

# State of Ohio Monthly Financial Report

---

JUNE 12, 2023

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

From: Kimberly Murnieks, OBM Director



# Table of Contents

Report Overview ..... 3  
Spotlight on Results ..... 4  
Economic Activity ..... 5  
Revenues ..... 17  
Disbursements ..... 26  
Glossary ..... 34



# Report Overview

**TAX REVENUE EXCEEDED THE MAY ESTIMATE BY 8.4%**




**YEAR-TO-DATE REVENUE IS 6% ABOVE FY2022**



**\$1.2 BILLION IN SALES AND USE TAX IN MAY 2023**



**PERSONAL INCOME TAX EXCEEDED THE MAY ESTIMATE BY \$242 MILLION**



# Spotlight on Results

## Spotlighting: H2Ohio Wetland Monitoring Program

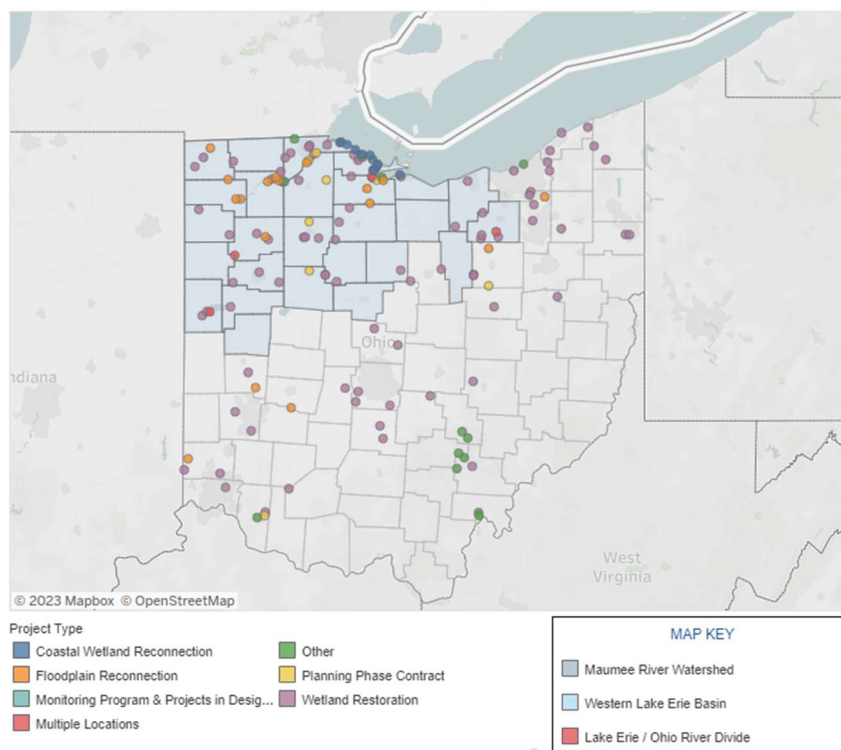
Wetlands are an essential natural resource. An acre of wetland can store between 1 and 1.5 million gallons of floodwater, and more than one-third of endangered species rely directly, or indirectly, on wetlands for survival. The Ohio Department of Natural Resources (ODNR) through public-private partnerships, created, restored, or enhanced 11,940 acres of wetland ecosystems in Ohio across 88 wetland projects from 2019 to present.

To monitor the results of their work, ODNR contracted with the Lake Erie and Aquatic Research Network (LEARN) to develop and implement the H2Ohio Wetland Monitoring Program. LEARN monitors the nutrient levels in H2Ohio wetlands, focusing on phosphorus and nitrogen levels, which contribute to harmful algal blooms in Lake Erie. The diversity of management strategies employed by different wetlands projects allows for comparison and evaluation of how different wetlands reduce and retain nutrients, leading to more efficient, cost-effective implementation in the future.

“My H2Ohio plan is a dedicated, holistic water quality strategy with long-lasting solutions to address the causes of Ohio’s water problems, not just the symptoms.” [Governor Mike DeWine at the National Museum of the Great Lakes in Toledo, Ohio November 14, 2019]

H2Ohio Statewide Projects Map

Click on a monitor location in the map to filter the data



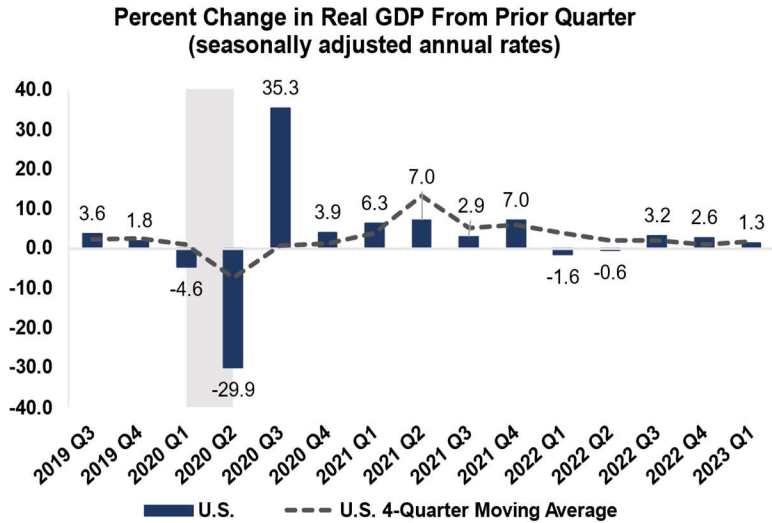
In 2022 LEARN collected over 1,300 water samples, 800 plant samples, and 600 soil samples from 45 wetlands for analysis. Though it is too soon to see the full impacts on algal blooms, as ODNR restores more wetlands, LEARN will continue to collect evidence and compare results to baseline data for these projects. In 2023 the monitoring program aims to include over 80 wetlands in their analysis. Visit [ODNR’s H2Ohio dashboard](#) to explore more about the state’s wetlands projects.

# Economic Activity

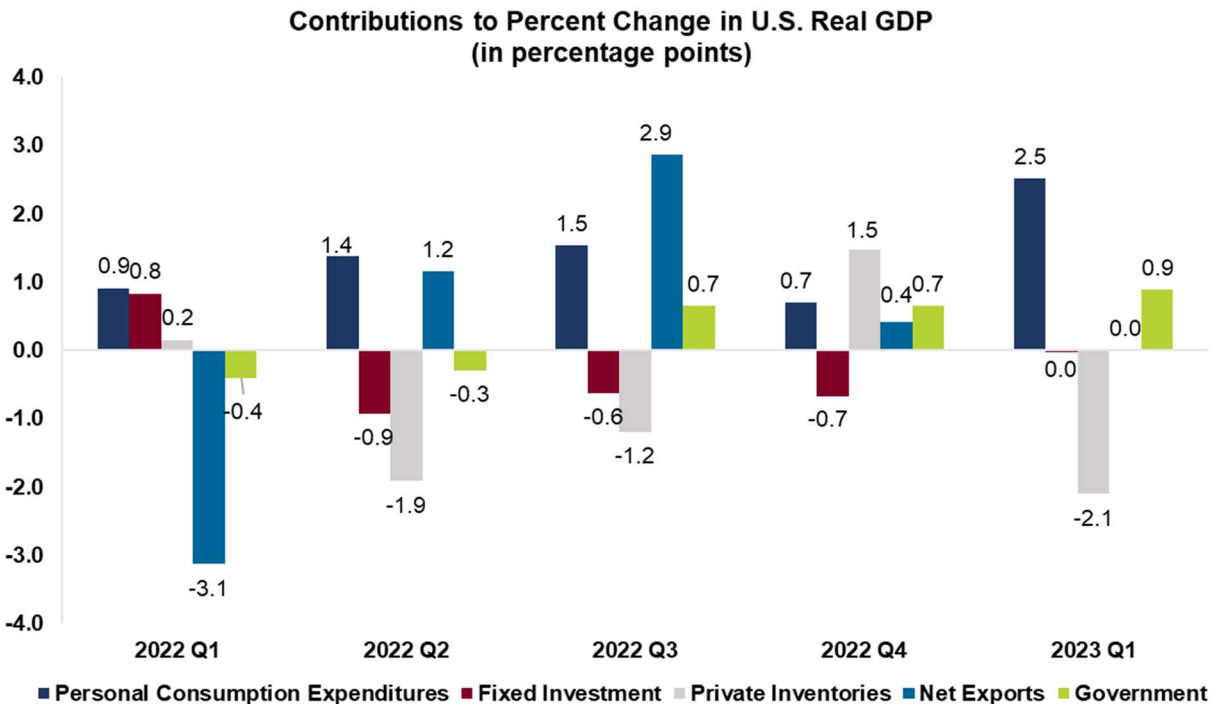
## Economic Outlook

According to the Bureau of Economic Analysis' second estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the first quarter of calendar year 2023 at an annualized rate of 1.3 percent. This was an increase of 0.2 percentage point from last month's estimate.

The first quarter increase in real GDP resulted from growth in the personal consumption expenditures category (2.5 percentage points), and government expenditures (0.9 percentage points), and government expenditures (0.9 percentage point). These positive contributions were partially offset by decreases in private inventories (-2.1 percentage points). Fixed investments and net exports were relatively unchanged in the first quarter.



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis



The **Federal Reserve's Beige Book** evaluates current economic conditions across its 12 districts. According to the May 2023 report, economic activity in the Fourth District, which includes Ohio, was stable in comparison to April's report. The labor market remains strong, with some industries including banking and manufacturing reporting difficulties hiring. Consumer spending was relatively unchanged from the April report, with seasonal increases in spending on services offset by slightly weaker spending on goods.

In April 2023, the Conference Board's **Leading Economic Index** decreased 0.6 percent to 107.5, after declining 1.2 percent in March. The index fell for the 13th consecutive month and in the last six months decreased 4.4 percent. The Conference Board's senior manager of business cycle indicators reported that weakness among indicators making up the index were widespread in April, but less so than March, suggesting that economic conditions will continue to slow throughout the national economy in the coming months. The Conference Board currently forecasts that this growing weakness could lead to a mild recession beginning in the second half of 2023.

The Philadelphia Federal Reserve Bank's Survey of Professional Forecasters suggested slow but stable economic growth over the next year. Expectations for GDP growth and employment remained positive, while near-term inflation expectations were revised upward from the previous survey. Concerns of persistent inflation, paired with continued strength in the national labor market, bolstered expectations of continued increases of the interest rate from the Federal Reserve. Conditions stabilized in regional banking compared to recent months and the federal debt ceiling was raised in early June without incident, decreasing economic uncertainty at the national level.

