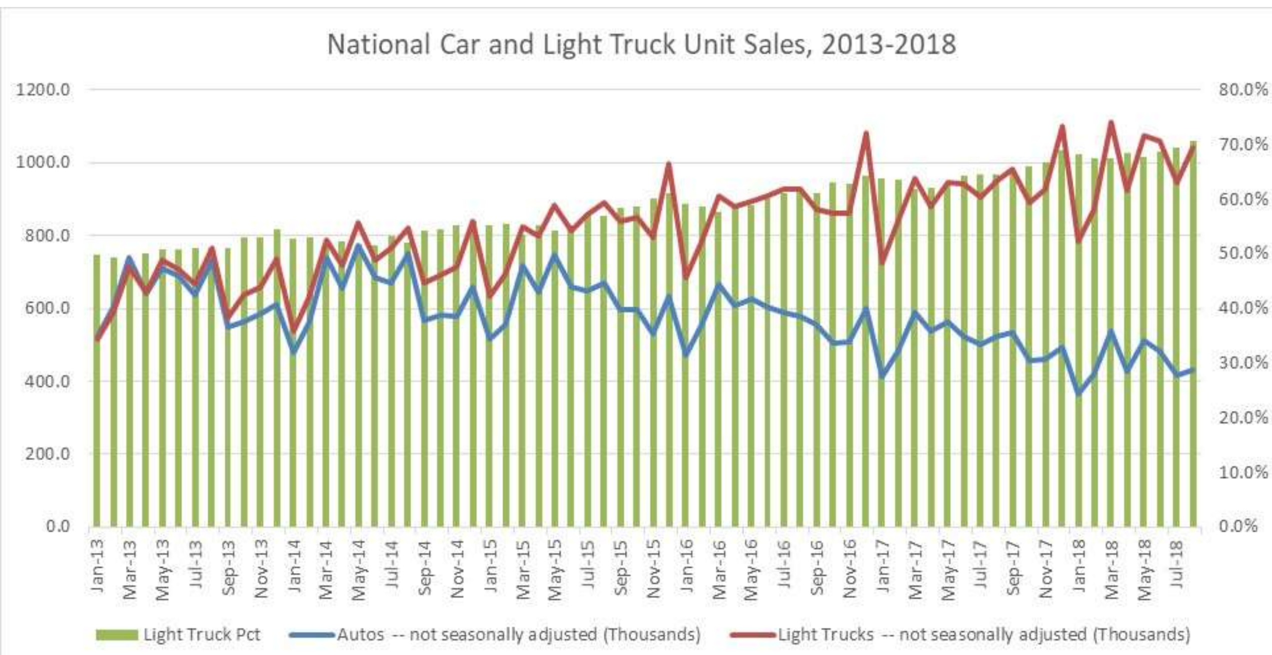
	Aug-17	Aug-18	FY 18 YTD	FY 19 YTD
Non-Auto sales tax GRF	681.5	745.9	$1,523.6	$1,532.4
Non-Auto sales tax PLF (Library Fund)	$19.0	$19.0	$14.6	$14.7
Non-Auto sales tax, all funds	$700.5	$765.0	$1,538.2	$1,547.1
MHIC revenues (state)	$0.0	$0.0	$71.7	$0.0
GRF and PLF revenues without MHIC	$700.5	$765.0	$1,466.5	$1,547.1
Change from prior year in non-MHIC collections		$64.5		$80.6
Pct. change from prior year in non-MHIC collections		9.2%		5.5%

The non-auto sales tax has shown substantial improvement in growth since its recent low-point last January. Growth has been inconsistent across months, with some months like July showing year-over-year growth around 2% or slightly lower, while other months like March and June, and now August, have exceeded 7%. Despite these fluctuations, overall non-auto revenue growth over the last 7 months has averaged 4.7%.

