

State of Ohio

Monthly Financial Report

NOVEMBER 12, 2024

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

From: Kimberly Murnieks, OBM Director



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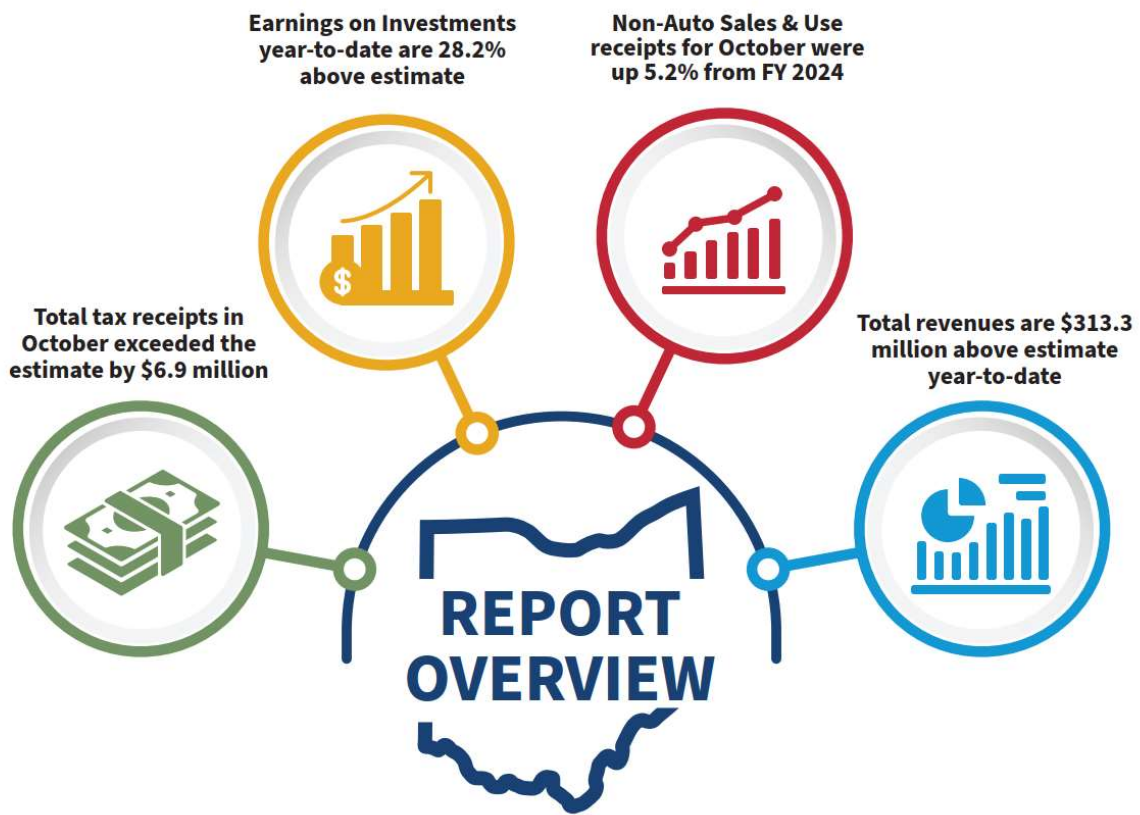
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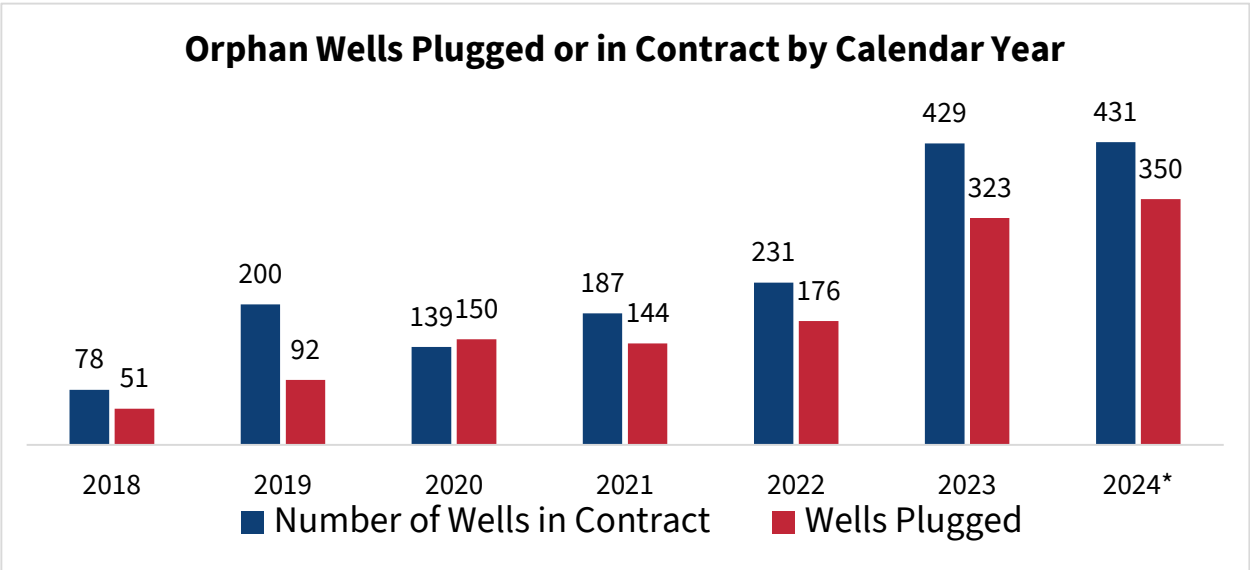




Spotlight on Results

Spotlighting: Oil and Gas Orphan Well Plugging Program

The Ohio Department of Natural Resources’ orphan well program aims to properly plug oil and gas wells and restore land surfaces for wells that have no owner, are abandoned, and have no money available otherwise to complete this work. These wells are typically decades, if not more than a century, removed from drilling and production. The oil and gas orphan well program intends to improve the health and public safety of the citizens of Ohio, conserve natural resources, and allow the efficient development of Ohio's oil and gas resources.



So far, the Ohio Department of Natural Resources has identified more than 20,000 orphan wells, but it is possible that more exist. The Department plugged over 3,000 wells since the program began in 1977. In fiscal year 2023, state expenditures for the program increased by 71 percent. That investment, along with additional federal support, expanded the program significantly. As a result, between calendar year 2022 and 2023, the number of wells plugged increased by 83.5 percent. Through the end of October 2024, 350 wells have already been plugged in current fiscal year 2025, with over 400 in contract.

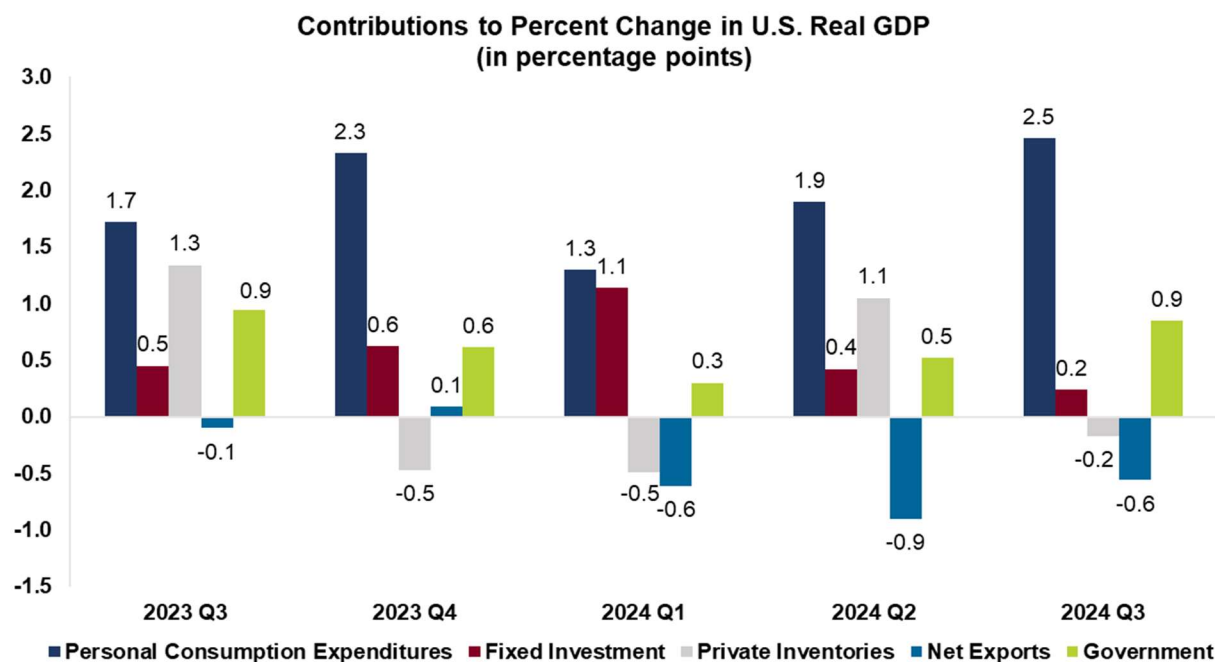


Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis' advance estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the third quarter of calendar year 2024 at an annualized rate of 2.8 percent, which would mark the ninth consecutive quarter of growth.

The third quarter increase in real GDP resulted from growth in personal consumption expenditures (2.5 percentage points), government expenditures (0.9 percentage point), and fixed investment (0.2 percentage point). These increases were partially offset by decreases in net exports (-0.6 percentage point) and private inventories (-0.2 percentage point).



In September 2024, the Conference Board's **Leading Economic Index** decreased 0.5 percent to 99.7, after decreasing 0.3 percent in August. In the last six months, the Index decreased 2.6 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that weakness in new orders continued to be a drag on the Index in September as global manufacturing remained in contraction. Additionally, building permits declined and consumers' outlook for future business conditions was moderate.

The **Federal Reserve's Beige Book** evaluates current economic conditions across its 12 districts. According to the report released covering the September 2024 reporting period, business activity in the Fourth District, which includes Ohio, stabilized in recent weeks after slightly declining in the previous reporting period. Employment levels remained stable and consumer spending decreased moderately during the reporting period. There was, however, slight sales growth among lower-cost retailers and restaurants, suggesting consumers are increasingly price conscious. Residential construction saw an increase in demand for homes as interest rates and mortgage rates decreased during the reporting period, with activity expected to grow moderately in the coming months. Public construction firms report fewer projects in their pipelines. It is anticipated that there will be a moderate increase in demand in the coming months as requests for office space and renewed leases become more common.

The economic outlook remains strong, powered by ongoing resilience in the labor market and continued personal and government spending. Economists note that since the September Federal Reserve rate cut, businesses have pulled back on spending on capital and the housing market remains weak. However, as long as the unemployment rate remains low and wages remain high, consumer spending should continue to drive further economic growth for the remainder of the calendar year and into 2025.