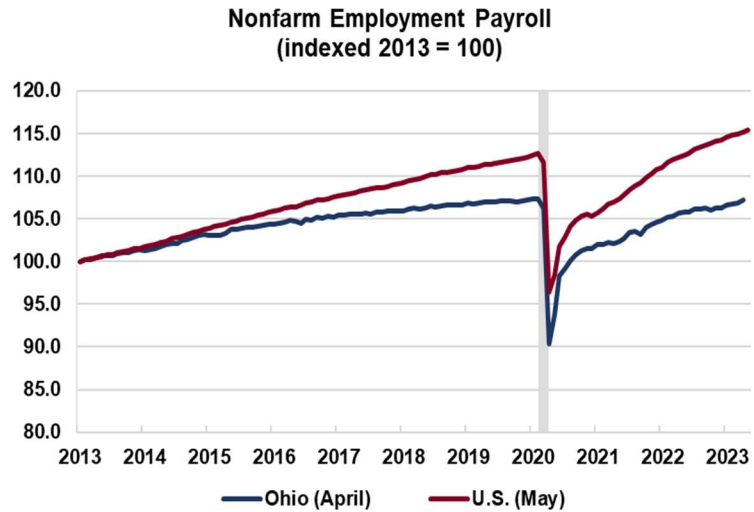
### Economic Forecasts

Source	Date	2nd Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	06/05/2023	0.8%
Moody's Analytics High Frequency GDP Model	06/05/2023	2.4%
Federal Reserve Bank of Atlanta (GDPNow)	06/01/2023	2.0%
Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters	05/12/2023	1.0%
Wells Fargo	05/11/2023	1.9%
Conference Board	05/10/2023	-0.6%

## Ohio Labor Market

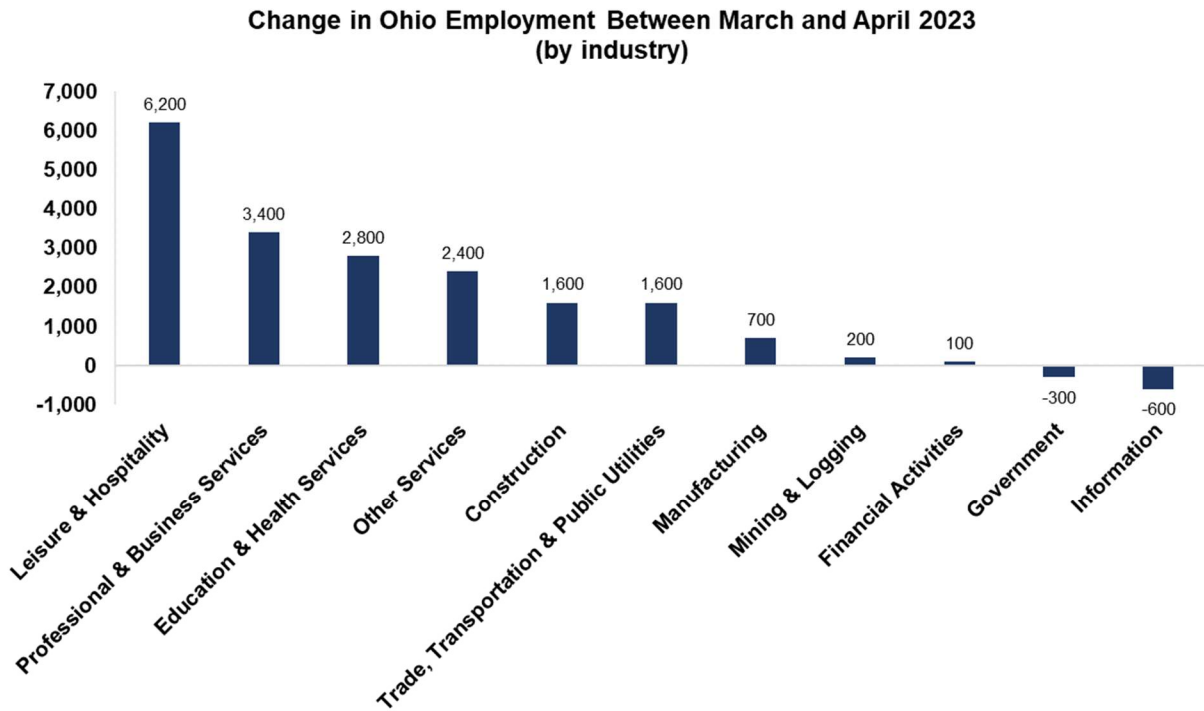
**Ohio's nonfarm payroll employment** increased by an estimated 18,100 jobs between March and April 2023 to 5.6 million, an increase of 1.5 percent over the prior year.

In Ohio, the leisure and hospitality industry had the largest employment gains in April, followed by the professional and business services, education and health services, and other services. These gains were partially offset by losses in the government and information industries.



Source: Bureau of Labor Statistics

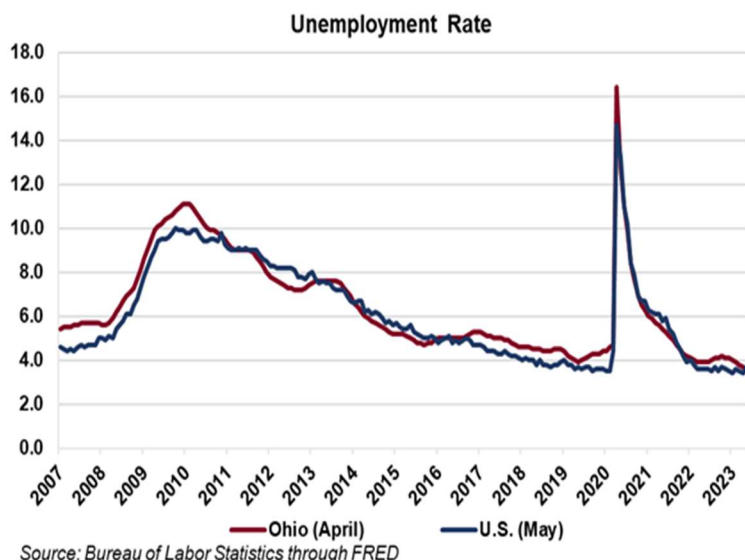
Ohio's seasonally adjusted **labor force participation rate** in April was 61.8 percent, a 0.3 percentage point increase from March 2023. The seasonally adjusted **employment-population ratio** was 59.5 in April, a 0.3 percent increase from March 2023.



Source: Bureau of Labor Statistics





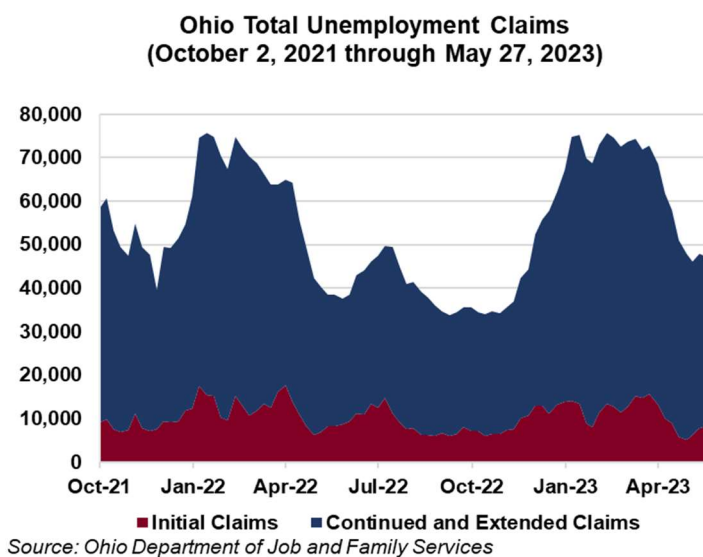


The **Ohio unemployment rate** in April 2023 was 3.7 percent, and a decrease of 0.1 percentage point from March 2023's revised rate. This is the lowest unemployment rate in Ohio's history.

In April 2023, **initial unemployment claims** decreased 52.1 percent for both men and women compared to March 2023. During the same period, initial claims decreased across all racial categories except for those who identified

as Asian/Pacific Islander, whose claims increased 14.3 percent (48 claims). Initial claims for those who did not specify a race declined 72.8 percent in April (12,786 claims).

During the week ending May 27, 2023, Ohioans filed 10,355 initial unemployment claims, a 26.4 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 39,142 claims, a 0.5 percent increase from the prior week.



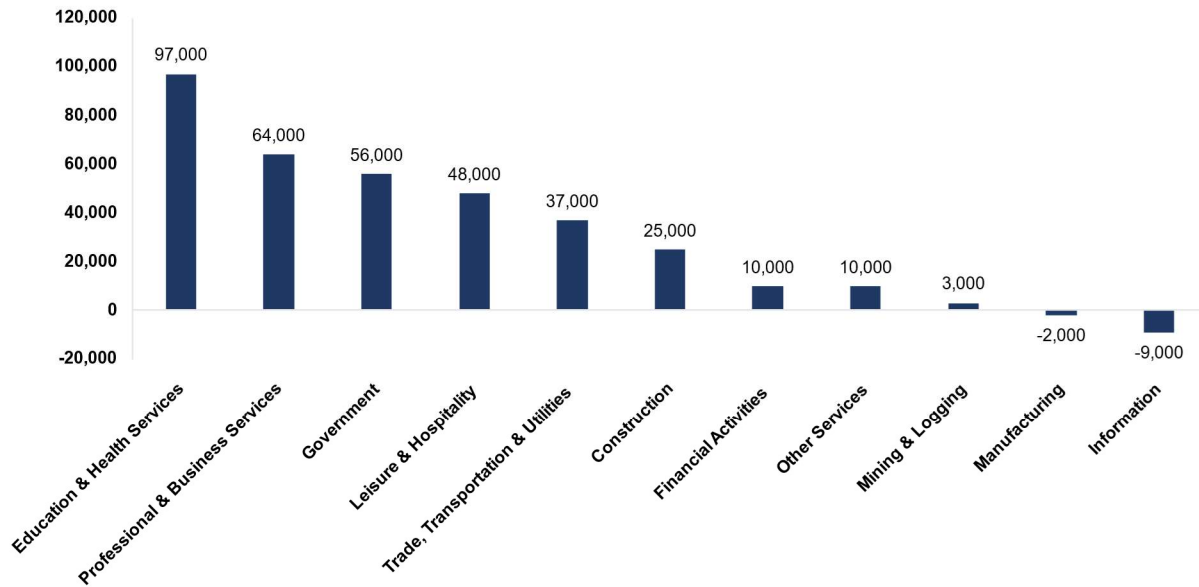
## U.S. Labor Market

**U.S. nonfarm payroll employment** preliminarily increased by 339,000 jobs in May. Job gains were widespread with the highest growth in the education and health services, professional and business services, government, and leisure and hospitality industries.

**339,000**  
Jobs Added



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



Source: Bureau of Labor Statistics

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

The **U.S. unemployment rate** increased in May to 3.7 percent while the number of unemployed individuals increased to 6.1 million. The unemployment rate increased across most racial categories between April and May 2023, while individuals who identified as Hispanic saw decreases (0.4 percentage point). Individuals who identified as Black had the largest increase (0.9 percentage point) followed by individuals who identified as White (0.2 percentage point) and individuals who identified as Asian (0.1 percentage point). The unemployment rate for women increased 0.3 percentage point to 3.6 between April and May, while the unemployment rate and men increased 0.2 percentage point to 3.5.