Auto Sales Tax

Despite a slowdown in total unit sales of new vehicles, the auto sales tax continues to meet or outperform estimates. Following July's $12.3 million overage, August revenues were essentially right at the estimate, falling short by $0.2 million. For the year, revenues are $12.1 million (4.7%) above estimate, and have grown by $22.9 million (9.2%) from last year.

National data shows that the shift in vehicle mix from lower-priced cars to higher-priced light trucks continues, helping to boost auto sales tax revenues. The light truck share of total unit sales has risen from just below 50% at the start of 2013 to over 70% in August.



For fiscal year 2019 as a whole, auto sales tax collections are expected to increase by only 1.0%, as OBM is cautious about how much larger the light truck share of sales can get.

Personal Income Tax

August GRF personal income tax receipts totaled $714.5 million and were $13.2 million (1.8%) below estimate. The underperformance of August is mostly due to a shortfall in withholding. The variance from estimate in each of the other categories (whether positive or negative) was less than $10 million.

Withholding fell short of the estimate by $14.6 million (1.9%) in August. However, the category was up 2.4% from the previous August, a result consistent with the sustained path of growth observed since fiscal year 2018. Furthermore, some of the shortfall was in what is called "annual withholding" which is actually withholding of tax against the income of pass-through entities (PTEs), rather than the more typical definition of withholding, which is tax withheld against employee compensation. Ordinary withholding – i.e. withholding other than annual – is up 5.3% for the first two months of fiscal year 2019, and total withholding is up 4.8%, consistent with the growth observed in fiscal year 2018.

Several smaller categories exhibited a positive variance from estimate in August. Annual return tax payments were $8.1 million (80.3%) above estimate and Trust tax revenues exceeded estimate by $0.1 million (21.5%).

The remaining payment categories were below estimate. Estimated payments fell short of the August estimate by $2.7 million (18.9%) and Other payments were $1.1 million (14.7%) below estimate.

Finally, August refunds were $2.9 million (7.8%) above estimate. This is 8.4% above the August 2017 refund amount. As mentioned in last month's report, it is too soon to know whether this outcome may be influenced by taxpayers that filed extensions for tax year 2017 and who may realize higher refunds that partially offset the increased estimated payments observed for that tax year. OBM continues to monitor this category because of this possibility and will especially focus on the October results, which is when annual returns for extension filers are primarily due.

On a year-over-year basis, August GRF income tax collections were $22.5 million (3.3%) above August 2017 collections. The increase in withholding was $17.4 million, accounting for the majority of this growth.

FY2019 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)

	Estimate Aug	Actual Aug	$ Var	Actual Aug 2018	Actual Aug 2017	$ Var Y-0ver-Y
Withholding	$761.1	$746.5	($14.6)	$746.5	$729.1	$17.4
Quarterly Est.	$14.5	$11.8	($2.7)	$11.8	$11.0	$0.8
Trust Payments	$0.5	$0.6	$0.1	$0.6	$0.5	$0.1
Annual Returns & 40 P	$10.1	$18.2	$8.1	$18.2	$9.6	$8.6
Other	$7.2	$6.1	($1.1)	$6.1	$7.3	($1.2)
Less: Refunds	($36.8)	($39.7)	($2.9)	($39.7)	($36.6)	($3.1)
Local Distr.	($28.9)	($29.1)	($0.2)	($29.1)	($28.8)	($0.2)
Net to GRF	$727.7	$714.5	($13.2)	$714.5	$692.0	$22.5

Commercial Activity Tax

Commercial activity tax (CAT) August receipts deposited in the GRF totaled $293.0 million and were $11.8 million (3.9%) below estimate. Combined collections for July and August, which comprise the vast majority of collections for the first quarter, were $12.9 million (3.6%) below estimate.

GRF CAT receipts for the year-to-date are $1.2 million (0.4%) below last year. Unlike fiscal year 2018, year-to-year comparisons in fiscal year 2019 will not be affected by the H.B. 49 law change that dedicated a larger share of total CAT revenues to the GRF (85% rather than 75%). By the same logic, GRF and all funds collection trends should mirror each other in fiscal year 2019. This is in fact the case, as all funds have declined by $1.4 million from a year ago, a decline of 0.3%, very close to the same percentage decline as for GRF revenues.

