

# State of Ohio

# Monthly Financial Report

---

APRIL 10, 2024

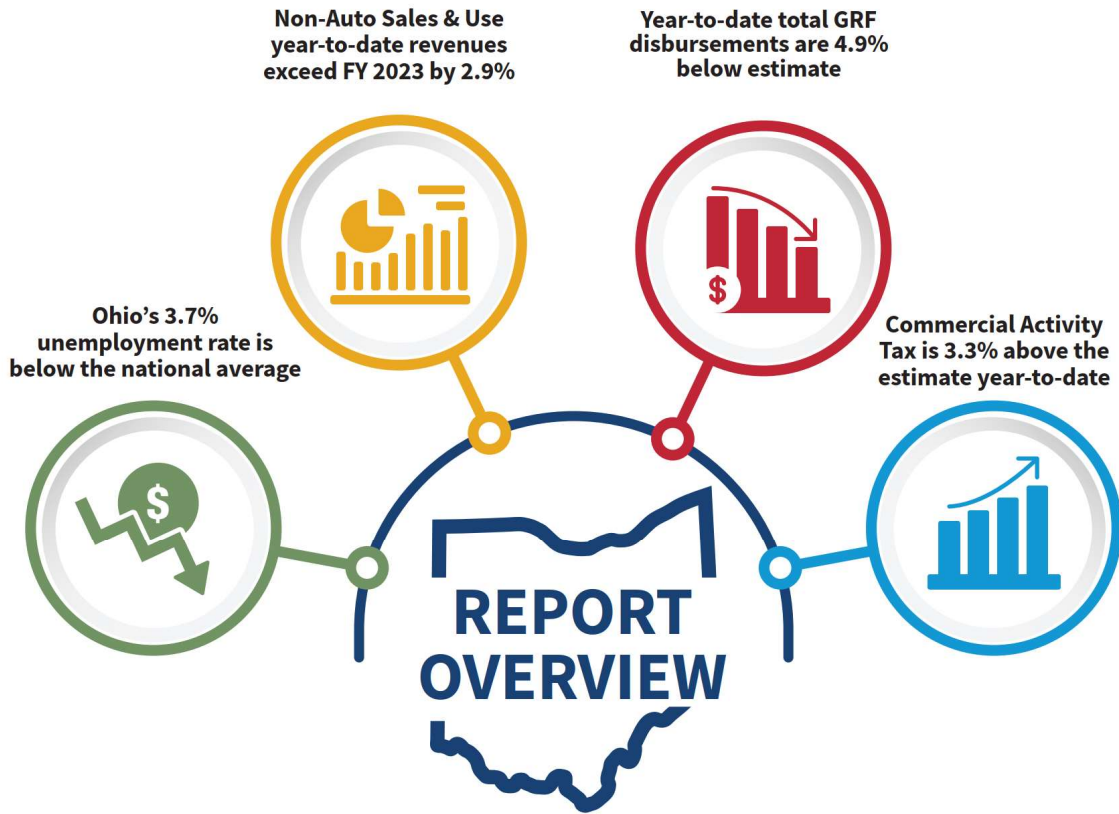
Memorandum to:  
The Honorable Mike DeWine, Governor  
The Honorable Jon Husted, Lt. Governor

From: Kimberly Murnieks, OBM Director



# Table of Contents

Report Overview ..... 3  
Economic Activity ..... 4  
Revenues ..... 17  
Disbursements ..... 31  
Glossary ..... 41

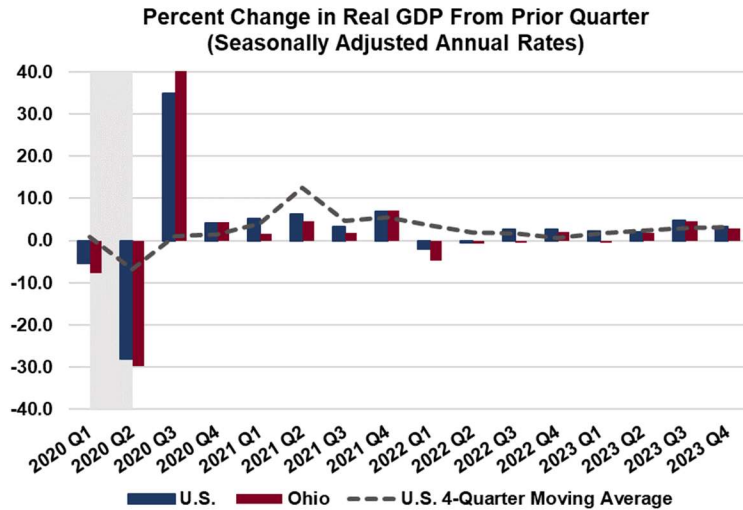


# Economic Activity

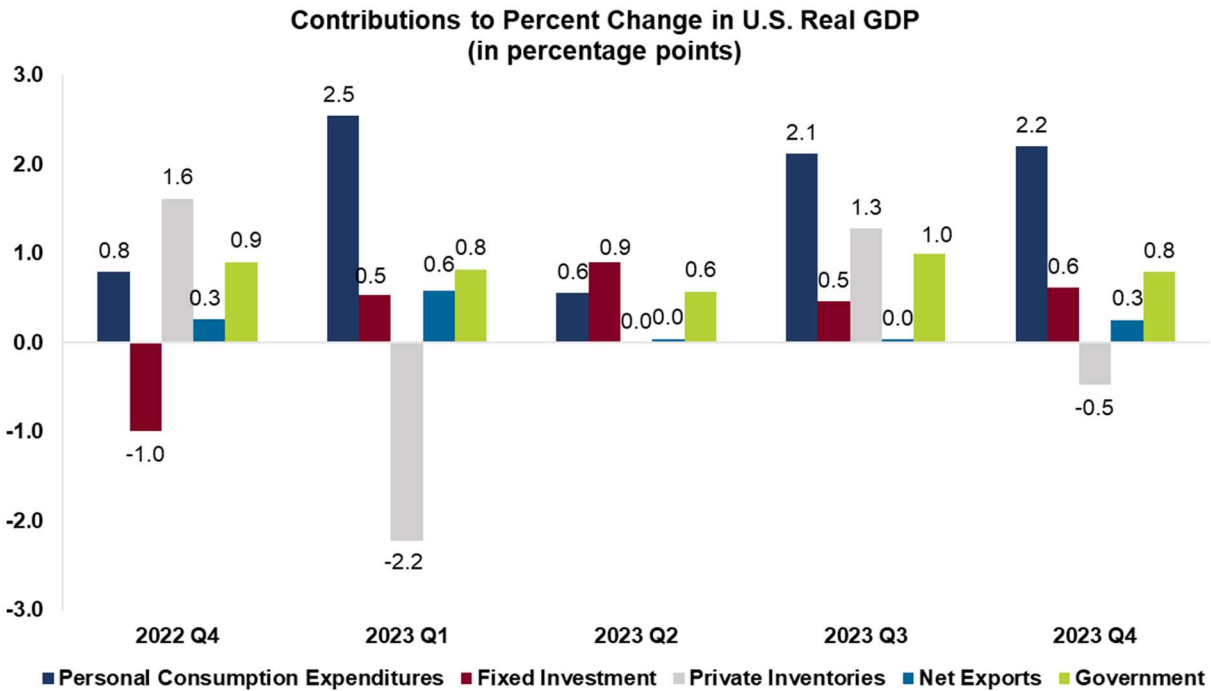
## Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** increased in the fourth quarter of calendar year 2023 at an annualized rate of 3.4 percent. This is the sixth quarter in a row of growth.

