

State of Ohio

Monthly Financial Report

JANUARY 10, 2024

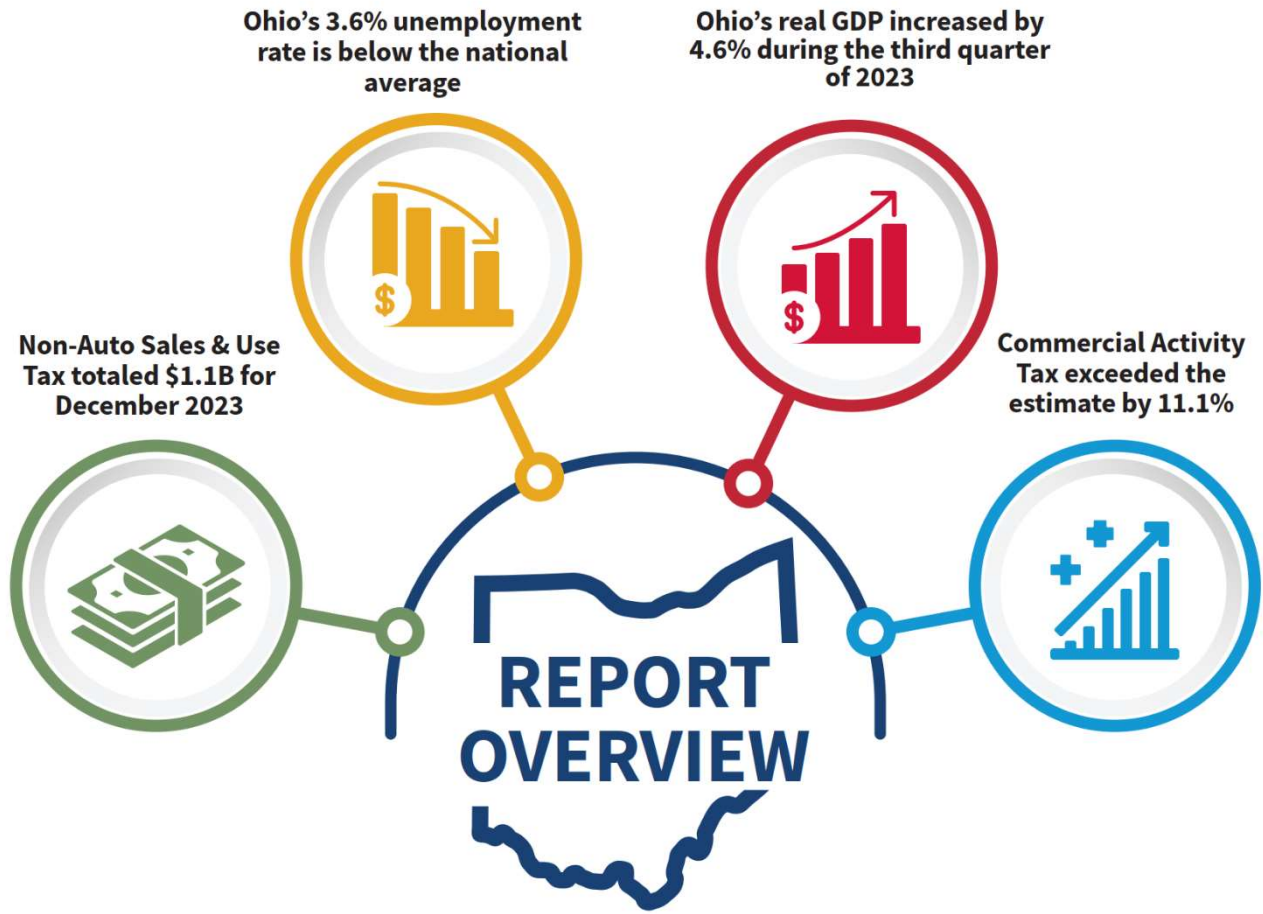
Memorandum to:
The Honorable Mike DeWine, Governor
The Honorable Jon Husted, Lt. Governor

From: Kimberly Murnieks, OBM Director



Table of Contents

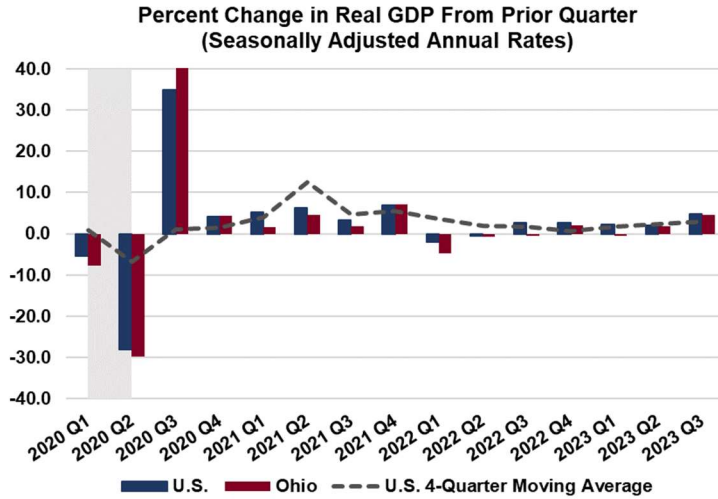
Report Overview	3
Economic Activity	4
Revenues	16
Disbursements	28
Glossary	38



Economic Activity

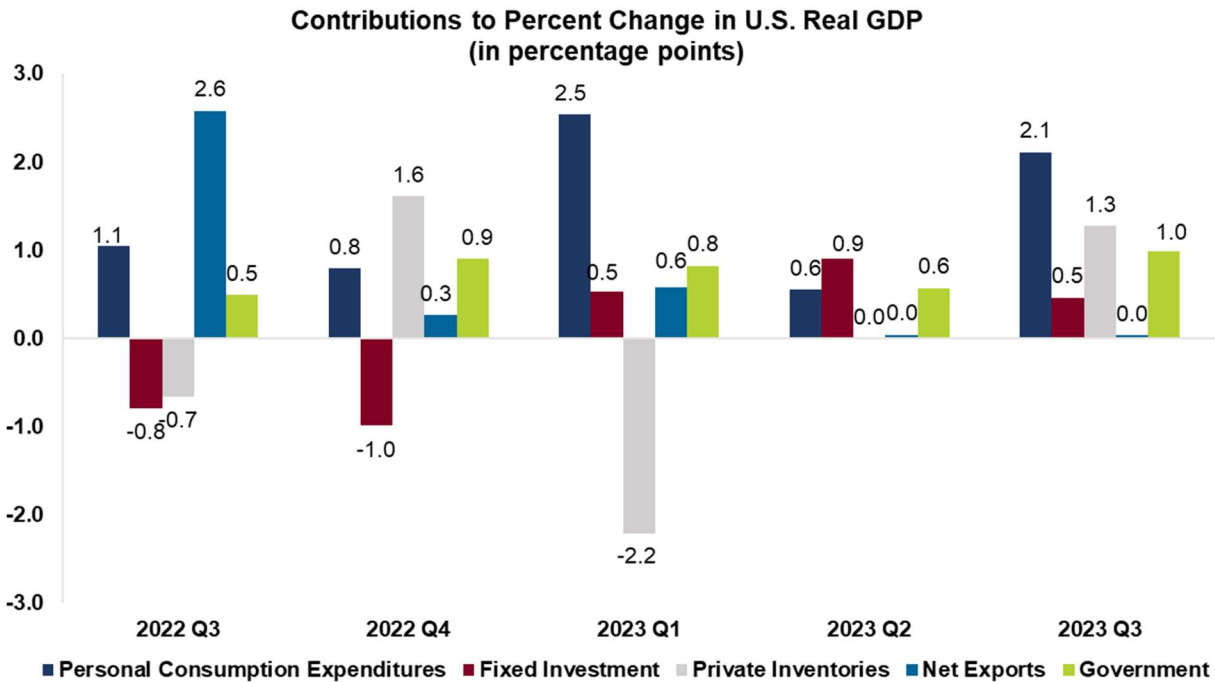
Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** increased at an annualized rate of 4.9 percent in the third quarter of calendar year 2023. This is the fifth consecutive quarter of growth after declines in the first half of 2022.



Source: Bureau of Economic Analysis

The third quarter increase in real GDP resulted from growth in personal consumption expenditures (2.1 percentage points), private inventories (1.3 percentage points), government expenditures (1.0 percentage point), and fixed investments (0.5 percentage point). Net exports made a small negative contribution to GDP growth in the third quarter.



Source: Bureau of Economic Analysis

Ohio's Real GDP increased an estimated 4.6 percent in the third quarter of 2023, which was 0.3 percentage point below the national average. Ohio's GDP growth largely reflected positive contributions in retail trade (1.5 percentage points), nondurable manufacturing goods (0.8 percentage point), construction (0.7 percentage point), and information (0.5 percentage point). These increases were partially offset by decreases in utilities (0.5 percentage point), agriculture, forestry, fishing, and hunting (0.2 percentage point), and other services (0.2 percentage point).

In November 2023, the Conference Board's **Leading Economic Index** decreased 0.5 percent to 103, after declining one percent in October. The index fell for the 20th consecutive month and has declined 3.5 percent over the past six months. The Conference Board's Senior Manager of Business Cycle Indicators reported negative contributions from housing and labor market indicators, expectations for business conditions, and tighter credit conditions with the only positive contribution to the index reflecting strength in the stock market.

As the new calendar year begins, the economic outlook is bright, powered by continued resilience in the labor market and consistent GDP growth. While forecasters caution that more moderate growth and a slightly weaker labor market may be on the horizon in 2024, national employment growth in December 2023 outperformed economist's predictions of slowdown. The continued strength of the economy at the end of the year and recent statements from policy makers have tempered expectations that the Federal Reserve will cut interest rates in the first half of the year. However, forecasters remain optimistic that inflation will continue to slow, allowing for lowering of interest rates in the second half of 2024.

