

State of Ohio

Monthly Financial Report

MARCH 11, 2024

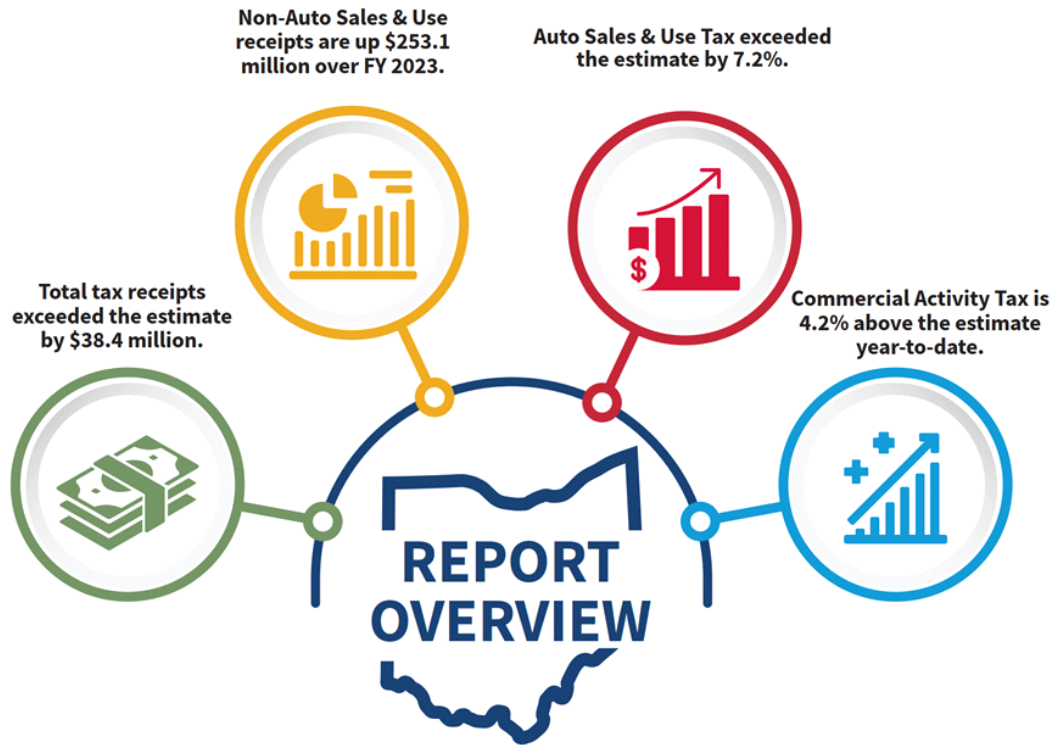
Memorandum to:
The Honorable Mike DeWine, Governor
The Honorable Jon Husted, Lt. Governor

From: Kimberly Murnieks, OBM Director



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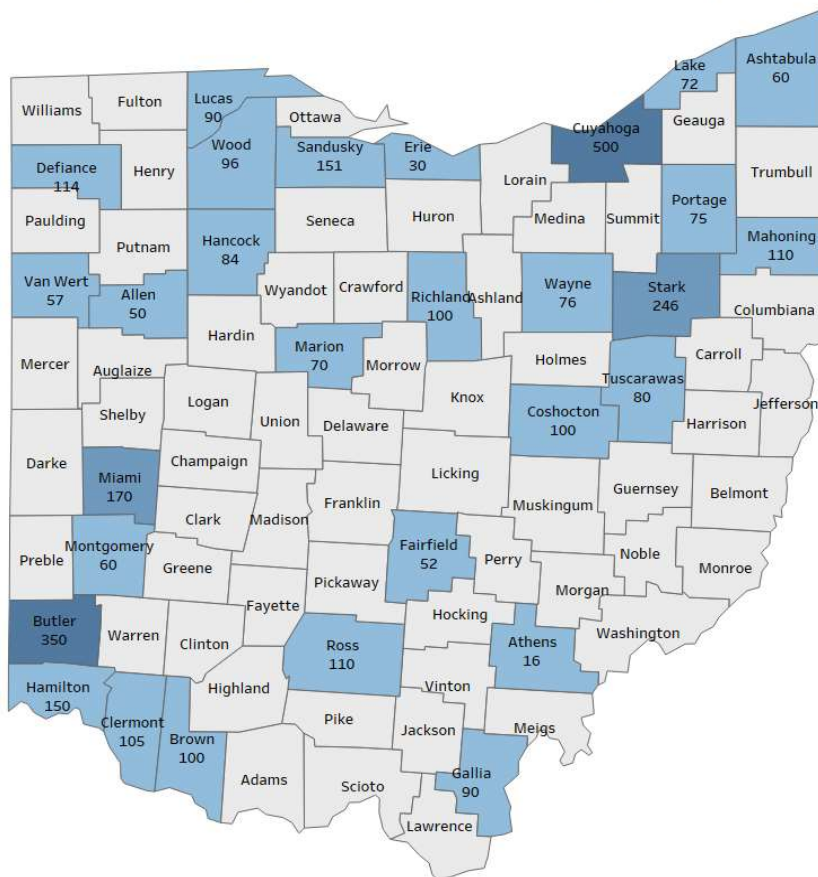
Spotlight on Results

Spotlighting: Career Technical Construction Program

The Ohio Facilities Construction Commission received \$200 million in the FY 2024-2025 biennium to support the Career Technical Construction Program, which provides competitive grant awards to help renovate, improve, or build facilities at joint vocational school districts and other career technical planning districts. across Ohio. The program aims to increase capacity at career technical centers and expand access for students to train in eight in-demand industry sectors.

“
With this announcement, not only are we creating more opportunities for all Ohio students to earn a career technical education, but we are also giving them more opportunities to be career-ready when they graduate.
 [Lt. Governor Jon Husted, November 2023]
 ”

Anticipated Additional Seats By County



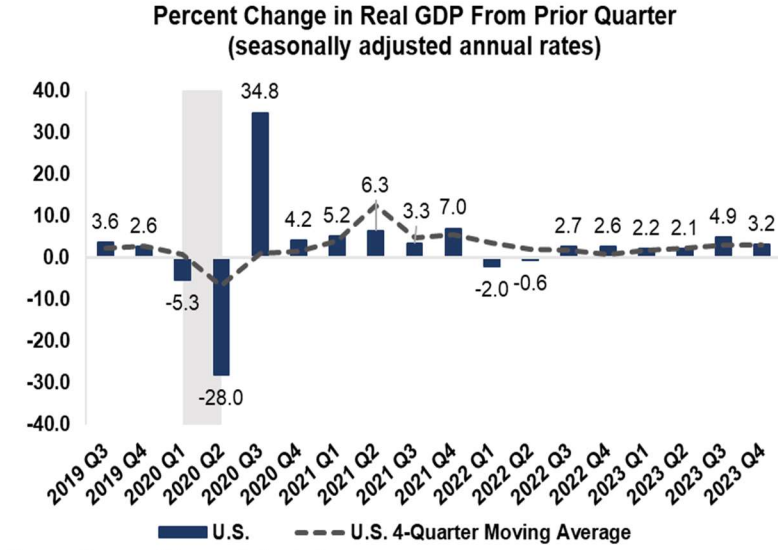
Grants were awarded to 35 schools across 29 Ohio counties. An estimated 3,364 additional seats will be available for students to begin training in September 2026. Most of the seats will be available to students wanting to pursue careers in manufacturing and operations (1,000), construction and engineering (971), and healthcare (667). Additional capacity will also be available in public safety (270), transportation (193), IT (125), agriculture (90), and culinary arts (48).

Economic Activity

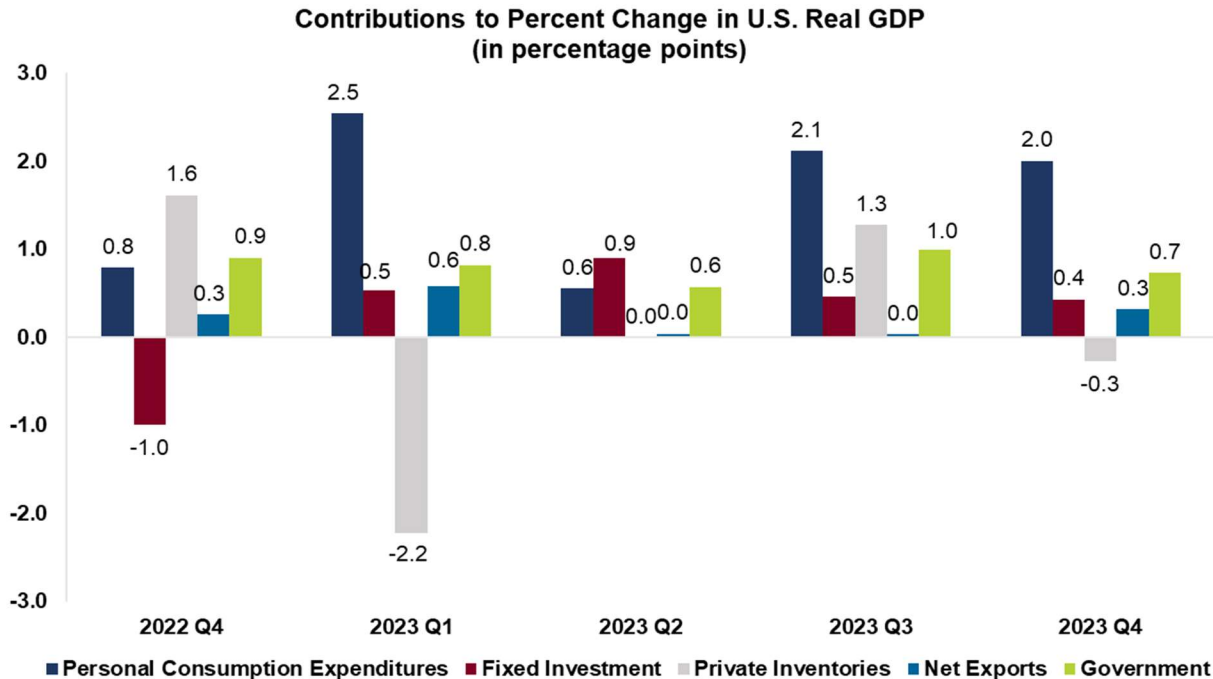
Economic Outlook

According to the Bureau of Economic Analysis' second estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the fourth quarter of calendar year 2023 at an annualized rate of 3.2 percent. This is the sixth quarter in a row of growth.