The increase in real GDP in the fourth quarter was due to growth in personal consumption expenditures (2.2 percentage points), government expenditures (0.8 percentage point), fixed investments (0.6 percentage point), and net exports (0.3 percentage point). These increases were partly offset by a 0.5 percentage point decline in private inventories.



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

**Ohio's real GDP** increased by 2.8 percent the fourth quarter of 2023, which was 0.6 percentage point below the national average. Ohio's GDP growth largely reflected positive contributions in nondurable goods manufacturing (0.6 percentage point), health care and social assistance (0.5 percentage point), retail trade (0.4 percentage point), and durable goods manufacturing (0.4 percentage point). These increases were partially offset by decreases in wholesale trade (0.1 percentage point), and agriculture, forestry, fishing, and hunting (0.1 percentage point).

The Conference Board's **Leading Economic Index** rose 0.1 percent to 102.8 in February 2024, after falling 0.4 percentage point in January. The index rose for the first time since February 2022 and has declined 2.6 percent over the past six months. 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 a downturn during 2024.

The economic outlook remains positive, supported 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 has been robust to start 2024. The economy's continued strength since the beginning of the year and recent statements from policy makers have tempered expectations that the Federal Reserve will cut interest rates as frequently in 2024 as once anticipated; however, forecasters remain optimistic that inflation will continue to decelerate, allowing for a lowering of interest rates in the second half of 2024.

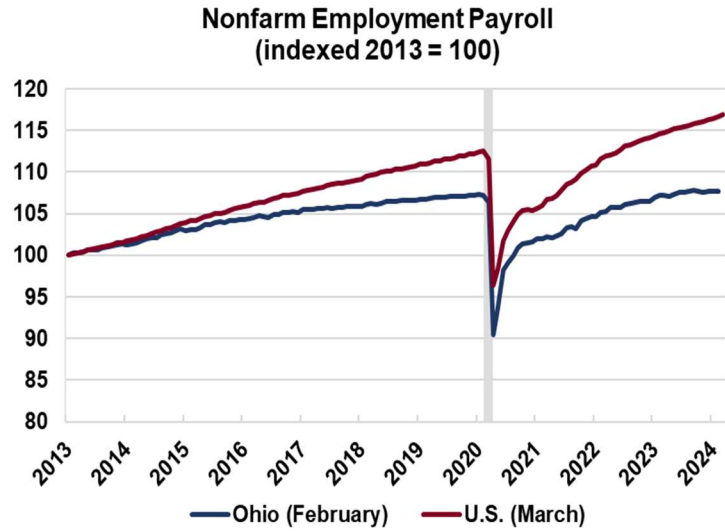
### Economic Forecasts

Source	Date	1 <sup>st</sup> Quarter 2024 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	04/04/2024	2.5%
IHS Markit GDP Tracker	04/02/2024	1.7%
Federal Reserve Bank of New York (Nowcast)	03/29/2024	1.9%
Moody's Analytics High Frequency GDP Model	03/25/2024	2.1%
Conference Board	03/21/2024	2.2%
Wells Fargo	03/14/2024	2.4%

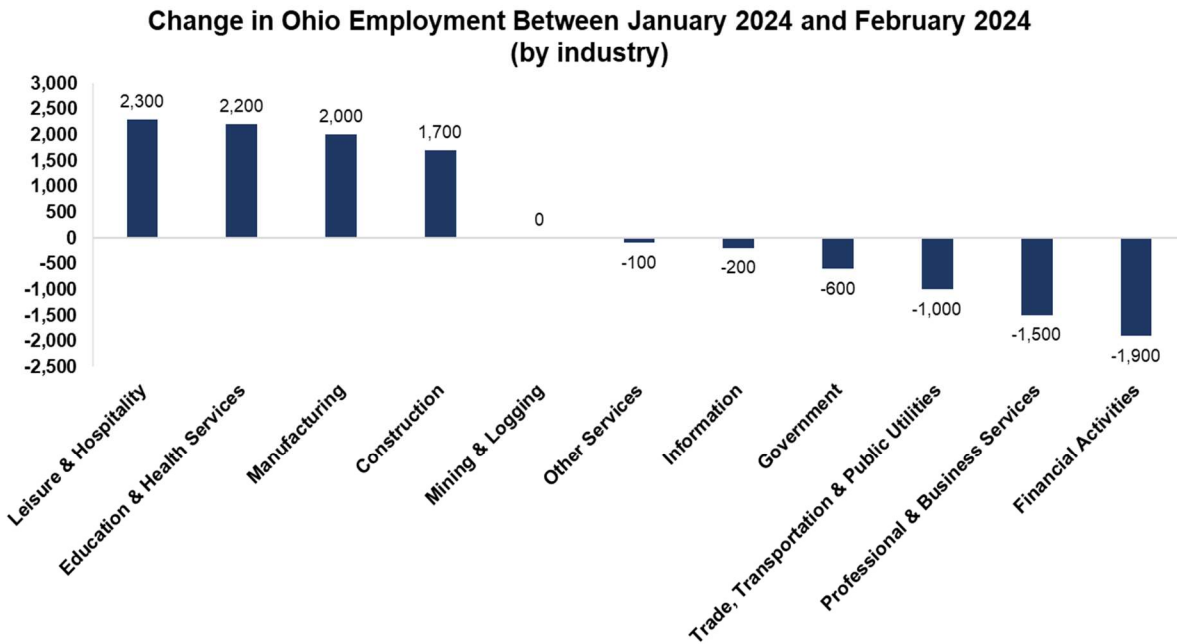
## Ohio Labor Market

**Ohio's nonfarm payroll employment** increased by an estimated 2,900 jobs between January and February 2024 to 5.6 million, an increase of 0.5 percent over the prior year.