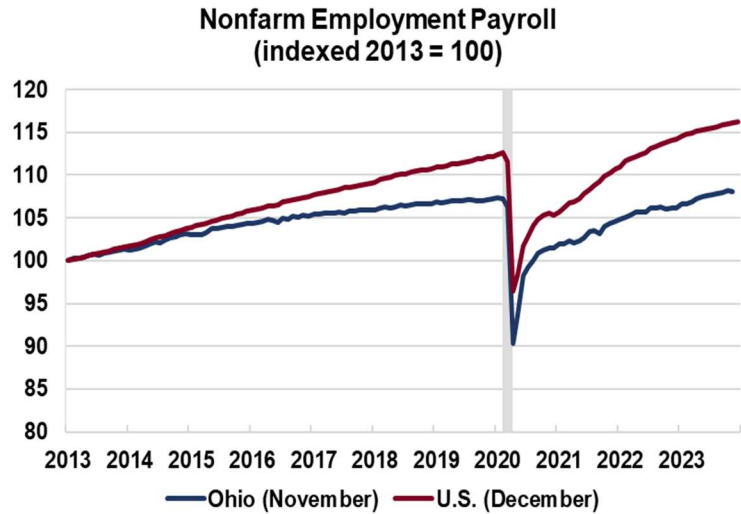
Economic Forecasts

Source	Date	4th Quarter 2023 Annualized GDP Forecast
IHS Markit GDP Tracker	01/04/2024	1.2%
Federal Reserve Bank of Atlanta (GDPNow)	01/03/2024	2.5%
Moody's Analytics High Frequency GDP Model	12/21/2023	2.4%
Federal Reserve Bank of New York (Nowcast)	12/29/2023	2.4%
Wells Fargo	12/14/2023	0.8%
Conference Board	12/13/2023	1.0%

Ohio Labor Market

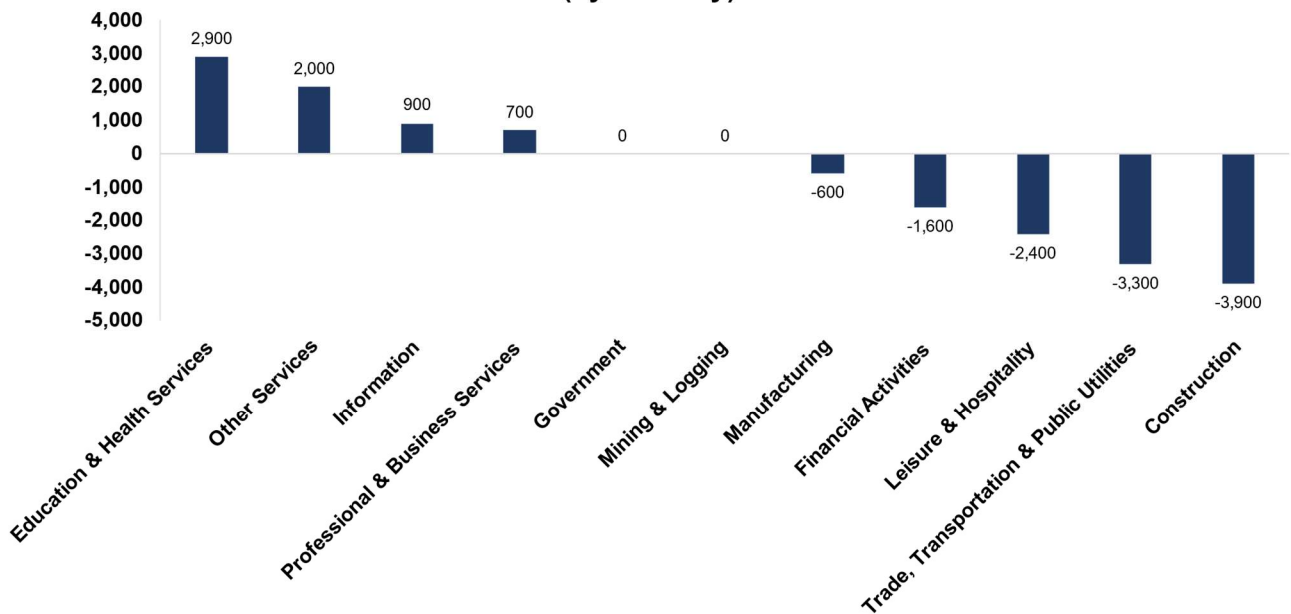
Ohio's nonfarm payroll employment decreased by an estimated 5,300 jobs between October and November 2023 to 5.7 million, an increase of 1.8 percent over the previous year.

In Ohio, the largest employment gains in November were in education and health services, followed by other services, information, and professional and business services. These gains were offset by losses in construction, trade, transportation, and public utilities, leisure and hospitality, financial activities, and manufacturing.



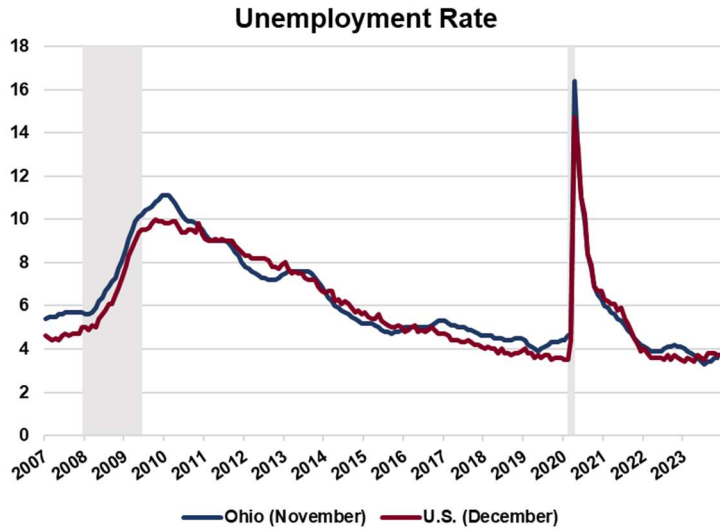
Source: Bureau of Labor Statistics

Change in Ohio Employment Between October and November 2023 (by industry)



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** was 62 percent in November, unchanged from October 2023. The seasonally adjusted **employment-population ratio** was 59.7 in November, a decrease of 0.1 percentage point from October 2023.



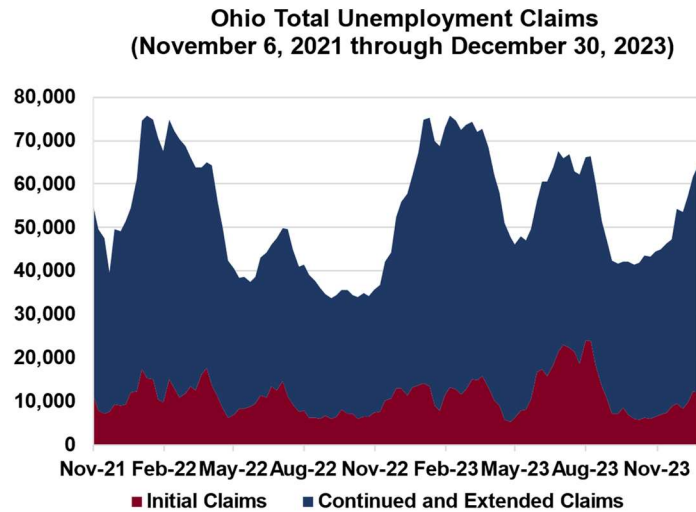
Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in November 2023 was 3.6 percent, unchanged from the October 2023 revised rate and was 0.1 percentage point below the national rate in November.

In November 2023, **initial unemployment claims** increased 41.6 percent for men and decreased by 4.4 percent for women compared to October 2023. During the same period, initial claims decreased for those who identified as Asian/Pacific Islander (-12.4%), Black

(-2.9%), and those who did not report a race (-4.3%). There were increases for those who identified as Hispanic (36.3%), White (33.9%), and American Indian (2.4%).

During the week ending December 30, 2023, individuals filed a total of 12,041 initial unemployment claims, a 2.3 percent decrease from the previous week. Individuals filing **continued and extended claims** during the same week totaled 52,740 claims, a 6.8 percent increase from the previous week.



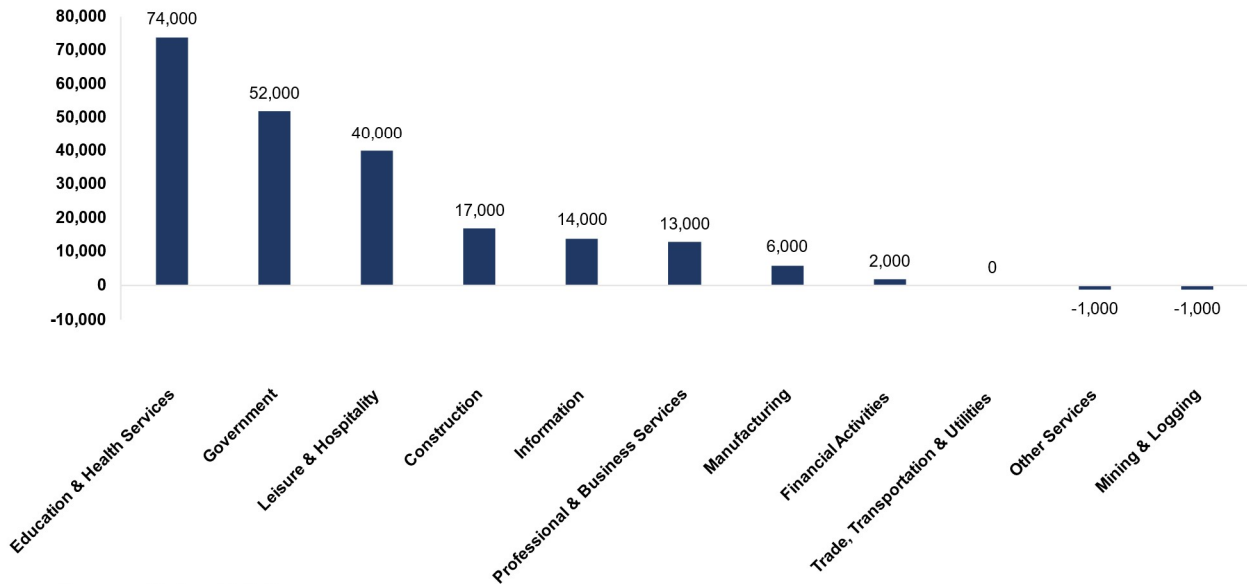
Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment increased by an estimated 216,000 jobs in December. Growth in employment was concentrated in education and health services, government, leisure and hospitality, construction, information, professional and business services, manufacturing, and financial activities.

216,000
Jobs Added

Change in U.S. Employment November - December 2023 (by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** decreased 0.3 percentage point in December to 62.5 percent. The **U.S. employment-population ratio** decreased 0.3 percentage point in December to 60.1 percent. Both measures remain below their February 2020 levels by 0.8 percentage point and one percentage point, respectively.