Anecdotal evidence available at this time suggests that the shortfall relative to estimate and the small decline from last year are both driven primarily by an increase in credits rather than lower than expected growth in taxable receipts.

GRF Non-Tax Receipts

GRF non-tax revenues in August totaled $924.5 million and were $36.8 million (3.8%) below estimate. This variance was primarily attributable to Federal grants, which as explained earlier, were below estimate by $37.3 million (3.9%) due to underspending of $70.2 million in the GRF Medicaid category. This variance was minimally offset by revenues in the Other Income category, which were higher than estimated largely due to refunds of prior-year expenditures.

August transfers in were $4.2 million below estimate due to the timing of a transfer from the School Building Fund, which will occur later in the fiscal year instead of August as estimated.

9/10/2018

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2019 VS ESTIMATE FY 2019
($ in thousands)

	MONTH				YEAR-TO-DATE			
REVENUE SOURCE	ACTUAL AUGUST	ESTIMATE AUGUST	$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	745,931	718,600	27,331	3.8%	1,532,377	1,496,900	35,477	2.4%
Auto Sales & Use	137,928	138,100	(172)	-0.1%	272,116	260,000	12,116	4.7%
Subtotal Sales & Use	883,859	856,700	27,159	3.2%	1,804,493	1,756,900	47,593	2.7%
Personal Income	714,474	727,700	(13,226)	-1.8%	1,357,192	1,375,500	(18,308)	-1.3%
Corporate Franchise	115	0	115	N/A	141	0	141	N/A
Financial Institutions Tax	206	700	(494)	-70.6%	466	1,200	(734)	-61.2%
Commercial Activity Tax	292,970	304,800	(11,830)	-3.9%	344,000	356,900	(12,900)	-3.6%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	32,091	29,100	2,991	10.3%	32,305	29,100	3,205	11.0%
Kilowatt Hour	36,295	34,200	2,095	6.1%	63,135	61,300	1,835	3.0%
Natural Gas Distribution	13,249	11,100	2,149	19.4%	14,839	12,300	2,539	20.6%
Foreign Insurance	1,238	0	1,238	N/A	2,561	1,000	1,561	156.1%
Domestic Insurance	0	0	0	N/A	0	0	0	N/A
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	84,367	79,700	4,667	5.9%	107,922	104,900	3,022	2.9%
Alcoholic Beverage	6,654	5,200	1,454	28.0%	10,440	10,600	(160)	-1.5%
Liquor Gallonage	4,187	4,300	(113)	-2.6%	8,404	8,400	4	0.0%
Estate	22	0	22	N/A	37	0	37	N/A
Total Tax Receipts	2,069,728	2,053,500	16,228	0.8%	3,745,936	3,718,100	27,836	0.7%
NON-TAX RECEIPTS								
Federal Grants	917,873	955,190	(37,316)	-3.9%	1,872,048	1,981,847	(109,799)	-5.5%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	4,836	5,091	(255)	-5.0%	6,178	5,844	334	5.7%
Other Income	1,764	988	777	78.6%	5,225	2,654	2,570	96.8%
ISTV'S	4	0	4	N/A	6	0	6	N/A
Total Non-Tax Receipts	924,477	961,268	(36,791)	-3.8%	1,883,456	1,990,345	(106,889)	-5.4%
TOTAL REVENUES	**2,994,204**	**3,014,768**	**(20,563)**	**-0.7%**	**5,629,392**	**5,708,445**	**(79,052)**	**-1.4%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	4,200	(4,200)	N/A	75,995	80,190	(4,195)	-5.2%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	4,200	(4,200)	N/A	75,995	80,190	(4,195)	-5.2%
TOTAL SOURCES	**2,994,204**	**3,018,968**	**(24,763)**	**-0.8%**	**5,705,387**	**5,788,635**	**(83,248)**	**-1.4%**