The fourth quarter increase in real GDP resulted from growth in personal consumption expenditures (2 percentage points), government expenditures (0.7 percentage point), fixed investments (0.4 percentage point), and net exports (0.3 percentage point). These increases were partially offset by a 0.3 percentage point decrease in private inventories.



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

In January 2024, the Conference Board’s **Leading Economic Index** decreased 0.4 percent to 102.7, after declining 0.2 percentage point in December. The index fell for the twenty-second consecutive month and in the last six months decreased 3 percent. The Conference Board’s Senior Manager of Business Cycle Indicators reported that while the index continues to show economic headwinds, it does not currently signal recession for 2024.

The **Federal Reserve’s Beige Book** evaluates current economic conditions across its 12 districts. According to the report released for March 2024, economic activity in the Fourth District, which includes Ohio, increased slightly in recent weeks. Employment remained flat with many firms in different industries reporting an increase in available labor and easing wage pressures. Softer consumer spending was reported, most notably in discretionary spending. Residential construction demand continues to ebb and flow with mortgage rates, while nonresidential construction increased over recent weeks, powered by greater demand for manufacturing projects.

The economic outlook continues to be strong, powered by ongoing resilience in the labor market and consistent GDP growth. While forecasters caution that more moderate growth and additional slack in the labor market may be on the horizon, national employment growth thus far in 2024 has exceeded economist’s predictions. The continued strength in the economy since the beginning 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 2024. However, forecasters remain optimistic that inflation will continue to decelerate, allowing for a lowering of interest rates in the second half of 2024.

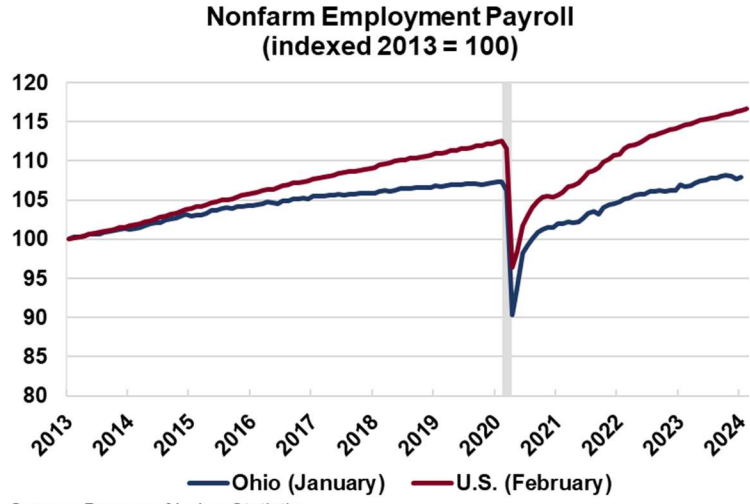
Economic Forecasts

Source	Date	1st Quarter 2024 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	03/06/2024	2.5%
IHS Markit GDP Tracker	03/05/2024	2.0%
Federal Reserve Bank of New York (Nowcast)	03/01/2024	2.1%
Moody’s Analytics High Frequency GDP Model	02/29/2024	2.6%
Wells Fargo	02/08/2024	2.4%
Conference Board	02/07/2024	1.7%
Federal Reserve Bank of Philadelphia (Survey of Professional Forecasters)	02/09/2024	2.1%

Ohio Labor Market

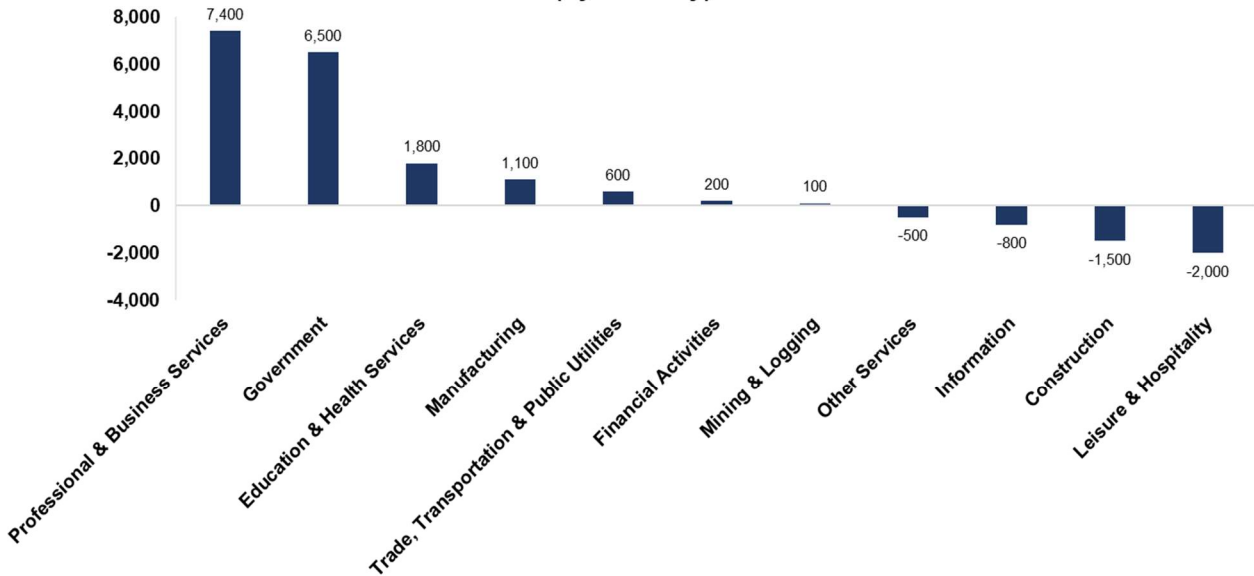
Ohio's nonfarm payroll employment increased by an estimated 12,900 jobs between December 2023 and January 2024 to 5.6 million, an increase of 0.9 percent over the prior year.

In Ohio, the professional and business services industry experienced the largest employment gains in January, followed by government, education and health services, manufacturing, and trade, transportation and public utilities. These gains were partially offset by losses in the leisure and hospitality, construction, information, and other services industries.



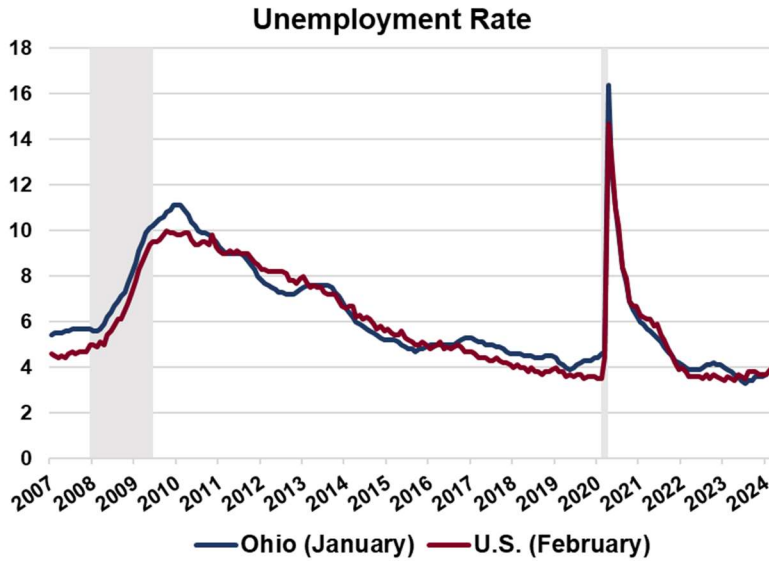
Source: Bureau of Labor Statistics

Change in Ohio Employment Between December 2023 and January 2024 (by industry)



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** in January was 61.8 percent, unchanged from December 2023. The seasonally adjusted **employment-population ratio** was 59.5 in January 2024, unchanged from December 2023.



Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in January 2024 was 3.7 percent, a 0.1 percentage point increase from December 2023’s revised rate and equal to the national rate in January.

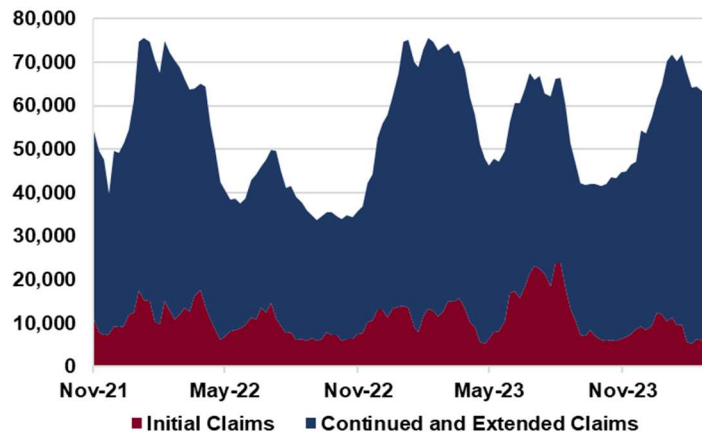
In January 2024, **initial unemployment claims** decreased 1.5 percent for men and 4.6 percent for women compared to December 2023.

During the same period, initial claims increased for

those who identified as Asian/Pacific Islander (10.7%), Black (4.6%), and for those who did not specify a race (1.8%). Those who identified as Hispanic (4.6%), White (3.8%), or as American Indian (2%) saw decreases.

During the week ending March 2, 2024, individuals filed a total of 5,638 initial unemployment claims, a 3.5 percent decrease from the previous week. Individuals filing **continued and extended claims** during the same week totaled 56,254 claims, a two percent decrease from the prior week.