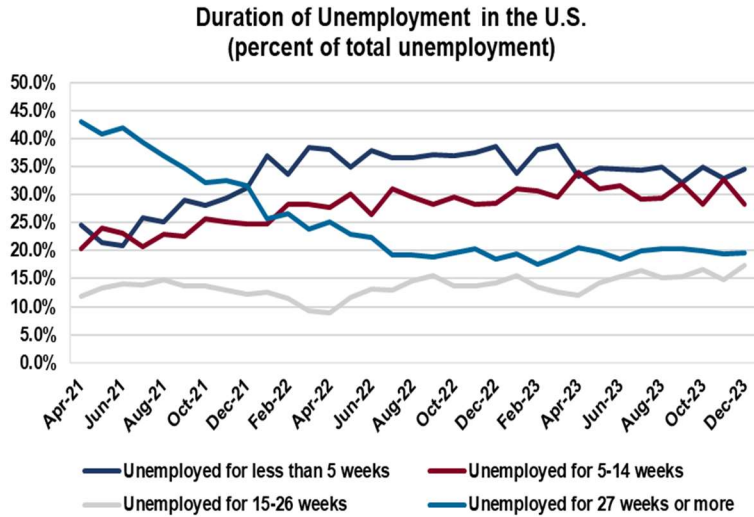
Unemployment Rates by Demographic Group

	October-23	November-23	December-23
Women	3.6%	3.4%	3.6%
Men	4.1%	4.0%	3.9%
Black	5.8%	5.8%	5.2%
White	3.5%	3.3%	3.5%
Asian	3.1%	3.5%	3.1%
Hispanic	4.8%	4.6%	5.0%

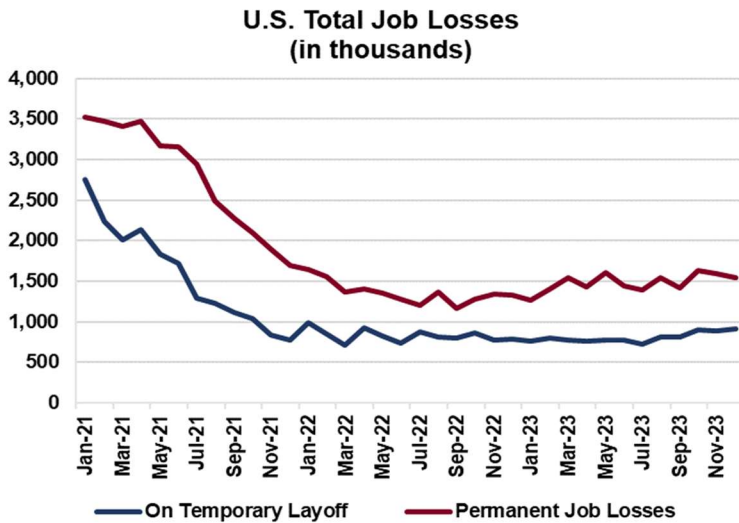
The **U.S. unemployment rate** was unchanged at 3.7 percent in December, while the number of unemployed individuals was relatively unchanged at 6.3 million. The unemployment rate decreased between November and December 2023 for individuals who identified as Black (0.6 percentage point) and individuals who identified as Asian (0.4 percentage point). Individuals who identified as Hispanic (0.4 percentage point) and individuals who identified as White (0.2 percentage point) experienced an increase in the unemployment rate. The unemployment rate for women increased 0.2 percentage point to 3.6 percent between November and December, while the unemployment rate for men decreased 0.1 percentage point to 3.9 percent.

In December 2023, 17.6 percent of unemployed individuals in the nation were unemployed for 15-26 weeks, an 18.6 percent increase from November and remained in line with pre-pandemic levels.

The number of **people not in the labor force who currently want a job** increased by 6.1 percent to 5.7 million people in December.



Source: Bureau of Labor Statistics



The number of unemployed people who were on **temporary layoff** increased to 917,000 in December and was 152,000 more than in February 2020.

The number of people with **permanent job losses** fell by 46,000 in December to 1.5 million.

Consumer Income and Consumption

\$23.3 Trillion

in private sector wages and salaries.

Personal income increased by \$81.6 billion (0.4%) to \$23.3 trillion in November. The November gain was mainly due to a \$63.3 billion (0.6%) increase

Personal consumption expenditures increased by \$46.7 billion (0.2%) from October to November. Total spending on goods fell by 0.2 percentage point in November. Spending on nondurable goods decreased by 0.5 percentage point, with decreased spending on gasoline and other energy goods (-7.2%) that was partially offset by increases in other nondurable goods (0.4%) and food and beverages purchased for off-premises

consumption (0.4%). Spending on durable goods increased by 0.5 percentage point, driven by increases in other durable goods (1.1%), recreational goods and services (0.7%), furnishings and durable household equipment (0.4%). Spending on services increased by 0.5 percentage point in November 2023, led by food services and accommodations (1.5%), housing and utilities (0.7%), transportation services (0.4%), recreation services (0.4%), and health care services (0.2%).

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

	October 2023	November 2023	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,054,871	\$ 2,073,249	0.9%	6.7%	5.5%
Motor vehicles and parts	\$ 599,042	\$ 594,588	-0.7%	4.1%	2.4%
Furnishings and durable household equipment	\$ 416,253	\$ 422,990	1.6%	3.1%	0.5%
Recreational goods and vehicles	\$ 797,082	\$ 812,439	1.9%	13.5%	15.5%
Other durable goods	\$ 279,586	\$ 284,102	1.6%	3.9%	0.4%
Nondurable Goods	\$ 3,373,553	\$ 3,384,596	0.3%	2.0%	0.7%
Clothing and footwear	\$ 498,695	\$ 505,875	1.4%	1.6%	1.0%
Gasoline and other energy goods	\$ 319,272	\$ 313,771	-1.7%	1.5%	-2.3%
Other nondurable goods	\$ 1,413,584	\$ 1,419,147	0.4%	3.9%	5.1%
Services	\$ 10,117,122	\$ 10,139,162	0.2%	2.2%	4.2%
Transportation services	\$ 475,607	\$ 472,689	-0.6%	2.8%	0.5%
Housing and utilities	\$ 2,571,645	\$ 2,575,341	0.1%	0.7%	1.7%
Recreation services	\$ 587,103	\$ 588,564	0.2%	2.5%	4.0%
Financial services and insurance	\$ 1,036,462	\$ 1,042,532	0.6%	0.7%	-0.2%

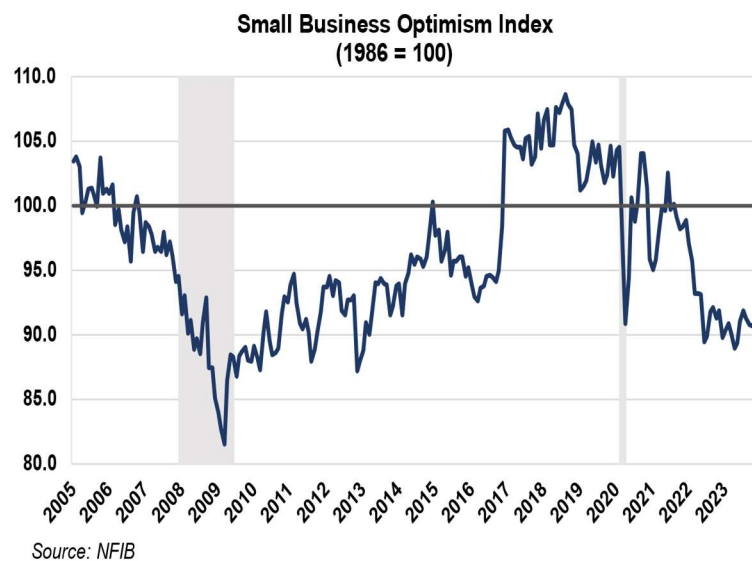
Note: The table above provides details on real personal consumption spending in chained 2017 dollars, which differs from the figures in the text that are not adjusted for inflation.

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

Personal saving totaled \$839.8 billion in November, a three percent increase compared to October's revised level and was 32 percent above the November 2022 level. The **personal saving rate** was 4.1 percent in November, up 0.1 percentage point from October's revised estimate.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.1 percentage point in November compared to October, following no change between September and October. The “all items” index increased 3.1 percent over the last 12 months. Price increases in November were concentrated primarily in shelter (0.4%) and food (0.2%). These increases were partially offset by decreases in energy (-2.3%) and new vehicles (-0.1%).

Both consumer opinion surveys reported an increase in confidence in December 2023. Respondents in the University of Michigan’s **Survey of Consumers** reported an increase (13.7%) in consumer sentiment to 69.7 in December compared to November 2023. Consumers reported increased expectations about the path of inflation, with increases being reported across all age groups. The Conference Board’s **Consumer Confidence Index** increased by 9.7 points to 110.7 in December, up from a downwardly revised 101 in November. Increases in confidence were reported across all age groups and were strongest among those with higher incomes. Despite the increase in confidence, the Chief Economist cautioned that consumers remain concerned about the impacts of inflation.



Source: NFIB

The **Small Business Optimism Index** decreased 0.1 percentage point to 90.6 in November, the 23rd consecutive month the index has been below 98, its 49-year average. Inflation was the top concern for small business owners in November, with 22 percent of owners citing it as their single most important problem, unchanged from October. Hiring also remained a concern, with 40 percent of owners who were actively hiring reporting that job openings were difficult to fill, down three points from October.

Travel and Tourism

Ohio’s three largest transit authorities, the Greater Cleveland Regional Transit Authority, the Central Ohio Transit Authority, and the Southwest Ohio Regional Transit Authority, provided an estimated combined 3,639,641 **unlinked passenger trips** in December 2023. This was 24.6 percent less than the November 2023 ridership levels, but 29.3 percent more than the December 2022 ridership.

Nationally, average airline checkpoint traffic increased 1.6 percent in December 2023 compared to November 2023. **Total travel throughput** in December 2023 was 9.7 percent higher than in December 2022 and 1.6 percent higher than in December 2019.

In the U.S., the **hotel occupancy rate** for the week ending December 23, 2023, was 43.9 percent, up 0.5 percent from the comparable week in 2022. The **average daily rate** for a hotel room was \$131.97, a decrease of 0.9 percent from 2022. **Revenue per available room** was \$57.90, down 0.4 percent from 2022.

Industrial Activity

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

The **Manufacturing Production Index** increased 0.3 percent to 99.2 in November 2023 and was 0.8 percent lower than in November 2022. Nationally, manufacturing in five of Ohio's top 10 industries increased production between October and November 2023. Increases in motor vehicles and parts (7.1%), aerospace and other transportation equipment (1.2%), machinery (0.7%), primary metals (0.5%), and fabricated metal products (0.2%) were offset by decreases in petroleum and coal products (-0.7%), food, beverage, and tobacco products (-0.5%), chemicals (-0.3%), plastics and rubber products (-0.3%), and electrical equipment (-0.2%).

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

Manufacturing Sector	Percent Change September and October 2023	Percent Change October and November 2023	Percent Change November 2022 to November 2023
Aerospace and Other Transportation Equipment	0.9%	1.2%	6.1%
Chemicals	-1.0%	-0.3%	0.2%
Electrical Equipment	1.4%	-0.2%	0.9%
Fabricated Metal Products	-0.3%	0.2%	-1.3%
Food Beverage and Tobacco Products	0.9%	-0.5%	-3.4%
Machinery	-1.2%	0.7%	-4.4%
Motor Vehicles and Parts	-9.9%	7.1%	2.4%
Petroleum and Coal	0.9%	-0.7%	1.4%
Plastics and Rubber Products	-1.5%	-0.3%	-2.9%
Primary Metals	-2.0%	0.5%	3.3%



Source: Institute for Supply Management

In December 2023, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States was 47.4, an increase of 0.7 percentage point from November’s reading. The index remained below 50 for the 14th straight month, indicating continued contraction in the manufacturing sector.

Nationally, one of the 10 most important industries to Ohio’s manufacturing sector, primary metals, increased production in

December. The industries reporting the largest contraction were plastics and rubber products, machinery, petroleum and coal products, fabricated metal products, and electrical equipment. According to the chair of the survey committee, the manufacturing sector continued to signal a state of overall contraction, while at a slower rate than seen in November. Anecdotal evidence from purchasing and supply executives nationwide surveyed by the Institute for Supply Management (ISM) described optimism about the year ahead.