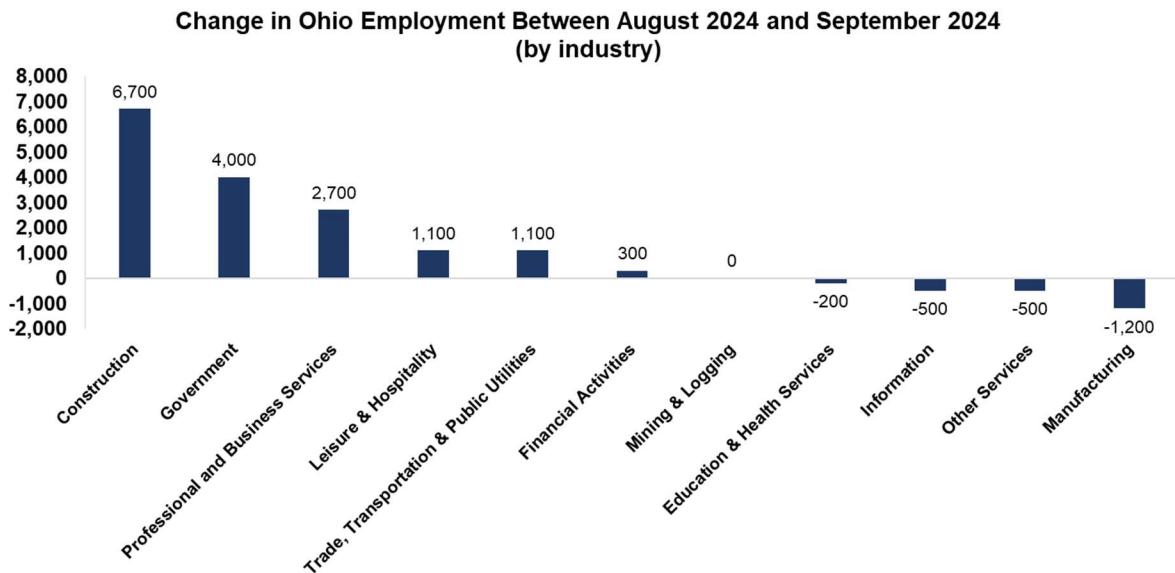
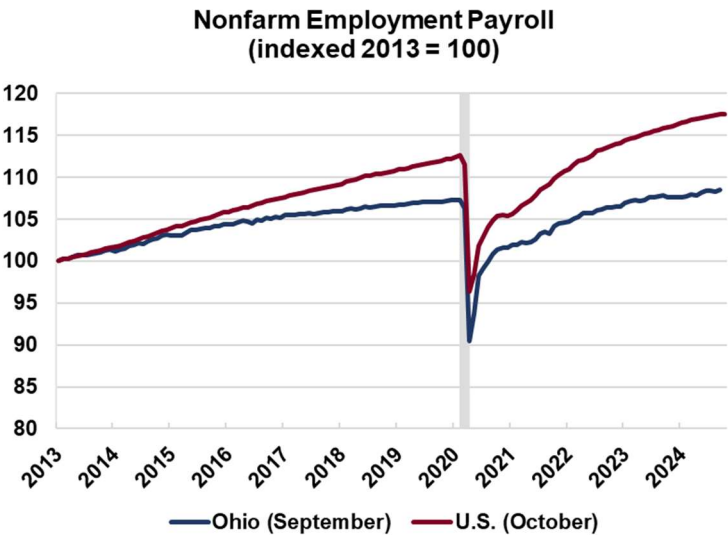
Economic Forecasts

Source	Date	4th Quarter 2024 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	11/06/2024	2.4%
IHS Markit GDP Tracker	11/04/2024	1.5%
Moody's High Frequency GDP Model	11/04/2024	2.8%
Federal Reserve Bank of New York (Nowcast)	11/01/2024	2.0%
Conference Board	10/23/2024	0.9%
Wall Street Journal Economic Forecasting Survey	10/13/2024	1.7%
Wells Fargo	10/11/2024	1.7%

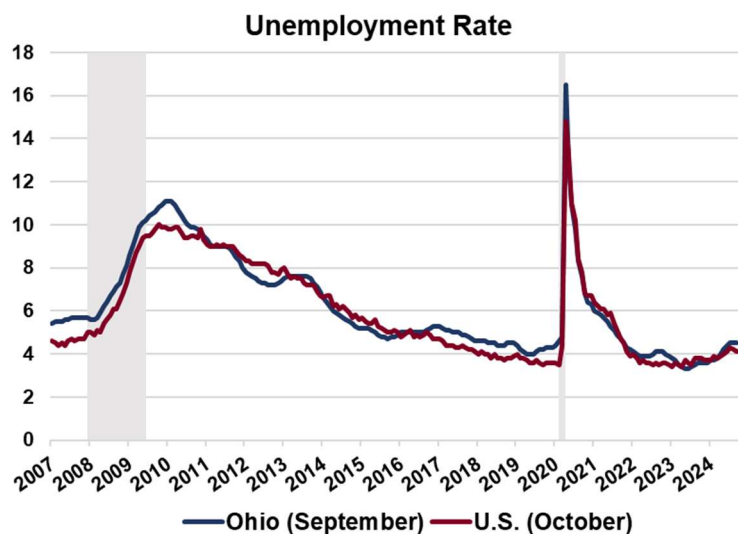
Ohio Labor Market

Ohio's nonfarm payroll employment increased by an estimated 13,500 jobs between August and September 2024 to 5.7 million. With this increase, nonfarm employment was 0.7 percentage point above levels in September 2023.

In Ohio, increases in employment were widespread in September. Employment increases in construction, government, professional and business services, leisure and hospitality, and trade, transportation, and public utilities were partially offset by decreases in manufacturing, other services, and information.



Ohio's seasonally adjusted **labor force participation rate** in September 2024 was 62.4 percent, a 0.1 percentage point increase from August. Ohio's seasonally adjusted **employment-population ratio** was 59.7 in September 2024, a 0.2 percentage point increase from August 2024.



The **Ohio unemployment rate** in September 2024 was 4.5 percent, unchanged from August 2024's rate and 0.4 percentage point above the national rate in September.

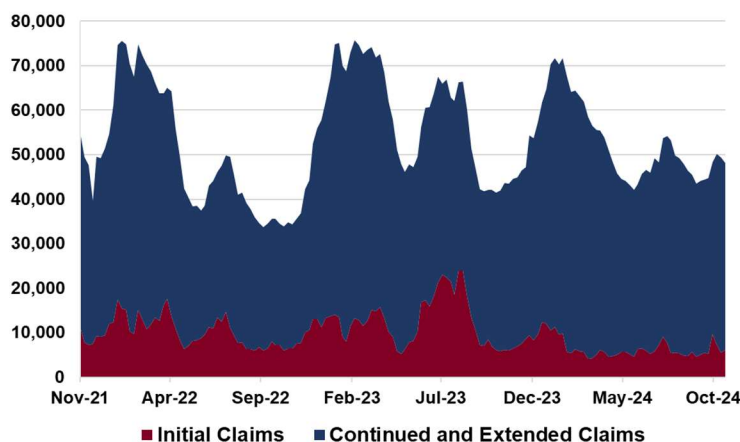
In September 2024, **initial unemployment claims** increased 3.7 percent for men and decreased 7.6 percent for women compared to August 2024.

Compared to August, initial claims filed in September

decreased for individuals who identify as White (-3.3%), Asian/Pacific Islander (-13.4%), and for those individuals who did not specify a race (-6.6%). Individuals who identify as American Indian (36.2%) saw the largest increase in initial claims, followed by those identifying as Black (5.5%), and Hispanic (3.6%).

During the week ending October 26, 2024, 6,062 individuals filed initial unemployment claims, an 11.5 percent increase from the previous week. During the same week, 42,040 individuals filed **continued and extended claims**, a 4.3 percent decrease from the prior week.

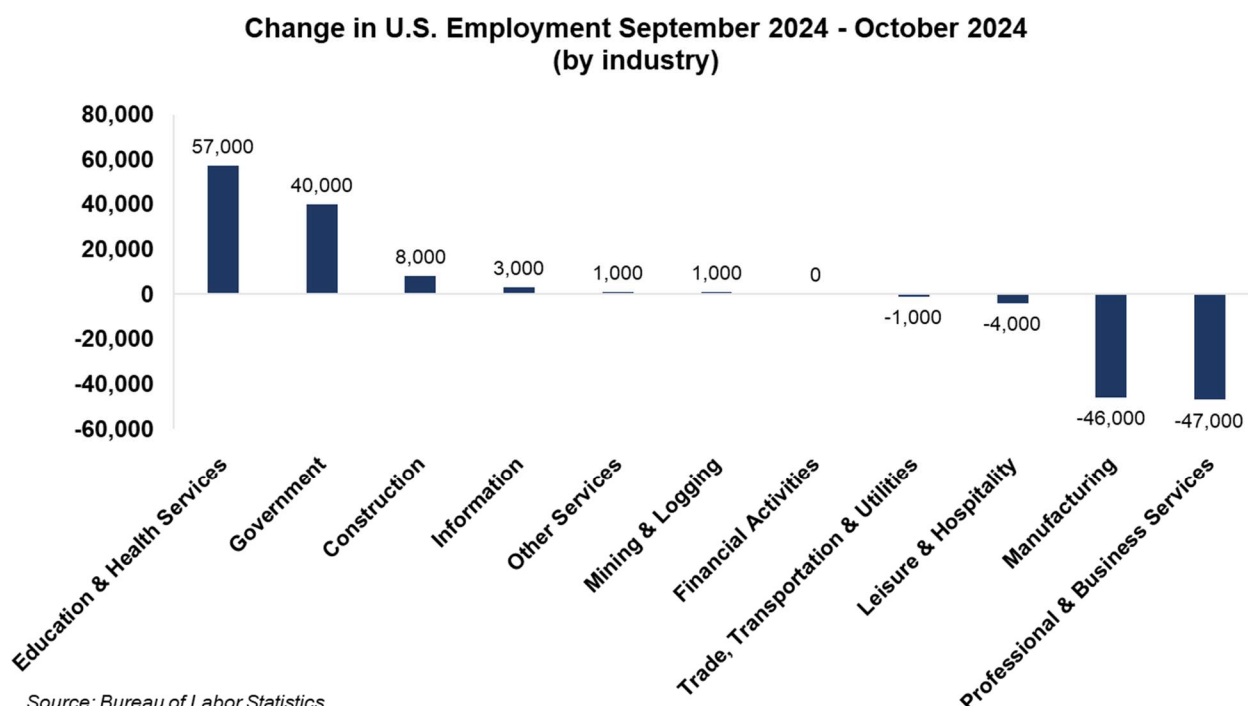
Ohio Total Unemployment Claims
(November 6, 2021 through October 26, 2024)



Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment remained almost unchanged (net an additional 12,000 jobs) in October. Growth in employment was seen across multiple industries, with education and health services, and the government industry experiencing the largest gains. These gains were partially offset by employment losses in professional and business services and manufacturing.



The **U.S. labor force participation rate** decreased 0.1 percentage point between September and October to 62.6 percent. The **U.S. employment-population ratio** decreased 0.2 percentage point to 60 in October. The labor force participation rate was 0.1 percentage point lower, and the employment-population ratio was 0.3 percentage point lower than in October 2023.

The **U.S. unemployment rate** was unchanged in October 2024 at 4.1 percent while the number of unemployed individuals increased by 150,000 to 6.9 million. Between September and October 2024, the unemployment rate was unchanged for individuals who identified as Black and for individuals who identified as Hispanic. The unemployment rate decreased for individuals who identified as Asian (0.2 percentage point), whereas the unemployment rate increased for individuals who identified as White (0.2 percentage point) in October. The unemployment rate increased by 0.1 percentage point for both men and women between September and October 2024, to 4.3 percent and four percent, respectively.