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Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2019 VS ACTUAL FY 2018
($ in thousands)

REVENUE SOURCE	MONTH AUGUST FY 2019	MONTH AUGUST FY 2018	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2019	YEAR-TO-DATE ACTUAL FY 2018	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	745,931	681,506	64,425	9.5%	1,532,377	1,523,626	8,751	0.6%
Auto Sales & Use	137,928	135,726	2,202	1.6%	272,116	249,191	22,924	9.2%
Subtotal Sales & Use	883,859	817,232	66,628	8.2%	1,804,493	1,772,817	31,676	1.8%
Personal Income	714,474	691,984	22,491	3.3%	1,357,192	1,290,495	66,697	5.2%
Corporate Franchise	115	1,133	(1,018)	-89.9%	141	2,304	(2,163)	-93.9%
Financial Institutions Tax	206	1,653	(1,447)	-87.6%	466	2,658	(2,192)	-82.5%
Commercial Activity Tax	292,970	291,227	1,743	0.6%	344,000	345,222	(1,221)	-0.4%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	32,091	27,280	4,810	17.6%	32,305	27,336	4,969	18.2%
Kilowatt Hour	36,295	33,509	2,786	8.3%	63,135	57,840	5,296	9.2%
Natural Gas Distribution	13,249	10,160	3,089	30.4%	14,839	11,327	3,511	31.0%
Foreign Insurance	1,238	(351)	1,589	453.2%	2,561	123	2,438	1983.4%
Domestic Insurance	0	0	0	N/A	0	57	(57)	-99.9%
Other Business & Property	0	(374)	374	N/A	0	(374)	374	N/A
Cigarette and Other Tobacco	84,367	85,712	(1,344)	-1.6%	107,922	101,839	6,083	6.0%
Alcoholic Beverage	6,654	5,469	1,185	21.7%	10,440	10,849	(410)	-3.8%
Liquor Gallonage	4,187	4,096	91	2.2%	8,404	8,152	252	3.1%
Estate	22	31	(9)	-29.9%	37	33	5	15.3%
Total Tax Receipts	2,069,728	1,968,761	100,967	5.1%	3,745,936	3,630,678	115,258	3.2%
NON-TAX RECEIPTS								
Federal Grants	917,873	659,316	258,557	39.2%	1,872,048	1,928,705	(56,657)	-2.9%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	4,836	5,438	(602)	-11.1%	6,178	5,777	401	6.9%
Other Income	1,764	5,409	(3,645)	-67.4%	5,225	5,846	(621)	-10.6%
ISTV'S	4	0	4	N/A	6	0	6	N/A
Total Non-Tax Receipts	924,477	670,162	254,315	37.9%	1,883,456	1,940,328	(56,872)	-2.9%
TOTAL REVENUES	**2,994,204**	**2,638,923**	**355,282**	**13.5%**	**5,629,392**	**5,571,006**	**58,386**	**1.0%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	17	(17)	N/A	75,995	111,347	(35,352)	-31.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	17	(17)	N/A	75,995	111,347	(35,352)	-31.7%
TOTAL SOURCES	**2,994,204**	**2,638,940**	**355,265**	**13.5%**	**5,705,387**	**5,682,353**	**23,034**	**0.4%**

DISBURSEMENTS

August GRF disbursements, across all uses, totaled $2,968.6 million and were $13.7 million (0.5%) below estimate. This variance was primarily attributable to below estimate disbursements in the Medicaid and Primary and Secondary Education categories. These variances were partially offset by above estimate disbursements in the Property Tax Reimbursements category. On a year-over-year basis, August total uses were $429.6 million (16.9%) higher than those of the same month in the previous fiscal year, with the Medicaid program largely responsible for the increase. Year-to-date variances from the estimate 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)	($126.0 million)	-2.0%
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$2.8 million	0.4%
TOTAL DISBURSEMENTS VARIANCE:		**($123.2 Million)**	**-1.8%**

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

Primary and Secondary Education

This category contains GRF spending by the Ohio Department of Education. August disbursements for this category totaled $682.9 million and were $28.8 million (4.1%) below estimate. This variance was primarily attributable to spending in the Foundation Funding line item, which totaled $636.7 million and was $28.7 million (4.3%) below estimate due to regular and special education tuition adjustments being lower than expected.