“ We are forecasting a somewhat stronger year for 2024. We are currently mildly optimistic about how next year will play out. [Fabricated Metal Products] ”

“ Demand is up across the board. We are starting to see back orders grow again. [Transportation Equipment] ”

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 17 percent between October and November 2023 but were 28.5 percent below the number of permits issued in November 2022.

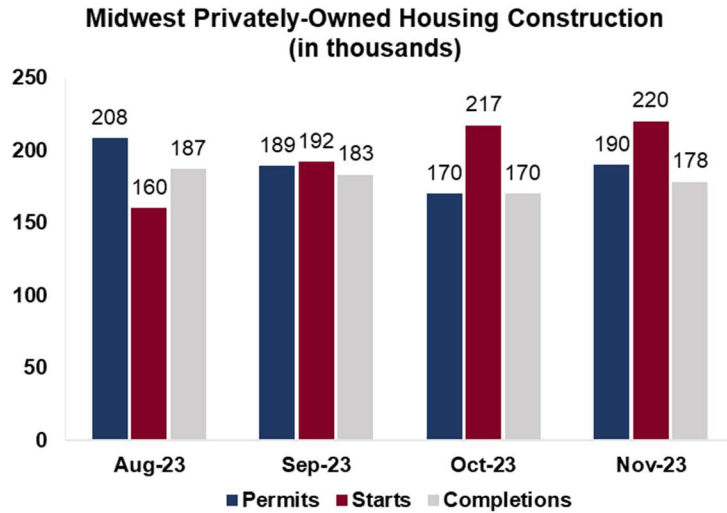
Privately-owned housing starts in the Midwest increased 1.4 percent between October and November and were 7.9 percent above the November 2022 level.

In November 2023, privately-owned housing completions in the Midwest increased 4.7 percent from October but were 9.6 percent below the November 2022 level.

New home sales in the Midwest increased 25 percent between October and November 2023 and were 52.2 percent above November 2022.

The number of homes sold in Ohio decreased in November while average prices continued to increase. Total sales were 8.6 percent below November 2022 and the average sale price in Ohio was \$270,717, an 8.1 percent increase compared to November 2022. The president of the Ohio REALTORS

reported that while interest rates remain elevated compared to pre-pandemic levels, there have been decreases in mortgage rates. Inventory levels remained low compared to historical averages in the Ohio housing market in November 2023.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased four points to 35 in December, two points below the national level. The national index increased three points over the same period, after declining for much of the second half of 2023.

U.S. Construction and Housing Market

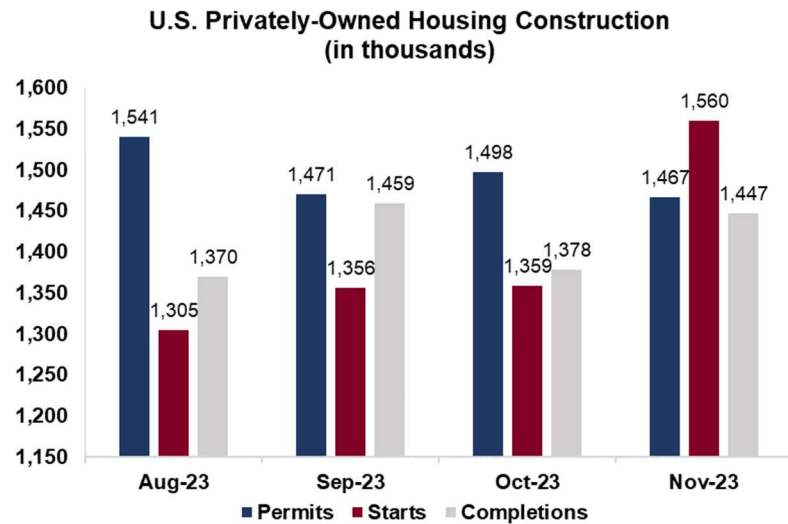
The U.S. Census Bureau reported that **total construction spending** in November 2023 was at a seasonally adjusted rate of \$2.05 trillion, a 0.4 percent increase from the revised October estimate. The November 2023 estimate was 11.3 percent above November 2022.

Public sector construction spending decreased an estimated 0.7 percent between October and November, bringing the seasonally adjusted annual total to \$455.1 billion. Public spending on educational construction decreased 0.3 percent below the revised October estimate to \$99.2 billion in November but was 16.7 percent above November 2022 levels. Public highway construction spending in November was 0.1 percent above the revised October estimate and 15.2 percent above the November 2022 level.

Private sector construction spending increased 0.7 percent between October and November to a seasonally adjusted annual total of \$1.6 trillion and 10 percent above the November 2022 level. Private residential construction in November was 1.1 percent above the revised October level and 3.7 percent above the November 2022 level. Private nonresidential construction in November 2023 was 0.2 percent above the revised October level and 19.3 percent above the November 2022.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 2.1 percent between October and November and were 4.6 percent above the November 2022 levels.

Nationally, privately-owned housing starts increased 14.8 percent between October and November and were 9.3 percent above the November 2022 level.



Source: U.S. Census Bureau through FRED

In November, **newly built single-family home sales** decreased by 12.2 percent from October but were 1.4 percent above sales in November 2022. The national median sales price in November was \$434,700, a 4.8 percent increase from the revised October sales price, and 6 percent below November 2022.

According to the National Association of Realtors, **existing home sales** increased 0.8 percent in November from October, following five consecutive months of declines. November's existing home sales decreased to an annual rate of 3.8 million housing units, a 7.3 percent decrease from November 2022. The median sales price of all existing homes increased four percent from a year ago to \$387,600. Available inventory in November 2023 totaled 1.1 million units, down 1.7 percent from October and 3.3 percent above the November 2022 inventory level.

Revenues

December GRF tax revenues experienced a negative variance from estimate totaling \$263.7 million (-11.5%). As explained in this report, December's outcome reflects significant personal income tax refunds associated with increased pass-through entity tax credits. Fiscal year to-date tax revenues are now near the estimate, \$19 million (-0.1%) below forecast through six months, and \$43.2 million (0.3%) above the same period last year.

Aggregate (tax and non-tax) GRF receipts totaled \$2.5 billion in December and were \$276.3 million (-10%) below the estimate. As noted above, tax revenues were \$263.7 million (-11.5%) below the estimate. Non-tax receipts were \$12.6 million (-2.6%) below estimate. For the year-to-date, transfers are above estimate while tax receipts and non-tax receipts are below estimate, as shown in the table below.

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

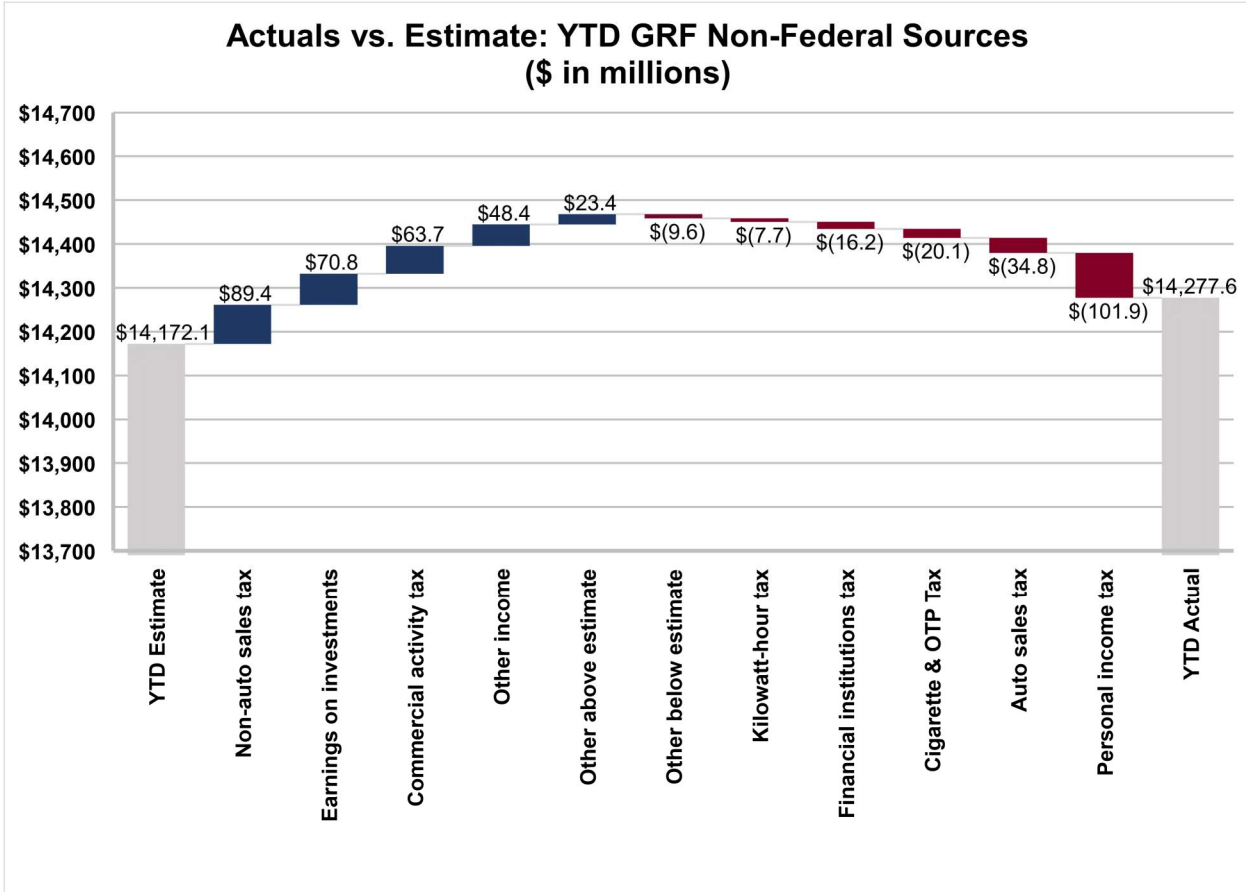
Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, estate	\$ (19.0)	-0.1%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (123.2)	-1.7%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 5.5	N/A
Total Revenue Variance		\$ (136.7)	-0.6%
Non-Federal Revenue Variance		\$ 105.4	0.7%
Federal Grants Variance		\$ (242.2)	-3.3%

The following table shows that the number of sources below estimate (a negative variance of \$296.2 million) in December outweighed the number of sources above estimate (a positive variance of \$23 million), resulting in a net negative variance from estimate of \$273.3 million.