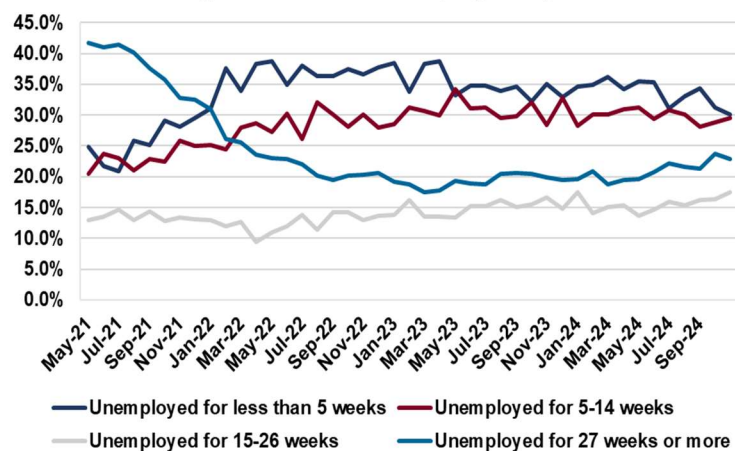
Unemployment Rates by Demographic Group

	Aug-2024	Sep-2024	Oct-2024
Women	4.1%	3.9%	4.0%
Men	4.4%	4.2%	4.3%
Black	6.1%	5.7%	5.7%
White	3.8%	3.6%	3.8%
Asian	4.1%	4.1%	3.9%
Hispanic	5.5%	5.1%	5.1%

In October 2024, 30.2 percent of unemployed individuals in the nation were unemployed for less than 5 weeks, a 1.2 percent decrease from September.

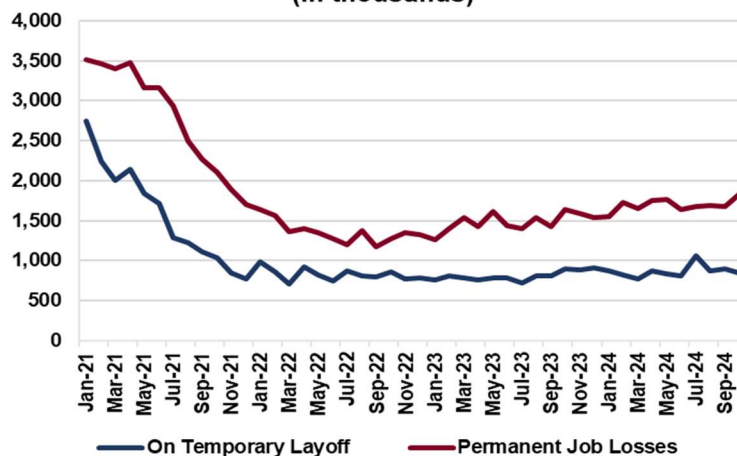
The number of **people not in the labor force who currently want a job** decreased by 31,000 (-0.5%) between September and October to 5.7 million people.

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** decreased by 5.4 percent to 846,000 in October 2024.

The number of people with **permanent job losses** increased by 153,000 (9.1%) in October to 1.83 million people.

Consumer Income and Consumption

\$24.9 Trillion

Personal income increased by \$71.6 billion (0.3%) in September 2024 to \$24.9 trillion. The gains in September were primarily due to increases in wages and salaries of \$57.4 billion (0.5%).

Personal consumption expenditures increased by \$105.8 billion (0.5%) between August and September 2024. Overall spending on goods increased by 0.5 percent in September. Spending on durable goods increased 0.8 percent, driven by increased spending on motor vehicles and parts (1.7%) and other durable goods (1.3%). Spending on nondurable goods increased 0.4 percent led by increases in spending on other nondurable goods (1.0%). Spending on services increased 0.5 percent in September 2024, driven by increased spending on food services and accommodations (0.8%), transportation services (0.6%), and health care (0.6%).

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

	August 2024	September 2024	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,057,983	\$ 2,066,989	0.4%	3.4%	8.6%
Motor vehicles and parts	\$ 577,622	\$ 585,986	1.4%	0.2%	3.5%
Furnishings and durable household equipment	\$ 442,682	\$ 441,285	-0.3%	4.8%	7.8%
Recreational goods and vehicles	\$ 777,788	\$ 779,665	0.2%	5.3%	16.3%
Other durable goods	\$ 300,246	\$ 299,265	-0.3%	5.3%	6.7%
Nondurable Goods	\$ 3,420,166	\$ 3,446,748	0.8%	2.5%	3.7%
Clothing and footwear	\$ 501,831	\$ 502,241	0.1%	1.5%	1.5%
Gasoline and other energy goods	\$ 315,349	\$ 316,237	0.3%	0.7%	0.5%
Other nondurable goods	\$ 1,446,704	\$ 1,465,958	1.3%	4.0%	7.7%
Services	\$ 10,653,281	\$ 10,676,327	0.2%	3.2%	5.5%
Transportation services	\$ 512,021	\$ 508,690	-0.7%	4.6%	5.2%
Housing and utilities	\$ 2,643,165	\$ 2,647,778	0.2%	1.1%	2.0%
Food services and accommodations	\$ 1,072,047	\$ 1,080,306	0.8%	1.7%	3.9%
Financial services and insurance	\$ 1,157,909	\$ 1,159,864	0.2%	2.8%	6.6%

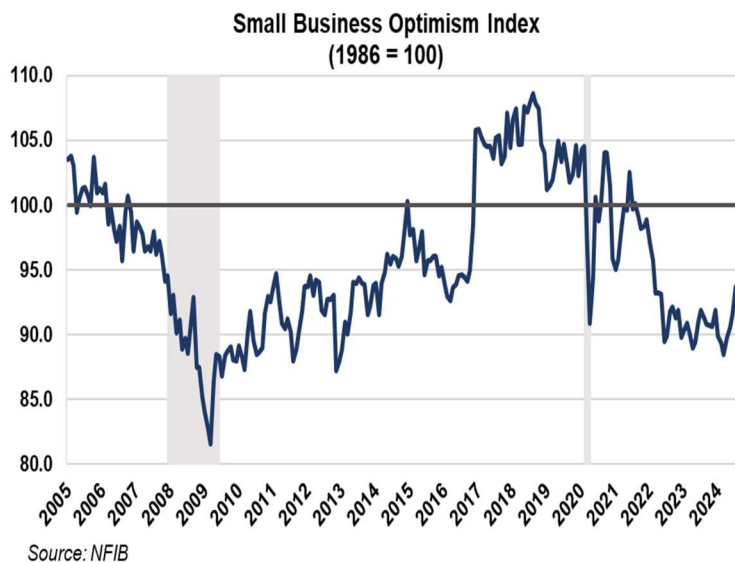
Note: The table above provides details on real personal consumption spending in chained 2017 dollars, which differs from the figures in the text that are not adjusted for inflation.

Source: Bureau of Economic Analysis, Table 2.8.6 Real Personal Consumption Expenditures by Major Type of Product

Personal saving totaled \$1 trillion in September 2024, a 4.7 percent decrease compared to August's revised level and was 10.3 percent above the September 2023 level. The **personal saving rate** was 4.6 percent in September 2024, a decrease of 0.2 percentage point from August 2024.

The **Consumer Price Index for All Urban Consumers** (CPI) increased (0.2%) in September 2024 compared to August 2024. The "all items" index increased 2.4 percent over the last year. Compared to August, price increases in September were primarily concentrated in food (0.4%) and shelter (0.2%), while energy prices decreased 1.9 percent.

Both consumer opinion surveys reported incremental changes in confidence in October 2024. Respondents in the University of Michigan's **Survey of Consumers** reported a slight increase (0.4 point) in consumer sentiment to 70.5 in October compared to September. The Conference Board's **Consumer Confidence Index** increased 9.5 points to 108.7 in October, up from a revised 99.2 in September. This is the strongest monthly gain since March 2021. However, the Index continued to stay within the same relatively narrow range the past two years. Consumers remain relatively positive about the labor market and are growing to be more optimistic about future business conditions and future income.



The **Small Business Optimism Index** increased 0.3 percentage point to 91.5 in September, the 33rd consecutive month the index was below 98, the 50-year average. Inflation remained the top concern of 23 percent of small business owners, down one point from August. In September, 34 percent of small business owners reported job openings that they could not fill, down six points from August. Additionally, uncertainty rose 11 points to 103, the highest reading in this measure's history.

Travel and Tourism

Ohio's three largest transit authorities, the Greater Cleveland Regional Transit Authority, Central Ohio Transit Authority, and Southwest Ohio Regional Transit Authority provided an estimated combined five million unlinked passenger trips in October 2024. This was 28.4 percent above September 2024 ridership levels, and 25.2 percent above October 2023 ridership levels.

Nationally, 76 million travelers went through TSA checkpoints in October. Average airline checkpoint traffic increased 6.3 percent in October 2024 compared to September 2024. **Total travel throughput** in October 2024 was 1.9 percent higher than in October 2023.

In the U.S., the **hotel occupancy rate** was 69 percent for the week ending October 26, 2024, 4.5 percent higher than the comparable week in 2023. The **average daily rate** for a hotel room was \$168.69, a 4.6 percent increase from 2023. **Revenue per available room** was \$116.32, 9.3 percent higher when compared to the same week in 2023.

Industrial Activity

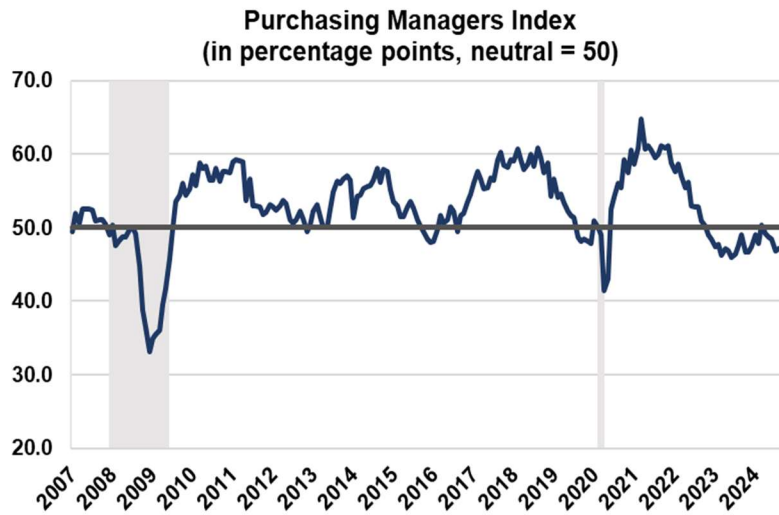
According to data from the Board of Governors of the Federal Reserve System, **total industrial production** decreased 0.3 percent between August and September 2024 and was 0.6 percent lower than in September 2023.

The **Manufacturing Production Index** decreased 0.4 percent in September 2024 and was 0.5 percent below September 2023's level. Declines were widespread in industries that produce durable goods. These declines were offset by production of nondurable goods, largely in the chemical and petroleum and coal industries. Nationally, manufacturing in two of Ohio's top 10 industries increased production between August and September 2024. Increases in production were in primary metals (0.5%) and chemicals (0.3%).

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

Manufacturing Sector	Percent Change July 2024 and August 2024	Percent Change August 2024 and September 2024	Percent Change September 2023 and September 2024
Aerospace and Other Transportation Equipment	1.9%	-8.3%	-5.8%
Chemicals	0.2%	0.3%	3.0%
Electrical Equipment	2.3%	-1.4%	3.7%
Fabricated Metal Products	-0.7%	-0.1%	-1.3%
Food Beverage and Tobacco Products	-0.5%	-0.1%	-1.6%
Machinery	-0.8%	-0.1%	-2.1%
Motor Vehicles and Parts	9.9%	-1.5%	-0.6%
Petroleum and Coal	-1.0%	-1.8%	2.3%
Plastics and Rubber Products	-0.7%	-0.1%	-3.1%
Primary Metals	0.5%	0.5%	-2.8%

In October 2024, the Institute for Supply Management reported the **Purchasing Managers Index** (PMI) for the United States decreased 0.7 percentage point to 46.5 percent. This is the seventh consecutive month that the Index indicated a contraction of the manufacturing economy.