**Ohio Total Unemployment Claims
(November 6, 2021 through January 27, 2024)**



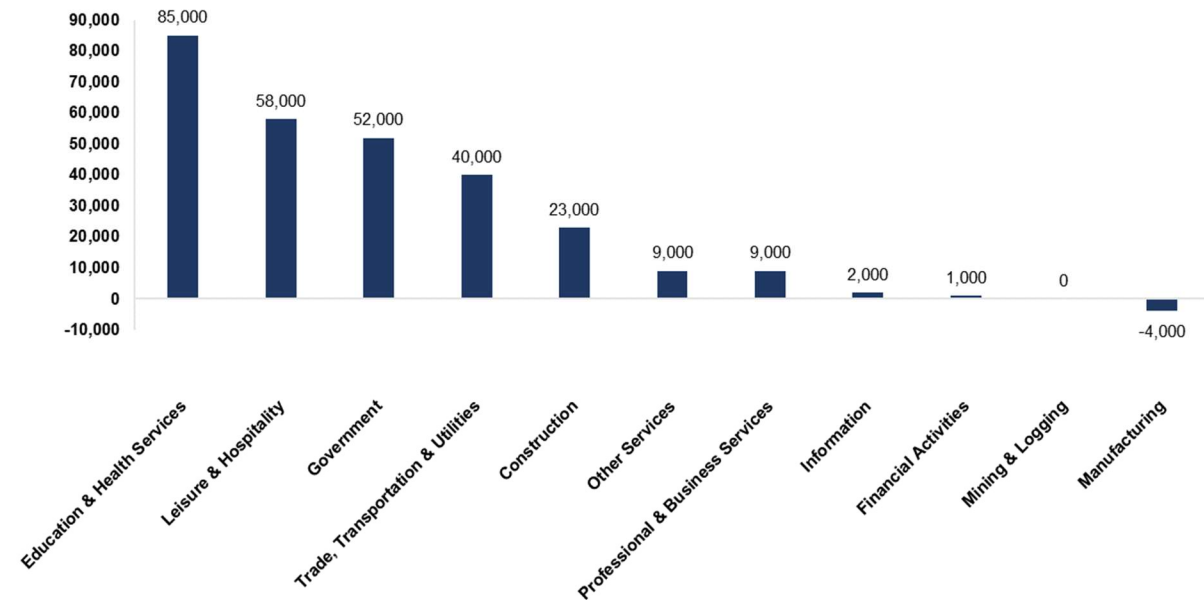
Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment increased by an estimated 275,000 jobs in February. Growth in employment was broad-based with education and health services, leisure and hospitality, government, and trade transportation and utilities experiencing the largest gains.

275,000
Jobs Added

Change in U.S. Employment January 2024 - February 2024
(by industry)



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** was unchanged from January at 62.5 percent. The **U.S. employment-population ratio** decreased 0.1 percentage point from January to 60.1 percent. Both measures remained below February 2020 levels by 0.8 percentage point and 0.9 percentage point, respectively.

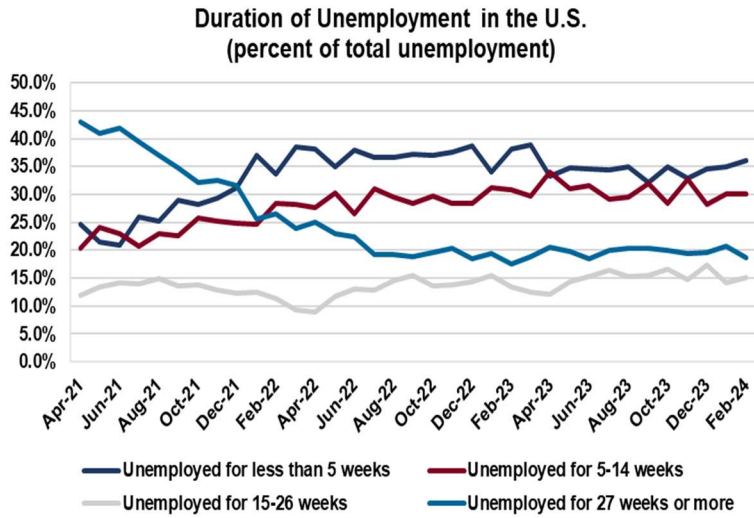
Unemployment Rates by Demographic Group

	December-23	January-24	February-24
Women	3.6%	3.4%	3.9%
Men	3.9%	3.9%	3.8%
Black	5.2%	5.3%	5.6%
White	3.5%	3.4%	3.4%
Asian	3.1%	2.9%	3.4%
Hispanic	5.0%	5.0%	5.0%

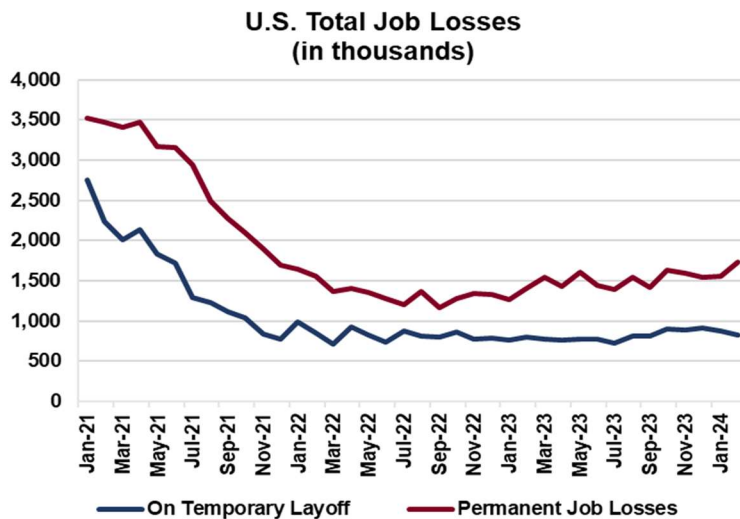
The **U.S. unemployment rate** increased 0.2 percentage point in February 2024 to 3.9 percent while the number of unemployed individuals increased to 6.5 million. The unemployment rate increased between January and February 2024 for individuals who identified as Asian (0.5 percentage point) and for individuals who identified as Black (0.3 percentage point). Individuals who identified as Hispanic or White saw no change in unemployment rate. The unemployment rate for women increased 0.5 percentage point to 3.9 percent between January and February 2024, while the unemployment rate for men decreased 0.1 percentage point to 3.8 percent.

In February 2024, 15.1 percent of unemployed individuals in the nation were unemployed for 15-26 weeks, a 12.3 percent increase from January 2024 and remained in line with pre-pandemic levels.

The number of **people not in the labor force who currently want a job** decreased by 2.1 percent to 5.7 million people in February.



Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

The number of unemployed people who were on **temporary layoff** decreased to 827,000 in February 2024 and was 62,000 more than in February 2020.

The number of people with **permanent job losses** increased by 174,000 in February to 1.7 million.

Consumer Income and Consumption

\$23.6 Trillion

Personal income increased by \$233.7 billion (1%) in January 2024 to \$23.6 trillion. The gains in December were primarily due to increases in government social benefits of \$92.2 billion (2.3%), personal income receipts on assets of \$78.7 billion (2.1%), and compensation of employees of \$58.1 billion (0.4%).

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

	December 2023	January 2024	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,095,612	\$ 2,050,613	-2.1%	0.7%	3.8%
Motor vehicles and parts	\$ 598,772	\$ 576,365	-3.7%	-6.1%	-2.9%
Furnishings and durable household equipment	\$ 426,356	\$ 420,528	-1.4%	-0.4%	1.3%
Recreational goods and vehicles	\$ 824,832	\$ 808,180	-2.0%	8.3%	12.4%
Other durable goods	\$ 288,349	\$ 289,939	0.6%	3.9%	7.7%
Nondurable Goods	\$ 3,411,101	\$ 3,395,338	-0.5%	2.0%	1.6%
Clothing and footwear	\$ 510,810	\$ 514,612	0.7%	0.8%	3.9%
Gasoline and other energy goods	\$ 323,303	\$ 318,770	-1.4%	4.4%	4.9%
Other nondurable goods	\$ 1,425,679	\$ 1,414,400	-0.8%	2.5%	3.9%
Services	\$ 10,187,446	\$ 10,223,245	0.4%	2.3%	5.5%
Transportation services	\$ 475,121	\$ 476,538	0.3%	2.4%	3.3%
Housing and utilities	\$ 2,570,926	\$ 2,585,319	0.6%	2.0%	1.0%
Food services and accommodations	\$ 1,082,625	\$ 1,084,438	0.2%	2.3%	15.0%
Financial services and insurance	\$ 1,056,618	\$ 1,063,617	0.7%	2.7%	2.9%

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

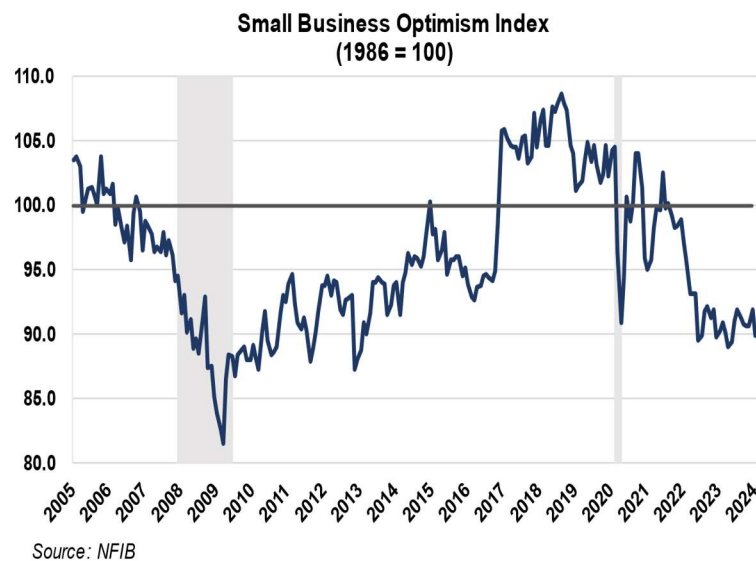
Personal consumption expenditures increased by \$43.9 billion (0.2%) between December 2023 and January 2024. Overall spending on goods decreased by 1.2 percent in January. Spending on durable goods decreased by 1.9 percentage points, with decreased spending on motor vehicles and parts (4.6%), furnishings and durable household equipment (0.9%), and recreational goods and vehicles (0.5%). Spending on nondurable goods decreased by 0.8 percentage point, driven by decreased spending on gasoline and other energy goods (4.6%), and other nondurable goods (1%). Spending on

services increased by one percentage point in January 2024, driven by spending on financial services and insurance (2%), housing and utilities (1.2%), and food services and accommodations (0.8%).

Personal saving totaled \$779.3 billion in January 2024, a 1.7 percent increase compared to December's revised level and was 10.5 percent below the January 2023 level. The **personal saving rate** was 3.8 percent in January 2024, up 0.1 percentage point from December 2023.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.3 percentage point in January 2024 compared to December 2023, which followed an increase of 0.2 percentage point between November and December. The "all items" index increased 3.1 percent over the last 12 months. January price increases were concentrated primarily in shelter (0.6%) and food (0.4%), while energy prices decreased 0.9 percentage points.