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

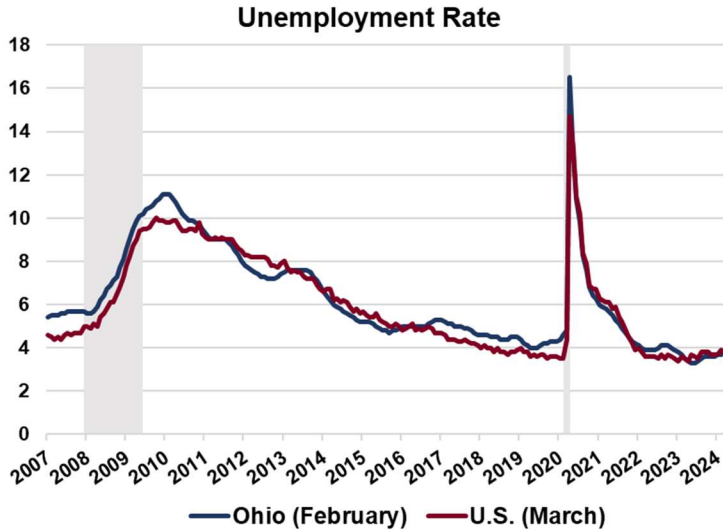


Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

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

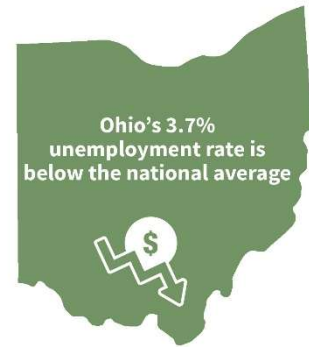


Source: Bureau of Labor Statistics through FRED

Ohio's unemployment rate in February 2024 was 3.7 percent, unchanged from the revised January 2024 rate and 0.2 percentage point below the national rate at that time.

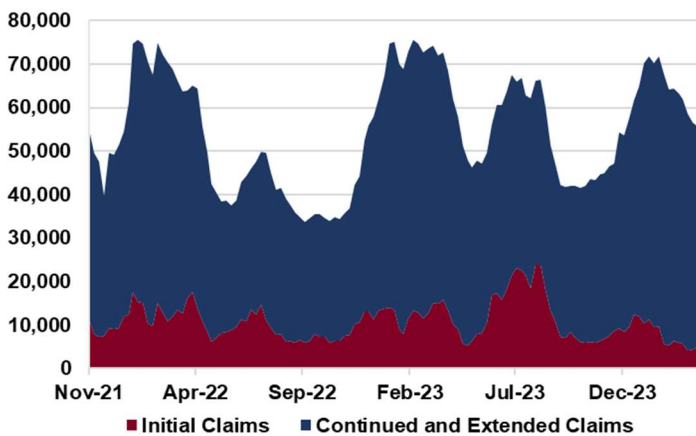
In February 2024, **initial unemployment claims** decreased 46.7 percent for men and 34.5 percent for women compared to January 2024.

During the same period, initial claims decreased for individuals who identified as Hispanic (44.8%), White (42.9%), Black (36%), American Indian (35.6%), Asian/Pacific Islander (13%), and for those who did not report a race (63.8%).



During the week ending March 30, 2024, individuals filed a total of 6,210 initial unemployment claims, a 23.4 percent increase from the previous week. Individuals filing **continued and extended claims** during the same week totaled 49,199 claims, a 0.4 percentage point decrease from the prior week.

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



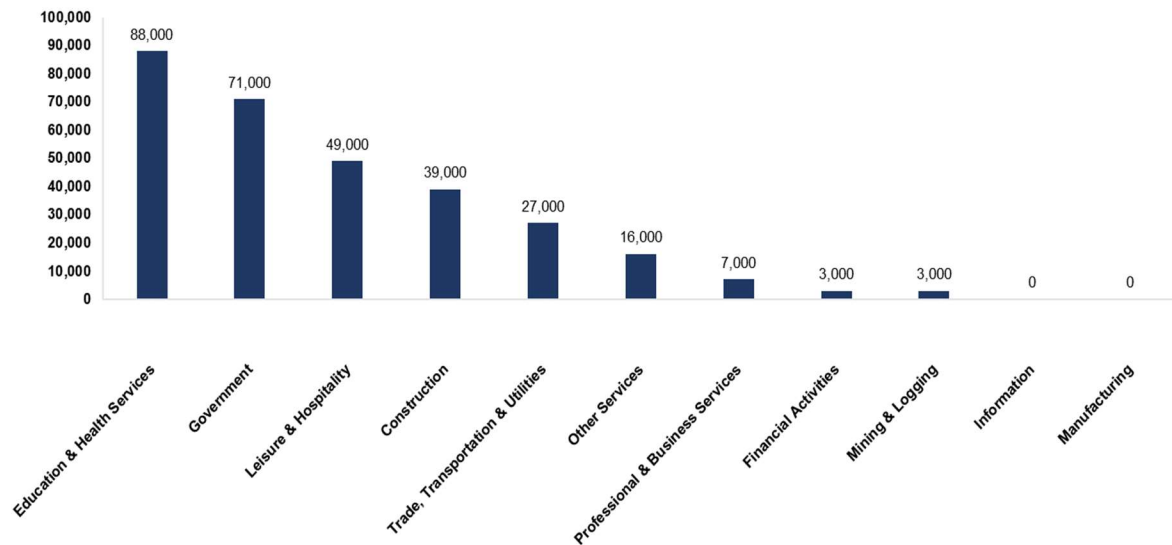
Source: Ohio Department of Job and Family Services

## U.S. Labor Market

**U.S. nonfarm payroll employment** increased by an estimated 303,000 jobs in March. Employment growth was broad-based with the largest gains occurring in education and health services, government, leisure and hospitality, construction, and trade transportation, and utilities.

**303,000**  
Jobs Added

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



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** increased 0.2 percentage point to 62.7 percent in March. The **U.S. employment-population ratio** increased 0.2 percentage point from February to 60.3 percent. Both measures were below February 2020 levels by 0.6 percentage point and 0.8 percentage point, respectively.

### Unemployment Rates by Demographic Group

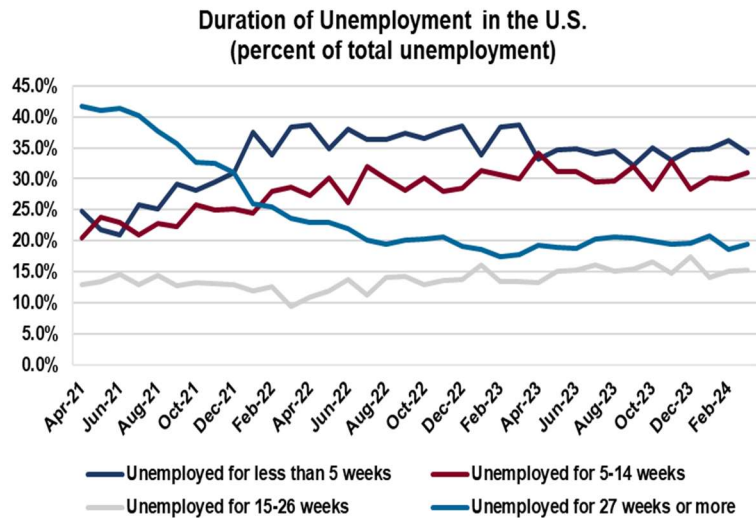
	January-24	February-24	March-24
Women	3.4%	3.9%	3.9%
Men	3.9%	3.8%	3.7%
Black	5.3%	5.6%	6.4%
White	3.4%	3.4%	3.4%
Asian	2.9%	3.4%	2.5%
Hispanic	5.0%	5.0%	4.5%