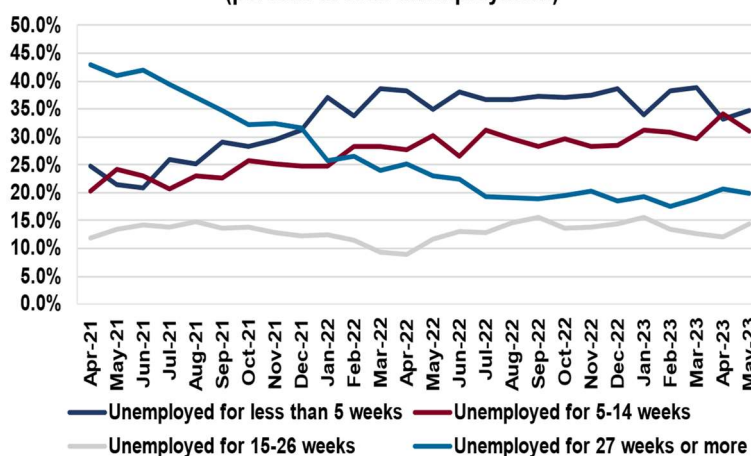
### Unemployment Rates by Demographic Group

	March-23	April-23	May-23
Women	3.4%	3.3%	3.6%
Men	3.6%	3.5%	3.7%
Black	5.0%	4.7%	5.6%
White	3.2%	3.1%	3.3%
Asian	2.8%	2.8%	2.9%
Hispanic	4.6%	4.4%	4.0%

In May 2023, 34.2 percent of unemployed individuals in the nation were unemployed for less than five weeks. This measure increased 11.6 percentage points from April and remained in line with pre-pandemic levels.

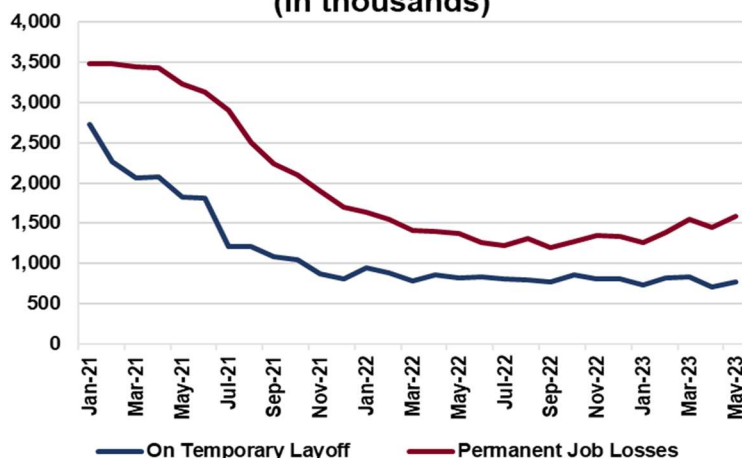
The number of **people not in the labor force who currently want a job** increased by 3.9 percent to 5.5 million people in May and remains in line with pre-pandemic levels.

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



Source: Bureau of Labor Statistics

U.S. Total Job Losses (in thousands)



Source: Bureau of Labor Statistics

The number of unemployed people who were on **temporary layoff** increased to 767,000 in May and was 13,000 fewer than in February 2020.

The number of people with **permanent job losses** increased by 117,000 in May to 1.6 million.



## Consumer Income and Consumption

**\$22.6 Trillion**

**Personal income** increased by \$80.1 billion (0.4%) in April to \$22.6 trillion. Gains in April were primarily due to increases in wages and salaries of \$54.6 billion (0.5%), and personal income receipts on assets of \$34.7 billion (1%).

**Personal consumption expenditures** increased by \$151.7 billion (0.8%) between March and April. Overall spending on goods increased by 1.1 percent in April. Spending on durable goods increased 1.6 percent and was driven by increases in motor vehicles and parts (3.8%). Increases in spending on nondurable goods increased 0.8 percent and were led by spending on gasoline and other energy goods (1.8%) and other nondurable goods (1%). Spending on services increased by 0.7 percent in April 2023, and was led by financial services and insurance (2.2%), recreation services (1.5%), and other services (1.4%).

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

	March 2023	April 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
<b>Durable Goods</b>	\$ 2,308,665	\$ 2,341,193	1.4%	2.6%	-3.5%
Motor vehicles and parts	\$ 611,059	\$ 624,795	2.2%	4.2%	-13.7%
Furnishings and durable household equipment	\$ 516,215	\$ 523,147	1.3%	2.1%	-5.8%
Recreational goods and vehicles	\$ 915,590	\$ 925,340	1.1%	4.0%	8.5%
Other durable goods	\$ 335,183	\$ 335,571	0.1%	-3.3%	4.2%
<b>Nondurable Goods</b>	\$ 3,323,237	\$ 3,336,387	0.4%	0.8%	-0.4%
Clothing and footwear	\$ 488,455	\$ 487,464	-0.2%	-0.4%	-1.2%
Gasoline and other energy goods	\$ 448,461	\$ 445,799	-0.6%	2.2%	5.5%
Other nondurable goods	\$ 1,335,714	\$ 1,347,841	0.9%	2.2%	3.5%
<b>Services</b>	\$ 8,887,204	\$ 8,915,861	0.3%	2.7%	8.2%
Transportation services	\$ 433,440	\$ 439,099	1.3%	0.4%	19.3%
Housing and utilities	\$ 2,191,064	\$ 2,187,100	-0.2%	0.6%	2.3%
Recreation services	\$ 491,921	\$ 498,521	1.3%	3.6%	19.0%
Financial services and insurance	\$ 905,534	\$ 915,383	1.1%	3.1%	5.7%

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

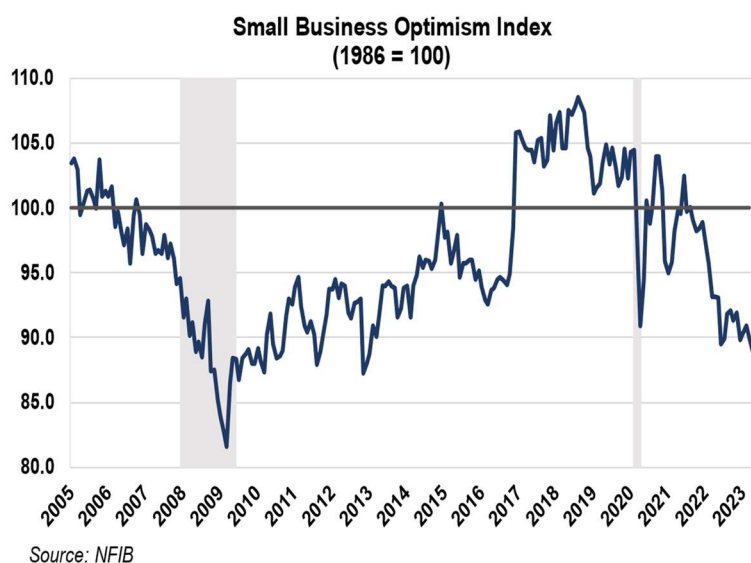
*Source: Bureau of Economic Analysis, Table 2.3.6U Real Personal Consumption Expenditures by Type of Product*



**Personal saving** was \$802.1 billion in April 2023, an 8.7 percent decrease compared to March's revised level and was 23.2 percent above the April 2022 level. The **personal saving rate** was 4.1 percent in April, down 8.9 percent from March's revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) showed an increase of 0.4 percent in April, which followed a 0.1 percent increase in March. The "all items" index increased 4.9 percent over the last 12 months. April price increases compared to March 2023 were concentrated primarily in used cars and trucks (4.4%), energy (0.6%), and shelter (0.4%). The food index was unchanged in April.

Both consumer opinion surveys reported declines in confidence in May. Respondents in the University of Michigan's **Survey of Consumers** reported a 7 percent decrease in consumer sentiment to 59.2 compared to April. Declines mirrored decreases in sentiment recorded during the 2011 debt ceiling crisis. The Conference Board's **Consumer Confidence Index** decreased by 1.4 points to 102.3 in May, down from a revised 103.7 in April. The Senior Director of Economics at the Conference Board noted that expectations had deteriorated particularly among those over the age of 55, though confidence fell across all age and income categories.



The **Small Business Optimism Index** decreased 1.1 points to 89 in April, the 16<sup>th</sup> consecutive month that the index was below 98, the 49-year average. Twenty-four percent of owners reported labor quality as their single most important concern, inflation came in just below that at 23 percent.

## Travel and Tourism

Average airline checkpoint traffic increased 2.7 percent in May compared to April. **Total travel throughput** in May 2023 was 10.2 percent higher than in May 2022 and 0.5 percent lower than May 2019.

The **hotel occupancy rate** for the week ending May 27, 2023, was 66.8 percent, or 0.6 percent above the comparable week in 2022. The **average daily rate** for a hotel room was \$156.63, a 2.2 percent increase from 2022. **Revenue per available room** was \$104.62, which was 2.9 percent more than in 2022.

## Industrial Activity

According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.5 percent between March and April 2023 and was 0.2 percent higher than in April 2022.

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

Manufacturing Sector	Percent Change February to March 2023	Percent Change March to April 2023	Percent Change April 2022 to April 2023
Aerospace and Other Transportation Equipment	-0.6%	-0.4%	-1.1%
Chemicals	-0.8%	0.7%	1.3%
Electrical Equipment	-1.2%	0.1%	-3.6%
Fabricated Metal Products	-1.1%	0.0%	-1.5%
Food Beverage and Tobacco Products	-1.1%	0.7%	-0.8%
Machinery	-1.7%	-0.5%	-3.5%
Motor Vehicles and Parts	-1.9%	9.3%	8.5%
Petroleum and Coal	1.6%	0.6%	0.3%
Plastics and Rubber Products	0.4%	1.2%	-4.4%
Primary Metals	-0.1%	0.9%	-2.6%

Preliminary data show the **Manufacturing Production Index** increased 1 percent in April 2023 to 99.8 and was 0.9 percent lower than April 2022. Nationally, manufacturing in seven of Ohio's top 10 industries increased production between March and April 2023. Increases in motor vehicles and parts (9.3%), plastics and rubber products (1.2%), primary metals (0.9%), food beverage and tobacco products (0.7%), chemical products (0.7%), petroleum and coal (0.6%), and electrical equipment (0.1%) were offset by decreases in machinery (-0.5%) and aerospace and other transportation equipment (-0.4%) industries.



Source: Institute for Supply Management

In May 2023, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was 46.9, a decrease of 0.2 percentage point from April's reading. The index remained below 50 for the seventh month, indicating contraction in the manufacturing sector.

Across the nation, two of the ten most important industries to Ohio's manufacturing sector increased production in May. Fabricated metals and

transportation equipment reported growth in the last month. The industries reporting the largest contraction were primary metals; petroleum and coal products; food, beverage, and tobacco; plastics and rubber products; and electrical equipment. According to the chair of the survey committee, demand continued to ease at a similar rate to April. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) described mixed business conditions across industries.