Both consumer opinion surveys reported decreases in confidence in February 2024. Respondents in the University of Michigan's **Survey of Consumers** reported a decrease (2.7%) in consumer sentiment to 76.9 in February compared to January. Although the slight decrease overall from January, consumers reported much higher expectations in both short and long-run business conditions. The Conference Board's **Consumer Confidence Index** decreased by 4.2 points to 106.7 in February, down from a revised 110.9 in January. Decreases reflected the persistent uncertainty surrounding the economy as short-term expectations slipped regarding future labor market and business conditions. Increases in confidence were reported among those aged 35 to 54 but fell sharply for consumers over the age of 55 and those 35 and under.



The **Small Business Optimism Index** decreased 2 percentage points to 89.9 in January, the 25th consecutive month the index was below 98, the 50-year average. Inflation was replaced as the top concern of small business owners in January by labor quality, with 21 percent of owners identifying it as their single most important problem. However, inflation remained a top concern with 20 percent of owners identifying it as their single most important problem in January.

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 4.3 million **unlinked passenger trips** in February 2024. This was 9.3 percent above January 2024 ridership levels, but 24.1 percent higher than February 2023 ridership levels.

Nationally, average airline checkpoint traffic increased 0.2 percent in February 2024 compared to January 2024. **Total travel throughput** in February 2024 was 5.7 percent higher than in February 2023.

In the U.S., the **hotel occupancy rate** for the week ending February 24, 2024, was 62 percent, 3.3 percent below the comparable week in 2023. The **average daily rate** for a hotel room was \$156.62, a 0.3 percent increase from 2023. **Revenue per available room** was \$97.12, which was 2.9 percent less than in 2023.

Industrial Activity

According to data from the Board of Governors of the Federal Reserve System, **total industrial production** decreased 0.1 percentage point between December 2023 and January 2024 and was unchanged between January 2023 and 2024.

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

Manufacturing Sector	Percent Change November and December 2023	Percent Change December 2023 and January 2024	Percent Change January 2023 to January 2024
Aerospace and Other Transportation Equipment	0.2%	1.5%	6.4%
Chemicals	0.4%	-1.3%	-0.5%
Electrical Equipment	-1.4%	1.5%	-0.7%
Fabricated Metal Products	-0.7%	0.4%	-1.3%
Food Beverage and Tobacco Products	0.2%	-0.1%	-3.8%
Machinery	-1.5%	-0.7%	-6.6%
Motor Vehicles and Parts	3.2%	-0.2%	4.4%
Petroleum and Coal	0.9%	-3.7%	3.1%
Plastics and Rubber Products	0.7%	-1.0%	-2.0%
Primary Metals	0.8%	-0.9%	1.9%

The **Manufacturing Production Index** decreased 0.5 percent in January 2024 to 98.6 and was 0.9 percent lower than January 2023. Nationally, manufacturing in three of Ohio’s top 10 industries increased production between December 2023 and January 2024. Increases in aerospace and other transportation equipment (1.5%), electrical

equipment (1.5%), and fabricated metal products (0.4%) were offset by decreases in petroleum and coal (3.7%), chemicals (1.3%), plastics and rubber products (1%), primary metals (0.9%), machinery (0.7%), motor vehicles and parts (0.2%), and food, beverage, and tobacco products (0.1%).



Source: Institute for Supply Management

In February 2024, the Institute for Supply Management reported the **Purchasing Managers Index (PMI)** for the United States was 47.8, a decrease of 1.3 percentage points from January’s reading. The index remained below 50 for the sixteenth straight month, indicating continued contraction in the manufacturing sector.

Across the nation, eight of the fifteen industries tracked by ISM increased production in February. These included

primary metals, plastics and rubber products, fabricated metal products, and chemical products. The industries reporting the largest contractions were machinery, food, beverage & tobacco products. According to the chair of the survey committee, the manufacturing sector contracted at a faster rate compared to January because of demand slowing and outputs easing. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management (ISM) described a stable return to normal with some suggestions that business is picking up.

“Customer orders are steady, neither up nor down compared to last month. This steady state is what we budgeted and forecasted. [Fabricated Metal Products]”

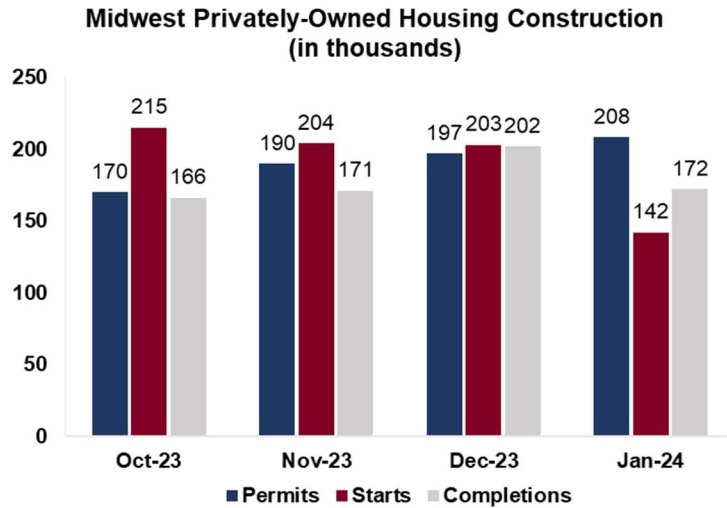
“Demand has finally picked up, with customer orders more closely resembling typical January and February levels. [Food, Beverage, and Tobacco Products]”

Ohio and Midwest Construction and Housing Market

Privately-owned housing starts in the Midwest decreased 30 percent between December 2023 and January 2024 but were 10.9 percent above January 2023 levels. In January 2024, privately-owned housing completions in the Midwest decreased 14.9 percent compared to December 2023 and were 5.5 percent below January 2023.

New home sales in the Midwest increased 7.7 percent between December 2023 and January 2024 and were 4.1 percent below January 2023.

The number of homes sold in Ohio decreased while average prices continued to rise in January. Total sales were 4.4 percent above January 2023 and the average sale price in Ohio was \$254,943, a 7.4 percent increase compared to January 2023. The president of Ohio REALTORS reported that overall, the Ohio housing market began 2024 on a strong note, as monthly sales volume increased for the first time since 2022.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased three points from January to February 2024 to 38, ten points below the national level. The national index increased four points during the same period, following decreases for much of the second half of 2023.

U.S. Construction and Housing Market

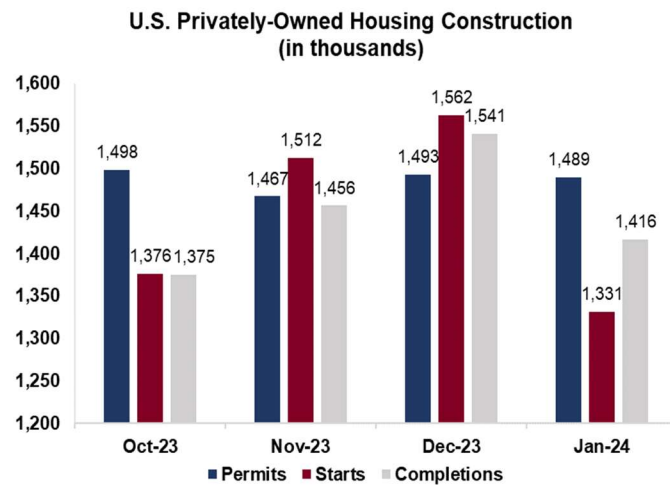
The U.S. Census Bureau reported **total construction spending** in January 2024 at a seasonally adjusted rate of \$2.1 trillion, a 0.2 percent decrease from the revised December estimate. The January 2024 estimate was 11.7 percent above January 2023.

Public sector construction spending decreased an estimated 0.9 percent in January 2024 compared to the revised December estimate, bringing the seasonally adjusted annual total to \$479 billion. Public spending on educational construction decreased 0.7 percent below the revised December estimate to \$101.5 billion in January 2024 but was 18.9 percent above January 2023 levels. Public highway construction spending in January was 2.1 percent below the revised December estimate and 22.2 percent above January 2023.

Private sector construction spending increased 0.1 percent between December 2023 and January 2024 to a seasonally adjusted annual total of \$1.6 trillion and was 9.5 percent above January 2023 levels. Private residential construction in January was 0.2 percent above December's revised level and 5.2 percent above January 2023's level. Private nonresidential construction in January 2024 decreased 0.1 percent from December's revised level and was 15.2 percent above January 2023.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased 0.3 percent between December 2023 and January 2024 and was ten percent above the number of permits issued in January 2023.

Nationally, privately-owned housing starts decreased 14.8 percent between December 2023 and January 2024 and were 0.7 percent below January 2023 levels.



Source: U.S. Census Bureau through FRED

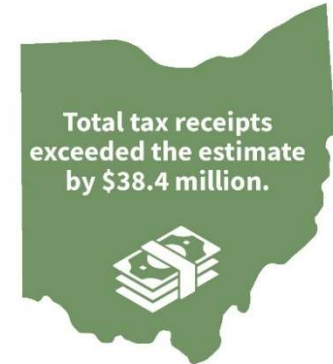
In January, **newly built single-family home sales** increased by 1.5 percent compared to December and were 1.8 percent above sales in January 2023. The national median sales price in January 2024 was \$420,700, a 1.8 percent increase compared to the revised December median sales price, and was 2.6 percent lower compared to January 2023.

According to the National Association of Realtors, **existing home sales** increased 3.1 percent in January compared to December. January's existing home sales increased to an annual rate of four million housing units, a 1.7 percent decrease from January 2023. The median sale price of all existing homes increased 5.1 percent from a year ago to \$379,100. Available inventory in January 2024 totaled one million units, up two percent from December and 3.1 percent above the January 2023 inventory level.

Revenues

February GRF tax revenues exceeded the estimate by \$38.4 million (1.8%). Sales taxes were \$32 million (3.5%) above the estimate. Fiscal year to-date tax revenues are now \$51 million (-0.3%) below the estimate. Across all state sources, total revenues (including transfers) are \$148.4 million (0.8%) above the estimate for the year.