Across the nation, five of the 16 industries tracked by ISM increased production in October. Of those industries with a large presence in Ohio, the manufacturing of food, beverage, and tobacco products, and petroleum and coal products increased the most. Whereas transportation equipment, chemical products, and electrical equipment experienced the largest declines.

According to the chair of the survey committee, contraction of the manufacturing industry continued at a faster rate in October than in previous months with demand slowing because companies avoided investing in capital and inventory. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management (ISM) provides further indication of softening demand.

“Right-sizing continues. Contingency plans have been formulated to anticipate trade policies that will impose tariffs on key materials.” [Chemical Products]

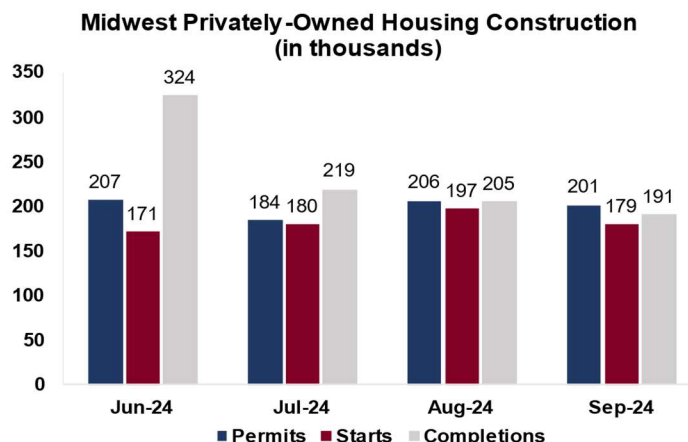
“It feels like a ‘wait and see’ environment regarding where the economy is heading; customers don’t want to commit to inventory, which is resulting in lower order levels.” [Fabricated Metal Products]

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 23.3 percent between August and September 2024 and were five percent above the number of permits issued in September 2023.

Privately-owned housing starts in the Midwest decreased 9.1 percent between August and September 2024 and were 6.3 percent below September 2023 levels.

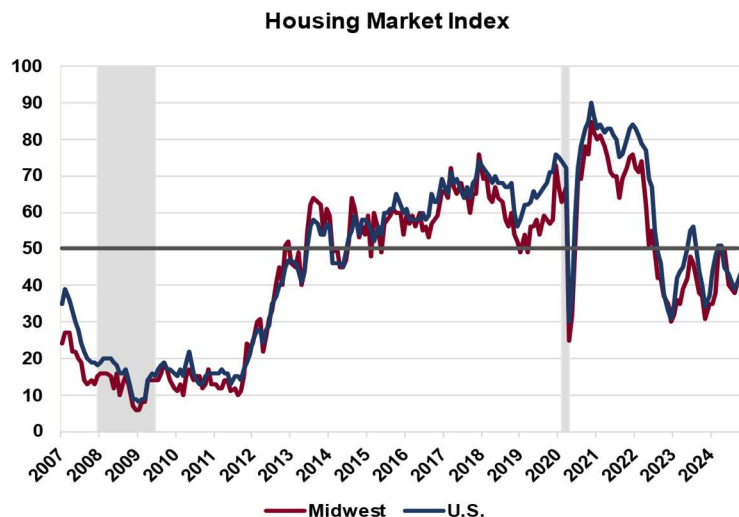
In September 2024, privately-owned housing completions in the Midwest decreased 6.8 percent compared to August 2024 but were 3.2 percent above September 2023.



Source: U.S. Census Bureau through FRED

New home sales in the Midwest decreased 2.5 percent between August and September 2024 to 77,000 units and were 14.9 percent compared to last year.

In September 2024, 11,197 homes sold in Ohio, a 0.5 percent decrease from September 2023. The average sales price in Ohio was \$301,158, a 9.3 percent increase compared to last September. The president of Ohio REALTORS reported that despite the decreased volume of sales, Ohio's housing market remains strong. The increase in home sales prices reflects the significance of homes as an investment.



Source: National Association of Home Builders

The **Housing Market Index** increased by two points both nationally and in the Midwest to 43 in October 2024 from a reading of 41 in September.

U.S. Construction and Housing Market

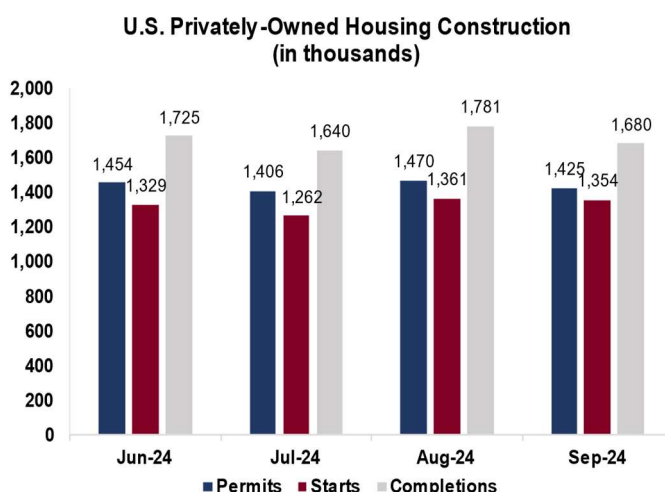
The U.S. Census Bureau reported **total construction spending** in September at a seasonally adjusted rate of \$2.14 trillion, a 0.1 percent increase from the revised August estimate. The September 2024 spending estimate was 4.6 percent above spending in September 2023.

Public sector construction spending increased an estimated 0.5 percent in September 2024 compared to the revised August estimate, bringing the seasonally adjusted annual total to \$495.2 billion. Public spending on non-residential construction increased 0.4 percent from August's revised estimate to \$483.4 billion in September 2024 and was seven percent above September 2023 levels.

Private sector construction spending was virtually unchanged between August and September 2024 at a seasonally adjusted annual total of \$1.65 trillion and was 3.8 percent above September 2023 spending levels. Private residential construction in September was 0.2 percent above August's revised level and was 4.1 percent above September 2023's spending. Private nonresidential construction decreased by 0.1 percent in September 2024 compared to August 2024 and was 3.5 percent above August 2023.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 3.1 percent between August and September 2024 and was 5.9 percent below the number of permits issued in September 2023.

Nationally, privately-owned housing starts decreased 0.5 percent between August and September 2024 and were 0.7 percent below September 2023 levels.



Source: U.S. Census Bureau through FRED

In September 2024, **newly built single-family home sales**

increased by 4.1 percent compared to August 2024 and were 6.3 percent above sales in September 2023. The national median sales price in September 2024 was \$426,300, a 3.7 percent increase compared to the revised August median sales price and was 0.1 percent higher compared to September 2023.

According to the National Association of Realtors, **existing home sales** decreased one percent between August and September 2024 to an annual rate of 3.84 million housing units. Sales in September 2024 decreased 3.5 percent compared to September 2023. The median sale price of all existing homes increased three percent from a year ago to \$404,500. Available inventory in September totaled 1.4 million units, a 1.5 percent increase compared to August 2024 and a 23 percent increase compared to September 2023's inventory level.

Revenues

Total GRF tax revenues in October came in nearly at the estimate, exceeding the mark by \$6.9 million (0.3%). The commercial activity tax had the largest positive performance, with intake being \$64.5 million (134.1%) higher than anticipated. For the year-to-date, tax revenues exceed estimate by \$570.5 million (6.7%). Most of the positive cumulative variance comes from an overestimation of the September non-auto sales tax revenue loss associated with the first-ever expanded sales tax holiday. The net fiscal effect on the GRF from this tax variance is only temporary since most of it will be offset by a lower than originally anticipated transfer into the GRF from the Expanded Sales Tax Holiday Fund occurring later this year.

In October, GRF sources totaled \$3.8 billion and were \$4.4 million (0.1%) above the estimate. As noted above, tax revenues were \$6.9 million (0.3%) above the estimate. Non-tax revenues were \$2.8 million (−0.2%) below the estimate while transfers were \$237,000 above the estimate. For the year-to-date, tax revenues and transfers are above the estimate and non-tax revenues are below estimate.



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	\$ 570.5	6.7%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (258.0)	-4.2%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 0.8	N/A
Total Receipts and Transfer Variance		\$ 313.3	2.1%
Non-Federal Receipts and Transfer Variance		\$ 595.2	6.8%
Federal Grants Variance		\$ (281.9)	-4.8%



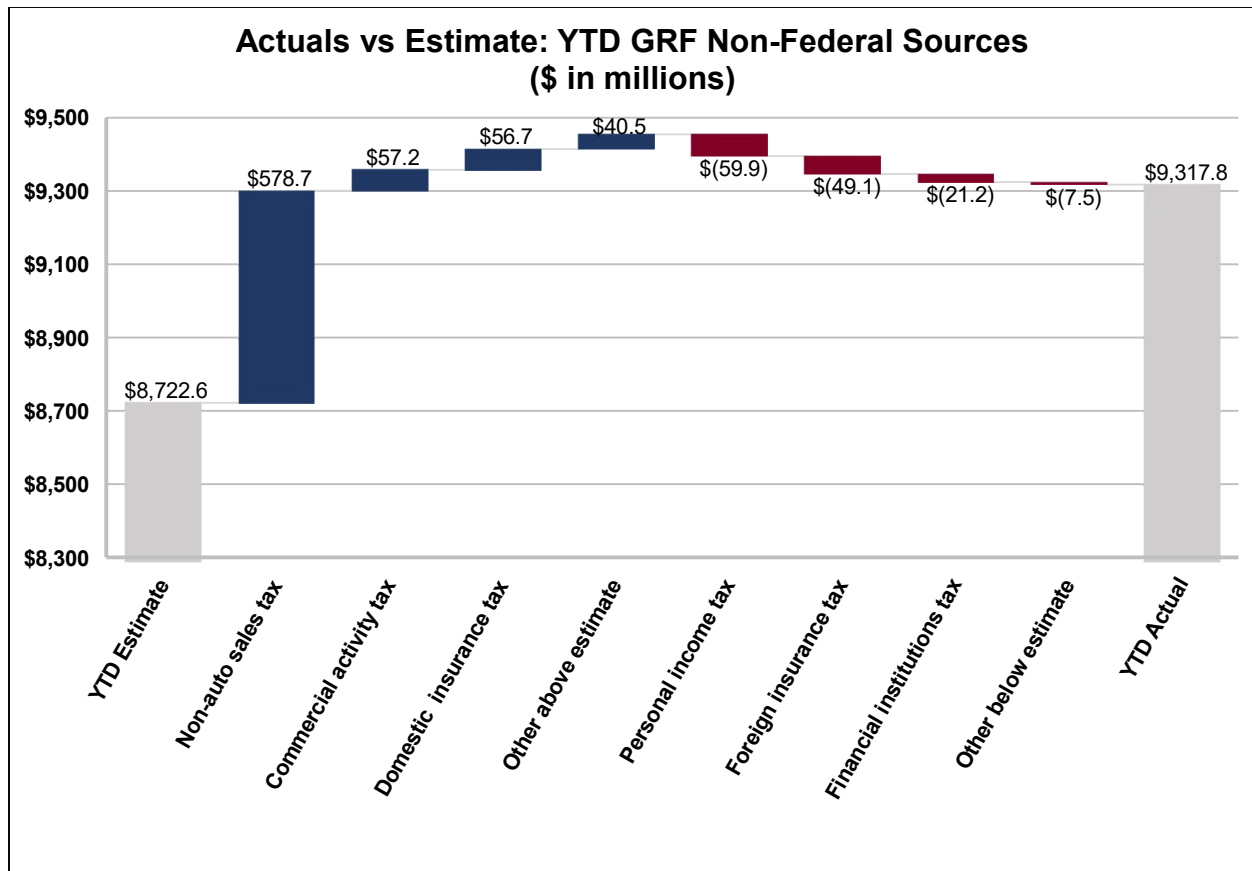
The following table shows that in October, the positive variances from estimate (\$168.1 million) exceeded the negative variances (\$163.7 million), resulting in a net positive variance from the estimate of \$4.4 million.