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

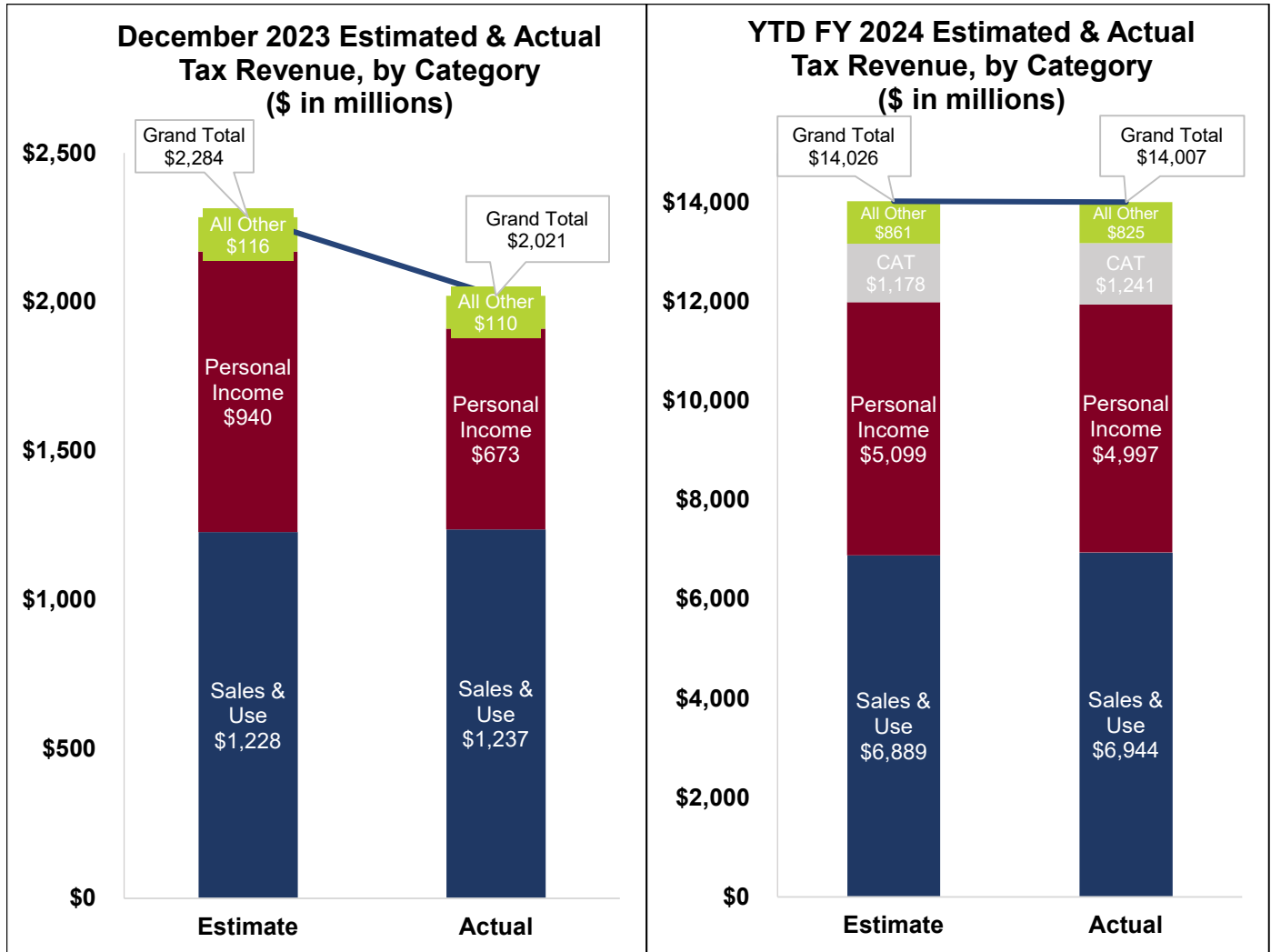
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales Tax	\$ 12.2	Personal Income Tax	\$ (266.8)
Other Income	\$ 3.2	Federal Grants	\$ (15.9)
Transfers In - Other	\$ 3.0	Auto Sales Tax	\$ (3.5)
Other revenue sources above estimate	\$ 4.6	Cigarette and Other Tobacco Products Tax	\$ (3.2)
		Other revenue sources below estimate	\$ (6.8)
Total Above	\$ 23.0	Total Below	\$ (296.2)

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



The preceding chart shows how different revenue sources contributed to the difference between actual and estimated non-federal revenues through December 2023, which now stand \$105.4 million above forecast.

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



In December, total receipts and transfers were \$1.2 billion (-33.1%) below last year. Tax receipts decreased by \$322.6 million (-13.8%) and non-tax receipts decreased by \$913.3 million (-66.3%). For the year-to-date, tax receipts are \$43.2 million (0.3%) above last year and non-tax receipts are \$372.8 million (-4.9%) below last year. Transfers are \$156,000 (-2.8%) below last year on a year-to-date basis.

The source with the largest year-over-year dollar increase during December was non-auto sales tax, at \$50.6 million (4.8%). The largest decreases were in federal grants at \$916.6 million (-66.7%) and personal income tax at \$363.6 million (-35.1%). The largest year-to-date increases are in non-auto sales at \$233.4 million (4.1%), followed by the commercial activity tax at \$190.1 million (18.1%). The largest year-to-date declines are in federal grants at \$438.9 million (-5.9%) and personal income tax at \$254.1 million (-4.8%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections for December totaled \$1.1 billion and were \$12.2 million (1.1%) above the estimate. Year-to-date revenue is \$89.4 million (1.5%) above estimate. December revenue was \$50.6 million (4.8%) higher than last year, and year-to-date revenue is up \$233.4 million (4.1%).

This year's elapsed growth has been boosted in part by last year's unusually large refund payments which suppressed last year's GRF collections. If the July-September 2022 refunds had equaled the amounts paid this year, year-to-date GRF non-auto sales tax revenue would have increased by 1.6 percent. After adjustment for last year's high July-September refunds, December showed the strongest monthly growth rate to date.



The latest data from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program show continued year-over-year growth, at a slightly higher rate than in previous months. Focusing on stores primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the data from MARTS signifies a 4.5 percent increase in national sales, not seasonally adjusted, during November 2023. Year-over-year growth was 2.5 percent in October and 1.7 percent in September. These figures compare to Ohio's non-auto sales tax revenue which increased by 0.4 percent in November and decreased by 1.5 percent in October and by 0.6 percent in September (after adjusting the month's calculation to remove the effects of last year's large, non-recurring refunds).

MARTS data show month-over-month sales growth for retail categories subject to Ohio sales tax. On a seasonally adjusted basis, November 2023 sales for the retail categories listed above were 0.3 percent higher than October, following a 0.2 percent decrease in October from September and a 0.8 percent increase in September from August.

Auto Sales Tax

December auto sales tax revenues were \$142.8 million, \$3.5 million (-2.4%) below the estimate. Year-to-date revenues are \$34.8 million (-3.5%) below estimate. Revenues were \$5.1 million (-3.5%) below last December and are \$40 million (-4%) below last year on a year-to-date basis.

Auto sales tax receipts reflect a complex set of cross-cutting forces. Despite the headwinds from higher interest rates and prices, demand for new vehicles remains solid. Vehicle supply issues that were evident a year ago have improved, but the used vehicle market continues to face challenges. For most of calendar year 2023, revenues appear to reflect the combination of steady but modest growth in new vehicle sales and a decline in used vehicle sales from the elevated levels of 2022.

National sales of new light vehicles in December were modestly higher than levels observed for most of the calendar year, with only June and July higher. According to the U.S. Department of Commerce's Bureau of Economic Analysis, new light vehicle sales reached a seasonally adjusted annual rate (the number of sales that occurred during the month adjusted for seasonal variations and expressed as an annualized total) of 15.8 million units. The monthly average for the calendar year was 15.5 million units. December's sales were 3.2 percent higher than November and up 16.8 percent from a year ago. December's adjusted figure reverses declines in the previous two months. On an unadjusted basis, December 2023 light vehicle unit sales were at 1.43 million units. This is 17.5 percent above the previous month and 13 percent above last December.

Transaction prices for new vehicles remain high, although price growth slowed in calendar year 2023. The latest release of the Consumer Price Index (CPI-U) data from the Bureau of Labor Statistics shows a 1.3 percent year-over-year price increase for new vehicles in November, and a 0.1 percent decrease from the previous month. Cumulative price growth has been modest; compared to December 2022, the CPI-U for new motor vehicles in November 2023 was up only 0.7 percent. By comparison, prices in November 2022 were 5.3 percent higher than in December 2021. Even with the significant slowdown in 2023, prices remain well above their pre-pandemic levels: the CPI-U for new motor vehicles has increased 20.7 percent since February 2020.

Turning to used vehicles, Cox Automotive estimates there were 2.6 million used vehicle sales transactions in November, not annualized or seasonally adjusted, even with the prior year and down 12.8 percent from October. The pandemic disrupted the used vehicle market, as supply failed to meet underlying demand and prices rose. Prices peaked in January 2022, and have generally trended downward since then. More recently, the Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, was 5.8 percent lower in November 2023 than the previous November and was 13.9 percent below its most recent peak in March 2023.

Retail prices typically move in the same direction as wholesale prices but with a lag. The November CPI-U for used vehicles is down 4.7 percent from its recent high in May. On a

year-over-year basis, the CPI-U was 3.8 percent lower than last November. Used-vehicle prices also remain well above their pre-pandemic levels, with the November 2023 CPI-U index being 37.4 percent higher than in January 2020.

Personal Income Tax

December GRF personal income tax receipts totaled \$673.2 million and were \$266.8 million (-28.4%) below the estimate. Year-to-date revenue is \$101.9 million (-2%) below estimate. On a year-over-year basis, December income tax collections are down \$363.6 million (-35.1%). Year-to-date revenue is \$254.1 million (-4.8%) below last year.

Refunds explain December's significant negative tax revenue variance from estimate and year-over-year decrease. The refund component was \$302 million (511%) above the estimate and \$291.6 million (419.3%) above last December. For the fiscal year, refunds are \$480.9 million (102.3%) above the estimate and \$477.9 million (89.1%) above FY 2023. A change in Ohio tax law in 2022 (S.B. 246 of the 134th General Assembly) has caused significant changes in personal income tax payment patterns for pass-through entity (PTE) income. The law change explains the large increase in refunds this fiscal year, culminating in December's substantial refund payment volume.

Effective in taxable year 2022, Ohio established an income tax whereby pass-through entities can elect to pay such tax on behalf of their owners (termed the Electing Pass-Through Entity Income Tax or EPTE tax). This tax is fully deductible for U.S. income tax purposes: owners of an electing pass-through entity realize their proportionate share of this deduction on their U.S. income tax return.¹

The EPTE tax does not alter the ultimate Ohio tax liability on pass-through entity income. The tax simply leverages a federal tax benefit and does not impact Ohio tax burdens. There is no change in Ohio tax liability because the entire Ohio EPTE tax is passed through to the entity's owners as a refundable tax credit, which those owners then report on the annual income tax return they file with the Department of Taxation.