On a year-over-year basis, disbursements in this category were $24.1 million (3.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $2.5 million (0.2%) higher than the same point in fiscal year 2018.

Higher Education

August disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled $190.2 million and were $1.4 million (0.7%) below estimate. This variance was primarily attributable to spending in the Ohio College Opportunity Grant Program, which was below estimate by $1.0 million due to lower than estimated requests for reimbursement from higher education institutions.

Year-to-date disbursements were $375.0 million, which was $3.3 million (0.9%) below the estimate. On a year-over-year basis, disbursements in this category were $10.1 million (5.6%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $24.6 million (7.0%) higher than at the same point in fiscal year 2018.

Other Education

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

August disbursements in this category totaled $10.7 million and were $3.5 million (47.7%) above estimate. Year-to-date disbursements were $18.6 million, which was $2.7 million (16.8%) above estimate. On a year-over-year basis, disbursements in this category were $4.1 million (61.2%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $4.0 million (27.0%) higher than at the same point in fiscal year 2018.

Medicaid

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

<u>Expenditures</u>
August GRF disbursements for the Medicaid Program totaled $1,377.1 million and were $70.2 million (4.9%) below estimate, and $396.4 million (40.4%) above disbursements for the same month in the previous fiscal year. This year-over-year variance resulted from an unusually large amount of spending occurring in non-GRF funds in August 2017. The availability of non-GRF funds is what determines when such funds are used in a fiscal year.

Year-to-date GRF disbursements totaled $2,876.5 million and were $168.7 million (5.5%) below estimate, and $76.4 million (2.6%) below disbursements for the same point in the previous fiscal year.

August all-funds disbursements for the Medicaid Program totaled $2,105.2 million and were $82.2 million (3.8%) below the estimate, and $291.1 million (12.1%) below disbursements for the same month in the previous fiscal year. This year-over-year variance is primarily attributable to a delay in paying fee-for-service developmental disability expenses in August 2017.

Year-to-date all-funds disbursements totaled $4,293.3 million and were $213.9 million (4.7%) below estimate, and $326.7 million (7.1%) below disbursements for the same point in the previous fiscal year; primarily for the reason described above.

The August all-funds variance was attributable to underspending in the fee-for-service and managed care programs, as well as in administrative expenses. In the fee-for-service program, this variance was the result of program enrollment being 4.6% below estimate. Additionally, there were fewer enrolled individuals in the more expensive aged, blind and disabled category than estimated. Managed care expenses were below estimate due to enrollment in that program being 2.3% below estimate. Underspending in August was also reported in administrative expenses.

The year-to-date, all-funds variance was primarily attributable to underspending in all major program categories. Underspending in the fee-for-service, managed care, and premium assistance programs are all driven by program enrollment being 4.3%, 2.0%, and 7.8%, respectively, below estimate on an average monthly enrollment basis. Fee-for-service spending was also below estimate due to the mix of program enrollees as described above. Year-to-date underspending is also attributable to the Care Innovation program, which has seen slight delays in program activities. Finally, program administration expenses were below estimate as contractual service costs have been lower than anticipated.