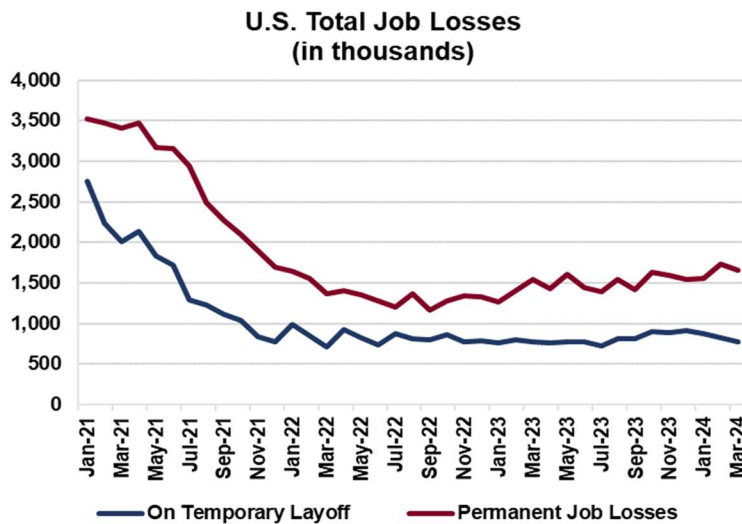
The **U.S. unemployment rate** decreased by 0.1 percentage point to 3.8 percent in March 2024 while the number of unemployed individuals decreased to 6.4 million. The unemployment rate decreased between February and March 2024 for individuals who identified as Asian (0.9 percentage point) and for individuals who identified as Hispanic (0.5 percentage point). Individuals who identified as Black experienced a 0.8 percentage point increase in the unemployment rate and individuals who identified as White saw no change. The unemployment rate for women was unchanged at 3.9 percent between February and March 2024, while the unemployment rate for men decreased by 0.1 percentage point to 3.7 percent.

In March 2024, 15.3 percent of unemployed individuals in the nation were unemployed for 15-26 weeks, a 0.8 percentage point increase from February 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 4 percent to 5.4 million people in March.



Source: Bureau of Labor Statistics



The number of unemployed people with **temporary layoffs** fell to 779,000 in March 2024 and was 14,000 more than in February 2020.

The number of people with **permanent job losses** decreased by 75,000 in March to 1.6 million.

## Consumer Income and Consumption

# \$23.7 Trillion

**Personal income** increased by \$66.5 billion (0.3%) in February 2024 to \$23.7 trillion. The gains in February were primarily due to increases in compensation of employees of \$102.9 billion (0.7%), and government social benefits of \$39.2 billion (1%).

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

	January 2024	February 2024	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
<b>Durable Goods</b>	\$ 2,039,473	\$ 2,063,581	1.2%	1.6%	5.8%
Motor vehicles and parts	\$ 570,902	\$ 592,648	3.8%	-4.5%	3.2%
Furnishings and durable household equipment	\$ 420,477	\$ 422,339	0.4%	2.2%	2.4%
Recreational goods and vehicles	\$ 804,263	\$ 795,564	-1.1%	6.5%	11.7%
Other durable goods	\$ 288,320	\$ 292,027	1.3%	6.4%	5.1%
<b>Nondurable Goods</b>	\$ 3,383,638	\$ 3,364,854	-0.6%	0.8%	1.2%
Clothing and footwear	\$ 513,383	\$ 505,866	-1.5%	0.6%	3.7%
Gasoline and other energy goods	\$ 319,791	\$ 310,597	-2.9%	-1.1%	-1.6%
Other nondurable goods	\$ 1,412,907	\$ 1,413,578	0.0%	2.2%	5.1%
<b>Services</b>	\$ 10,230,923	\$ 10,293,445	0.6%	3.0%	5.7%
Transportation services	\$ 478,453	\$ 491,100	2.6%	5.3%	4.7%
Housing and utilities	\$ 2,580,454	\$ 2,580,622	0.0%	1.6%	1.5%
Food services and accommodations	\$ 1,063,679	\$ 1,067,790	0.4%	2.9%	9.3%
Financial services and insurance	\$ 1,074,253	\$ 1,086,087	1.1%	4.6%	5.0%

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

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

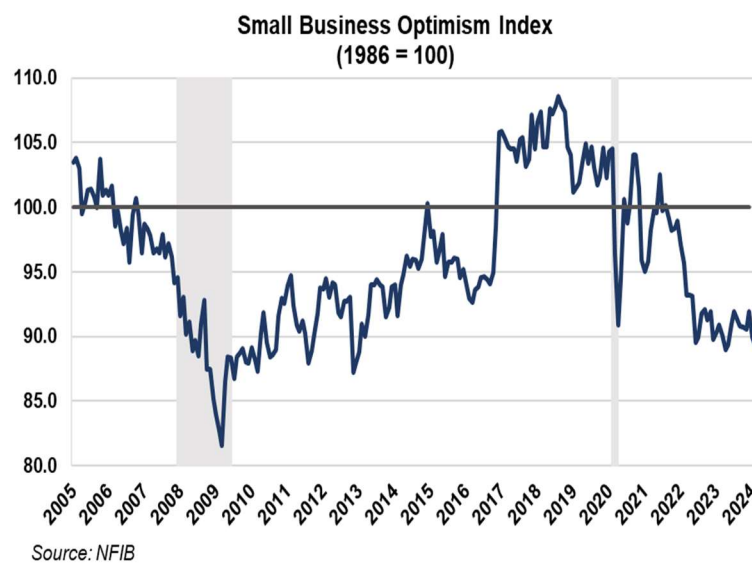
**Personal consumption expenditures** increased by \$145.5 billion (0.8%) from January to February 2024. Total spending on goods increased by 0.5 percent in February. Spending on durable goods rose by 1.4 percent, with increases in spending for motor vehicles and parts (3.9%), furnishings and durable household equipment (0.1%), and recreational goods and vehicles (0.1%). Spending on nondurable goods increased by 0.1 percent, driven by increased spending on gasoline and other energy goods (0.5%), and other nondurable goods (0.3%). Spending on services increased by 0.9 percent in

February 2024, driven by increased spending on transportation services (2.7%), financial services and insurance (1.5%), recreational services (1.4%), and other services (0.9%).

**Personal saving** totaled \$745.7 billion in February 2024, down 11.8 percent from the revised January level and down 19.5 percent from the February 2024 level. The **personal saving rate** was 3.6 percent in February 2024, down 0.5 percentage point from January 2024.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.4 percentage point in February 2024 compared to January 2024, following a 0.3 percentage point increase between December and January. The “all items” index rose 3.2 percent over the last 12 months. Price increases in February were primarily concentrated in energy (2.9%) and shelter (0.4%), while food prices were unchanged from January.