Aggregate (tax and non-tax) GRF receipts totaled \$2.8 billion in February and were \$78.9 million (-2.7%) below the estimate. As noted above, tax revenues were \$38.4 million (1.8%) above the estimate. Non-tax receipts were \$81.1 million (-2.8%) 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)

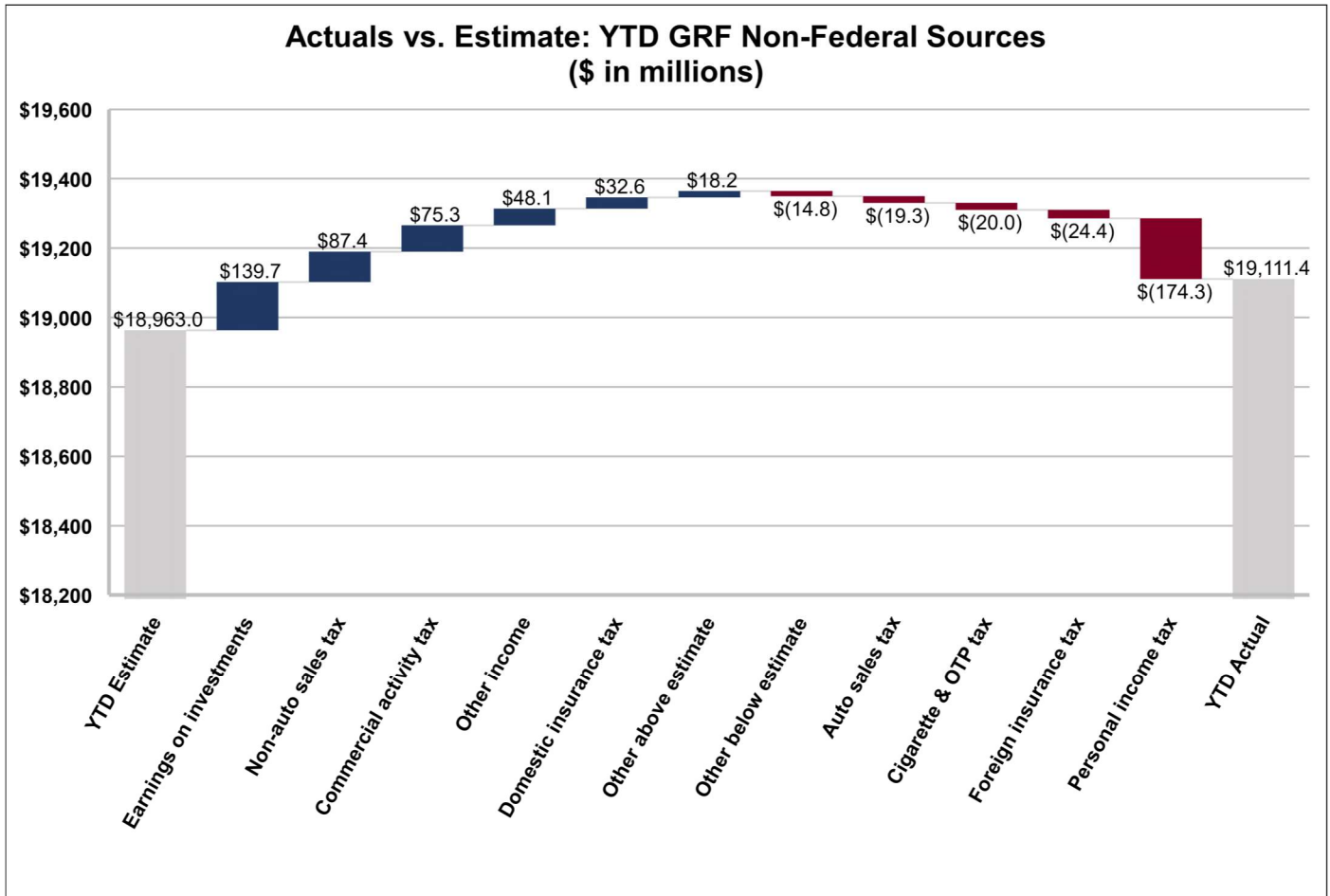
Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, estate	\$ (51.0)	-0.3%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (333.3)	-3.5%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 9.2	N/A
Total Receipts and Transfer Variance		\$ (375.1)	-1.3%
Non-Federal Receipts and Transfer Variance		\$ 148.4	0.8%
Federal Grants Variance		\$ (523.5)	-5.6%

The following table shows that in February, the number of sources below the estimate (a negative variance of \$172.9 million) exceeded the number of sources above the estimate (a positive variance of \$94 million), resulting in a net negative variance from the estimate of \$78.9 million.

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

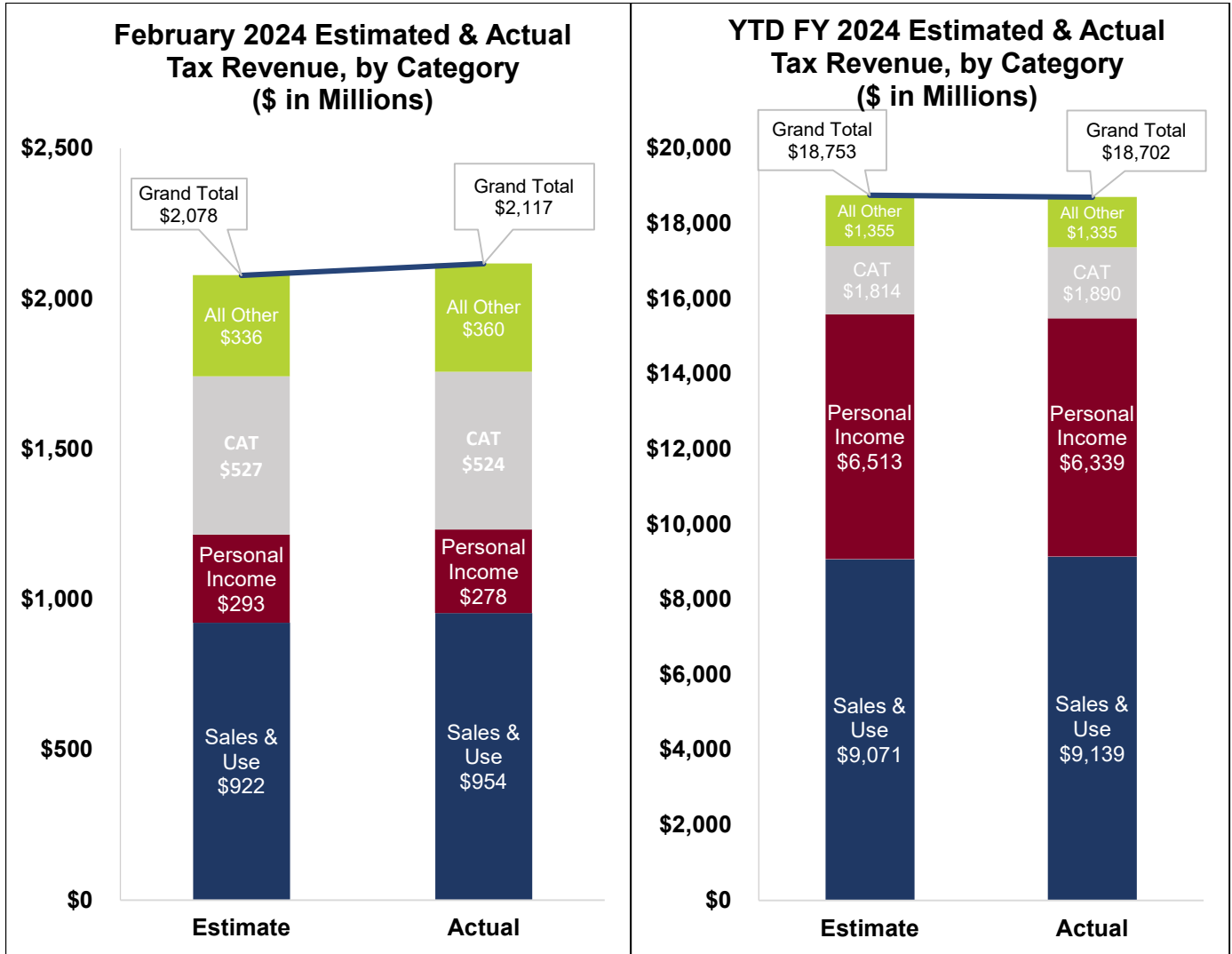
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Domestic insurance Tax	\$ 38.1	Federal Grants	\$ (119.7)
Non-Auto Sales Tax	\$ 22.4	Foreign Insurance Tax	\$ (35.3)
Auto Sales Tax	\$ 9.7	Personal Income Tax	\$ (14.8)
Financial Institutions Tax	\$ 7.8	Other revenue sources below estimate	\$ (3.1)
Cigarette and Other Tobacco Products Tax	\$ 4.6		
Other revenue sources above estimate	\$ 11.4		
Total Above	\$ 94.0	Total Below	\$ (172.9)

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 various revenue sources contributed to the variance between actual and estimated non-federal revenues through February 2024. Currently, the difference stands at \$148.4 million above the forecast.

The following chart shows estimated and actual GRF tax revenues for February 2024 and the year-to-date, categorized by tax source. Sales and use tax revenues account for almost half of the tax revenues for the first half of the fiscal year. February is typically the month with the lowest revenue for personal income tax due to high refund volumes. The graph below illustrates its relatively small share of GRF tax revenue in February.



In February, total receipts and transfers increased by \$400.1 million (16.7%) compared to last year. Tax receipts rose by \$75.3 million (3.7%), and non-tax receipts surged by \$328.1 million (95%). Year-to-date, tax receipts are \$47.1 million (-0.3%) lower than last year, and non-tax receipts are \$70.2 million (-0.8%) lower than last year. Transfers are \$1.8 million (-16.6%) lower than last year on a year-to-date basis.

The source with the largest year-over-year dollar increase during February was federal grants, at \$326.3 million (96.4%), followed by commercial activity tax at \$94.8 million (22.1%) and domestic insurance tax at \$37.4 million. The largest decreases were in personal income tax at \$40.7 million (-12.8%) and foreign insurance tax at \$37 million (-13.2%). The largest year-to-date increases are in commercial activity tax at \$292.7 million (18.3%), followed by non-auto sales at \$253.1 million (3.3%), and earnings on investments at \$117.6 million (103.7%). The largest year-to-date declines are in personal income tax at \$457 million (-6.7%) and federal grants at \$181.8 million (-2%).