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

($ in millions, totals may not add due to rounding)

	August Actual	August Projection	Variance	Variance %
GRF	$ 1,377.1	$ 1,447.3	$ (70.2)	-4.9%
Non-GRF	$ 728.1	$ 740.0	$ (12.0)	-1.6%
All Funds	$ 2,105.2	$ 2,187.4	$ (82.2)	-3.8%

<u>Enrollment</u>

Total August enrollment for the program was 2.91 million, which was 77,211 (2.6%) below estimate and 164,727 (5.4%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 2.91 million and was 70,870 (2.4%) below estimate.

August enrollment by major eligibility category was: Covered Families and Children, 1.64 million; Aged, Blind and Disabled (ABD), 489,704; Group VIII Expansion, 645,056; and Other Full Benefits, 15,126 persons.

Please note that these data are subject to revision.

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: child care, TANF, 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.

August disbursements in this category totaled $96.1 million and were $14.6 million (13.2%) below estimate. Year-to-date disbursements were $223.1 million, which was $15.7 million (6.6%) below estimate. On a year-over-year basis, disbursements in this category were $10.2 million (9.6%) lower than for the same month in the previous fiscal year while year-to-date expenditures were $4.7 million (2.1%) lower than at the same point in fiscal year 2018.

Department of Health

August disbursements for the Department of Health totaled $6.2 million and were $6.5 million (51.2%) below estimate. This variance was primarily attributable to the Help Me Grow line item, which was $2.4 million (57.6%) below estimate due to delayed disbursement of prior year encumbrances and the Mothers and Children Safety Net Services line item, which was $1.3 million (93.7%) below estimate due a delay in the disbursement of certain payments.

Department of Job and Family Services

August disbursements for the Department of Job and Family Services totaled $34.7 million and were $5.0 million (12.7%) below estimate. This variance was primarily attributable to the Information Technology Projects line item, which was $1.9 million below estimate due to some delayed payments. Additionally, the Children and Families Subsidy line item was $1.6 million below estimate, and the Children, Family, and Community Protection Services line item was $1.5 million below estimate, both due to the timing of county requests for funds. This variance was partially offset by the Child Support-Local line item, which was $1.4 million above estimate due to higher than estimated county draws.

Mental Health and Addiction Services

August disbursements for the Department of Mental Health and Addiction Services totaled $47.1 million and were $3.3 million (7.0%) below estimate. This variance is primarily attributable to the Hospital Services line item, which was $3.7 million below estimate due to the timing of some payments, which were delayed into September. Additionally, the Continuum of Care line item was $2.6 million below estimate, also due to the timing of payments. This variance was partially offset by the Specialized Dockett Support line item, which was $3.4 million above estimate as nearly the entirety of the line item was disbursed due to a change in the agency's disbursement schedule of this particular line. Finally, the Community Innovations line item was above estimate by $1.5 million due to the payment of workforce recruitment disbursements being made earlier than expected.

Justice and Public Protection

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

August disbursements in this category totaled $155.5 million and were $12.8 million (7.6%) below estimate. Year-to-date disbursements were $454.2 million, which was $10.1 million (2.2%) below estimate. On a year-over-year basis, disbursements in this category were $3.1 million (2.0%) lower than for the same month in the previous fiscal year while year-to-date expenditures were $22.1 million (5.1%) higher than at the same point in fiscal year 2018.

Department of Rehabilitation and Correction

August disbursements for the Department of Rehabilitation and Correction totaled $117.0 million and were $18.5 million (15.8%) below estimate. This variance was primarily attributable to below estimate disbursements in several line items: The Institutional Operations line item was $13.9 million below estimate due to the timing of contract payments, which occurred later than expected; the Community Non-Residential Programs line item was $2.2 million below estimate due to higher than anticipated spending in July caused by the timing of payments; and the Institutional Medical Services line item was $3.3 million below estimate due to a change in payment systems taking effect this year.

Department of Youth Services

August disbursements for the Department of Youth Services totaled $9.8 million and were $0.4 million (3.2%) above estimate. This variance was primarily attributable to disbursements in the Parole Operations line item, which were above estimate by $0.4 million due to higher than expected spending in July caused by the timing of payments.