*“Demand continues to gain momentum due to new business pipelines finally yielding billable production. Personal care and home care are drivers. [Chemical Products]”*

*“Pricing seems to be becoming the primary focus of supply and sourcing teams, as customers and consumers are beginning to push back. While inflation is easing on some discretionary goods, high food costs persist across most categories. [Food, Beverage, & Tobacco Products]”*

## Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units decreased 45.3 percent between March and April 2023 and were 27.7 percent below the number of permits issued in April 2022.

Privately-owned housing starts in the Midwest increased 32.6 percent between March and April and were 21.9 percent below April 2022 levels.

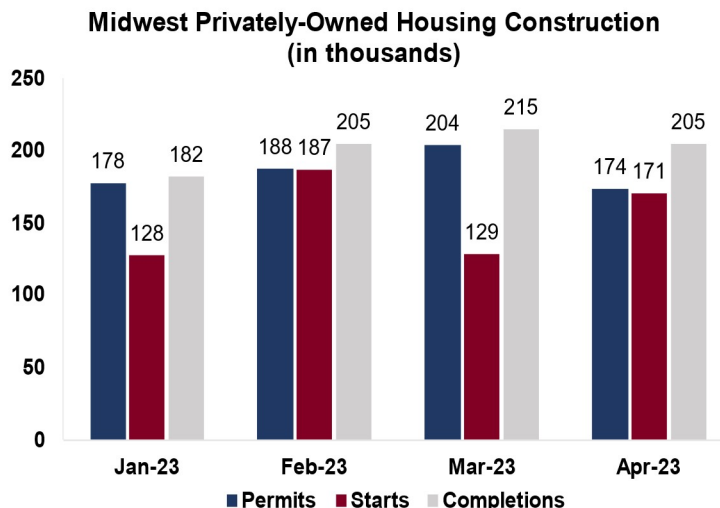


In April, privately-owned housing completions in the Midwest decreased 4.7 percent compared to March and were 17.8 percent above April 2022.

New home sales in the Midwest increased 11.8 percent between March and April and were 20.6 percent above April 2022.

Activity in the Ohio housing market slowed while prices continued to increase in April. Total sales were 20.9 percent below April 2022 but the

average sale price in Ohio was \$268,257, a 4 percent increase compared to April 2022. The president of Ohio REALTORS reported higher mortgage rates and ongoing tight inventory levels continued to negatively impact the Ohio housing market in April 2023.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased three points in May to 42, eight points below the national level. The national index increased for the sixth consecutive month after decreasing for most of calendar year 2022.

## U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** in April 2023 at a seasonally adjusted annual rate of \$1.9 trillion, a 1.2 percent increase from the revised March estimate. The April 2023 estimate is 7.2 percent above April 2022.

Public sector construction spending increased 1.1 percent between March and April, bringing the seasonally adjusted annual total to \$407.7 billion. Spending on educational



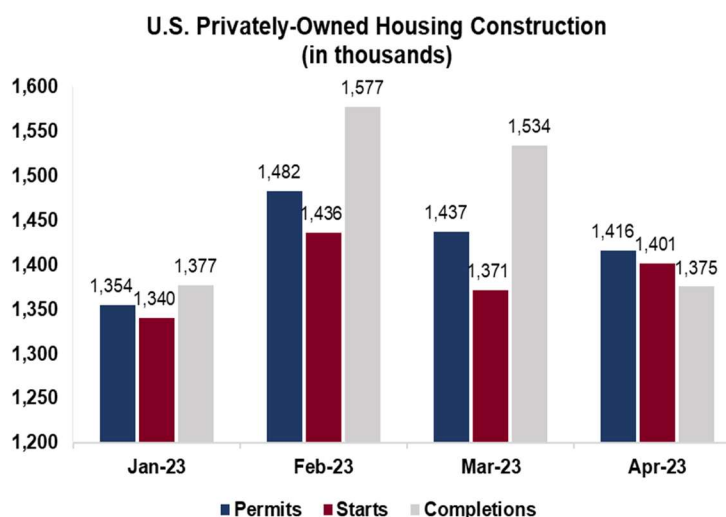


construction decreased 0.1 percent in April to \$88.3 billion, 11.4 percent above April 2022 levels. Highway construction spending in March was 1.3 percent above the revised March estimate and 21.6 percent above April 2022.

Private sector construction spending increased 1.3 percent between March and April to a seasonally adjusted annual total of \$1.5 trillion and was 4.9 percent above the April 2022 level. Residential construction in March was 0.5 percent above March's revised level and 9.2 percent below April 2022's level. Nonresidential construction in March increased 2.4 percent from the revised March estimate and was 31.2 percent above April 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 1.4 percent between March and April and fell 21.1 percent from the number of permits issued in April 2022.

Nationally, privately-owned housing starts increased 2.2 percent between March and April and were 22.3 percent below April 2022 levels.



Source: U.S. Census Bureau through FRED

In April, **newly built single-family home sales** increased

by 0.2 percent compared to March and were 0.2 percent below sales in April 2022. The national median sales price in April 2023 was \$420,800, a 7.7 percent decrease compared to March, and 8.2 percent lower compared to April 2022.

According to the National Association of Realtors, **existing home sales** decreased 3.4 percent in April compared to March. April's existing home sales declined to an annual rate of 4.3 million housing units, a 23.2 percent decrease from April 2022. The median sale price of all existing homes declined 1.7 percent from a year ago to \$388,800. Available inventory in April 2023 totaled one million units, a 7.2 percent increase from March and one percent above the April 2022 inventory level.

## Revenues

In May, total tax receipts exceeded estimate as they had from August through March. May GRF tax revenues were \$214.1 million (8.4%) above estimate. The personal income tax accounted for most of the positive variance, largely from annual return tax payments received in April but not entirely processed and booked until early May. For the year, total tax revenue has exceeded estimate by \$840.7 million (3.3%).



Aggregate GRF receipts, including tax and non-tax, totaled \$4.4 billion in May and were \$328.2 million (8.1%) above estimate. As noted above, tax revenues were \$214.1 million (8.4%) above estimate. Non-tax receipts were also above estimate by \$114.1 million (7.6%). Year-to-date, tax revenues and transfers are above estimate while non-tax revenues are below estimate, as shown in the table below.

### YTD and Percent Variance for Revenues (\$ in millions)

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$ 840.7	3.3%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (245.8)	-1.9%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 6.7	134.3%
<b>Total Revenue Variance</b>		<b>\$ 601.6</b>	<b>1.6%</b>
<b>Non-Federal Revenue Variance</b>		<b>\$ 1,047.7</b>	<b>4.1%</b>
<b>Federal Grants Variance</b>		<b>\$ (446.1)</b>	<b>-3.5%</b>

The table below shows that sources above estimate (a positive variance of \$382.8 million) in May outweighed the size of sources below estimate (a negative variance of \$54.6 million), resulting in a \$328.2 million net positive variance from estimate.

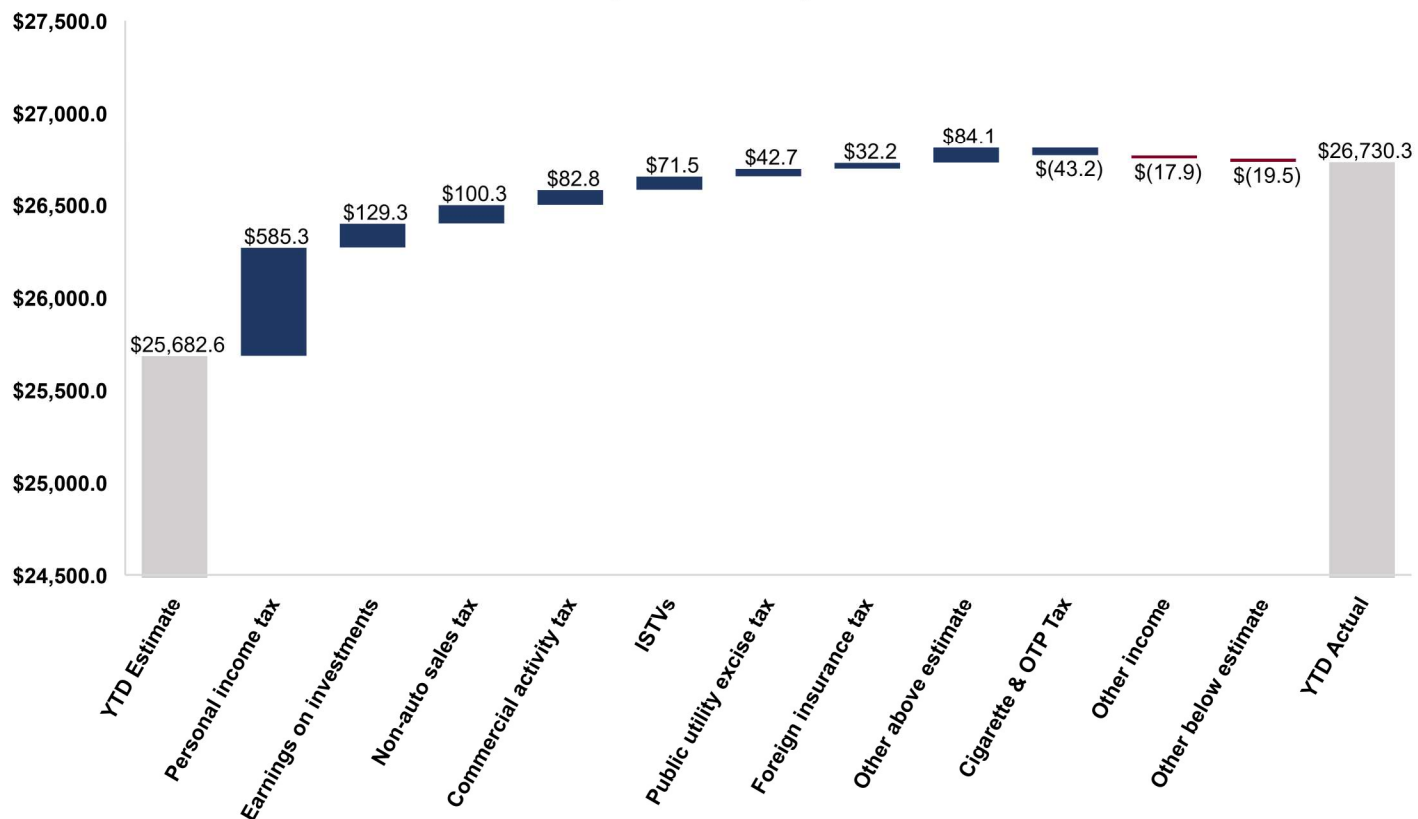
**GRF Revenue Sources Relative to Monthly Estimates – May 2023**  
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Personal Income Tax	\$ 242.0	Non-Auto Sales Tax	\$ (17.6)
ISTVs	\$ 71.4	Domestic Insurance Tax	\$ (11.2)
Federal Grants	\$ 42.7	Cigarette and Other Tobacco Products Tax	\$ (7.5)
Commercial Activity Tax	\$ 11.7	Foreign Insurance Tax	\$ (6.7)
Public Utility Excise Tax	\$ 10.8	Financial Institutions Tax	\$ (6.6)
Other revenue sources above estimate	\$ 4.2	Other revenue sources below estimate	\$ (4.9)
<b>Total Above</b>	<b>\$ 382.8</b>	<b>Total Below</b>	<b>\$ (54.6)</b>