Numerous pass-through entities elected to pay this new Ohio tax in tax year 2022. The payments, which began during FY 2023, represent an increase from the law in effect prior to the EPTE tax enactment. Under prior practice, an individual with an ownership interest in a PTE would typically make their own income tax estimated payments, and calibrate those payments based on expectations about their ultimate tax on such business income. The EPTE tax does not have this individualized flexibility. For example, the EPTE tax does not take into account the Ohio business income deduction available to most PTE owners. In addition, in 2022 the EPTE tax rate was five percent, compared to the three percent rate imposed on individuals' taxable business income. The EPTE tax rate became

¹ Because the pass-through entity (and not the PTE owner) pays this new state tax, the entity is allowed to deduct such taxes in deriving its ordinary business income. The deduction is then "passed through" to each owner as part of such owner's distributive share of the entity's ordinary business income. Accordingly, the deduction is not subject to the \$10,000 limitation that U.S. income tax law otherwise imposes on the taxes-paid deduction claimed by individuals.

three percent in taxable year 2023, which will help reduce the gap between EPTE estimated payments and final individual tax liability in the future.

Because of the increased estimated payments attributable to the EPTE tax (which become refundable credits on owners' individual tax returns), once PTE owners filed their taxable year 2022 individual income tax returns, many of them experienced much larger tax refunds than under prior law. Taxpayers with PTE income often take all available filing extensions, which means they did not file the 2022 annual return until October 2023. Due to the time required to process these more complicated tax returns to ensure they were properly completed, most of the refunds driven by the EPTE tax were issued in December.

Withholding collections for December amounted to \$920.9 million and were \$46.2 million (-4.8%) below estimate. For the fiscal year-to-date, the withholding component is \$57.1 million (-1.1%) below estimate. This component was \$138.5 million (13.1%) below last December and is \$139.4 million (-2.6%) below last year for the fiscal year-to-date.

The withholding category includes taxes paid by certain types of pass-through entities on their taxable income (these are Pass-Through Entity Withholding taxpayers, typically referred to by the name of their tax return form, the IT-1140). This is a separate revenue stream from the income tax withheld by employers and paid to the state. As explained above, beginning in tax year 2022 the EPTE tax became a filing and payment option. Collections from the EPTE tax are not reported in the withholding category but rather in the annual tax return and estimated payment categories, as appropriate. Pass-through entity tax payments have shifted from IT-1140 returns to the EPTE tax returns to a greater extent than anticipated in the estimate, explaining much of the negative variance from the estimate for the withholding category.

In fact, employer withholding has performed significantly better than the overall withholding category: excluding pass-through entity tax payments and adjusting for the impacts of the new withholding rates and calendar-day differences, year-to-date withholding collections are \$407.7 million (8%) higher than last year. A reduction in the employer withholding tax rates went into effect in November 2023. The new tax rates reduce monthly collections by an estimated 10 percent. After the tax rate and calendar-day adjustments, employer withholding collections grew in November and December by the highest rates observed this year.

Quarterly estimated payments exceeded the estimate by \$75 million (137.6%) and were \$63.8 million (97.2%) above last year. Fiscal year to date collections are \$211.7 million (57.8%) above estimate, and \$177.9 million (44.4%) above the prior year. The combined March through December results, reflecting the first three quarterly payments for calendar year 2023, show a strong positive variance of \$346.3 million (52.6%). Year-over-year growth during the March-December period is \$169 million (20.2%). As explained above, the availability of the EPTE tax filing option has resulted in a shift of some collections from the withholding category to this category.

In December, annual tax return payments exceeded estimates by \$8.3 million (57%). For

FY 2024 to date, these payments exceed estimates by \$236 million (138.7%). This payment category grew by \$6.8 million (41.9%) in December compared to last year; to date, the category has increased by \$189.1 million (87.1%). For the January through December filing season, collections from annual returns exceeded estimates by \$500.2 million (36.2%) but were \$5.4 million (-0.3%) below last year's collections. The annual return category now includes collections from pass-through entities that used the EPTE tax option, resulting in a shift from the withholding category to the annual return category. The revenue forecast for this filing season anticipated a significant decline from the historic highs of last year; as the decline has been much less than expected, there is a large positive variance from the estimate year-to-date.

The two remaining tax collection categories (trust payments and other) were collectively \$1.5 million (-17.9%) below the December estimate. For the past filing season, the combined categories are \$50.8 million (-24.2%) below estimate and \$96.6 million (-37.7%) below last year. The negative variance and most of the year-over-year decrease is in the trust category, likely reflecting lower taxable investment income experienced in tax year 2022.

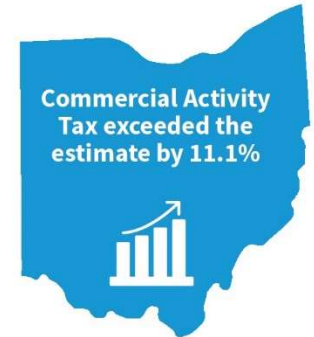
December Personal Income Tax Receipts by Component (\$ in millions)

	Actual Dec	Estimate Dec	\$ Var	Actual Dec-2023	Actual Dec-2022	\$ Var Y-to-Y
Withholding	\$ 920.9	\$ 967.1	\$ (46.2)	\$ 920.9	\$ 1,059.5	\$ (138.5)
Quarterly Est.	\$ 129.5	\$ 54.5	\$ 75.0	\$ 129.5	\$ 65.7	\$ 63.8
Annual Returns/40 P	\$ 22.9	\$ 14.6	\$ 8.3	\$ 22.9	\$ 16.1	\$ 6.8
Trust Payments	\$ 2.1	\$ 1.3	\$ 0.8	\$ 2.1	\$ 2.6	\$ (0.5)
Other	\$ 4.7	\$ 7.0	\$ (2.3)	\$ 4.7	\$ 6.5	\$ (1.7)
Less: Refunds	\$(361.1)	\$ (59.1)	\$(302.0)	\$ (361.1)	\$ (69.5)	\$(291.6)
Local Distributions	\$ (45.9)	\$ (45.4)	\$ (0.5)	\$ (45.9)	\$ (44.0)	\$ (1.9)
Net to GRF	\$ 673.2	\$ 940.0	\$(266.8)	\$ 673.2	\$ 1,036.8	\$(363.6)

Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$2.2 million (11.1%) above the December estimate and are \$63.7 million (5.4%) above the year-to-date estimate. December revenues increased by \$5.9 million (37.5%) compared to last year, while year-to-date revenues rose \$190.1 million (18.1%).

December is not a significant collections month for the CAT since it immediately follows the month in which tax payments are due for the July-September gross receipts activity period. Because CAT revenue comes from quarterly tax payments, it is useful to examine the revenue flow on a quarterly basis. CAT revenue has demonstrated impressive performance over the past three years: through December 2023, there have been 13 consecutive quarters exceeding expectations.



The FY 2024-2025 state operating budget changed the portion of CAT revenue that is credited to the GRF. Previously, the GRF received 85 percent of monthly CAT receipts remaining after making required deposits into the Tax Refund Fund and the CAT Administration Fund. Beginning in July 2023, the new budget requires that all CAT revenues (less the two fund deposits mentioned above) be credited to the GRF. Under the new law, the GRF share is reduced only to the extent that deposits are required to be made to the school district and local government tangible personal property tax replacement funds to cover the semiannual statutory reimbursements paid to those entities. An all-funds analysis provides a purer measure of this year's underlying CAT revenue production by removing the effects of the change in revenue accounting. For the fiscal year to date, all-funds CAT revenue is up \$4.7 million (0.4%) over last year.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$464 million and were \$12.6 million (-2.6%) below estimate for the month of December. Year-to-date non-tax receipts totaled \$7.3 billion and were \$123.2 million (-1.7%) below estimate.

The monthly variance in non-tax receipts was due to the federal grants category, which was \$15.9 million (-3.4%) below estimate. This variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL DECEMBER	ESTIMATE DECEMBER	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,094,326	1,082,100	12,226	1.1%	5,984,417	5,895,000	89,417	1.5%
Auto Sales & Use	142,844	146,300	(3,456)	-2.4%	959,192	994,000	(34,808)	-3.5%
Subtotal Sales & Use	1,237,170	1,228,400	8,770	0.7%	6,943,608	6,889,000	54,608	0.8%
Personal Income	673,157	940,000	(266,843)	-28.4%	4,997,098	5,099,000	(101,902)	-2.0%
Corporate Franchise	1	0	1	N/A	130	0	130	N/A
Financial Institutions Tax	(1,373)	(2,800)	1,427	51.0%	(36,586)	(20,400)	(16,186)	-79.3%
Commercial Activity Tax	21,768	19,600	2,168	11.1%	1,241,244	1,177,500	63,744	5.4%
Petroleum Activity Tax	3,467	2,800	667	23.8%	6,398	4,800	1,598	33.3%
Public Utility	8	2,200	(2,192)	-99.6%	80,149	80,100	49	0.1%
Kilowatt Hour	15,882	18,400	(2,518)	-13.7%	135,743	143,400	(7,657)	-5.3%
Natural Gas Distribution	0	0	0	N/A	19,331	18,700	631	3.4%
Foreign Insurance	16	300	(284)	-94.6%	209,744	194,900	14,844	7.6%
Domestic Insurance	0	0	0	N/A	845	6,400	(5,555)	-86.8%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	63,056	66,300	(3,244)	-4.9%	350,459	370,600	(20,141)	-5.4%
Alcoholic Beverage	2,697	4,300	(1,603)	-37.3%	30,647	32,500	(1,853)	-5.7%
Liquor Gallonage	4,751	4,800	(49)	-1.0%	28,627	29,900	(1,273)	-4.3%
Estate	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,020,600	2,284,300	(263,700)	-11.5%	14,007,439	14,026,400	(18,961)	-0.1%
NON-TAX RECEIPTS								
Federal Grants	458,604	474,505	(15,902)	-3.4%	7,004,936	7,247,111	(242,176)	-3.3%
Earnings on Investments	0	0	0	N/A	119,938	49,179	70,759	143.9%
License & Fees	639	776	(136)	-17.6%	13,535	14,434	(899)	-6.2%
Other Income	4,436	1,250	3,186	254.9%	130,461	82,100	48,361	58.9%
ISTV'S	298	0	298	N/A	709	0	709	N/A
Total Non-Tax Receipts	463,977	476,531	(12,554)	-2.6%	7,269,579	7,392,823	(123,245)	-1.7%
TOTAL REVENUES	2,484,577	2,760,831	(276,254)	-10.0%	21,277,018	21,419,223	(142,206)	-0.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	3,001	0	3,001	N/A	5,479	0	5,479	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	3,001	0	3,001	N/A	5,479	0	5,479	N/A
TOTAL SOURCES	2,487,578	2,760,831	(273,253)	-9.9%	21,282,497	21,419,223	(136,726)	-0.6%