Non-Auto Sales Tax

In February, GRF non-auto sales and use tax collections totaled \$810.5 million, which is \$22.4 million (2.8%) higher than the estimate. Year-to-date revenue is \$87.4 million (1.1%) above the estimate. February revenue was \$17.4 million (2.2%) higher than last year, and year-to-date revenue is up \$253.1 million (3.3%).

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 1.5 percent.



According to the latest data from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program there has been year-over-year growth, but the rates have been slowing down over the last few 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 indicates a 2.1 percent increase in national sales, not seasonally adjusted, during January 2024. Year-over-year growth was 2.9 percent in December and 3.9 percent in November. This is compared to Ohio's non-auto sales tax revenue which increased by 0.2 percent in January, 4.8 percent in December, and 0.4 percent in November.

Recent MARTS data show month-over-month mixed sales performance. On a seasonally adjusted basis, January 2024 sales for the retail categories listed above were 1 percent lower than in December, following a 0.8 percent increase in December from November, and no change from November to October.

Auto Sales Tax

February auto sales tax revenues were \$143.8 million, which is \$9.7 million (7.2%) above estimate. Year-to-date revenues are \$19.3 million (-1.5%) below the estimate. Revenues were \$3.4 million (2.4%) higher than last February and are \$36.8 million (-2.9%) lower than last year on a year-to-date basis.



Auto sales tax reflects various forces impacting the light vehicle market since early 2023. Demand for new vehicles remains steady in the face of elevated interest rates and prices remain high. The used vehicle market continues to face challenges, as sales volumes and prices reflect declines from the elevated levels of 2022.

According to the U.S. Department of Commerce's Bureau of Economic Analysis, national 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. February's sales were up 6 percent from January and 6.3 percent from last year. On an unadjusted basis, February 2024 light vehicle unit sales were at 1.25 million units. This is 16.6 percent higher than the previous month and 9.6 percent higher than last February.

Transaction prices for new vehicles remain high, although price growth slowed considerably in calendar year 2023 and this trend has continued so far in 2024. The latest release of the Consumer Price Index (CPI-U) data from the Bureau of Labor Statistics shows no change in January compared to the previous month. Cumulative price growth over the last 12 months has been modest; compared to January 2023, the CPI-U for new motor vehicles in January 2024 was up only 0.7 percent. Even with the significant slowdown during the past year, prices remain well above their pre-pandemic levels. Since February 2020, the CPI-U for new motor vehicles has increased 21 percent.

Turning to used vehicles, 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 9.2 percent lower in January 2024 than the previous January and was 14.3 percent below its most recent peak in March 2023.

Retail prices typically move in the same direction as wholesale prices but with a delay. The January CPI-U for used vehicles decreased by 7.4 percent compared to its peak in May. On a year-over-year basis, the CPI-U was 3.3 percent lower than last January. Used-vehicle prices also remain well above their pre-pandemic levels, with the January 2024 CPI-U index being 32.1 percent higher than in January 2020.

Personal Income Tax

February GRF personal income tax receipts totaled \$278.2 million, which is \$14.8 million (-5%) below the estimate. Year-to-date revenue is \$174.3 million (-2.7%) below the estimate. On a year-over-year basis, February income tax collections are down \$40.7 million (-12.8%). Year-to-date revenue is \$457 million (-6.7%) lower than last year.

The negative variance from estimate in February is due to refunds. The refund component exceeded the estimate by \$118.3 million (21.4%) and last February by \$132.3 million (24.6%) For the fiscal year, refunds are \$651.6 million (55.4%) above the estimate and \$590.3 million (47.7%) above FY 2023. Although February increased the year's accumulated variance, December remains the primary driver of the variance. As explained in the January edition of this report, refunds related to refundable pass-through entity tax credits resulted in December substantially exceeding its estimate. February reflects the first full month of the income tax filing season, and so traditionally has very large refund volumes. During the first 25 days of the filing season, the number of issued refunds is up by 7 percent from last year while the average refund size has increased by 11 percent.

The withholding category retained its usual crucial role in February. For the month, withholding collections amounted to \$903.3 million and were \$47 million (5.5%) above the estimate. For the fiscal year-to-date, the withholding component is \$109.1 million (-1.5%) below estimate. This component was \$49.4 million (5.8%) above last February and is \$313.5 million (-4.3%) 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, which use the IT-1140 annual return and IT-1140ES estimated payment return). This is a separate revenue stream from the income tax withheld by employers and paid to the state. Beginning in tax year 2022 the Electing Pass-Through Entity (EPTE) tax became a filing and payment option. During the seven months following its June 2022 enactment, EPTE estimated taxes were paid using the IT-1140ES as an interim form and therefore these collections were included in the withholding category during the first seven months of FY 2023. Effective in February 2023, EPTE estimated tax payments were made using the IT-4738ES form and such collections are included in the estimated payment category. Pass-through entity tax payments have significantly shifted from IT-1140ES returns to the IT-4738ES tax returns. This pronounced and larger than expected shift explains much of the category's decrease from FY 2023 and the negative variance from the estimate for the withholding category during FY 2024.

Withholding category detail reveals continued strong underlying employer withholding performance this fiscal 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. Excluding pass-through entity tax payments and adjusting for the impacts of the new withholding rates, year-to-date withholding collections are \$621.9 million (9.1%) higher than last year.

In February, annual tax return payments exceeded estimates by \$52.6 million, which is (434.3%) higher than expected. For FY 2024 to date, these payments have exceeded estimates by \$300 million, which is 151.2 percent higher than expected. This payment category grew by \$45 million (228.7%) in February compared to last year; to date, the category has increased by \$247.2 million (98.4%). The annual return category now includes collections from pass-through entities that used the EPTE tax option. The availability of the EPTE tax beginning in taxable year 2022 has greatly increased taxes paid by pass-through entities, including taxes recorded in the annual tax return payment category.

The February quarterly estimated payments category exceeded the estimate by \$6.1 million (47.8%) and was \$2.3 million (13.6%) above last year. Fiscal year to date collections are \$293.2 million (46.6%) above estimate, and \$232.5 million (33.7%) above the prior year. The combined March through February results, reflecting the four quarterly payments for calendar year 2023, show a strong positive variance of \$427.8 million (46.5%). For the March 2023-February 2024 period, year-over-year growth is \$222.7 million (19.8%). As explained above, the availability of the EPTE tax filing option and delayed issuance of an EPTE-specific tax form has resulted in a shift of collections from the withholding category to this category. However, growth in the estimated payment category has been dampened by a decrease in estimated payments made by individuals.

The trust payments and other tax collection categories were collectively \$3.5 million (-31.6%) below the February estimate. For the fiscal year, the combined categories are \$8.5 million (-11.2%) below estimate and \$25.3 million (-27.4%) below last year. Most of the year-over-year decrease is in the trust category, likely reflecting lower taxable investment income experienced in tax year 2022.

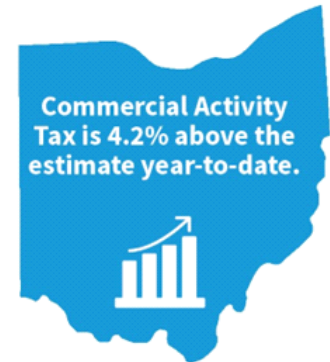
February Personal Income Tax Receipts by Component (\$ in millions)

	Actual Feb.	Estimate Feb.	\$ Var	Actual Feb.-2024	Actual Feb.-2023	\$ Var Y-to-Y
Withholding	\$ 903.3	\$ 856.3	\$ 47.0	\$ 903.3	\$ 853.9	\$ (49.4)
Quarterly Est.	\$ 18.9	\$ 12.8	\$ 6.1	\$ 18.9	\$ 16.6	\$ 2.3
Annual Returns/40 P	\$ 64.7	\$ 12.1	\$ 52.6	\$ 64.7	\$ 19.7	\$ 45.0
Trust Payments	\$ 1.7	\$ 1.7	\$ 0.0	\$ 1.7	\$ 4.0	\$ (2.4)
Other	\$ 6.0	\$ 9.5	\$ (3.5)	\$ 6.0	\$ 10.5	\$ (4.5)
Less: Refunds	\$(670.0)	\$ (551.7)	\$(118.3)	\$(670.0)	\$ (537.7)	\$(132.3)
Local Distributions	\$ (46.3)	\$ (47.7)	\$ 1.4	\$ (46.3)	\$ (48.1)	\$ 1.8
Net to GRF	\$ 278.2	\$ 293.0	\$ (14.8)	\$ 278.2	\$ 319.0	\$ (40.7)

Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$2.3 million (-0.4%) below the February estimate and are \$75.3 million (4.2%) above the year-to-date estimate. February revenues increased by \$94.8 million (22.1%) compared to last year, while year-to-date revenues rose \$292.7 million (18.3%).

CAT revenue comes from quarterly tax payments, so 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. Next month will determine if the current quarter extends that streak. Despite February not reaching the estimate, January performance was strong, so the quarter's current accumulated positive variance is \$11.6 million (1.8%).



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 (excluding 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 more accurate 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 \$10.9 million (0.6%) lower than last year.

Insurance taxes

Domestic insurance tax revenues exceeded the estimate by \$38.1 million during February. This was mostly offset by foreign insurance tax revenues, which had a \$35.3 million (-26%) negative variance from estimate. Year to date, domestic insurance tax revenues are \$32.6 million (479%) above estimate, while foreign insurance tax receipts are \$24.4 million (-7.4%) below the mark. OBM is researching the potential reasons for the unexpected February outcomes and expects to provide further information in next month's report.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$673.5 million and were \$119.5 million (15.1%) below the estimate for the month of February. Year-to-date non-tax receipts totaled \$9.1 billion and were \$333.3 million (3.5%) below the estimate.