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



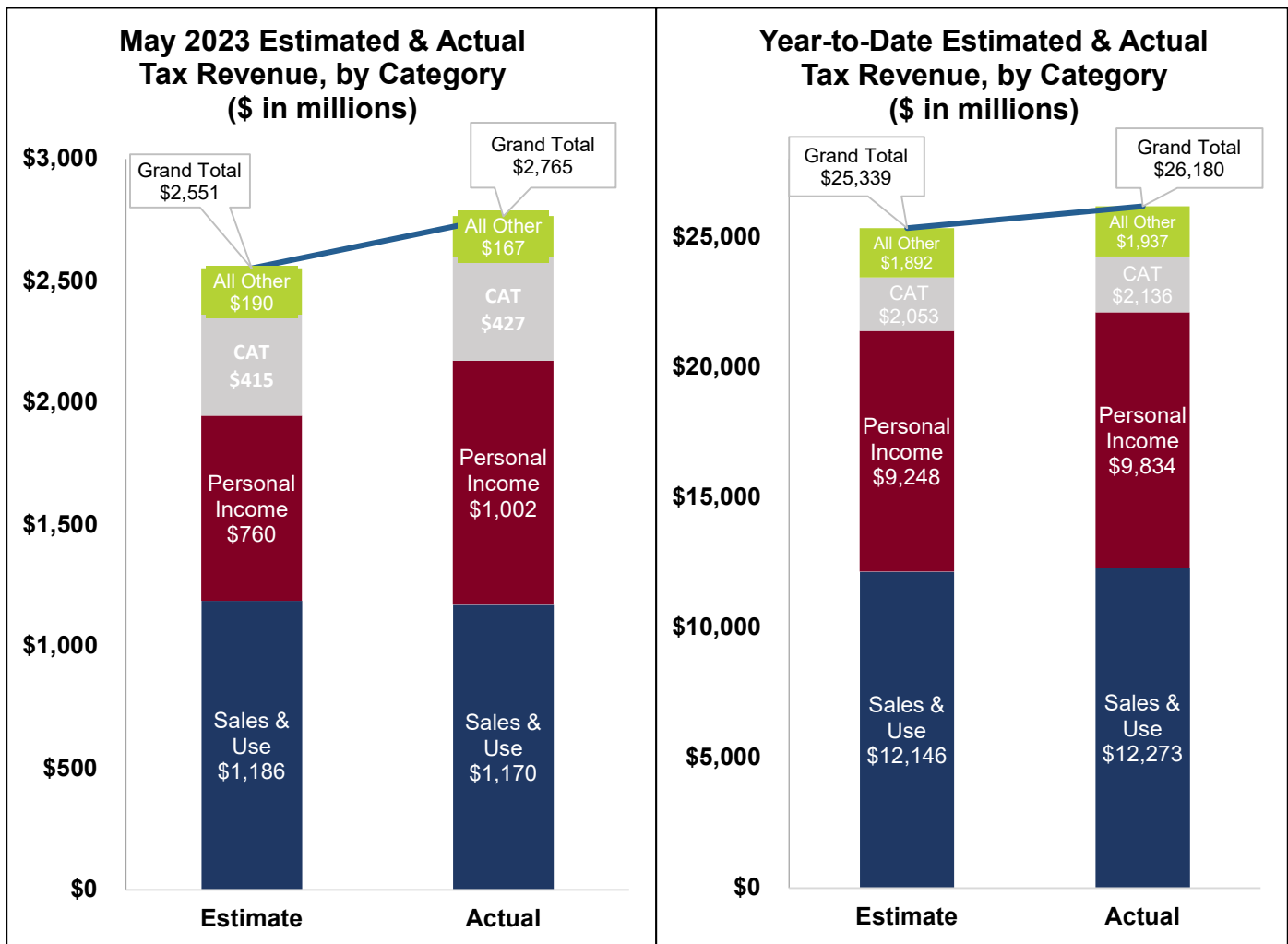
### Actuals vs Estimates: YTD GRF Non-Federal Sources (\$ in millions)



The preceding chart displays the relative contributions of various revenue sources to the overall variation between actual and estimated non-federal revenues for FY 2023 to date, with the net difference totaling \$1 billion.



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



For May, total receipts and transfers were \$818.7 million (23%) above the previous year. Tax receipts increased by \$258.4 million (10.3%) and non-tax receipts increased by \$560.3 million (53.3%). For the year-to-date, tax receipts are \$744.4 million (2.9%) above last year and non-tax receipts are \$1.4 billion (12.7%) above the prior year. Transfers are \$45.4 million (-79.5%) below last year on a year-to-date basis.

The source with the largest year-over-year increase during May was federal grants, at \$490 million (47%) above last year. The next-largest increases were personal income tax at \$225.8 million (29.1%) and ISTVs at \$71.4 million. The largest declines were experienced by financial institutions tax at \$10.2 million (-27.1%), followed by domestic insurance tax at \$7.1 million (-63%).

## Non-Auto Sales Tax

GRF non-auto sales and use tax collections in May totaled \$984.9 million and were \$17.6 million (-1.8%) below the estimate. Through May, the source is \$100.3 million (1%) above estimate. Monthly revenue increased by \$11.1 million (1.1%) from last year while year-to-date revenue is now \$372.6 million (3.7%) above FY 2022. Growth during the first quarter of FY 2023 was substantially diminished by refund payments, reflecting prior-period transactions not related to retail activity occurring when the refunds were paid. If July through September refunds had stayed at their FY 2022 levels, year-to-date GRF non-auto sales tax revenue would have increased by 4.8 percent.



With a -0.1 percent average growth rate, April and May revenues have slowed from the vibrant pace experienced during the middle of the fiscal year. During the October through March period, monthly revenue growth averaged 6 percent.

The current national data release from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows year-over-year retail sales growth has steadily slowed over the last several months. Focusing on the retail categories that are predominantly subject to Ohio non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the MARTS data show a 1.2 percent year-over-year increase in national non-seasonally adjusted sales during April 2023. This compares to year-over-year growth of 2.5 percent in March and 5.7 percent in February. Meanwhile, year-over-year growth in Ohio all-funds non-auto sales tax revenue was 0.6 percent, 4.4 percent, and 9.3 percent in April, March, and February, respectively.

The MARTS data also show sales growth on a month-over-month basis for retail categories subject to Ohio sales tax. Based on seasonally adjusted figures, April 2023 sales for the above-indicated retail categories increased by 0.6 percent from March, following a 0.9 percent decrease in March from February and a 0.3 percent decrease in February from January.

## Auto Sales Tax

May auto sales tax revenues were \$184.7 million, an amount that was \$1.3 million (0.7%) above estimate. This source is \$27.6 million (1.6%) above estimate for the fiscal year. Revenues were \$5.3 million (3%) above last May. For the year, revenues are \$37.4 million (2.1%) above FY 2022.

National new light vehicle unit sales in May were not as strong as April, although still in line with levels observed in the first quarter of the calendar year. According to the U.S. Department of Commerce Bureau of Economic Analysis, new light vehicle sales reached 15 million units, based on a seasonally adjusted annual rate (the number of sales that occurred during the month after adjustment for seasonal fluctuations and expressed as an annualized total). This is 6.5 percent below April but up 19.6 percent from a year ago. The large increase does not reflect sudden exuberance but is instead due to last May's suppressed performance, when sales reached their lowest level since May 2020. On an unadjusted basis, May 2023 light vehicle unit sales were at 1.4 million units. This is even with April and 22.9 percent above last May.

New vehicle transaction prices remain high although price growth has slowed this calendar year. TrueCar, Inc. estimates that the average transaction price for new vehicles was \$45,779 in May, up 2.7 percent relative to last year and up 0.6 percent from April. May's month-to-month growth represents the highest growth rate so far this calendar year. The Bureau of Labor Statistics Consumer Price Index (CPI-U) is also an indicator of new vehicle price growth. The most recent release shows 5.4 percent price growth in April compared to the prior year. April's price index shows a 0.2 percent decrease from the previous month, representing the first month-over-month decline since April 2021. Diminishing growth has been evident this calendar year; relative to December 2022, CPI-U for new motor vehicles has increased 0.6 percent. In comparison, growth during the preceding four-month period was 2.3 percent. Relative to February 2020, the CPI-U for new motor vehicles has increased 21 percent.

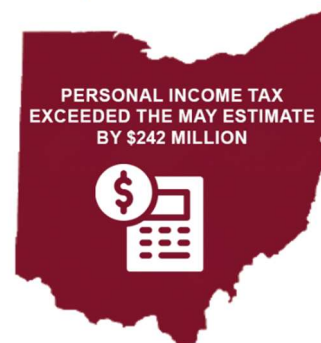
Turning to used vehicles, TrueCar, Inc. estimates that the number of used vehicle units sold at retail during May to be 3.1 million, not annualized and not seasonally adjusted, down 4 percent from last year and up 1 percent from last month. The pandemic greatly disrupted the used vehicle market, as supply could not meet underlying demand and prices rose in response. Prices peaked in January 2022, and have generally trended downward since that time. Despite a brief growth episode during the first quarter of 2023, prices have resumed a downward path over the last two months. The Manheim used vehicle value index, a measure of wholesale vehicle prices, for the first half of May 2023 was 2.1 percent below the previous month. The measure was 7 percent lower than May 2022. Nonetheless, used vehicle prices remain well above their pre-pandemic levels, with the index currently being 46.2 percent above January 2020.



## Personal Income Tax

May GRF personal income tax receipts totaled \$1 billion and were \$242 million (31.9%) above the estimate. For the year-to-date, revenue is \$585.3 million (6.3%) above estimate. On a year-over-year basis, May income tax collections increased by \$225.8 million (29.1%). Year-to-date revenue for FY 2023 is \$114.4 million (1.2%) higher than the prior year.

Withholding collections amounted to \$855.4 million in May and were \$11.2 million (1.3%) above estimate. For the fiscal year-to-date, the withholding component exceeds estimate by \$407.3 million (4.2%). This component was \$39.4 million (4.8%) above last May; it is \$711.3 million (7.5%) above last year for the fiscal year-to-date.