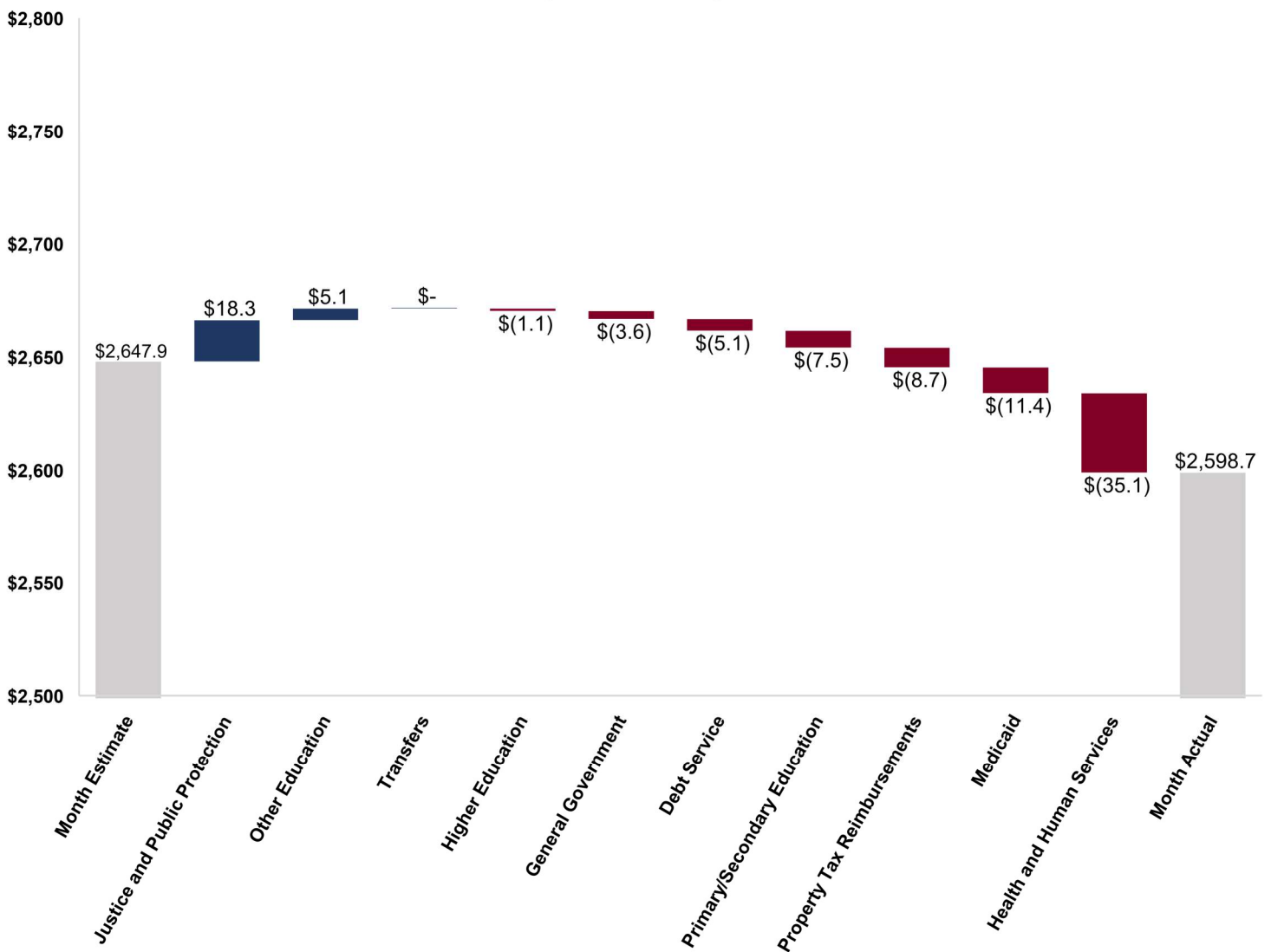
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2024 VS ACTUAL FY 2023
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	DECEMBER FY 2024	DECEMBER FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	1,094,326	1,043,725	50,601	4.8%	5,984,417	5,751,066	233,350	4.1%
Auto Sales & Use	142,844	147,951	(5,108)	-3.5%	959,192	999,208	(40,017)	-4.0%
Subtotal Sales & Use	1,237,170	1,191,677	45,493	3.8%	6,943,608	6,750,275	193,333	2.9%
Personal Income	673,157	1,036,760	(363,603)	-35.1%	4,997,098	5,251,173	(254,075)	-4.8%
Corporate Franchise	1	16	(15)	-92.6%	130	30	100	332.9%
Financial Institutions Tax	(1,373)	582	(1,955)	-336.0%	(36,586)	(10,382)	(26,204)	-252.4%
Commercial Activity Tax	21,768	15,827	5,941	37.5%	1,241,244	1,051,124	190,120	18.1%
Petroleum Activity Tax	3,467	3,494	(27)	-0.8%	6,398	6,032	366	6.1%
Public Utility	8	523	(515)	-98.5%	80,149	86,936	(6,787)	-7.8%
Kilowatt Hour	15,882	15,306	575	3.8%	135,743	144,478	(8,736)	-6.0%
Natural Gas Distribution	0	0	0	N/A	19,331	19,553	(222)	-1.1%
Foreign Insurance	16	1,150	(1,134)	-98.6%	209,744	198,367	11,378	5.7%
Domestic Insurance	0	0	0	0.0%	845	17,620	(16,775)	-95.2%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	63,056	70,743	(7,687)	-10.9%	350,459	386,778	(36,319)	-9.4%
Alcoholic Beverage	2,697	2,398	299	12.5%	30,647	33,211	(2,564)	-7.7%
Liquor Gallonage	4,751	4,743	8	0.2%	28,627	29,013	(386)	-1.3%
Estate	0	28	(28)	N/A	0	33	(33)	-99.8%
Total Tax Receipts	2,020,600	2,343,247	(322,647)	-13.8%	14,007,439	13,964,243	43,196	0.3%
NON-TAX RECEIPTS								
Federal Grants	458,604	1,375,162	(916,558)	-66.7%	7,004,936	7,443,805	(438,869)	-5.9%
Earnings on Investments	0	0	0	N/A	119,938	44,490	75,448	169.6%
License & Fee	639	906	(267)	-29.5%	13,535	14,118	(583)	-4.1%
Other Income	4,436	1,044	3,392	324.7%	130,461	126,031	4,430	3.5%
ISTV'S	298	143	156	109.3%	709	13,932	(13,223)	-94.9%
Total Non-Tax Receipts	463,977	1,377,255	(913,278)	-66.3%	7,269,579	7,642,375	(372,796)	-4.9%
TOTAL REVENUES	2,484,577	3,720,502	(1,235,925)	-33.2%	21,277,018	21,606,618	(329,600)	-1.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	3,001	0	3,001	N/A	5,479	5,635	(156)	-2.8%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	3,001	0	3,001	N/A	5,479	5,635	(156)	-2.8%
TOTAL SOURCES	2,487,578	3,720,502	(1,232,924)	-33.1%	21,282,497	21,612,253	(329,756)	-1.5%

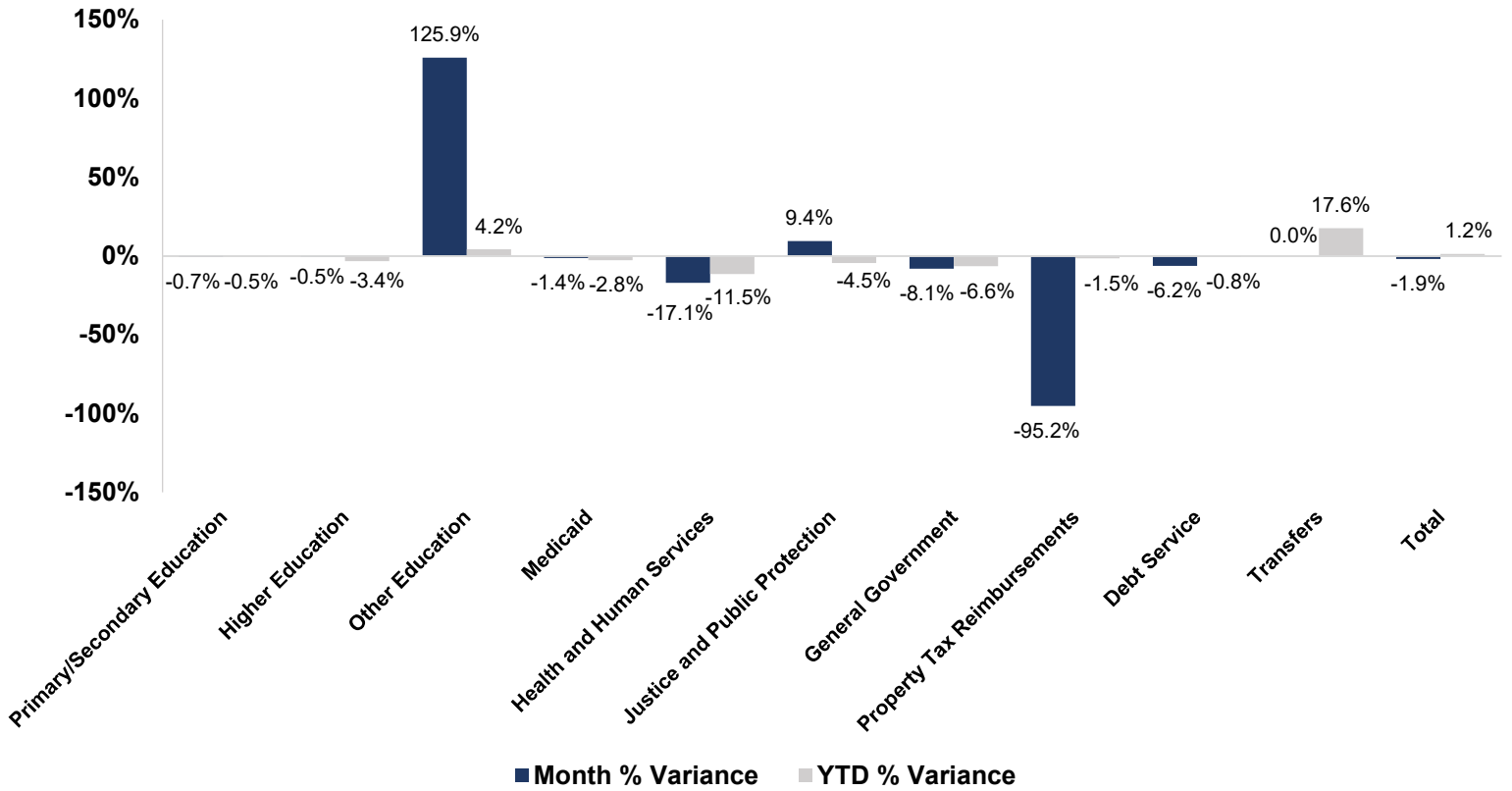
Disbursements

December GRF disbursements, for all uses, totaled \$2.6 billion and were \$49.2 million (-1.9%) below estimate. This variance was primarily due to lower-than-estimated disbursements in the Health and Human Services category and partially offset by higher-than-estimated disbursements in the Justice and Public Protection category. On a year-over-year basis, total December disbursements were \$867.4 million (-25%) lower than those of the same month last fiscal year, with the Medicaid category largely responsible for the difference.