GRF Revenue Sources Relative to Monthly Estimates – October 2024 (\$ in millions)

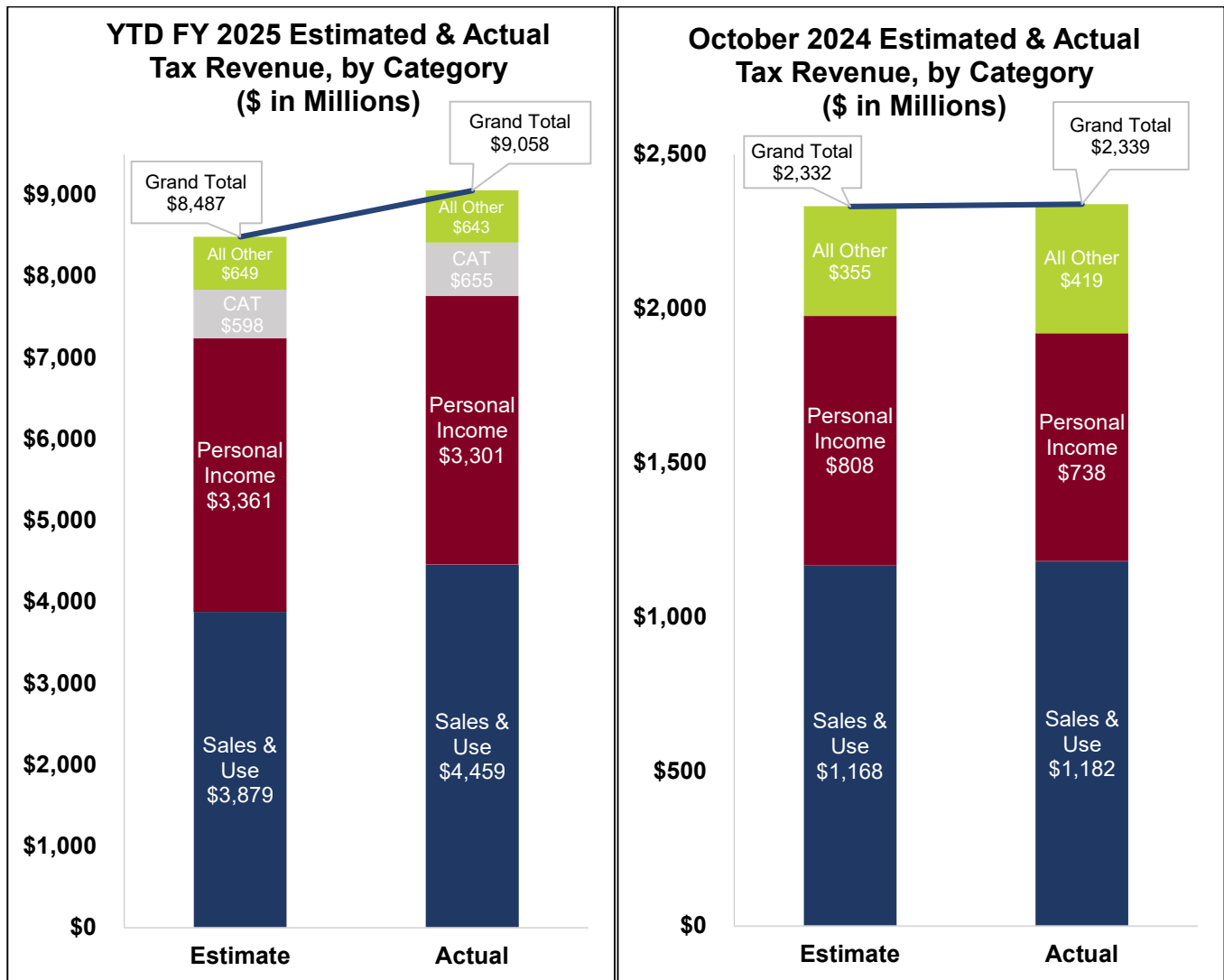
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Commercial Activity Tax	\$ 64.5	Personal Income Tax	\$ (70.5)
Domestic Insurance Tax	\$ 51.6	Foreign Insurance Tax	\$ (48.0)
Earnings on Investments	\$ 28.2	Federal Grants	\$ (29.2)
Non-Auto Sales Tax	\$ 18.0	Financial Institutions Tax	\$ (7.3)
Other revenue sources above estimate	\$ 5.8	Other revenue sources below estimate	\$ (8.8)
Total Above	\$ 168.1	Total Below	\$ (163.7)

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



The preceding chart shows how various sources have contributed to the variance between actual and estimated non-federal revenues and transfers through October 2024. There is a \$595.2 million difference between actual and forecasted non-federal revenues, predominantly comprised of the non-auto sales tax. As noted in the October Monthly Financial Report, the net fiscal effect of this positive variance is temporary and will be offset by a lower transfer into the GRF later in the fiscal year.

The following chart shows estimated and actual GRF tax revenues for the year and for October 2024, categorized by tax source. Sales and use tax revenues account for 49 percent of total tax revenues for the fiscal year to date.



In October, total receipts and transfers increased by \$148.7 million (4.1%) compared to last year. Tax revenues decreased \$76.1 million (-3.2%), while non-tax revenues increased \$224.7 million (18.5%) and transfers decreased \$67,000 (39.3%). Year-to-date, tax receipts are \$392.7 million (-4.2%) below last year, and non-tax receipts are \$350.9 million (6.4%) above last year. On a year-to-date basis, transfers are \$1.6 million (-66.3%) below last year.

The source with the largest year-over-year dollar increase in October was federal grants at \$221 million (20.3%), followed by domestic insurance tax at \$51.7 million (352.9%) and non-auto sales tax at \$49.6 million (5.2%). The largest decreases were in personal income tax at \$106.4 million (-12.6%), foreign insurance tax at \$40.1 million (-21.3%), and commercial activity tax at \$22.7 million (-16.8%). The largest year-to-date increases are in federal grants at \$346.3 million (6.6%), followed by domestic insurance tax at \$56.2 million (355.9%), kilowatt-hour tax at \$17 million (17%), and auto sales tax at \$13.2 million (2%). The largest year-to-date decreases are in personal income tax at \$222.1 million (-5.7%), non-auto sales tax at \$119 million (-3.1%), commercial activity tax at \$80.1 million (-10.9%), and foreign insurance tax at \$42.6 million (-21.5%).

Non-Auto Sales Tax

For October, GRF non-auto sales and use tax collections totaled \$1 billion, which is \$18 million (1.8%) above the estimate. Year-to-date revenue is \$578.7 million (18.1%) above the estimate. October revenue is \$49.6 million (5.2%) above last year, and year-to-date revenue is \$119 million (-3.1%) below last year.

The significant positive year-to-date variance comes from September's revenue performance. During that month, the revenue loss from the first expanded sales tax holiday was much smaller than predicted in the revenue forecast. However, the positive accumulated non-auto sales tax variance will be largely offset by fiscal events occurring during the next several months. Notably, a transfer to the GRF from the Expanded Sales Tax Holiday Fund occurring late this year will be considerably smaller than originally anticipated. After the transfer, any remaining variances between total actual and estimated GRF resources will no longer be due to underestimating the effects of the sales tax holiday.



Moving to economic data, the latest release from the U.S. Census Bureau's Advance Monthly Retail Trade Survey (MARTS) program shows mild year-over-year retail sales growth in August. Focusing on establishments primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the MARTS data indicates a 2.8 percent increase in national sales, not seasonally adjusted, during September 2024. In August and July, year-over-year growth was 3.5 percent and 5.6 percent, respectively. By comparison, Ohio's non-auto GRF sales tax revenue decreased 13.8 percent in September (reflecting the effects of the sales tax holiday), decreased 2.5 percent in August, and decreased 1.4 percent in July.

The MARTS data show continuing growth in recent month-over-month sales performance. On a seasonally adjusted basis, September 2024 sales for the retail

categories listed above were 0.5 percent higher than August, following a 0.4 percent increase in August from July, and 0.2 percent increase in July from June.

Auto Sales Tax

October auto sales tax revenues were \$173.7 million, which is \$4.4 million (-2.5%) below estimate. Year-to-date revenues are \$983,000 (0.1%) above the estimate. Revenues were \$381,000 (0.2%) above last October and are \$13.2 million (2%) above last year on a year-to-date basis.

Economic indicators provide some national context for the auto sales tax. According to the U.S. Department of Commerce's Bureau of Economic Analysis, October national sales of new light vehicles 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 16 million units. October sales were up 1.7 percent from September and up 4.5 percent from a year ago. The October figure represents the highest level since April and the strongest year-over-year growth rate since February. On an unadjusted basis, light vehicle unit sales in October were at 1.33 million units. This is up 13.3 percent from the previous month and 10.6 percent above last October.

While transaction prices for new vehicles remain high, price growth for the nation slowed significantly in calendar year 2023; since then, prices have experienced a modest decline. The latest release of the Consumer Price Index for All Urban Consumers (CPI-U) data from the U.S. Bureau of Labor Statistics shows August being even with July, following six consecutive month-to-month declines. Recent year-over-year price changes show a downturn. The CPI-U for new motor vehicles in August 2024 was down 1.2 percent from August 2023, continuing the series of annual price declines that began in March 2024. Until March of this year, there have been no year-over-year declines since June 2020. Even with the recent reductions, new vehicle prices remain significantly above pre-pandemic levels, with the CPI-U for new motor vehicles being 19.2 percent higher than in February 2020.

Turning to national used vehicle data, September 2024 retail sales were at 1.38 million units according to data reported by Cox Automotive. The September sales figure is 5.2 percent higher than September 2023 and 8.9 percent below the prior month. As anticipated in the previous Monthly Financial Report, the August figure was revised downward; however, September sales still dropped noticeably from the revised August level partly due to September having fewer selling days. Retail unit sales during this calendar year are 3.1 percent higher than the previous year.

Used vehicle prices peaked in January 2022 and have trended downward since then. The Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, is 5.3 percent lower in September 2024 than the preceding September; the Index is 14.8 percent below March 2023 when prices attained their most recent peak. Retail prices tend to move in the same direction as wholesale prices but with a lag. The September CPI-U for used

vehicles is down by 12.7 percent from its peak in May 2023. However, used-vehicle prices remain significantly higher than pre-pandemic levels, with the September 2024 CPI-U index being 24.5 percent higher than in January 2020.

Personal Income Tax

October GRF personal income tax receipts totaled \$737.9 million, which is \$70.5 (-8.7%) below the estimate. Refunds were the primary reason for the month's negative variance. Year-to-date revenue is \$59.9 million (-1.8%) below the estimate. On a year-over-year basis, October income tax collections are down \$106.4 million (-12.6%). Year-to-date revenue is \$222.1 million (-6.3%) lower than last year.

The FY 2024-2025 operating budget bill enacted income tax bracket and rate reductions. The initial phase took effect in taxable year 2023, and additional rate reductions took effect in taxable year 2024. These tax law changes first impacted income tax collections and refunds during the tax return filing season that commenced in January 2024. An accompanying change involves two stages of reductions in employer withholding tax rates. In November 2023, the first stage took effect, resulting in an average effective withholding tax rate drop of approximately 8.9 percent, despite varying rate reductions across withholding brackets. The second stage occurred in July 2024. With this second reduction in tax rates, the cumulative estimated decrease from the pre-November 2023 average withholding rate is 12.5 percent.