The withholding category includes tax paid by certain types of pass-through entities on their taxable income, which comprises a different stream of revenue than that emanating from income tax withheld by employers and paid to the state. After excluding pass-through entity tax payments, the May withholding collections increased by \$66.6 million (8.4%) from last year and year-to-date withholding has grown by \$526.6 million (5.8%). Furthermore, a 3 percent reduction in employer withholding tax rates took effect in September 2021. Fiscal year-to-date collections would have been an estimated \$589.4 million (6.3%) higher than the previous year if the withholding tax rate reduction had not taken effect.

Annual tax return payments exceeded the estimate in May, ending \$194.5 million (639.7%) above the mark. The large positive variance is due to April payments that were not processed and booked into the state accounting system until early May. Because timing substantially impacted this year's receipts, the combined April and May collections provide a more useful depiction of recent performance. The combined intake for these two months was \$125.8 million (11.4%) above estimate. Payments for this category are \$222.4 million (18.6%) above estimate for the elapsed (January-May) filing season. Collections in this filing season are now \$213.5 million (-13.1%) below the prior year. The revenue forecast for this filing season anticipated a significant decrease from the historic highs of the previous year; because the decline has been lower than expected, there is a positive year-to-date variance from estimate.

Quarterly estimated payments came in \$15.7 million (75.8%) above estimate during May and were \$12.8 million (54.1%) higher than last year. For the fiscal year, this component has exceeded estimate by \$87.5 million (10.6%) and has decreased by \$9 million (-1%) from the prior year. The combined March through May results reflect the first quarterly payments for calendar year 2023; the positive \$56.1 million (33%) variance across the three months are a promising first sign of performance for this calendar year.

The two remaining tax collection categories (Trust and Other) were collectively \$26.6 million (-52.9%) below the May estimate. They are \$29.1 million (-15.2%) below estimate

for the fiscal year. For the elapsed filing season, trust tax collections have decreased \$61.5 million (-56.2%) from last year. This may reflect reduced taxable investment income (such as capital gains) experienced by these entities during the taxable year 2022.

May refunds were \$44.5 million (-32.9%) below estimate for the month. This marks the first month of FY 2023 in which refunds have been materially below estimate. For the year to date, refunds are \$202.4 million (8.5%) above estimate. The month's refunds were \$32.5 million (-26.4%) below last year while refunds for the current fiscal year have increased by \$325.4 million (14.4%) from FY 2022. The tax year 2022 filing season is now mostly completed, with total refund issuances over the January-May period exceeding estimate by \$101.4 million (5.1%). Refunds have increased by \$204 million (10.9%) from last filing season.

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

	Actual May	Estimate May	\$ Var	Actual May-2023	Actual May-2022	\$ Var Y-to-Y
Withholding	\$ 855.4	\$ 844.2	\$ 11.2	\$ 855.4	\$ 816.0	\$ 39.4
Quarterly Est.	\$ 36.4	\$ 20.7	\$ 15.7	\$ 36.4	\$ 23.6	\$ 12.8
Annual Returns/40 P	\$ 224.9	\$ 30.4	\$ 194.5	\$ 224.9	\$ 57.9	\$ 167.0
Trust Payments	\$ 15.8	\$ 42.7	\$ (26.9)	\$ 15.8	\$ 48.1	\$ (32.2)
Other	\$ 7.9	\$ 7.6	\$ 0.3	\$ 7.9	\$ 10.9	\$ 3.0
Less: Refunds	\$ (90.5)	\$ (135.0)	\$ 44.5	\$ (90.5)	\$ (123.0)	\$ 32.5
Local Distributions	\$ (48.3)	\$ (51.0)	\$ 2.7	\$ (48.3)	\$ (57.7)	\$ 9.4
Net to GRF	\$1,001.5	\$ 759.6	\$ 241.9	\$ 1,001.5	\$ 775.8	\$ 225.8

### Commercial Activity Tax

May represents one of the quarterly payment due dates for the Commercial Activity Tax (CAT) and for that reason is an important collections month. GRF revenues from the CAT were \$11.7 million (2.8%) above the estimate for the month. Revenues are now \$82.8 million (4%) above estimate for the fiscal year. CAT receipts in May increased by \$27.2 million (6.8%) from last year while fiscal year-to-date receipts are \$152.1 million (7.7%) above the previous year.

Most CAT revenue comes from quarterly tax payments, so it is useful to examine the tax in quarterly increments. Through March 2023, there have been 10 consecutive quarters with a positive variation from estimate. The strong combined April and May outcome makes it highly likely that the fourth quarter of FY 2023 will meaningfully exceed estimate as the positive \$16.5 million variance across the two months exceeds the \$15.7 million anticipated in June.



## GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.6 billion and were \$114.1 million (7.6%) above estimate for the month of May. Year-to-date non-tax receipts totaled \$12.8 billion and are \$245.8 million (-1.9%) below estimate.

The monthly variance in non-tax receipts was primarily due to the ISTV and federal grants categories, which were \$71.4 million and \$42.7 million above estimate, respectively. The ISTV variance was attributable to the receipt of a federal reimbursement which was not included in the monthly estimate. The federal grants variance was primarily attributable to higher than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.



6/9/2023

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL MAY	ESTIMATE MAY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	984,861	1,002,500	(17,639)	-1.8%	10,466,076	10,365,800	100,275	1.0%
Auto Sales & Use	184,682	183,400	1,282	0.7%	1,807,319	1,779,700	27,619	1.6%
Subtotal Sales & Use	1,169,543	1,185,900	(16,357)	-1.4%	12,273,394	12,145,500	127,894	1.1%
Personal Income	1,001,550	759,600	241,950	31.9%	9,833,628	9,248,301	585,328	6.3%
Corporate Franchise	7	0	7	N/A	106	0	106	38984.5%
Financial Institutions Tax	27,339	33,900	(6,561)	-19.4%	211,887	186,500	25,387	13.6%
Commercial Activity Tax	426,704	415,000	11,704	2.8%	2,136,050	2,053,300	82,751	4.0%
Petroleum Activity Tax	0	0	0	N/A	11,367	6,900	4,467	64.7%
Public Utility	46,547	35,700	10,847	30.4%	177,785	135,100	42,685	31.6%
Kilowatt Hour	16,797	19,500	(2,703)	-13.9%	263,766	271,300	(7,534)	-2.8%
Natural Gas Distribution	30,530	31,900	(1,370)	-4.3%	67,803	69,000	(1,197)	-1.7%
Foreign Insurance	(36,645)	(29,900)	(6,745)	-22.6%	363,586	331,400	32,186	9.7%
Domestic Insurance	4,154	15,400	(11,246)	-73.0%	23,471	33,700	(10,230)	-30.4%
Other Business & Property	337	100	237	236.5%	337	100	237	236.5%
Cigarette and Other Tobacco	66,108	73,600	(7,492)	-10.2%	704,624	747,800	(43,176)	-5.8%
Alcoholic Beverage	7,205	5,100	2,105	41.3%	59,409	57,100	2,309	4.0%
Liquor Gallonage	4,505	4,800	(295)	-6.1%	52,343	52,900	(557)	-1.1%
Estate	4	0	4	N/A	38	0	38	9910.7%
Total Tax Receipts	2,764,686	2,550,600	214,086	8.4%	26,179,596	25,338,902	840,694	3.3%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,533,718	1,491,036	42,683	2.9%	12,282,823	12,728,907	(446,084)	-3.5%
Earnings on Investments	0	0	0	N/A	197,859	68,400	129,459	189.3%
License & Fees	6,140	5,590	549	9.8%	116,429	99,122	17,307	17.5%
Other Income	720	1,250	(529)	-42.4%	139,307	157,240	(17,933)	-11.4%
ISTV'S	71,423	0	71,423	N/A	85,366	13,901	71,466	514.1%
Total Non-Tax Receipts	1,612,000	1,497,875	114,125	7.6%	12,821,784	13,067,569	(245,785)	-1.9%
<b>TOTAL REVENUES</b>	<b>4,376,686</b>	<b>4,048,475</b>	<b>328,211</b>	<b>8.1%</b>	<b>39,001,380</b>	<b>38,406,472</b>	<b>594,909</b>	<b>1.5%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	11,713	5,000	6,713	134.3%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	0	0	N/A	11,713	5,000	6,713	134.3%
<b>TOTAL SOURCES</b>	<b>4,376,686</b>	<b>4,048,475</b>	<b>328,211</b>	<b>8.1%</b>	<b>39,013,094</b>	<b>38,411,472</b>	<b>601,622</b>	<b>1.6%</b>