Both consumer opinion surveys reported small changes in confidence in March 2024. Respondents to the University of Michigan’s **Survey of Consumers** reported an increase (3.3%) in consumer sentiment to 79.4 in March compared to February and has remained steady throughout the first three months of the year. The Conference Board’s **Consumer Confidence Index** declined by 0.1 percentage point to 104.7 in March, down from a revised 104.8 in February. Declines in short-term expectations were partially offset by increases in current labor market conditions. Confidence increased among consumers 55 and older but declined for consumers 55.



The **Small Business Optimism Index** decreased 0.5 percentage point to 89.4 in February, the 26<sup>th</sup> consecutive month the index has been below 98, its 50-year average. Inflation returned as the top concern of small business owners, with 23 percent of owners identifying it as their single most important problem in January. Quality of labor remained a top concern with 16 percent of owners identifying it as their single most important problem in February.

## Travel and Tourism

Ohio’s three largest transit authorities, the Greater Cleveland Regional Transit Authority, the Central Ohio Transit Authority, and the Southwest Ohio Regional Transit Authority provided a combined estimated 3.9 million **unlinked passenger trips** in March 2024.

This was 3.7 percent below February 2024 ridership levels, and 6.5 percent below February 2023 ridership levels.

Nationwide, 77.2 million travelers passed through TSA checkpoints in March. Average airline checkpoint traffic increased 19.5 percent in March 2024 compared to February 2024. **Total travel throughput** in March 2024 was 6.7 percent higher than in March 2023.

The U.S. **hotel occupancy rate** was 62.3 percent for the week ending March 30, 2024, a decrease of 5.6 percent from the comparable week in 2023. The **average daily rate** for a hotel room was \$157.14, a decrease of 0.7 percent compared to 2023. **Revenue per available room** was \$97.83, down 6.3 percent from 2023.

## Industrial Activity

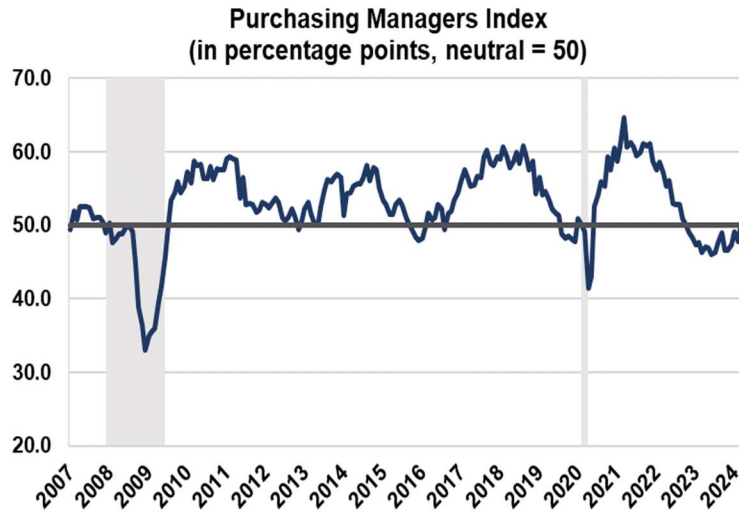
According to data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.1 percentage point between January 2024 and February 2024, and was 0.2 percentage point lower than February 2023.

The **Manufacturing Production Index** increased 0.8 percentage point in February 2024 to 99.2 and was 0.7 percent lower than February 2023. Nationwide, manufacturing in eight of Ohio's top 10 industries increased production between January and February 2024. Increases in production for motor vehicles and parts (1.8%), machinery (1.7%), chemicals (1.6%), and electrical equipment (0.8%) were partially offset by decreases in petroleum and coal (0.4%), and primary metals (0.2%).

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

Manufacturing Sector	Percent Change January and February 2024	Percent Change February 2023 to February 2024
Aerospace and Other Transportation Equipment	0.1%	7.3%
Chemicals	1.6%	-0.5%
Electrical Equipment	0.8%	0.0%
Fabricated Metal Products	0.3%	-1.2%
Food Beverage and Tobacco Products	0.2%	-3.4%
Machinery	1.7%	-5.1%
Motor Vehicles and Parts	1.8%	3.5%
Petroleum and Coal	-0.4%	1.9%
Plastics and Rubber Products	0.3%	0.2%
Primary Metals	-0.2%	-1.3%

In March 2024, the Institute for Supply Management (ISM) reported that the **Purchasing Managers Index (PMI)** for the United States was 50.3, an increase of 2.5 percentage points from February’s reading. The index rose above 50 for the first time in seventeen months, indicating expansion in the manufacturing sector.



Source: Institute for Supply Management

Across the nation, nine of the 15 industries tracked by ISM increased production in March. These included chemical products, fabricated metal products, transportation equipment, and food, beverage and tobacco products. The industries reporting the largest contractions were furniture and related products, plastics and rubber products, and electrical equipment. According to the chair of the survey committee, the manufacturing sector expanded at a faster rate

compared to February due to positive demand and strengthened outputs. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the ISM described a stable return to normal with some suggestions that business is picking up.

*Business is still strong – we are meeting and exceeding our forecasts. So far, we’re not hearing anything negative with our customers as far as ongoing business is concerned – it’s the same for raw material suppliers, nothing negative.*  
 [Fabricated Metal Products]

*Performance continues to defy projections of a downturn in activity. Demand remains strong, and the pipeline for orders is robust.*  
 [Chemical Products]

## Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately-owned housing units increased 5.3 percent between January and February 2024 and were 48.4 percent above the number of permits issued in February 2023.

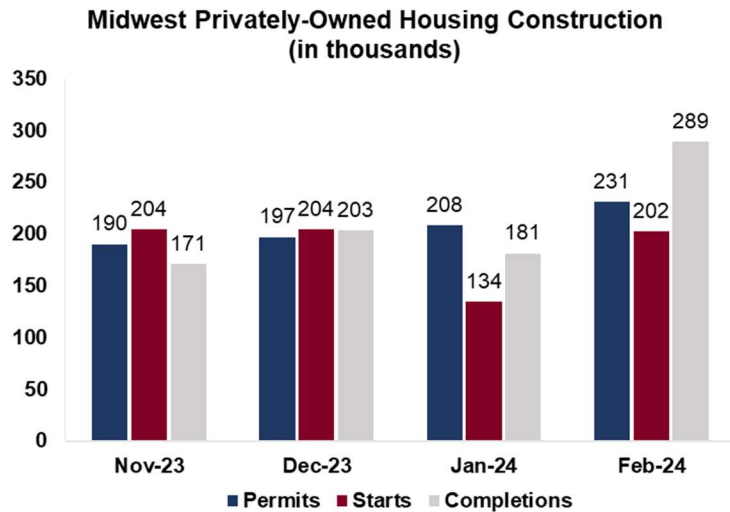
Privately-owned housing starts in the Midwest increased 50.7 percent between January and February 2024 and were eight percent above February 2023 levels.