The main reason for the monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$119.7 million (15.3%) below estimate. This variance was mainly due 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 FEBRUARY	ESTIMATE FEBRUARY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	810,452	788,100	22,352	2.8%	7,884,835	7,797,400	87,435	1.1%
Auto Sales & Use	143,763	134,100	9,663	7.2%	1,254,294	1,273,600	(19,306)	-1.5%
Subtotal Sales & Use	954,216	922,200	32,016	3.5%	9,139,129	9,071,000	68,129	0.8%
Personal Income	278,216	293,000	(14,784)	-5.0%	6,339,066	6,513,400	(174,334)	-2.7%
Corporate Franchise	13	0	13	N/A	152	0	152	N/A
Financial Institutions Tax	65,502	57,700	7,802	13.5%	89,527	98,700	(9,173)	-9.3%
Commercial Activity Tax	524,151	526,500	(2,349)	-0.4%	1,889,506	1,814,200	75,306	4.2%
Petroleum Activity Tax	0	0	0	N/A	6,398	4,800	1,598	33.3%
Public Utility	39,937	36,300	3,637	10.0%	120,534	116,500	4,034	3.5%
Kilowatt Hour	28,712	26,400	2,312	8.8%	190,225	193,700	(3,475)	-1.8%
Natural Gas Distribution	16,617	16,300	317	1.9%	36,031	35,200	831	2.4%
Foreign Insurance	100,652	136,000	(35,348)	-26.0%	303,956	328,400	(24,444)	-7.4%
Domestic Insurance	38,529	400	38,129	9532.2%	39,374	6,800	32,574	479.0%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	59,631	55,000	4,631	8.4%	469,252	489,300	(20,048)	-4.1%
Alcoholic Beverage	6,351	4,100	2,251	54.9%	40,905	41,400	(495)	-1.2%
Liquor Gallonage	3,986	4,200	(214)	-5.1%	38,335	40,000	(1,665)	-4.2%
Estate	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,116,511	2,078,100	38,411	1.8%	18,702,389	18,753,400	(51,011)	-0.3%
NON-TAX RECEIPTS								
Federal Grants	665,037	784,711	(119,674)	-15.3%	8,743,124	9,266,644	(523,519)	-5.6%
Earnings on Investments	0	0	0	N/A	230,936	91,264	139,672	153.0%
License & Fees	7,714	6,988	726	10.4%	25,882	24,174	1,708	7.1%
Other Income	727	1,250	(523)	-41.8%	142,292	94,200	48,092	51.1%
ISTV'S	0	0	0	N/A	710	0	710	N/A
Total Non-Tax Receipts	673,479	792,950	(119,471)	-15.1%	9,142,946	9,476,282	(333,336)	-3.5%
TOTAL REVENUES	2,789,990	2,871,050	(81,060)	-2.8%	27,845,335	28,229,682	(384,347)	-1.4%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	2,157	0	2,157	N/A	9,200	0	9,200	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	2,157	0	2,157	N/A	9,200	0	9,200	N/A
TOTAL SOURCES	2,792,147	2,871,050	(78,903)	-2.7%	27,854,534	28,229,682	(375,148)	-1.3%

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

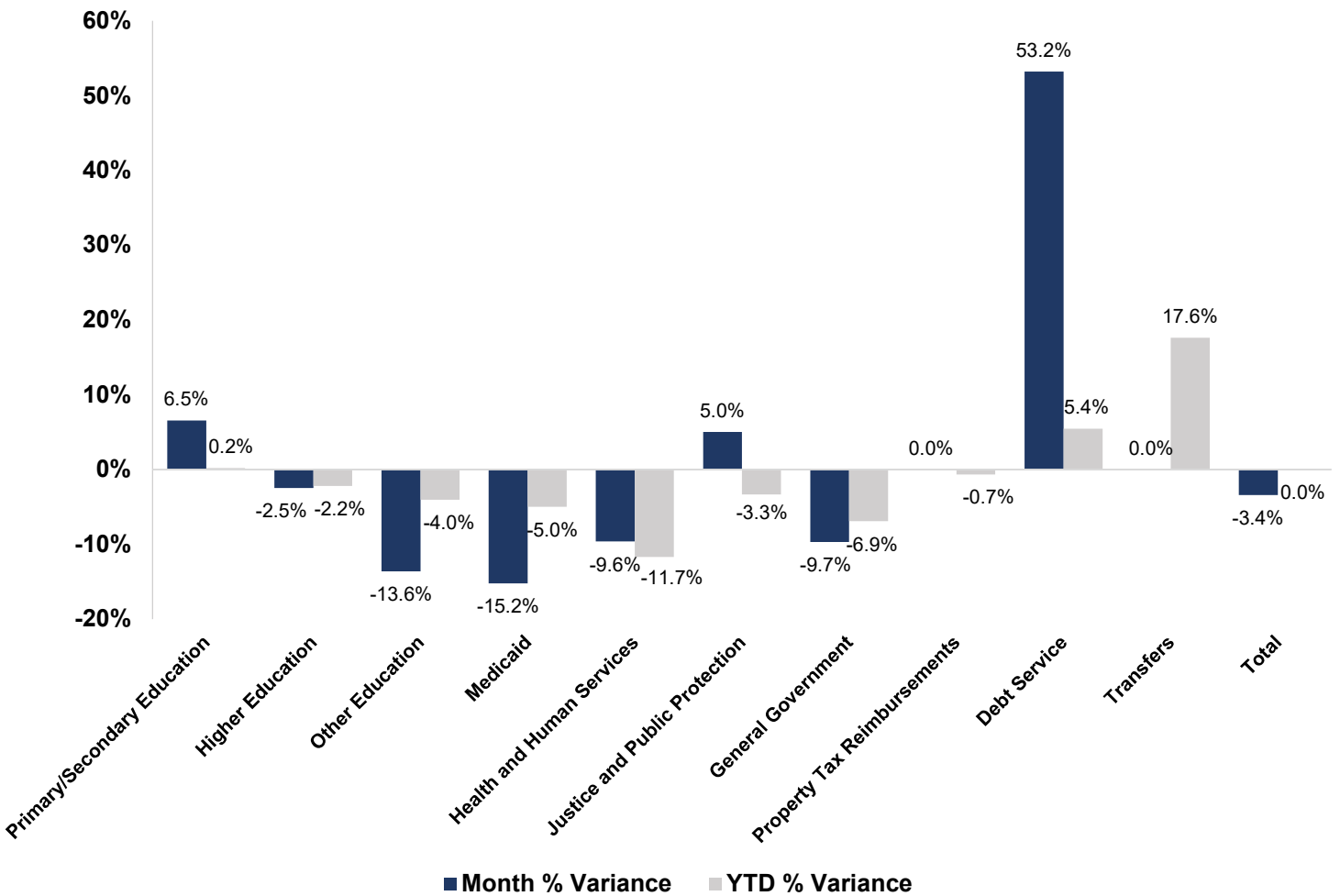
REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	FEBRUARY	FEBRUARY	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2024	FY 2023	VAR	VAR	FY 2024	FY 2023	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	810,452	793,048	17,404	2.2%	7,884,835	7,631,736	253,098	3.3%
Auto Sales & Use	143,763	140,342	3,421	2.4%	1,254,294	1,291,131	(36,837)	-2.9%
Subtotal Sales & Use	954,216	933,390	20,825	2.2%	9,139,129	8,922,868	216,261	2.4%
Personal Income	278,216	318,960	(40,744)	-12.8%	6,339,066	6,796,059	(456,993)	-6.7%
Corporate Franchise	13	23	(10)	-45.4%	152	65	86	132.3%
Financial Institutions Tax	65,502	72,076	(6,574)	-9.1%	89,527	122,024	(32,498)	-26.6%
Commercial Activity Tax	524,151	429,371	94,780	22.1%	1,889,506	1,596,851	292,655	18.3%
Petroleum Activity Tax	0	0	0	N/A	6,398	6,032	366	6.1%
Public Utility	39,937	39,321	616	1.6%	120,534	126,815	(6,281)	-5.0%
Kilowatt Hour	28,712	25,857	2,855	11.0%	190,225	194,473	(4,248)	-2.2%
Natural Gas Distribution	16,617	17,316	(699)	-4.0%	36,031	37,196	(1,165)	-3.1%
Foreign Insurance	100,652	137,909	(37,258)	-27.0%	303,956	335,485	(31,529)	-9.4%
Domestic Insurance	38,529	1,119	37,410	3342.6%	39,374	18,740	20,634	110.1%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	59,631	58,432	1,199	2.1%	469,252	512,630	(43,379)	-8.5%
Alcoholic Beverage	6,351	3,306	3,045	92.1%	40,905	41,211	(306)	-0.7%
Liquor Gallonage	3,986	4,135	(149)	-3.6%	38,335	38,984	(649)	-1.7%
Estate	0	0	0	N/A	0	33	(33)	-99.8%
Total Tax Receipts	2,116,511	2,041,215	75,296	3.7%	18,702,389	18,749,467	(47,078)	-0.3%
NON-TAX RECEIPTS								
Federal Grants	665,037	338,697	326,340	96.4%	8,743,124	8,924,921	(181,797)	-2.0%
Earnings on Investments	0	0	0	N/A	230,936	113,367	117,570	103.7%
License & Fee	7,714	6,236	1,479	23.7%	25,882	23,840	2,043	8.6%
Other Income	727	472	255	54.2%	142,292	137,058	5,235	3.8%
ISTV'S	0	(2)	2	116.4%	710	13,931	(13,221)	-94.9%
Total Non-Tax Receipts	673,479	345,402	328,077	95.0%	9,142,946	9,213,116	(70,171)	-0.8%
TOTAL REVENUES	2,789,990	2,386,617	403,373	16.9%	27,845,335	27,962,583	(117,248)	-0.4%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	2,157	5,400	(3,242)	-60.0%	9,200	11,035	(1,835)	-16.6%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	2,157	5,400	(3,242)	-60.0%	9,200	11,035	(1,835)	-16.6%
TOTAL SOURCES	2,792,147	2,392,016	400,131	16.7%	27,854,534	27,973,618	(119,083)	-0.4%

Disbursements

February GRF disbursements, for all uses, totaled \$2.3 billion and were \$81.6 million (-3.4%) below the estimate. This variance was primarily due to lower-than-estimate spending in the Medicaid category and partially offset by higher-than-estimated disbursements in the Debt Service and Higher Education categories. On a year-over-year basis, total February disbursements were \$20.1 million (8.7%) higher than those of the same month last fiscal year, with the General Government category largely responsible for the increase.

February Disbursement Estimates vs. Actuals

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



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

February GRF disbursements for the Medicaid Program totaled \$915.7 million and were \$164.4 million (-15.2%) below the estimate. Year-to-date GRF disbursements totaled \$13.3 billion and were \$701.5 million (-5.0%) below the estimate and \$411 million (3.2%) above disbursements for the same period last fiscal year.