6/9/2023

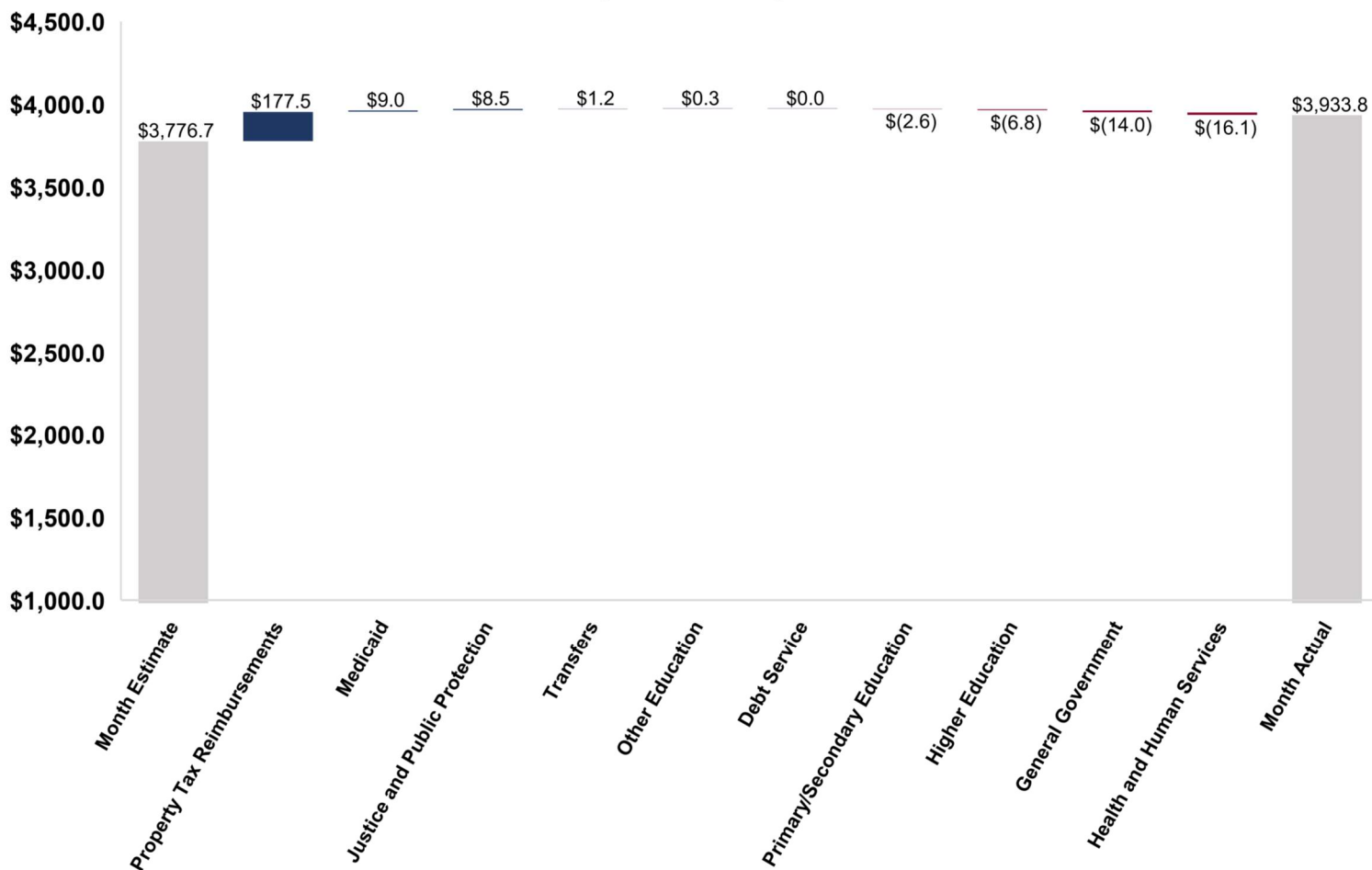
**Table 2**  
**GENERAL REVENUE FUND RECEIPTS**  
**ACTUAL FY 2023 VS ACTUAL FY 2022**  
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	MAY FY 2023	MAY FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	984,861	973,765	11,096	1.1%	10,466,076	10,093,489	372,587	3.7%
Auto Sales & Use	184,682	179,341	5,341	3.0%	1,807,319	1,769,912	37,406	2.1%
Subtotal Sales & Use	1,169,543	1,153,106	16,437	1.4%	12,273,394	11,863,401	409,993	3.5%
Personal Income	1,001,550	775,757	225,793	29.1%	9,833,628	9,719,264	114,364	1.2%
Corporate Franchise	7	13	(6)	-44.2%	106	702	(596)	-84.8%
Financial Institutions Tax	27,339	37,495	(10,156)	-27.1%	211,887	173,405	38,482	22.2%
Commercial Activity Tax	426,704	399,458	27,246	6.8%	2,136,050	1,983,994	152,056	7.7%
Petroleum Activity Tax	0	0	0	N/A	11,367	6,474	4,894	75.6%
Public Utility	46,547	41,850	4,697	11.2%	177,785	148,232	29,553	19.9%
Kilowatt Hour	16,797	11,847	4,950	41.8%	263,766	274,856	(11,090)	-4.0%
Natural Gas Distribution	30,530	33,775	(3,244)	-9.6%	67,803	69,019	(1,216)	-1.8%
Foreign Insurance	(36,645)	(38,098)	1,453	3.8%	363,586	316,073	47,513	15.0%
Domestic Insurance	4,154	11,216	(7,062)	-63.0%	23,471	13,527	9,944	73.5%
Other Business & Property	337	263	74	28.0%	337	271	66	24.2%
Cigarette and Other Tobacco	66,108	69,596	(3,488)	-5.0%	704,624	754,252	(49,627)	-6.6%
Alcoholic Beverage	7,205	5,190	2,015	38.8%	59,409	58,677	733	1.2%
Liquor Gallonage	4,505	4,772	(267)	-5.6%	52,343	53,030	(687)	-1.3%
Estate	4	7	(3)	-40.9%	38	58	(20)	-33.9%
Total Tax Receipts	2,764,686	2,506,247	258,439	10.3%	26,179,596	25,435,234	744,361	2.9%
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,533,718	1,043,686	490,032	47.0%	12,282,823	10,841,944	1,440,879	13.3%
Earnings on Investments	0	0	0	N/A	197,859	34,630	163,229	471.4%
License & Fee	6,140	5,548	592	10.7%	116,429	98,680	17,749	18.0%
Other Income	720	2,467	(1,747)	-70.8%	139,307	174,378	(35,071)	-20.1%
ISTV'S	71,423	0	71,422	20712280.9%	85,366	225,914	(140,547)	-62.2%
Total Non-Tax Receipts	1,612,000	1,051,701	560,299	53.3%	12,821,784	11,375,547	1,446,237	12.7%
<b>TOTAL REVENUES</b>	<b>4,376,686</b>	<b>3,557,948</b>	<b>818,738</b>	<b>23.0%</b>	<b>39,001,380</b>	<b>36,810,781</b>	<b>2,190,599</b>	<b>6.0%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	11,713	57,085	(45,371)	-79.5%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	0	0	N/A	11,713	57,085	(45,371)	-79.5%
<b>TOTAL SOURCES</b>	<b>4,376,686</b>	<b>3,557,948</b>	<b>818,738</b>	<b>23.0%</b>	<b>39,013,094</b>	<b>36,867,866</b>	<b>2,145,228</b>	<b>5.8%</b>

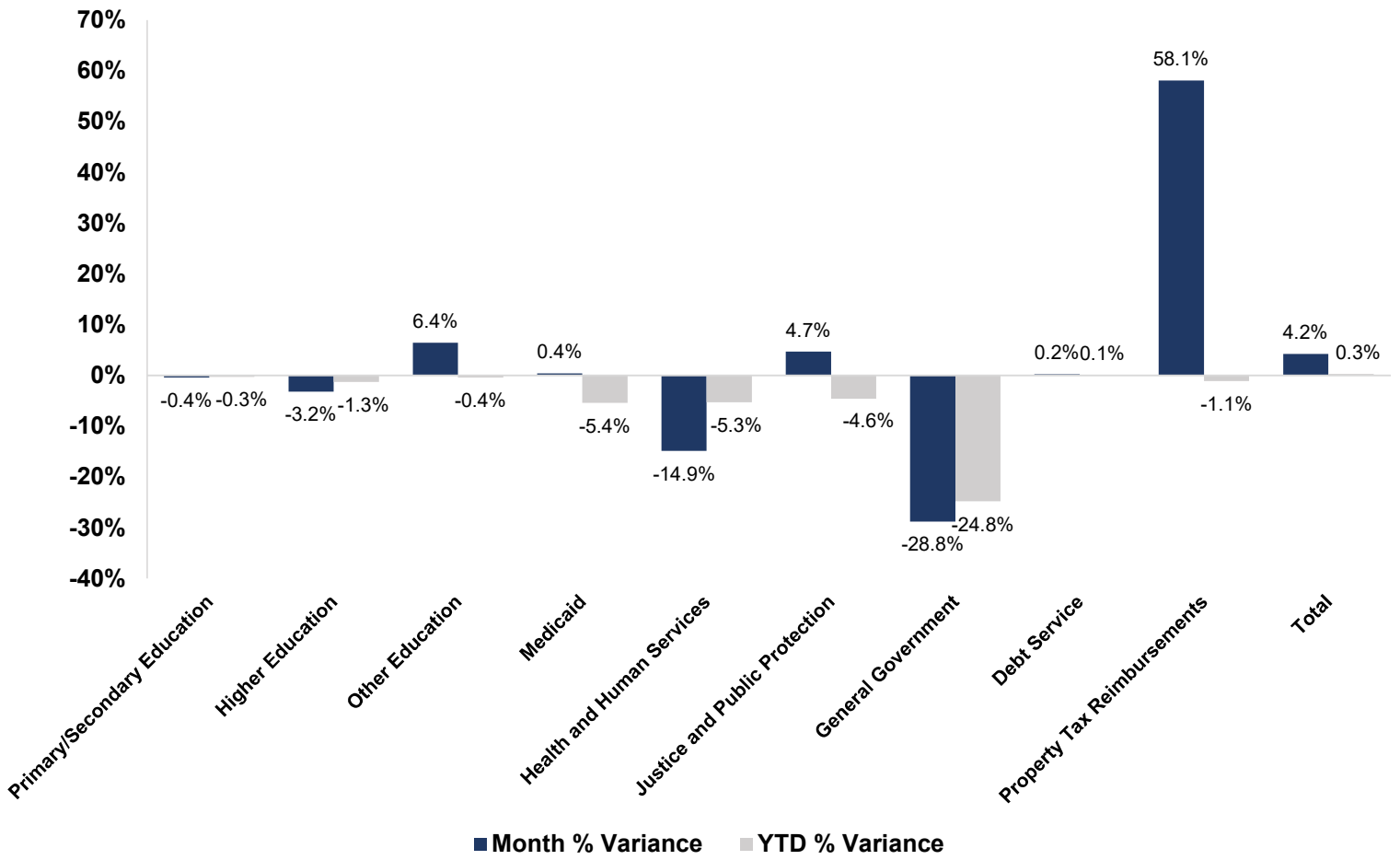
# Disbursements

May GRF disbursements, across all uses, totaled \$3.9 billion and were \$157 million (4.2%) above estimate. This variance was primarily attributable to disbursements above the estimate in property tax reimbursements and partially offset by disbursements below the estimate in the Health and Human Services and General Government categories. On a year-over-year basis, May total uses were \$1.1 billion (38.3%) higher than those of the same month in the previous fiscal year, with Medicaid largely responsible for the difference.

**May Disbursement Estimates vs. Actuals**  
(\$ in millions)



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





## Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education. May disbursements for this category totaled \$597.4 million and were \$2.6 million (-0.4%)

**\$597.4 MILLION**

below estimate. May disbursements included \$17.5 million in reimbursements to schools and districts for the testing fees of over 77,600 students who earned industry-recognized credentials during the 2021-2022 school year. Schools and districts also received incentive payments for nearly 10,000 students who earned credentials under the Innovative Workforce Incentive Program during the 2021-2022 school year. The Innovative Workforce Incentive Program provides an additional \$1,250 per student who earns a credential in a priority industry sector. Earning an industry-recognized credential allows students to learn about a particular skill set or job and demonstrate mastery of skills while helping meet graduation requirements.

Year-to-date disbursements are \$8.1 billion, which is \$20.8 million (-0.3%) below estimate. On a year-over-year basis, disbursements in this category were \$76.4 million (14.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$238.2 million (3%) higher than the same point in FY 2022.

## Medicaid

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

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

### Medicaid Expenditures

May GRF disbursements for the Medicaid program totaled \$2.3 billion and were \$9 million (0.4%) above estimate and \$724.1 million (46%) above disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements totaled \$17.7 billion and were \$1 billion (-5.4%) below estimate.

Total Medicaid caseload declined in May for the first time since the start of the federally declared public health emergency as routine Medicaid eligibility operations were resumed. The reduction in caseload, along with the phase down of the enhanced FMAP from 6.2 percent to 5 percent for the final quarter of FY 2023 and the timing of the use of non-GRF funds resulted in near estimate GRF spending in May. The year-to-date variance was due primarily to the shift in spending associated with the continuation of the federally declared public health emergency. With the continued receipt of additional federal reimbursement through the enhanced FMAP, some funding was shifted to non-GRF federal funding sources throughout the fiscal year.