In February 2024, privately-owned housing completions in the Midwest increased 59.7 percent compared to January 2024 and were 41 percent above February 2023.

New home sales in the Midwest decreased 2.4 percent between January and February 2024 but were 15.3 percent above February 2023.

The number of homes sold in Ohio increased and the average price continued to rise in February.

Total sales were 7.8 percent above February 2023 and the average sales price in Ohio was \$264,941, an 8.9 percent increase compared to February 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 second month in a row.



Source: U.S. Census Bureau through FRED



Source: National Association of Home Builders

The **Housing Market Index** in the Midwest increased 11 points from February to March 2024 to 49, two points below the national level. The national index rose three points over the same period.



## U.S. Construction and Housing Market

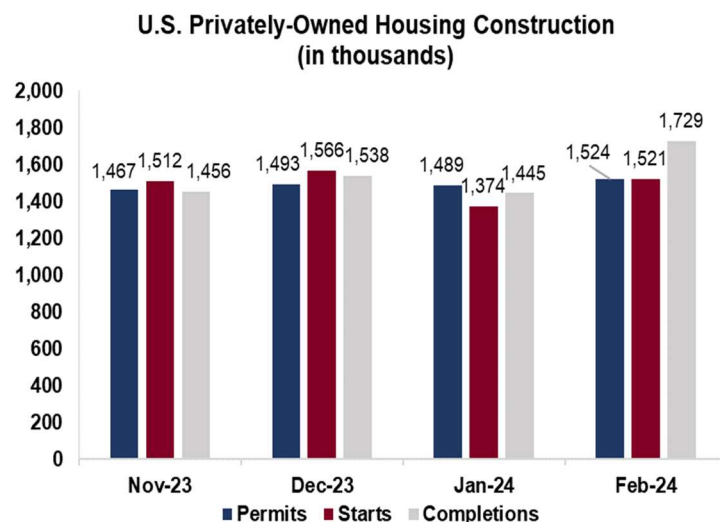
The U.S. Census Bureau reported **total construction spending** in February 2024 at a seasonally adjusted rate of \$2.1 trillion, a 0.3 percent decrease from the revised January estimate. The February 2024 estimate was 10.7 percent above spending in February 2023.

Public sector construction spending decreased an estimated 1.2 percent in February 2024 compared to the revised January estimate, bringing the seasonally adjusted annual total to \$474.4 billion. Public spending on nonresidential construction decreased 1.2 percent from January's revised estimate to \$396.3 billion in February 2024 but was 16.8 percent above February 2023 levels. Public spending on construction for health care in February was 3.3 percent below the revised January estimate and 8 percent above February 2023.

Private sector construction spending was unchanged between January and February 2024 at a seasonally adjusted annual total of \$1.5 trillion and was nine percent above February 2023 levels. Private residential construction in February was 0.7 percent above January's revised level and 6.3 percent above February 2023's spending. Private nonresidential construction decreased by 0.9 percent in February 2024, but was 12.6 percent above February 2023.

In the U.S., the number of **building permits** issued for privately-owned housing units increased 2.4 percent between January and February 2024 and was 2.8 percent above the number of permits issued in February 2023.

Nationally, privately-owned housing starts increased 10.7 percent between January and February 2024 and were 5.9 percent above the February 2023 level.



Source: U.S. Census Bureau through FRED

In February, **newly built single-family home sales** decreased by 0.3 percent compared to January and were 5.9 percent above sales in February 2023. The national median sales price in February 2024 was \$400,500, a 3.5 percent decrease compared to the revised January median sales price, and was 7.6 percent lower compared to February 2023.

According to the National Association of Realtors, **existing home sales** increased 9.5 percent in February compared to January. February's existing home sales increased to

an annual rate of 4.4 million housing units, a 3.3 percent decrease from February 2023. The median sale price of all existing homes increased 5.7 percent from a year ago to \$384,500. Available inventory in February 2024 totaled 1.1 million units, up 5.9 percent from January and 10.3 percent above the inventory level in February 2023.



## Revenues

March GRF tax revenues had a negative variance from estimate of \$171.3 million (-9.6%). Income tax refunds, which have a significant impact on tax revenues during the income tax return filing season, were larger than anticipated and were the primary reason for the month's outcome. Fiscal year to-date tax revenues are now \$222.4 million (-1.1%) below estimate. Across all state sources, total revenues (including transfers) are nearly identical to the expected level and are a modest \$10.6 million (-0.1%) below the mark for the year.

Total (tax and non-tax) GRF receipts for March totaled \$2.7 billion and were \$489.9 million (-15.5%) below the estimate. As noted above, tax revenues had a negative variance of \$171.3 million (-9.6%) from the estimate. Non-tax revenues were \$320.3 million (-23.1%) below the estimate. For the year-to-date, transfers are above estimate while tax revenues and non-tax revenues are below estimate, as shown in the table below.

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

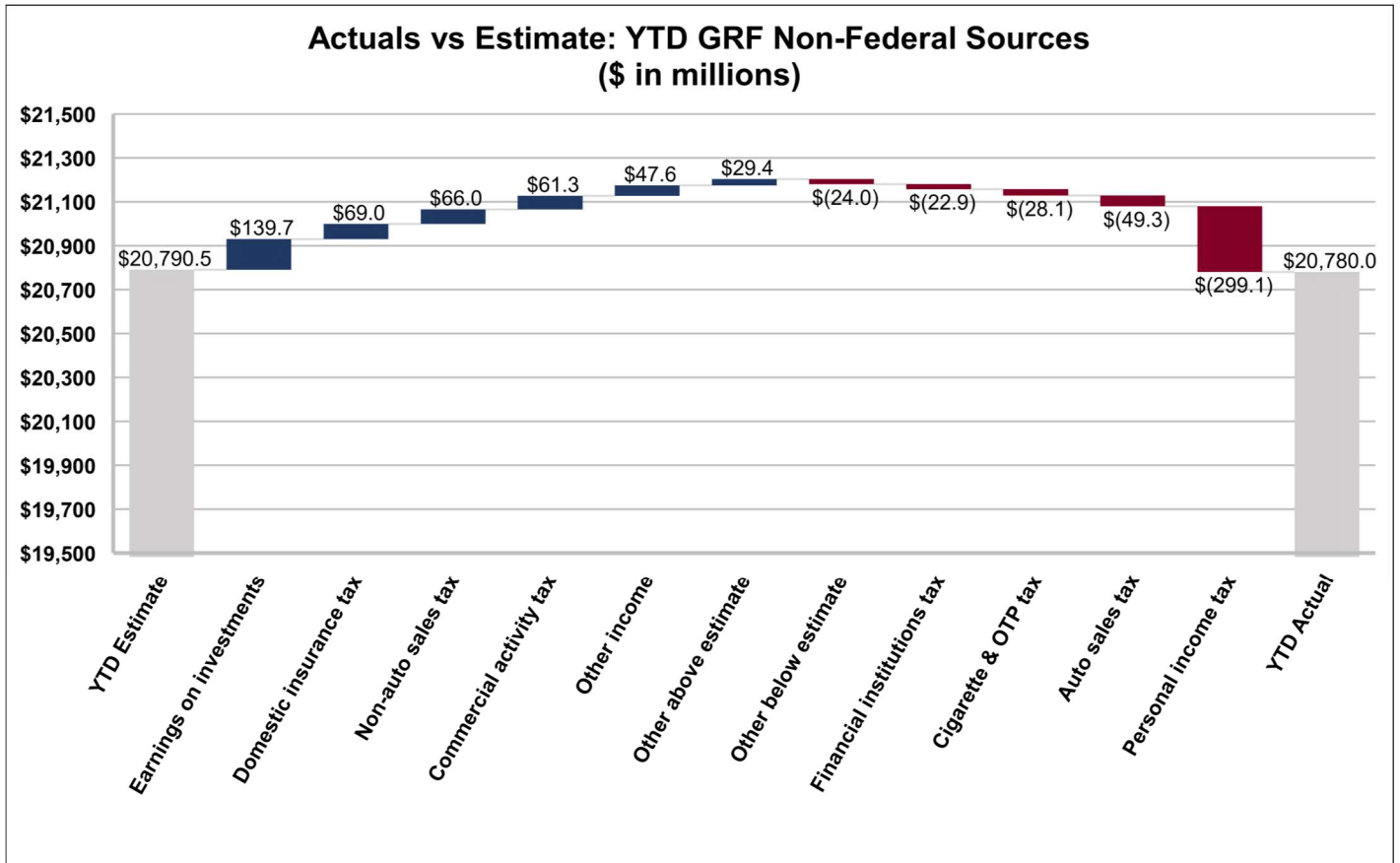
Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, estate	\$ (222.4)	-1.1%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ (653.6)	-6.0%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ 11.0	N/A
<b>Total Receipts and Transfer Variance</b>		<b>\$ (865.1)</b>	<b>-2.8%</b>
<b>Non-Federal Receipts and Transfer Variance</b>		<b>\$ (10.6)</b>	<b>-0.1%</b>
<b>Federal Grants Variance</b>		<b>\$ (854.5)</b>	<b>-8.1%</b>