During October, employer withholding nearly matched September's strong results. Withholding collections in October totaled \$923.5 million and were \$79.7 million (9.4%) above the estimate. For the fiscal year-to-date, this component is \$172.3 million (5.2%) above estimate. Collections were \$51.4 million (5.9%) above last October and are \$10.8 million (0.3%) above last year for the fiscal year. Considering the withholding rate reductions that have taken effect since last year, collections for the month and the year-to-date have demonstrated elevated year-over-year growth.

October is significant for estimated taxes paid by pass-through entities (PTEs) since the third quarterly payment for many taxpayers is due during the month. Collections amounted to \$71.7 million, \$34.8 million (-32.6%) below estimate. They decreased \$27.1 million (-27.4%) from last year. Year-to-date collections amount to \$238.2 million, which is \$80.5 million (-25.2%) below the estimate, representing a \$70.3 million (-22.8%) decrease from the prior year. PTE collections have been highly variable ever since the Electing Pass-Through Entity (EPTE) tax took effect at the beginning of FY 2023. This year's collections may reflect the transition to a normalized level of estimated payments. Even as this October's PTE estimated payments notably declined from last year, they were \$32.4 million (81.9%) above the October 2022 level when the EPTE tax was very new and many of these taxpayers had not yet begun to make estimated payments.

Annual tax return payments made by PTEs amounted to \$16.3 million in October, which was \$6.3 million (62.5%) above the estimate and \$7.9 million (-32.6%) below the previous

year. For the fiscal year to date, this component is \$17.6 million (-19.7%) below estimate and \$67 million (-48.4%) below last year. The calendar year 2024 filing season for taxable year 2023 annual returns is now almost complete. Since January, collections have decreased \$443 million (-49.3%) from the prior year.

Estimated tax payments made by individuals amounted to \$18.8 million in October, \$2.5 million (15.4%) above estimate; this amount also represents a \$2.1 million (12.3%) increase from last year. On a year-to-date basis, collections are \$19 million (11.7%) above estimate and \$19.6 million (12.1%) above FY 2024. The year-to-date results may bode well for tax collections for the final taxable year 2024 quarterly payment due in January and for 2024 annual return payments made during next year's filing season.

The individual annual returns category primarily reflects payments that accompany individual annual income tax return filings. October is an important month since it coincides with the tax return filing due date for taxpayers that use a filing extension. Such payments amounted to \$68.2 million in October, \$5 million (-6.9%) above estimate. Year-to-date collections have exceeded the estimate by \$1.3 million (1.3%). The month's intake was \$3 million (-4.2%) below the prior year. For the year to date, annual return payments have decreased \$1.4 million (1.4%) from FY 2024.

Trust payments and other tax collections combined were \$11.4 million in October, which was \$1.4 million (13.6%) below estimate. Year-to-date receipts are \$0.2 million (-0.5%) below the mark. Collections from these categories were \$2 million (21.2%) above last October, and for the year are \$9.3 million (27.1%) above FY 2024.

As mentioned above, refunds account for most of the negative variance from estimate for October income tax revenue. Amounting to \$333.9 million, refunds were \$111.2 million (49.9%) above the estimate. For the year to date, refunds are \$144.8 million (29.1%) percent above estimate. October refunds were \$127.9 million (62.1%) over last year, while on a year-to-date basis, refunds are \$133.7 million (26.2%) above FY 2024. During October, taxable year 2023 annual returns were received from taxpayers that used their available tax return filing extensions. Average refund levels of taxpayers that file during this time of year tend to be large. The time necessary to validate and process such returns can vary by the degree of complexity. Because of timing variability, refunds should be examined across the entire October-December period rather than simply by single-month increments. Accordingly, OBM will monitor and report on refund performance during the coming months.

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

	Actual Oct	Estimate Oct	\$ Var	Actual Oct-2024	Actual Oct-2023	\$ Var Y-to-Y
Employer Withholding	\$ 923.5	\$ 843.8	\$ 79.7	\$ 923.5	\$ 872.1	\$ 51.4
Pass-Through Entity Annual Returns	\$ 16.3	\$ 10.0	\$ 6.3	\$ 18.3	\$ 24.1	\$ (7.9)
Pass-Through Entity Estimated Payments	\$ 71.9	\$ 106.7	\$ (34.8)	\$ 71.9	\$ 99.0	\$ (27.1)
Individual Estimated Payments	\$ 18.8	\$ 16.3	\$ 2.5	\$ 18.8	\$ 16.8	\$ 2.1
Individual Annual Returns	\$ 68.2	\$ 73.2	\$ (5.0)	\$ 68.2	\$ 71.2	\$ (3.0)
Trust Payments	\$ 5.7	\$ 4.2	\$ 1.5	\$ 5.7	\$ 4.2	\$ 1.5
Other	\$ 5.7	\$ 5.8	\$ (0.1)	\$ 5.7	\$ 5.2	\$ 0.5
Less: Refunds	\$(333.9)	\$ (222.7)	\$(111.2)	\$(333.9)	\$ (206.0)	\$(127.9)
Local Distributions	\$ (38.1)	\$ (28.9)	\$ (9.2)	\$ (38.1)	\$ (42.1)	\$ 4.0
Net to GRF	\$ 737.9	\$ 808.4	\$ (70.5)	\$ 737.9	\$ 844.4	\$(106.4)

Commercial Activity Tax (CAT)

October GRF revenues from the CAT were \$112.6 million, \$64.5 million (134.1%) above the estimate. For the year, revenues are \$57.2 million (9.6%) above estimate. October revenues were \$22.7 million (-16.8%) below the prior year while year to date intake is \$80.1 million (-10.9%) below FY 2024.

The FY 2024-2025 main operating budget enacted CAT law changes that took effect in calendar year 2024. These changes greatly impact year-over-year revenue comparisons. The budget increased the annual exclusion to \$3 million from the previous \$1 million level and repealed the “minimum tax.” The expanded exclusion entirely exempts most CAT taxpayers from the tax while all other taxpayers (those remaining on the tax rolls) will realize a reduction in tax liability. Businesses remaining subject to the CAT also experience a tax reduction from no longer paying the minimum tax. These two changes had their first impact on the CAT payments due in May 2024. Because some taxpayers opt to pay their tax in the month preceding the due date, the actual revenue impact began in April 2024.

The CAT is paid on a quarterly basis, with the due date on the 15th day of the second month following the end of each quarter. November 2024 is the month in which the tax is due for taxable gross receipts realized during the July-September 2024 reporting period. As a result, November revenues will be more significant than October in determining the quarterly revenue outcome.

The large positive October variance is not necessarily indicative of November's performance. The above-described CAT tax policy changes may have changed the relative weights of the payments made during the month immediately preceding the due date and during the due-date month. The policy changes took effect only relatively recently, and the FY 2025 monthly estimates may not have had an adequate sample size to accurately reflect emerging monthly payment patterns.

Insurance Taxes

Domestic insurance tax revenues in October were well above estimate coming in \$51.6 million (351.1%) higher than expected for the month. However, foreign insurance tax performance offset most of the month's positive domestic insurance tax variance, at \$48 million (-24.5%) below forecast. Combined domestic and foreign insurance tax revenues in October were \$3.7 million (1.7%) above estimate.

October marks the first tax payment due date of the foreign insurance tax during the fiscal year. By October 15, foreign (non-Ohio incorporated) insurers made a tax payment equal to one-half of their tax year 2024 tax liability. This is essentially an estimated payment that will be credited against their tax year 2025 tax liability. The balance of the tax year 2025 liability will be due in June 2025. While October is significant for the foreign insurance tax, it is not normally a substantial revenue intake month for domestic insurance tax: it has no tax payment deadlines during the month.

The notable positive and negative variances for the two respective insurance taxes stem from a recent change in the insurance tax revenue payment procedure. Taxpayers making their payments have not fully adapted to a new process requiring them to electronically flag the specific insurance tax type (domestic or foreign) they are remitting. Although they are paying the correct amount of tax, many foreign insurers are inadvertently selecting the domestic insurance tax indicator. This has resulted in a portion of foreign insurance tax payments originally being credited as domestic insurance tax revenue. This practice emerged during the latter half of FY 2024. At that time, the Treasurer's Office identified such cases and the proper revenue amounts for each tax source, and then posted the necessary pay-in adjustments to the accounting system. It is apparent that the same taxpayer practice occurred in October. This means pay-in adjustments will be forthcoming during this fiscal year. The upcoming adjustments will affect amounts assigned to these two respective insurance tax categories but will not materially alter the overall amount of revenue credited to the GRF.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.4 billion and were \$2.8 million (-0.2%) below estimate for the month of October. Year-to-date non-tax receipts total \$5.9 billion and are \$258 million (-4.2%) below estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$29.2 million (-2.2%) below estimate. The variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the Disbursements section of this report.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2025 VS ESTIMATE FY 2025
(\$ in thousands)

REVENUE SOURCE	MONTH			
	ACTUAL OCTOBER	ESTIMATE OCTOBER	\$ VAR	% VAR
TAX RECEIPTS				
Non-Auto Sales & Use	1,008,089	990,100	17,989	1.8%
Auto Sales & Use	173,728	178,100	(4,372)	-2.5%
Subtotal Sales & Use	1,181,817	1,168,200	13,617	1.2%
Personal Income	737,948	808,400	(70,452)	-8.7%
Commercial Activity Tax	112,616	48,100	64,516	134.1%
Foreign Insurance	148,047	196,000	(47,953)	-24.5%
Domestic Insurance	66,309	14,700	51,609	351.1%
Kilowatt Hour	30,510	32,500	(1,990)	-6.1%
Financial Institutions Tax	(16,721)	(9,400)	(7,321)	-77.9%
Public Utility	5,176	4,300	876	20.4%
Natural Gas Distribution	326	500	(174)	-34.8%
Petroleum Activity Tax	0	0	0	N/A
Other Business & Property	0	0	0	N/A
Corporate Franchise	13	0	13	N/A
Cigarette and Other Tobacco	63,092	58,400	4,692	8.0%
Alcoholic Beverage	5,195	5,200	(5)	-0.1%
Liquor Gallonage	4,316	4,800	(484)	-10.1%
Estate	0	0	0	N/A
Total Tax Receipts	2,338,645	2,331,700	6,945	0.3%
NON-TAX RECEIPTS				
Earnings on Investments	128,181	100,000	28,181	28.2%
License & Fees	637	2,147	(1,510)	-70.3%
Other Income	933	1,198	(265)	-22.1%
ISTV'S	6	0	6	N/A
TOTAL STATE SOURCE	2,468,402	2,435,045	33,357	1.4%
Federal Grants	1,309,088	1,338,306	(29,218)	-2.2%
Total Non-Tax Receipts	1,438,845	1,441,651	(2,806)	-0.2%
TOTAL REVENUES	3,777,490	3,773,351	4,140	0.1%
TRANSFERS				
Budget Stabilization	0	0	0	N/A
Transfers In - Other	237	0	237	N/A
Temporary Transfers In	0	0	0	N/A
Total Transfers	237	0	237	N/A
TOTAL SOURCES	3,777,727	3,773,351	4,376	0.1%