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



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



Health and Human Services

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

December disbursements in this category totaled \$170.8 million and were \$35.1 million (-17.1%) below the estimate. The variance was primarily due to underspending by the Department of Job and Family Services. Spending for the TANF State Maintenance of Effort was \$15 million below the estimate due to timing of TANF Child Care payments, and spending for the Child Care Discretionary Maintenance of Effort program was \$12 million below the estimate due to a decrease in child care income-eligible employment activities as child care attendance has not returned to pre-pandemic levels as previously estimated. The Department anticipates with quarterly federal reconciliations, that the full budgeted amounts for these programs will be obligated or expended prior to the end of the fiscal year. Additional variance was attributed to \$10.6 million in underspending in Program Operations, due to the Department receiving fewer contract support, operations, and maintenance invoices in December than anticipated. This underspending will correct itself during the remainder of the fiscal year as the Department transitions from using the federal grant to support the operations of the Office of Unemployment Services to this general revenue funded program.

Year-to-date disbursements in this category total \$939 million and are \$122 million (-11.5%) below the estimate. On a year-over-year basis, disbursements in this category were \$6.1 million (3.7%) higher than for the same month last fiscal year while year-to-date expenditures are \$57.7 million (6.5%) higher than at the same point in FY 2023.

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.

December disbursements in this category totaled \$211.7 million and were \$18.3 million (9.4%) above the estimate. The majority of the variance in this category was due to expenditures for the Public Defender Commission exceeding the estimate by \$23.9 million (365.4%). The Commission processed more county reimbursement payments during December than estimated. This variance was partially offset by the Department of Public Safety, which underspent by \$4.2 million (-42.1%). The underspending was largely due to the timing of reimbursement requests from local governments and police departments for various grant programs within the Office of Criminal Justice Services,

including body-worn cameras, sexual assault kits, violence reduction, and law enforcement hearing protection.

Year-to-date disbursements in this category total \$1.5 billion and are \$69.9 million (-4.5%) below estimate. On a year-over-year basis, disbursements in this category were \$20.1 million (10.5%) above the same month last fiscal year while year-to-date expenditures are \$106.8 million (7.7%) above the same point in FY 2023.

Medicaid

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

Medicaid Expenditures

December GRF disbursements for the Medicaid program totaled \$819.7 million and were \$11.4 million (-1.4%) below the estimate. Year-to-date GRF disbursements totaled \$10.7 billion and were \$302.1 million (-2.8%) below estimate and \$124.3 million (1.2%) above disbursements for the same period in the last fiscal year.

The variance in December GRF disbursements was primarily due to below estimate caseloads. Total caseloads declined by approximately 30,370 members as the Department continued to resume routine eligibility operations following the federally declared public health emergency. The total caseload decline for December was lower than in previous months due to an increase in Medicaid enrollment associated with the open enrollment period for federal Marketplace insurance plans. If an individual is found to be eligible for Medicaid while applying for health care insurance through the Marketplace, they are directed to their state's Medicaid program. The variance was also due to the continued delay of some payments to managed care organizations which are still expected to be made in the coming months.

December was the final month of the enhanced federal medical assistance percentage (FMAP) associated with the federal response to the federally declared public health emergency. Ohio received a 1.5% increase in federal reimbursement for the period October through December but will now receive the normal FMAP going forward. This will shift some costs from federal funding sources back to state-only sources for the remainder of the fiscal year and beyond.

December all-funds disbursements for the Medicaid Program totaled \$3.7 billion and were \$23.3 million (-0.6%) below the estimate. Year-to-date all-funds disbursements totaled \$18.9 billion and were \$596.2 million (-3.1%) below the estimate and \$1.9 billion (11.3%) above disbursements for the same period in the last fiscal year.

The all-funds disbursement variance was primarily due to lower than estimated caseloads and the delay of some payments to managed care organizations as noted above. Offsetting some of the below estimate variance was the disbursement of a delayed reconciliation payment made by the Department of Developmental Disabilities. Additionally, the Department of Medicaid made a reconciliation payment that resulted in above estimate spending.

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

	December Estimate	December Actual	Variance	Variance %
GRF	\$ 831.1	\$ 819.7	\$ (11.4)	-1.4%
Non-GRF	\$ 2,880.6	\$ 2,868.8	\$ (11.8)	-0.4%
All Funds	\$ 3,711.7	\$ 3,688.4	\$ (23.3)	-0.6%

Medicaid Enrollment

Total December enrollment was 3.23 million, which was approximately 99,740 (-3%) below estimate and 289,830 (-8.2%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.33 million, which was approximately 56,940 (-1.7%) below estimate. The Department resumed routine Medicaid eligibility operations in April 2023. Total enrollment has declined by approximately 364,300 between April and December – an average decline of approximately 45,500 per month. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

December enrollment by major eligibility category was: Covered Families and Children (CFC), 1.74 million; Group VIII Expansion, 858,400; and Aged, Blind and Disabled (ABD), 501,215.

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

Primary and Secondary Education

This category contains GRF expenditures for the Department of Education and Workforce. December disbursements for this category totaled \$1.1 billion and were \$7.5 million (-0.7%) below the estimate.

Year-to-date disbursements total \$5.1 billion and are \$24.8 million (-0.5%) below the estimate. On a year-over-year basis, disbursements in this category were \$104.1 million (10.9%) higher than for the same month last fiscal year while year-to-date expenditures are \$459 million (9.8%) higher than the same point in FY 2023.

Higher Education

December disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$207.1 million and were \$1.1 million (-0.5%) below the estimate.

Year-to-date disbursements total \$1.3 billion and are \$44.5 million (-3.4%) below the estimate. On a year-over-year basis, disbursements in this category were \$9.4 million (4.7%) higher than for the same month last fiscal year while year-to-date expenditures are \$52.1 million (4.2%) higher than at the same point in FY 2023.

Other Education

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

December disbursements in this category totaled \$9.2 million and were \$5.1 million (125.9%) above the estimate. This variance was primarily due to disbursements for the Ohio History Connection which were made in December instead of January as estimated. Year-to-date disbursements total \$66.7 million and are \$2.7 million (4.2%) above estimate. On a year-over-year basis, disbursements in this category were \$6 million (192%) above the same month last fiscal year while year-to-date expenditures are \$13.9 million (26.3%) above the same point in FY 2023.

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.

December reimbursements totaled \$0.4 million and were \$8.7 million (-95.2%) below estimate. Year-to-date reimbursements total \$917 million and are \$14.4 million (-1.5%) below estimate. The monthly variance was due to the timing of county reimbursement requests and offset overspending that occurred in October.

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.

December disbursements in this category totaled \$40.5 million and were \$3.6 million (-8.1%) below the estimate. Year-to-date disbursements total \$892.9 million and are \$62.9 million (-6.6%) below estimate. On a year-over-year basis, disbursements in this category were \$4.7 million (-10.4%) below the same month last fiscal year while year-to-date expenditures are \$604.9 million (210%) above the same point in FY 2023.

Debt Service

December debt service payments totaled \$76.7 million and were \$5.1 million (-6.2%) below the estimate. Year-to-date disbursements in this category total \$814.7 million and are \$6.2 million (-0.8%) below estimate. The monthly variance was due to the timing of certain debt service payments. These payments were originally estimated for December but will now disburse in January.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL DECEMBER	ESTIMATED DECEMBER	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	1,062,667	1,070,174	(7,507)	-0.7%	5,135,434	5,160,254	(24,820)	-0.5%
Higher Education	207,134	208,253	(1,118)	-0.5%	1,281,320	1,325,829	(44,509)	-3.4%
Other Education	9,166	4,058	5,108	125.9%	66,706	64,005	2,701	4.2%
Medicaid	819,659	831,105	(11,446)	-1.4%	10,658,298	10,960,373	(302,075)	-2.8%
Health and Human Services	170,780	205,883	(35,103)	-17.1%	938,978	1,060,976	(121,998)	-11.5%
Justice and Public Protection	211,736	193,475	18,261	9.4%	1,487,300	1,557,193	(69,893)	-4.5%
General Government	40,467	44,022	(3,555)	-8.1%	892,886	955,764	(62,878)	-6.6%
Property Tax Reimbursements	438	9,162	(8,724)	-95.2%	916,983	931,413	(14,430)	-1.5%
Debt Service	76,677	81,779	(5,101)	-6.2%	814,743	820,939	(6,196)	-0.8%
Total Expenditures & ISTV's	2,598,723	2,647,910	(49,187)	-1.9%	22,192,647	22,836,746	(644,099)	-2.8%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	0	0	0	N/A	6,433,788	5,447,298	986,490	18.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	0	0	0	N/A	6,583,788	5,597,298	986,490	17.6%
Total Fund Uses	2,598,723	2,647,910	(49,187)	-1.9%	28,776,435	28,434,043	342,392	1.2%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	DECEMBER FY 2024	DECEMBER FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	1,062,667	958,527	104,140	10.9%	5,135,434	4,676,464	458,969	9.8%
Higher Education	207,134	197,748	9,387	4.7%	1,281,320	1,229,256	52,064	4.2%
Other Education	9,166	3,139	6,027	192.0%	66,706	52,831	13,875	26.3%
Medicaid	819,659	1,825,847	(1,006,188)	-55.1%	10,658,298	10,534,002	124,295	1.2%
Health and Human Services	170,780	164,717	6,062	3.7%	938,978	881,307	57,671	6.5%
Justice and Public Protection	211,736	191,645	20,091	10.5%	1,487,300	1,380,450	106,849	7.7%
General Government	40,467	45,160	(4,693)	-10.4%	892,886	288,024	604,862	210.0%
Property Tax Reimbursements	438	13,582	(13,144)	-96.8%	916,983	912,161	4,822	0.5%
Debt Service	76,677	62,063	14,615	23.5%	814,743	992,041	(177,298)	-17.9%
Total Expenditures & ISTV's	2,598,723	3,462,428	(863,705)	-24.9%	22,192,647	20,946,537	1,246,109	5.9%
Transfers Out:								
BSF Transfer	0	0	0	N/A	150,000	0	150,000	N/A
Operating Transfer Out	0	3,718	(3,718)	N/A	6,433,788	1,231,682	5,202,106	422.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	0	3,718	(3,718)	N/A	6,583,788	1,231,682	5,352,106	434.5%
Total Fund Uses	2,598,723	3,466,147	(867,423)	-25.0%	28,776,435	22,178,220	6,598,215	29.8%

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

July 1, 2023, Beginning Cash Balance*	\$8,990,658.7
Plus FY 2024 Estimated Revenues	28,807,300.0
Plus FY 2024 Estimated Federal Revenues	13,453,826.5
Plus FY 2024 Estimated Transfers to GRF	0.0
Total Sources Available for Expenditures & Transfers	51,251,785.2
Less FY 2024 Estimated Disbursements**	42,205,312.9
Less FY 2024 Estimated Total Encumbrances as of June 30, 2024	853,783.1
Less FY 2024 Estimated Transfers Out	6,457,785.4
Total Estimated Uses	49,516,881.4
FY 2024 UNENCUMBERED ENDING FUND BALANCE***	\$1,734,903.8

*Includes reservations of \$1,633.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2024 is \$7,357.1 million.

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

***The FY 2024 unencumbered ending fund balance will be carried forward in accordance with provisions under the Ohio Revised Code that govern ending General Revenue Fund balances.

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Glossary

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

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

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

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

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