The following table shows that in March, the number of sources below the estimate (a negative variance of \$546.7 million) exceeded the number of sources above the estimate (a positive variance of \$56.8 million), resulting in a net negative variance from the estimate of \$489.9 million.

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

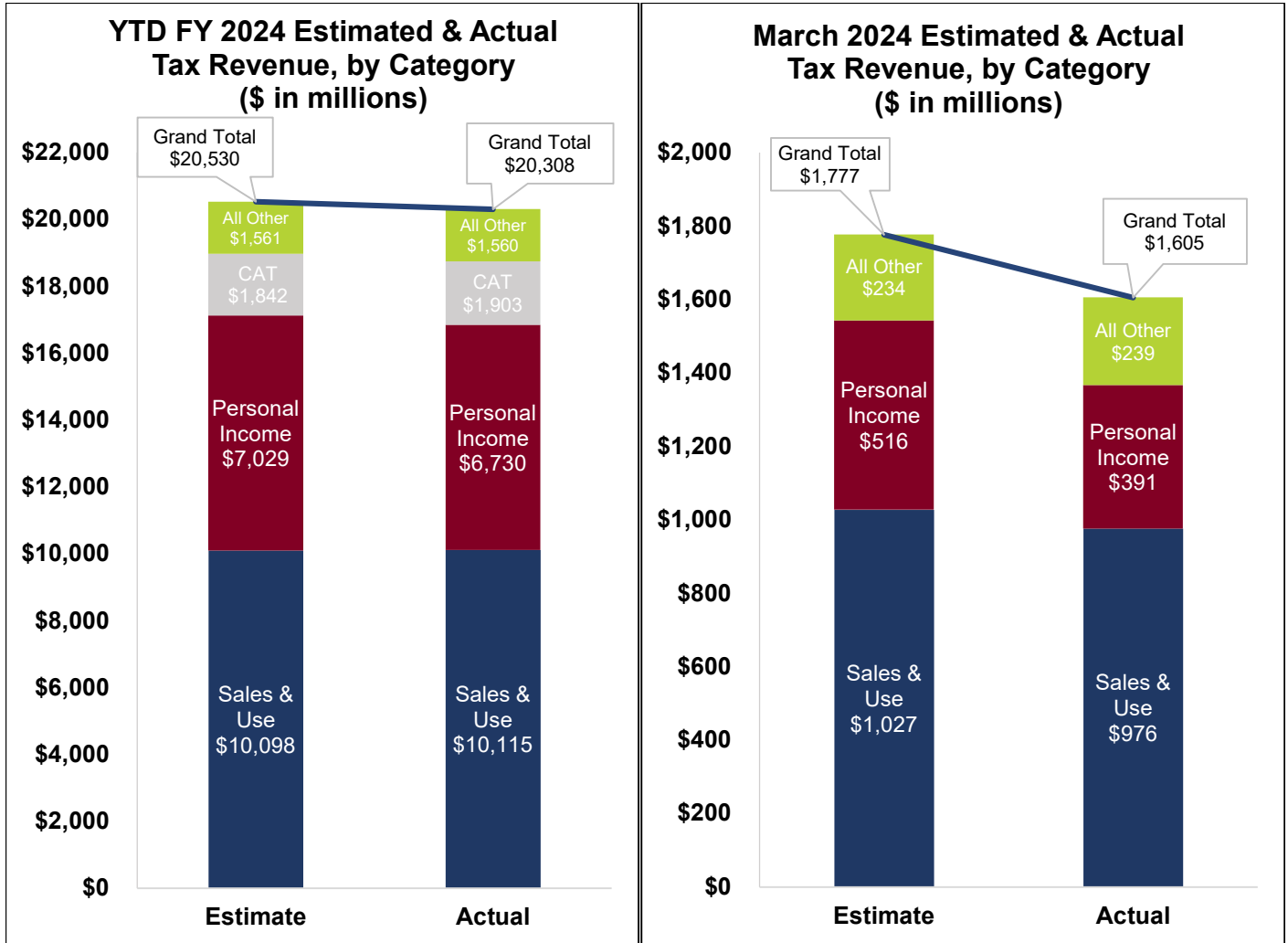
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Domestic insurance Tax	\$ 36.4	Federal Grants	\$ (330.0)
Licenses and Fees	\$ 11.1	Personal Income Tax	\$ (124.8)
Foreign Insurance Tax	\$ 7.4	Auto Sales Tax	\$ (30.0)
Other revenue sources above estimate	\$ 1.9	Non-Auto Sales Tax	\$ (21.5)
		Commercial Activity Tax	\$ (14.0)
		Financial Institutions Tax	\$ (13.7)
		Other revenue sources below estimate	\$ (11.7)
<b>Total Above</b>	<b>\$ 56.8</b>	<b>Total Below</b>	<b>\$ (546.7)</b>

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



The preceding chart shows how various revenue sources have contributed to the variance between actual and estimated non-federal revenues through March 2024. Currently, the difference is \$10.6 million below the forecast.