	YEAR-TO-DATE			
	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
	3,781,158	3,202,500	578,658	18.1%
	677,383	676,400	983	0.1%
	4,458,542	3,878,900	579,641	14.9%
	3,301,098	3,361,000	(59,902)	-1.8%
	655,194	598,000	57,194	9.6%
	155,479	204,600	(49,121)	-24.0%
	71,978	15,300	56,678	370.4%
	117,289	117,400	(110)	-0.1%
	(32,397)	(11,200)	(21,197)	-189.3%
	51,533	48,500	3,033	6.3%
	12,310	14,200	(1,891)	-13.3%
	3,035	2,100	935	44.5%
	0	0	0	N/A
	39	0	39	N/A
	221,443	216,500	4,944	2.3%
	23,671	22,600	1,071	4.7%
	18,363	19,200	(837)	-4.4%
	3	0	3	N/A
	9,057,581	8,487,102	570,480	6.7%
	128,181	100,000	28,181	28.2%
	10,245	13,337	(3,092)	-23.2%
	106,526	108,133	(1,606)	-1.5%
	14,435	14,001	434	3.1%
	9,316,968	8,722,571	594,396	6.8%
	5,617,921	5,899,866	(281,945)	-4.8%
	5,877,307	6,135,336	(258,028)	-4.2%
	14,934,889	14,622,437	312,451	2.1%
	0	0	0	N/A
	834	0	834	N/A
	0	0	0	N/A
	834	0	834	N/A
	14,935,723	14,622,437	313,285	2.1%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2025 VS ACTUAL FY 2024
(\$ in thousands)

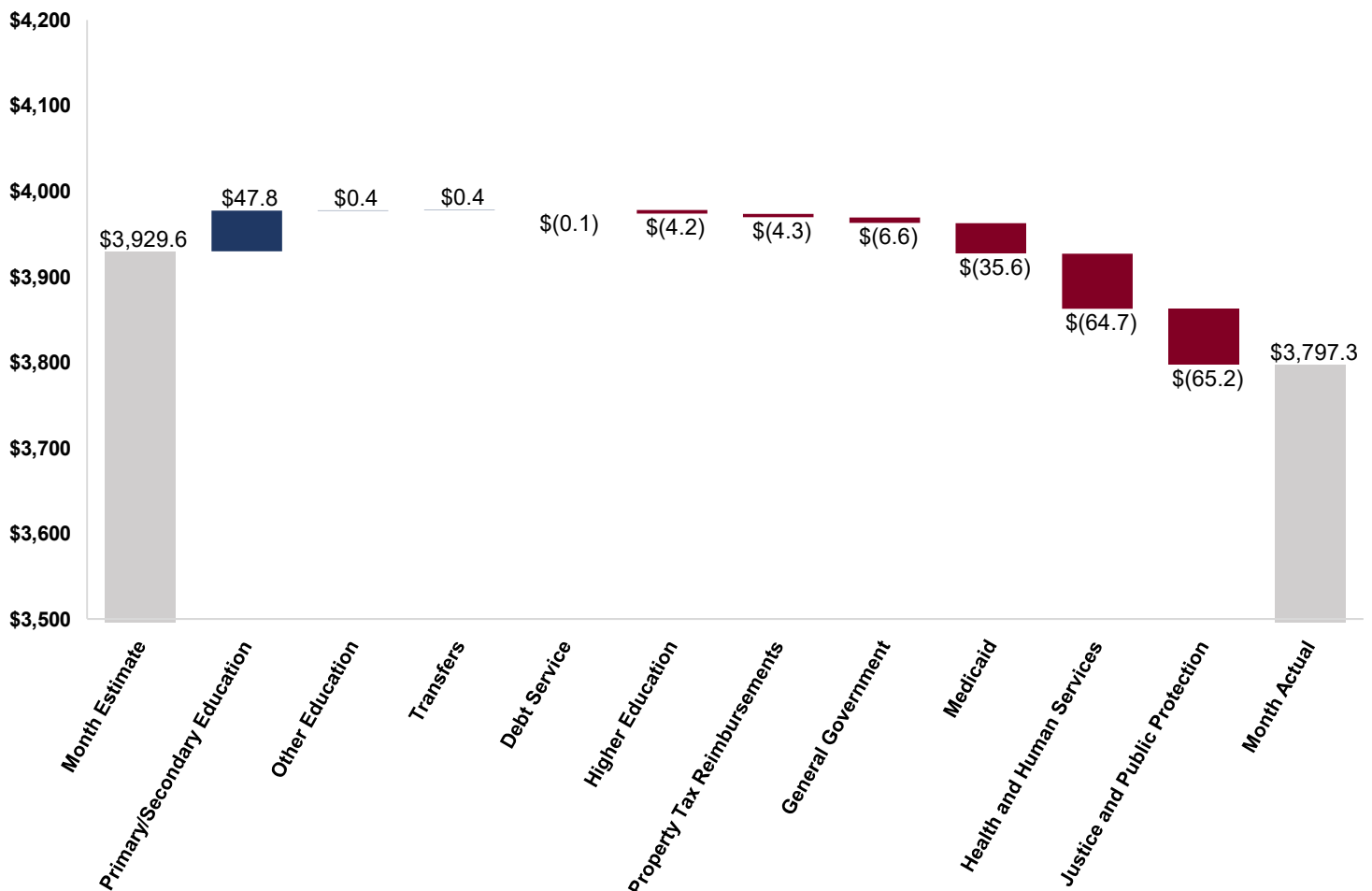
REVENUE SOURCE	MONTH			
	OCTOBER FY 2025	OCTOBER FY 2024	\$ VAR	% VAR
TAX RECEIPTS				
Non-Auto Sales & Use	1,008,089	958,519	49,570	5.2%
Auto Sales & Use	173,728	173,346	381	0.2%
Subtotal Sales & Use	1,181,817	1,131,865	49,951	4.4%
Personal Income	737,948	844,393	(106,445)	-12.6%
Commercial Activity Tax	112,616	135,316	(22,700)	-16.8%
Foreign Insurance	148,047	188,122	(40,074)	-21.3%
Domestic Insurance	66,309	14,642	51,667	352.9%
Kilowatt Hour	30,510	26,006	4,504	17.3%
Financial Institutions Tax	(16,721)	(7,455)	(9,265)	-124.3%
Public Utility	5,176	5,829	(653)	-11.2%
Natural Gas Distribution	326	19	307	1654.3%
Petroleum Activity Tax	0	0	0	N/A
Other Business & Property	0	0	0	N/A
Corporate Franchise	13	14	(0)	-3.0%
Cigarette and Other Tobacco	63,092	65,145	(2,053)	-3.2%
Alcoholic Beverage	5,195	6,104	(910)	-14.9%
Liquor Gallonage	4,316	4,715	(399)	-8.5%
Estate	0	0	0	N/A
Total Tax Receipts	2,338,645	2,414,714	(76,069)	-3.2%
NON-TAX RECEIPTS				
Earnings on Investments	128,181	119,938	8,243	6.9%
License & Fee	637	2,862	(2,225)	-77.7%
Other Income	933	3,269	(2,336)	-71.4%
ISTV'S	6	4	2	70.4%
TOTAL STATE SOURCE	2,468,402	2,540,787	(72,384)	-2.8%
Federal Grants	1,309,088	1,088,105	220,983	20.3%
Total Non-Tax Receipts	1,438,845	1,214,178	224,667	18.5%
TOTAL REVENUES	3,777,490	3,628,892	148,598	4.1%
TRANSFERS				
Budget Stabilization	0	0	0	N/A
Transfers In - Other	237	170	67	39.3%
Temporary Transfers In	0	0	0	N/A
Total Transfers	237	170	67	39.3%
TOTAL SOURCES	3,777,727	3,629,062	148,665	4.1%

YEAR-TO-DATE			
ACTUAL FY 2025	ACTUAL FY 2024	\$ VAR	% VAR
3,781,158	3,900,179	(119,021)	-3.1%
677,383	664,205	13,178	2.0%
4,458,542	4,564,384	(105,843)	-2.3%
3,301,098	3,523,191	(222,094)	-6.3%
655,194	735,247	(80,053)	-10.9%
155,479	198,098	(42,619)	-21.5%
71,978	15,787	56,191	355.9%
117,289	100,281	17,009	17.0%
(32,397)	(15,952)	(16,445)	-103.1%
51,533	46,878	4,656	9.9%
12,310	13,516	(1,206)	-8.9%
3,035	2,931	105	3.6%
0	0	0	N/A
39	124	(85)	-68.6%
221,443	224,919	(3,475)	-1.5%
23,671	21,642	2,030	9.4%
18,363	19,249	(886)	-4.6%
3	0	3	5370.5%
9,057,581	9,450,294	(392,713)	-4.2%
128,181	119,938	8,243	6.9%
10,245	12,307	(2,063)	-16.8%
106,526	122,512	(15,985)	-13.0%
14,435	27	14,408	53657.4%
9,316,968	9,705,078	(388,110)	-4.0%
5,617,921	5,271,591	346,330	6.6%
5,877,307	5,526,375	350,933	6.4%
14,934,889	14,976,669	(41,780)	-0.3%
0	0	0	N/A
834	2,478	(1,644)	-66.3%
0	0	0	N/A
834	2,478	(1,644)	-66.3%
14,935,723	14,979,147	(43,425)	-0.3%

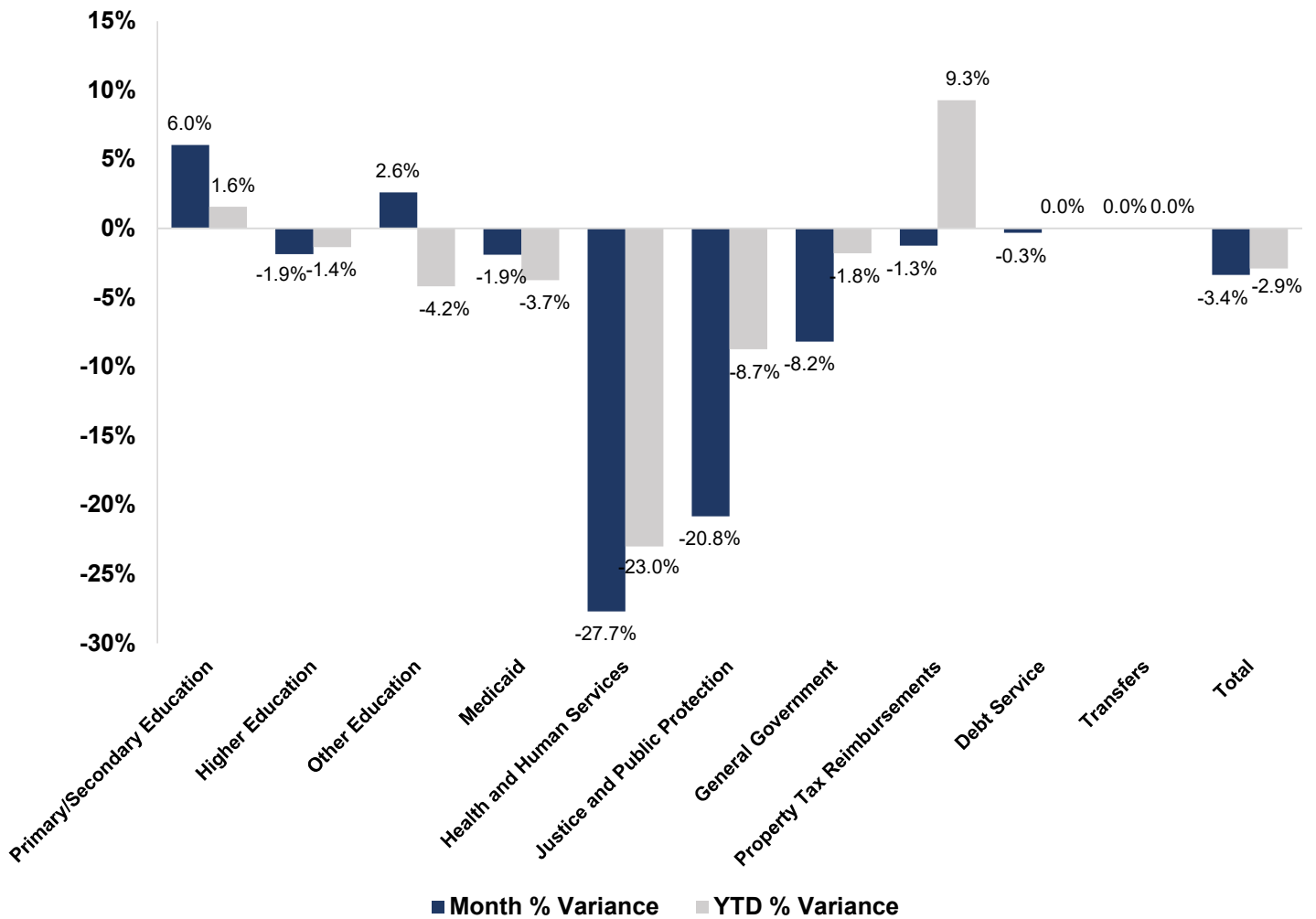
Disbursements

October GRF disbursements, for all uses, totaled \$3.8 billion and were \$132.7 million (-3.4%) below estimate. Lower-than-estimate Justice and Public Protection, Health and Human Services, and Medicaid expenditures were partially offset by higher-than-estimate spending on Primary and Secondary Education. On a year-over-year basis, total October disbursements were \$292.9 million (-7.2%) lower than those of the same month last fiscal year, with the Property Tax Reimbursements and Primary and Secondary Education categories largely responsible for the difference.