Public Defender Commission

August disbursements for the Public Defender Commission totaled $8.2 million and were $5.3 million (179.0%) above estimate. This variance was primarily attributable to higher than estimated disbursements in the County Reimbursement line item, which were above estimate by $5.3 million due to payments being made in August rather than July as expected.

General Government

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

August disbursements in this category totaled $32.4 million and were $4.4 million (12.0%) below estimate. Year-to-date disbursements were $75.0 million, which was $2.0 million (2.7%) above estimate. On a year-over-year basis, disbursements in this category were $3.4 million (11.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $2.0 million (2.7%) higher than at the same point in fiscal year 2018.

Department of Administrative Services

August disbursements for the Department of Administrative Services totaled $6.5 million and were $0.8 million (13.0%) above estimate. This variance was primarily attributable to disbursements for the Ohio Business Gateway line item, which were $1.8 million above estimate due to the timing of payments. This variance was partially offset by the MARCS Fee Offset line item, which was $1.0 million below estimate, also due to the timing of payments, as some disbursements were made earlier than expected in July.

Development Services Agency
August disbursements for the Development Services Agency totaled $4.0 million and were $1.6 million (40.0%) above estimate. This variance is primarily attributable to the Technology Programs and Grants line item, which was above estimate due to a greater than estimated disbursement of prior year encumbrances.

Treasurer of State and Pension Subsidies
August disbursements for the Treasurer of State and Pension Subsidies totaled $0.8 million and were $5.5 million (76.0%) below estimate. This variance was primarily attributable to below estimate disbursements in the Police and Fire Death Benefits line item, which were $5.0 million below estimate due to quarterly subsidy payments being made in July rather than August as expected.

Property Tax Reimbursements

Payments from the property tax reimbursement 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.

August property tax reimbursements totaled $279.3 million and were $114.3 million (69.2%) above estimate. Year-to-date disbursements totaled $279.3 million and were $112.6 million (67.6%) above estimate. The monthly and year-to-date variances are due to reimbursement requests being received from counties earlier than anticipated.

Debt Service

August payments for debt service totaled $141.8 million and were $0.1 million (0.1%) above estimate. Year-to-date disbursements totaled $384.9 million and were $0.1 million (0.0%) below estimate.

Transfers Out

August transfers out totaled $2.5 million and were $0.8 million (42.9%) above estimate. Year-to-date transfers totaled $741.9 million, which were $2.8 million (0.4%) above estimate. The year-to-date variance is primarily attributable to a planned transfer to the OhioCorps Fund occurring earlier than anticipated. This variance will be offset next month.

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Table 3

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2019 VS ESTIMATE FY 2019
($ in thousands)

Functional Reporting Categories Description	MONTH ACTUAL AUGUST	MONTH ESTIMATED AUGUST	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE YTD ACTUAL	YEAR-TO-DATE YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	682,920	711,752	(28,833)	-4.1%	1,443,273	1,488,710	(45,437)	-3.1%
Higher Education	190,203	191,594	(1,391)	-0.7%	374,997	378,261	(3,264)	-0.9%
Other Education	10,734	7,268	3,466	47.7%	18,562	15,888	2,674	16.8%
Medicaid	1,377,104	1,447,337	(70,233)	-4.9%	2,876,450	3,045,163	(168,713)	-5.5%
Health and Human Services	96,101	110,705	(14,605)	-13.2%	223,129	238,840	(15,711)	-6.6%
Justice and Public Protection	155,492	168,337	(12,845)	-7.6%	454,243	464,369	(10,126)	-2.2%
General Government	32,441	36,859	(4,419)	-12.0%	74,963	72,994	1,970	2.7%
Property Tax Reimbursements	279,343	165,063	114,280	69.2%	279,337	166,691	112,646	67.6%
Debt Service	141,790	141,666	124	0.1%	384,878	384,941	(63)	0.0%
Total Expenditures & ISTV's	**2,966,127**	**2,980,581**	**(14,454)**	**-0.5%**	**6,129,832**	**6,255,855**	**(126,024)**	**-2.0%**
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	657,503	657,503	(0)	0.0%
Operating Transfer Out	2,500	1,750	750	42.9%	84,355	81,570	2,784	3.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**2,500**	**1,750**	**750**	**42.9%**	**741,858**	**739,073**	**2,784**	**0.4%**
Total Fund Uses	**2,968,627**	**2,982,331**	**(13,704)**	**-0.5%**	**6,871,689**	**6,994,929**	**(123,239)**	**-1.8%**