May all-funds disbursements for the Medicaid program totaled \$3.5 billion and were \$93.4 million (2.7%) above estimate and \$784.5 million (28.7%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled \$33.4 billion and were \$469.5 million (-1.4%) below estimate.

The all-funds monthly variance was partly attributable to a direct care retention payment by the Department of Developmental Disabilities which was previously scheduled to be made in April but was made in May instead. The monthly variance was partially offset by spending in the Premium Assistance category which was below estimate due to the impact of the enhanced FMAP on Medicare Part D payments and due to lower than anticipated rates in some portions of the Medicare Buy-In category.

The year-to-date variance was primarily attributable to the Managed Care Program where the delays in implementation of the Next Generation Managed Care program temporarily shifted some costs to the fee-for-service program. With implementation of this program in February, the department continues to correct the alignment of caseloads between the programs. Managed Care caseloads are now about 189,000 above estimate, while fee-for-service caseloads are roughly 12,000 below estimate. Additionally, year-to-date administration-related expenses remain below estimate. The department plans to eliminate a portion of this variance in the last month of the fiscal year as it continues to implement the Next Generation Managed Care program.

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

	May Estimate	May Actual	Variance	Variance %
GRF	\$ 2,290.4	\$ 2,299.2	\$ 8.8	0.4%
Non-GRF	\$ 1,134.5	\$ 1,219.1	\$ 84.6	7.5%
All Funds	\$ 3,424.9	\$ 3,518.3	\$ 93.4	2.7%



### **Medicaid Enrollment**

Total May enrollment was 3.55 million, which was 157,686 (4.6%) above estimate and 158,914 (4.7%) above enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.51 million and was 60,998 (1.77%) above estimate. Total enrollment declined by an estimated 39,295 between April and May as eligibility redeterminations resumed. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

May enrollment by major eligibility category was: Covered Families and Children, 1.91 million; Group VIII Expansion, 994,355; and Aged, Blind and Disabled (ABD), 519,779.

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

### **Department of Job and Family Services**

May disbursements for the Department of Job and Family Services totaled \$44.1 million and were \$18.9 million (-31%) below estimate. The variance can be attributed to accounting adjustments made in program operations by the Department to utilize \$13 million in American Rescue Plan Act (ARPA) funding appropriated by the General Assembly to support the Unemployment Insurance (UI) program operations.

### **Department of Youth Services**

May disbursements for the Department of Youth Services totaled \$12.4 million and were \$1.6 million (15.3%) over the estimate. Approximately \$1.4 million of the variance is due to the Department processing previously delayed RECLAIM Ohio payments for community correctional facilities. The agency remains under expected spending for the fiscal year by 1.3% as of the end of May.

## Justice and Public Protection

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

May disbursements in this category totaled \$191.9 million and were \$8.5 million (4.7%) above estimate. Year-to-date disbursements were \$2.5 billion and were \$119.7 million (-4.6%) below estimate. On a year-over-year basis, disbursements in this category were \$20.1 million (11.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$48.7 million (2%) higher than at the same point in FY 2022.

## General Government

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

May disbursements in this category totaled \$34.6 million and were \$14 million (-28.8%) below estimate. This variance was primarily attributable to the timing of an economic development payment made by the Department of Development. Year-to-date disbursements were \$525.2 million and were \$173.4 million (-24.8%) below estimate. On a year-over-year basis, disbursements in this category were \$10 million (-22.5%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$54.6 million (11.6%) higher than at the same point in FY 2022.

## Health and Human Services

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

May disbursements in this category totaled \$92 million and were \$16.1 million (-14.9%) below estimate. Year-to-date disbursements were \$1.5 billion and were \$85.3 million (-5.3%) below estimate. On a year-over-year basis, disbursements in this category were \$608,000 (-0.7%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$115.8 million (8.3%) higher than at the same point in FY 2022.

## Transfers Out

Transfers out totaled \$1.2 million in May and \$2.3 billion year-to-date. The year-to-date variance of \$1.6 billion (230.1%) above estimate is due to a transfer to the Budget Stabilization Fund that occurred in January 2023 and transfers to various capital funds to support capital appropriations authorized in the FY 2023-2024 capital budget. To date, OBM has transferred \$837.2 million in cash to capital funds in lieu of issuing new debt, saving taxpayers approximately \$376 million in gross interest.



## Higher Education

May disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$207.9 million and were \$6.8 million (-3.2%) below the estimate. This variance was primarily attributable to spending in the Choose Ohio First Scholarship and National Guard Scholarship programs, which were \$8.4 million below estimate due to lower-than-expected requests for reimbursement from higher education institutions. Year-to-date disbursements totaled \$2.3 billion and were \$29.6 million (-1.3%) below estimate. On a year-over-year basis, disbursements in this category were \$2.8 million (1.4%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$30.6 million (1.4%) higher than at the same point in FY 2022.

## Property Tax Reimbursement

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption. May reimbursements totaled \$482.7 million and were \$177.5 million (58.1%) above estimate. Year-to-date reimbursements totaled \$1.8 billion and were \$20.4 million (-1.1%) below estimate. The monthly variance is primarily timing related and offsets underspending in prior months.

## Other Education

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

May disbursements in this category totaled \$4.2 million and were \$253,000 (6.4%) above estimate. On a year-over-year basis, disbursements in this category were \$262,000 (6.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$909,000 (1.1%) higher than at the same point in FY 2022.

## Debt Service

May payments for debt service totaled \$22.5 million and were \$49,000 (0.2%) above estimate. Year-to-date disbursements in this category totaled \$1.5 billion and were \$1.8 million (0.1%) above estimate. The year-to-date variance was primarily attributable to the utilization of available cash resources to redeem certain outstanding General Obligation bonds to reduce the State's overall debt service obligations.

6/9/2023

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL MAY	ESTIMATED MAY	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	597,377	600,004	(2,627)	-0.4%	8,107,964	8,128,788	(20,823)	-0.3%
Higher Education	207,911	214,711	(6,800)	-3.2%	2,260,527	2,290,119	(29,591)	-1.3%
Other Education	4,204	3,951	253	6.4%	84,757	85,115	(357)	-0.4%
Medicaid	2,299,418	2,290,429	8,989	0.4%	17,692,648	18,698,708	(1,006,060)	-5.4%
Health and Human Services	92,010	108,110	(16,100)	-14.9%	1,516,628	1,601,946	(85,318)	-5.3%
Justice and Public Protection	191,852	183,308	8,545	4.7%	2,508,246	2,627,989	(119,743)	-4.6%
General Government	34,550	48,501	(13,951)	-28.8%	525,195	698,632	(173,437)	-24.8%
Property Tax Reimbursements	482,740	305,268	177,472	58.1%	1,813,534	1,833,938	(20,404)	-1.1%
Debt Service	22,508	22,459	49	0.2%	1,469,270	1,467,487	1,783	0.1%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,932,570</b>	<b>3,776,740</b>	<b>155,830</b>	<b>4.1%</b>	<b>35,978,769</b>	<b>37,432,720</b>	<b>(1,453,952)</b>	<b>-3.9%</b>
<b>Transfers Out:</b>								
BSF Transfer Out	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	1,195	0	1,195	N/A	1,533,834	684,900	848,934	124.0%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>1,195</b>	<b>0</b>	<b>1,195</b>	<b>N/A</b>	<b>2,260,865</b>	<b>684,900</b>	<b>1,575,965</b>	<b>230.1%</b>
<b>Total Fund Uses</b>	<b>3,933,765</b>	<b>3,776,740</b>	<b>157,025</b>	<b>4.2%</b>	<b>38,239,634</b>	<b>38,117,620</b>	<b>122,014</b>	<b>0.3%</b>

6/9/2023

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	MAY FY 2023	MAY FY 2022	\$ VAR	% VAR	ACTUAL FY 2023	ACTUAL FY 2022	\$ VAR	% VAR
Primary and Secondary Education	597,377	520,950	76,427	14.7%	8,107,964	7,869,798	238,166	3.0%
Higher Education	207,911	205,134	2,777	1.4%	2,260,527	2,229,931	30,596	1.4%
Other Education	4,204	3,942	262	6.7%	84,757	83,849	909	1.1%
Medicaid	2,299,418	1,575,301	724,117	46.0%	17,692,648	15,670,867	2,021,780	12.9%
Health and Human Services	92,010	92,618	(608)	-0.7%	1,516,628	1,400,868	115,760	8.3%
Justice and Public Protection	191,852	171,779	20,073	11.7%	2,508,246	2,459,497	48,748	2.0%
General Government	34,550	44,580	(10,030)	-22.5%	525,195	470,629	54,566	11.6%
Property Tax Reimbursements	482,740	209,054	273,685	130.9%	1,813,534	1,813,772	(239)	0.0%
Debt Service	22,508	20,786	1,722	8.3%	1,469,270	1,387,134	82,136	5.9%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,932,570</b>	<b>2,844,144</b>	<b>1,088,426</b>	<b>38.3%</b>	<b>35,978,769</b>	<b>33,386,345</b>	<b>2,592,424</b>	<b>7.8%</b>
<b>Transfers Out:</b>								
BSF Transfer	0	0	0	N/A	727,031	0	727,031	N/A
Operating Transfer Out	1,195	250	945	378.1%	1,533,834	3,074,144	(1,540,309)	-50.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>1,195</b>	<b>250</b>	<b>945</b>	<b>378.1%</b>	<b>2,260,865</b>	<b>3,074,144</b>	<b>(813,278)</b>	<b>-26.5%</b>
<b>Total Fund Uses</b>	<b>3,933,765</b>	<b>2,844,394</b>	<b>1,089,371</b>	<b>38.3%</b>	<b>38,239,634</b>	<b>36,460,489</b>	<b>1,779,145</b>	<b>4.9%</b>

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

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

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

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

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

\*\*\*\*The FY 2023 Estimated Unencumbered Ending Fund Balance included in this report is based on the GRF revenue forecast for FY 2023, which was published in the August 2022 Monthly Financial Report. OBM recently released an updated FY 2023 forecast, and forecasts for FY 2024 and 2025, as part of the [Governor's Executive Budget on January 31, 2023](#).

Authorized and Potential Non-Recurring Plans (\$ in thousands)	Amount
• Authorized Capital Fund Transfers from House Bill 687	400,000
• Additional Capital Fund Transfers (Potential)	1,300,000
<b>Grand Total</b>	<b>1,700,000</b>

**OBM staff that contributed to the development of this report are:**

Jason Akbar, Miranda Ames, Khada Chapagai, Frederick Church, Todd Clark, Tara Clayton, Luis da Cruz, Adam Damin, Chris Guerrini, Chris Hall, Diane Hare, Richard Hurley, Paul Ingiosi, Charlotte Kirschner, Sári Klepacz, Taylor Pair, Steven Peishel, Mikaela Perkins, Craig Rethman, Stephen Riester, Maya Sattler, Matthew Sladek, Melissa Snider, Nick Strahan, and Jasmine Winston.





## Glossary

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



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

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



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



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