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



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



Justice and Public Protection

This category includes non-debt service GRF expenditures made by the Department of Rehabilitation and Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities. October disbursements in this category totaled \$248 million and were \$65.2 million (-20.8%) below the estimate.

The Department of Rehabilitation and Correction was primarily responsible for the variance in this category. Spending was \$230.5 million, \$58.5 million below estimate for October. Community Nonresidential, Community Misdemeanor, and Community Residential programs disbursed subsidies a day early, resulting in funds being disbursed in the previous month. This is responsible for a majority of the variance.

Year-to-date disbursements in this category total \$1.1 billion and are \$106.5 million (-8.7%) below the estimate. On a year-over-year basis, disbursements in this category were \$41.3 million (-14.3%) below the same month last fiscal year while year-to-date expenditures are \$28.1 million (2.6%) above the same point in FY 2024.

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.

October disbursements in this category totaled \$168.8 million and were \$64.7 million (-27.7%) below the estimate. The variance is primarily because spending by the Department of Children and Youth was \$55.3 million (-64.5%) below estimate, coming mainly from three programs: Child Care (-\$34.4 million), Early Childhood Education (-\$10.4 million) and Early Care and Education (-\$8.6 million). Spending for Child Care and Early Care and Education was below estimate because childcare costs were paid from federal sources for the month rather than GRF. All payments for the Early Childhood Education program are processed by the Department of Education and Workforce as the agencies continue to transition systems for the new Department of Children and Youth.

On a year-over-year basis, disbursements in this category were \$17.6 million (-9.4%) lower than for the same month last fiscal year while year-to-date expenditures are \$46.3 million (7.4%) higher than at the same point in FY 2024.

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education and Workforce. October disbursements totaled \$838.4 million and were \$47.8 million (6%) above the estimate. A majority of this variance was due to a higher than anticipated payment for the foundation funding formula. This payment included updated enrollment figures for schools and districts, as well as new community schools that opened this year appearing in the payments for the first time. This variance was partially offset by the Student Assessment program that was below estimate by \$2.7 million because most of the payment was supported with federal funds instead of GRF funds as planned. The Pupil Transportation payment was also below estimate (-\$3.1 million) due to the anticipated data update that is now delayed until November.

Year-to-date disbursements total \$3.5 billion and are \$53.6 million (1.6%) above the estimate. On a year-over-year basis, disbursements in this category were \$69.7 million (-7.7%) lower than for the same month in the previous fiscal year while year-to-date expenditures are \$176.2 million (5.4%) higher than the same point in FY 2024.

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

October GRF disbursements for the Medicaid Program totaled \$1.8 billion and were \$35.6 million (-1.9%) below estimate. Year-to-date GRF disbursements totaled \$8.7 billion and were \$336.3 million (-3.7%) below estimate and \$587.9 million (7.3%) above disbursements for the same period in the previous fiscal year. The October GRF disbursement variance occurred primarily due to processing issues with a portion of payments to managed care plans that are anticipated to be resolved in December.

October all-funds disbursements for the Medicaid Program totaled \$3.1 billion and were \$177.4 million (-5.5%) below estimate. Year-to-date all-funds disbursements totaled \$13.7 billion and were \$520.9 million (-3.7%) below estimate and \$1.6 billion (13%) above disbursements for the same period in the previous fiscal year. The October all-funds disbursement variance was partly due to a Department of Developmental Disabilities payment to county boards that is expected to be disbursed in December. The all-funds underage was partly offset by a higher-than-projected fee-for-service payment in October.

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

	October Estimate	October Actual	Variance	Variance %
GRF	\$ 1,880.2	\$ 1,844.6	\$ (35.6)	-1.9%
Non-GRF	\$ 1,362.3	\$ 1,220.5	\$ (141.8)	-10.4%
All Funds	\$ 3,242.6	\$ 3,065.1	\$ (177.4)	-5.5%

Medicaid Enrollment

Total October enrollment was 3.06 million, which was a 439 decline from the prior month and 265,605 (-8%) below enrollment for the same period last year. Year-to-date average monthly enrollment was 3.06 million and was 4,710 (0.2%) above estimate.

October enrollment by major eligibility category was: Covered Families and Children (CFC), 1.63 million; Group VIII Expansion, 783,756, and Aged, Blind and Disabled (ABD), 501,648.

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

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.

October disbursements for this category totaled \$74.2 million and were \$6.6 million (-8.2%) below the estimate. This was primarily attributable to below estimate disbursements by the Department of Agriculture which disbursed \$4.9 million, (-58.2%) less than their estimate for the month. The main reason behind the variance is a delay in completion of subsidy agreements in their Soil and Water Phosphorus Program, resulting in delayed payments from the program's line. The payments are anticipated to be disbursed in November. The variance in the category was partially offset by the Department of Development, with over-estimate spending in their Local Development Projects. This variance was primarily attributed to the timing of reimbursement requests made by local government or community partners administering development projects.

Year-to-date disbursements total \$268.1 million and are \$4.9 million (-1.8%) below the estimate. On a year-over-year basis, disbursements in this category were \$11 million (17.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$536.2 million (-66.7%) lower than the same point in FY 2024. This change is attributable to a large one-time economic development payment made in September of FY 2024.

Higher Education

October disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$224.2 million and were \$4.2 million (-1.9%) below the estimate.

Year-to-date disbursements were \$901.8 million, which were \$12.5 million (-1.4%) below the estimate. On a year-over-year basis, disbursements in this category were \$8.1 million (3.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$92.6 million (11.4%) higher than at the same point in FY 2024.

Debt

October payments for debt service totaled \$42.8 million and were \$0.1 million (-0.3%) below estimate. Year-to-date disbursements in this category total \$703.5 million and are \$0.2 million (0.0%) above estimate.

Other Education

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

October disbursements in this category totaled \$14.9 million and were \$0.4 million (2.6%) above the estimate. Year-to-date disbursements were \$54.6 million, which was \$2.4 million (-4.2%) below the estimate. On a year-over-year basis, disbursements in this category were \$1.8 million (3.4%) higher than at the same point in FY 2024.

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. October reimbursements totaled \$340.9 million and were \$4.3 million (-1.3%) below estimate. The monthly variance is primarily due to the timing of county reimbursement requests.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2025 VS ESTIMATE FY 2025
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL OCTOBER	ESTIMATED OCTOBER	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	838,359	790,607	47,752	6.0%	3,461,308	3,407,750	53,558	1.6%
Higher Education	224,235	228,474	(4,240)	-1.9%	901,849	914,321	(12,472)	-1.4%
Other Education	14,917	14,539	378	2.6%	54,587	56,968	(2,382)	-4.2%
Medicaid	1,844,603	1,880,245	(35,642)	-1.9%	8,664,505	9,000,853	(336,348)	-3.7%
Health and Human Services	168,844	233,513	(64,669)	-27.7%	673,556	874,663	(201,107)	-23.0%
Justice and Public Protection	248,038	313,246	(65,208)	-20.8%	1,112,267	1,218,759	(106,492)	-8.7%
General Government	74,186	80,794	(6,608)	-8.2%	268,074	272,989	(4,915)	-1.8%
Property Tax Reimbursements	340,922	345,255	(4,333)	-1.3%	960,937	879,377	81,561	9.3%
Debt Service	42,824	42,965	(141)	-0.3%	703,477	703,267	209	0.0%
Total Expenditures & ISTV's	3,796,928	3,929,638	(132,710)	-3.4%	16,800,560	17,328,947	(528,387)	-3.0%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	351	0	351	N/A	730,201	727,093	3,108	0.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	351	0	351	N/A	730,201	727,093	3,108	N/A
Total Fund Uses	3,797,279	3,929,638	(132,359)	-3.4%	17,530,761	18,056,040	(525,278)	-2.9%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2025 VS ACTUAL FY 2024
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	OCTOBER FY 2025	OCTOBER FY 2024	\$ VAR	% VAR	ACTUAL FY 2025	ACTUAL FY 2024	\$ VAR	% VAR
Primary and Secondary Education	838,359	908,019	(69,661)	-7.7%	3,461,308	3,285,081	176,227	5.4%
Higher Education	224,235	216,132	8,103	3.7%	901,849	809,258	92,591	11.4%
Other Education	14,917	14,320	597	4.2%	54,587	52,795	1,791	3.4%
Medicaid	1,844,603	1,822,643	21,960	1.2%	8,664,505	8,076,929	587,576	7.3%
Health and Human Services	168,844	186,425	(17,581)	-9.4%	673,556	627,286	46,271	7.4%
Justice and Public Protection	248,038	289,289	(41,251)	-14.3%	1,112,267	1,084,194	28,074	2.6%
General Government	74,186	63,236	10,950	17.3%	268,074	804,250	(536,176)	-66.7%
Property Tax Reimbursements	340,922	534,873	(193,951)	-36.3%	960,937	915,577	45,361	5.0%
Debt Service	42,824	54,982	(12,158)	-22.1%	703,477	699,937	3,540	0.5%
Total Expenditures & ISTV's	3,796,928	4,089,920	(292,992)	-7.2%	16,800,560	16,355,305	445,255	2.7%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	150,000	(150,000)	N/A
Operating Transfer Out	351	855	(504)	-59.0%	730,201	6,110,074	(5,379,872)	-88.0%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	351	855	(504)	-59.0%	730,201	6,260,074	(5,529,872)	-88.3%
Total Fund Uses	3,797,279	4,090,775	(293,497)	-7.2%	17,530,761	22,615,379	(5,084,618)	-22.5%

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2025
(\$ in thousands)

July 1, 2024 Beginning Cash Balance*	2,141,622.3
Plus FY 2025 Estimated Revenues	28,152,448.7
Plus FY 2025 Estimated Federal Revenues	14,121,392.6
Plus FY 2025 Estimated Transfers to GRF	949,300.0
Total Sources Available for Expenditures & Transfers	45,364,763.6
Less FY 2025 Estimated Disbursements**	43,707,773.4
Less FY 2025 Estimated Total Encumbrances as of June 30, 2025	686,297.1
Less FY 2025 Estimated Transfers Out	739,408.2
Total Estimated Uses	45,133,478.7
FY 2025 Estimated Unencumbered Ending Fund Balance	231,284.9

*Includes reservations of \$1,050.5 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2025 is \$1,091.2 million.

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

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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	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.
Worker Adjustment and Retraining Notification (WARN) Act	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.