9/10/2018

Table 4

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2019 VS ACTUAL FY 2018
($ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	AUGUST FY 2019	AUGUST FY 2018	$ VAR	% VAR	ACTUAL FY 2019	ACTUAL FY 2018	$ VAR	% VAR
Primary and Secondary Education	682,920	658,789	24,130	3.7%	1,443,273	1,440,759	2,514	0.2%
Higher Education	190,203	180,074	10,130	5.6%	374,997	350,429	24,568	7.0%
Other Education	10,734	6,660	4,074	61.2%	18,562	14,611	3,951	27.0%
Medicaid	1,377,104	980,688	396,416	40.4%	2,876,450	2,952,828	(76,378)	-2.6%
Health and Human Services	96,101	106,282	(10,181)	-9.6%	223,129	227,840	(4,711)	-2.1%
Justice and Public Protection	155,492	158,607	(3,115)	-2.0%	454,243	432,140	22,103	5.1%
General Government	32,441	29,029	3,411	11.8%	74,963	72,996	1,967	2.7%
Property Tax Reimbursements	279,343	235,148	44,195	18.8%	279,337	238,306	41,031	17.2%
Debt Service	141,790	126,151	15,639	12.4%	384,878	354,628	30,249	8.5%
Total Expenditures & ISTV's	**2,966,127**	**2,481,428**	**484,698**	**19.5%**	**6,129,832**	**6,084,537**	**45,294**	**0.7%**
Transfers Out:								
BSF Transfer	0	0	0	N/A	657,503	0	657,503	N/A
Operating Transfer Out	2,500	57,595	(55,095)	-95.7%	84,355	58,095	26,260	45.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**2,500**	**57,595**	**(55,095)**	**-95.7%**	**741,858**	**58,095**	**683,763**	**1,177.0%**
Total Fund Uses	**2,968,627**	**2,539,023**	**429,604**	**16.9%**	**6,871,689**	**6,142,632**	**729,057**	**11.9%**

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) unencumbered ending fund balance for FY 2019. Based on the estimated revenue sources for FY 2019 and the estimated FY 2019 disbursements, transfers, and encumbrances, the GRF unencumbered ending fund balance for FY 2019 is an estimated $537,444.6 million.

The GRF unencumbered ending fund balance should not be considered as a balance available for expenditure in FY 2019 nor should it be considered as equivalent to the FY 2019 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF unencumbered 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.

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2019
($ in thousands)

July 1, 2018 Beginning Cash Balance*	**1,221,039.6**
Plus FY 2019 Estimated Revenues	23,215,641.4
Plus FY 2019 Estimated Federal Revenues	10,240,063.3
Plus FY 2019 Estimated Transfers to GRF	252,790.0
Total Sources Available for Expenditures & Transfers	**34,929,534.2**
Less FY 2019 Estimated Disbursements**	33,308,929.3
Less FY 2019 Estimated Total Encumbrances as of June 30, 2019	321,926.9
Less FY 2019 Estimated Transfers Out	761,233.4
Total Estimated Uses	**34,392,089.7**
FY 2019 ESTIMATED UNENCUMBERED ENDING FUND BALANCE	**537,444.6**

* Includes reservations of $371.2 million for prior year encumbrances. After accounting for these amounts, the estimated unencumbered beginning fund balance for fiscal year 2019 is $849.9 million.

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

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