The February GRF disbursement variance was primarily due to lower than estimated caseloads. Total caseloads decreased by 24,040 members as the Department continued to resume routine eligibility operations following the federally declared public health emergency. The variance was also due to the continued delay of some payments to managed care organizations – these payments are still expected to be made in the coming months.

February all-funds disbursements for the Medicaid program totaled \$2.9 billion and were \$246.7 million (-7.8%) below the estimate. Year-to-date all-funds disbursements totaled \$24.9 billion and were \$1.2 billion (-4.6%) below estimate and \$1.1 billion (4.7%) 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.

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

	February Estimate	February Actual	Variance	Variance %
GRF	\$ 1,080.1	\$ 915.7	\$ (164.4)	-15.2%
Non-GRF	\$ 2,095.3	\$ 2,012.9	\$ (82.4)	-3.9%
All Funds	\$ 3,175.4	\$ 2,928.7	\$ (246.7)	-7.8%

Medicaid Enrollment

Total February enrollment was 3.19 million, which was 112,228 (-3.4%) below the estimate and 369,194 (-10.3%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.31 million, which was approximately 67,614 (-2.0%) below the estimate. The Department resumed routine Medicaid eligibility operations in April 2023. Total enrollment declined by approximately 395,000 between April and February - an average decline of approximately 39,500 per month. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

February enrollment by major eligibility category was: Covered Families and Children (CFC), 1.71 million; Group VIII Expansion, 836,488; and Aged, Blind and Disabled (ABD), 501,186.

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

Health and Human Services

This category includes non-debt service GRF expenditures by the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. 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 for agencies that spend GRF to support Medicaid services.

February disbursements in this category totaled \$137.1 million, which is \$14.6 million (-9.6%) below the estimate. The variance is primarily due to underspending by the Department of Job and Family Services. Federally required state maintenance of effort payments for TANF were \$4 million below the estimate due to the timing of TANF Child Care expenditures and lower than expected spending for TANF Cash Assistance. With quarterly federal reconciliations, the Department expects the entirety of the budgeted amount for this program to be obligated or expended prior to the end of the fiscal year. Spending related to contract support, operations, and maintenance agreements were also lower than anticipated in February, resulting in a \$4 million variance. This underspending is expected to correct itself during the remainder of the fiscal year.

Year-to-date disbursements in this category total \$1.2 billion, which is \$165 million (-11.7%) below the estimate. Year-over-year, disbursements in this category increased by \$9.6 million (7.5%) compared to the same month last fiscal year. Year-to-date expenditures are \$73.6 million (6.3%) higher than at the same point in FY 2023.

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education and Workforce. February disbursements for this category totaled \$555.4 million and were \$34.1 million (6.5%) above the estimate. This variance was primarily attributable to above-estimate disbursements for the foundation funding formula. The second February foundation payment included the \$65.3 million Excess Cost Adjustment, which was \$13.3 million above the estimate. Districts educating special education students who are not residents of the district may charge the district of residence for excess costs when the cost to educate a student with a disability exceeds the amount of state funding the educating district received. Additional funding was provided to districts in February, while funds are deducted from resident districts in the remaining foundation payments.

Payments for K-12 scholarships were \$10.5 million above the estimate partially offsetting prior months of underspending. Also contributing to the variance was a \$6.8 million payment to 29 high-need schools to meet federal maintenance of equity requirements for funding received via the American Rescue Plan Act.

Year-to-date disbursements total \$6.6 billion and are \$13 million (0.2%) above the estimate. On a year-over-year basis, disbursements in this category were \$208.5 million (-27.3%) lower than for the same month in the previous fiscal year while year-to-date expenditures are \$393.8 million (6.4%) higher than the same point in FY 2023.

Higher Education

February disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$251.5 million and were \$6.3 million (-2.5%) below the estimate. This variance was primarily attributable to spending in the Ohio College Opportunity Grant and various scholarship programs which were \$6.8 million below the estimate. These are likely timing issues that do not affect the Department of Higher Education's mission or the recipients of these scholarship programs.

Year-to-date disbursements were \$1.7 billion, which was \$38.8 million (-2.2%) below the estimate. On a year-over-year basis, disbursements in this category were \$20.1 million (8.7%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$90.9 million (5.5%) higher than at the same point in fiscal year 2023. The large year to date variance compared to 2023 is due to the significant increased investments in the State Share of Instruction and the Ohio College Opportunity Grant program.

Debt Service

February payments for debt service totaled \$161.1 million and were \$55.9 million (53.2%) above estimate. Year-to-date disbursements in this category totaled \$1.1 billion and were \$54.8 million (5.4%) above estimate. The monthly variance was due to the timing of certain debt service payments, which were estimated to occur in March but were disbursed in February. Additionally, the State executed a refunding this fiscal year that saved \$75.8 million in future interest payments, partially offsetting the above-estimated spending for the month.

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. February disbursements in this category totaled \$217.8 million and were \$10.4 million (5.0%) above the estimate. Most of the variance in this category was due to expenditures for the Department of Rehabilitation and Correction which totaled \$153.9 million, \$16.4 million (11.9%) over the estimate. The variance was caused by a large payment to Ohio State University for medical services that totaled to \$15 million. This payment put the Institution Medical Services \$13.7 million over projections for the month.

Year-to-date disbursements in this category total \$2 billion, which is \$69.2 million (-3.3%) below the estimate. On a year-over-year basis, disbursements in this category were \$27.9 million (14.7%) higher than the same month last fiscal year while year-to-date expenditures are \$166 million (9.1%) higher than 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.

February disbursements in this category totaled \$5.8 million and were \$910 thousand (-13.6%) below the estimate. Year-to-date disbursements in this category total \$78.1 million, which is \$3.3 million (-4.0%) below the estimate. On a year-over-year basis, disbursements in this category were \$56 thousand (-1.0%) below the same month last fiscal year while year-to-date expenditures are \$10.7 million (15.9%) compared to the same point in FY 2023.

Property Tax Reimbursement

Local governments and school districts receive payments from the property tax reimbursement category to compensate for lost revenue due to the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

February reimbursements totaled \$8.7 million, exceeding estimates by the same amount. Year-to-date reimbursements totaled \$925.2 million, which is \$6.2 million (0.7%) below the estimate. The county reimbursement requests were submitted at a different time than expected, causing a monthly variance. This variance is expected to offset in future months.

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.

February disbursements in this category totaled \$41.4 million and were \$4.5 million (-9.6%) below the estimate. The variance in this category was mainly due to the Department of Administrative Services' expenditures being \$1.4 million (-43.6%) below the estimate. The State Agency Support Services were \$1.5 million below the estimate due to the timing of rent payments, which occurred earlier in the year. This was partially offset by disbursements for the Department of Transportation, which totaled \$9.1 million and were 8 percent above the estimate for the month. This variance is mainly due to disbursements in the Department's State Public Transportation program, which exceeded the estimate by \$4.2 million because of the timing of processing payments. Year-to-date disbursements in this category total \$989.2 million and are \$73.6 million (-6.9%) below the estimate. On a year-over-year basis, disbursements in this category increased by \$4.7 million (9.5%). Year-to-date expenditures are \$619.3 million (167.4%) higher than the same point in FY 2023.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL FEBRUARY	ESTIMATED FEBRUARY	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	555,351	521,257	34,093	6.5%	6,588,916	6,575,879	13,037	0.2%
Higher Education	251,493	257,829	(6,336)	-2.5%	1,741,347	1,780,165	(38,818)	-2.2%
Other Education	5,765	6,675	(910)	-13.6%	78,092	81,388	(3,296)	-4.0%
Medicaid	915,731	1,080,091	(164,360)	-15.2%	13,339,097	14,040,628	(701,531)	-5.0%
Health and Human Services	137,120	151,723	(14,603)	-9.6%	1,240,556	1,405,132	(164,577)	-11.7%
Justice and Public Protection	217,793	207,382	10,411	5.0%	1,998,187	2,067,372	(69,185)	-3.3%
General Government	41,449	45,903	(4,454)	-9.7%	989,178	1,062,779	(73,601)	-6.9%
Property Tax Reimbursements	8,680	0	8,680	N/A	925,235	931,413	(6,178)	-0.7%
Debt Service	161,059	105,136	55,923	53.2%	1,061,508	1,006,714	54,793	5.4%
Total Expenditures & ISTV's	2,294,441	2,375,997	(81,556)	-3.4%	27,962,116	28,951,470	(989,354)	-3.4%
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	6,434,019	5,447,298	986,721	18.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	0	0	0	N/A	6,584,019	5,597,298	986,721	17.6%
Total Fund Uses	2,294,441	2,375,997	(81,556)	-3.4%	34,546,134	34,548,768	(2,633)	0.0%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	FEBRUARY FY 2024	FEBRUARY FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	555,351	763,853	(208,502)	-27.3%	6,588,916	6,195,108	393,808	6.4%
Higher Education	251,493	231,366	20,127	8.7%	1,741,347	1,650,403	90,943	5.5%
Other Education	5,765	5,821	(56)	-1.0%	78,092	67,357	10,735	15.9%
Medicaid	915,731	606,813	308,918	50.9%	13,339,097	12,928,105	410,992	3.2%
Health and Human Services	137,120	127,515	9,605	7.5%	1,240,556	1,166,993	73,562	6.3%
Justice and Public Protection	217,793	189,883	27,911	14.7%	1,998,187	1,832,156	166,031	9.1%
General Government	41,449	31,735	9,714	30.6%	989,178	369,855	619,323	167.4%
Property Tax Reimbursements	8,680	(22)	8,702	39363.2%	925,235	912,139	13,096	1.4%
Debt Service	161,059	100,588	60,472	60.1%	1,061,508	1,205,273	(143,765)	-11.9%
Total Expenditures & ISTV's	2,294,441	2,057,552	236,890	11.5%	27,962,116	26,327,389	1,634,726	6.2%
Transfers Out:								
BSF Transfer	0	0	0	N/A	150,000	727,031	(577,031)	-79.4%
Operating Transfer Out	0	7	(7)	N/A	6,434,019	1,241,135	5,192,884	418.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	0	7	(7)	N/A	6,584,019	1,968,166	4,615,853	234.5%
Total Fund Uses	2,294,441	2,057,559	236,882	11.5%	34,546,134	28,295,555	6,250,579	22.1%

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	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.