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



In March, total receipts and transfers decreased by \$685.2 million (-20.4%) compared to last year. Tax revenues decreased \$286.8 million (-15.2%), while non-tax revenues decreased \$400.2 million (-27.2%). Year-to-date, tax receipts are \$333.8 million (-1.6%) below last year, and non-tax receipts are \$470.3 million (-4.4%) below last year. On a year-to-date basis, transfers are \$85,000 (-0.8%) less than last year.

The source with the largest year-over-year dollar increase in March was domestic insurance tax at \$36.5 million. The largest decreases were in federal grants at \$392 million (-28%), personal income tax at \$277.5 million (-41.5%) and auto sales tax at \$20.3 million (-12.1%). The largest year-to-date increases are in commercial activity tax at \$287.1 million (17.8%), followed by non-auto sales at \$248.6 million (2.9%), and earnings on investments at \$117.6 million (103.7%). The largest year-to-date decreases are in personal income tax at \$734.5 million (-9.8%) and federal grants at \$573.8 million (-5.6%).

## Non-Auto Sales Tax

For March, GRF non-auto sales and use tax collections totaled \$828.8 million, which is \$21.5 million (-2.5%) below the estimate. Year-to-date revenue is \$66 million (0.8%) above the estimate. March revenue was \$4.5 million (-0.5%) below last year, and year-to-date revenue is \$248.6 million (2.9%) above last year.

This year's year-to-date growth was 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 1.3 percent.



The latest data from the U.S. Census Bureau's Monthly Advance Retail Trade Survey (MARTS) program shows year-over-year growth in February. 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 5.8 percent increase in national sales, not seasonally adjusted, during February 2024. However, the fact that this is a leap year means that February's year-over-year growth is inflated. In January and December, year-over-year growth was 2.4 percent and 2.6 percent, respectively. By comparison, Ohio's non-auto GRF sales tax revenue grew by 2.2 percent in February, 0.2 percent in January, and 4.8 percent in December.

The latest MARTS data show month-over-month mixed sales performance. On a seasonally adjusted basis, February 2024 sales for the retail categories listed above were 0.3 percent higher than January, following a 0.7 percent decline in January from December, and a 0.8 percent increase in December from November.

## Auto Sales Tax

March auto sales tax revenues were \$147 million, which is \$30 million (-17%) below estimate. Year-to-date revenues are \$49.3 million (-3.4%) below the estimate. Revenues were \$20.3 million (-12.1%) less below last March and are \$57.2 million (-3.9%) below last year on a year-to-date basis.

While FY 2024 auto sales tax revenues have reflected a mixture of positive and negative monthly variances from the estimate, March has the largest negative variance to date, with July's result comparable at \$26.1 million (-15.2%) below estimate. As monthly results can be volatile, quarterly analysis is one approach to temper the volatility. Auto sales tax revenues experienced significantly different growth rates in each of the quarters of FY 2024: receipts during the July-September 2023 period were down 8.2 percent from the prior year; the following quarter showed a 0.8 percent year-to-year increase; and the January-March period was down 3.7 percent.

Quarterly data from the Ohio Bureau of Motor Vehicles (BMV) provides details on FY 2024 taxable motor vehicle transactions, including a breakdown between new and used vehicles. BMV data for the first three quarters show that total motor vehicle sales are down \$817 million (-3.1%) from last year. New and used vehicles have performed in opposite directions, with new vehicle sales increasing by \$262 million (2.6%) and used vehicle sales decreasing by \$1.08 billion (-6.5%).

Details on transaction volumes and prices shed further light on the growth of the new and used vehicle markets. The total number of taxable motor vehicle transactions have decreased by 12,300 (-0.9%) from July 2023 to March 2024 when compared to the prior year, with new vehicle transactions increasing by 4,668 (1.7%) and used vehicle transactions decreasing by 16,958 (-1.5%). Average prices for new and used vehicles have moved in different directions during this period, with new vehicle prices nudged upward by \$325 (0.9%) year-over-year and used vehicle prices down \$728 (-5.1%), with composite prices down 2.2 percent. Even with the recent decline in used vehicle prices, they remain 42.3 percent above the pandemic-era low reached in the third quarter of 2020.

According to the U.S. Department of Commerce's Bureau of Economic Analysis, 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 15.5 million units. March's sales were down 1.3 percent from February and up 3.7 percent a year ago. On an unadjusted basis, light vehicle unit sales in March were at 1.44 million units. This is 16.1 percent higher than the previous month and 4.6 percent higher than last March.

While transaction prices for new vehicles remain high, price growth for the nation slowed significantly 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 a 0.1 percent month-over-month decrease in February. Cumulative price growth

over the past 12 months has been low; compared to February 2023, the CPI-U for new motor vehicles in February 2024 was only 0.4 percent higher. Even with the significant slowdown over the past year, prices remain well above their pre-pandemic levels. Since February 2020, the CPI-U for new motor vehicles has increased 19.5 percent.

Turning to national used vehicle data, retail sales volumes accelerated in February 2024 according to data reported by Cox Automotive. Retailers sold 1.49 million units in February, a 10.7 percent year-over-year increase. This level also represents a 10.4 percent increase from January 2024.

Used vehicle prices peaked in January 2022, and have generally trended downward since then. The Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, was 13.8 percent lower in February 2024 than the previous February and was 15.1 percent lower than its most recent peak in March 2023. Retail prices tend to move in the same direction as wholesale prices but with a lag. The February CPI-U for used vehicles was down by 6.9 percent from its peak in May 2023. On a year-over-year basis, the CPI-U was 1.4 percent lower than last February. Used-vehicle prices also remain well above their pre-pandemic levels, with the February 2024 CPI-U index being 30.8 percent higher than in January 2020.

## Personal Income Tax

March GRF personal income tax receipts totaled \$390.7 million, which is \$124.8 million (-24.2%) below the estimate. Year-to-date revenue is \$299.1 million (-4.3%) below the estimate. On a year-over-year basis, March income tax collections are down \$277.5 million (-41.5%). Year-to-date revenue is \$734.5 million (-9.8%) lower than last year.

It is worth noting that income tax bracket and rate reductions enacted in the FY 2024-2025 operating budget bill, which took effect in taxable year 2023, will impact income tax collections and refunds during the current tax return filing season. As a result, year-over-year growth in income tax revenues has been, and will continue to be, lower in the coming months than would otherwise occur.

March is typically the second-lowest month for monthly income tax revenue (only February is lower). This is due to the combination of relatively high refunds paid during the filing season and relatively low collections from non-withholding tax components. This makes the month extremely sensitive to the performance of refunds. As it turns out, refunds account for most of this March's negative variance from the estimate.

The refund component exceeded its estimate by \$112 million (19.8%) and last March by \$115 million (20.4%). For the fiscal year, refunds are \$763.6 million (43.8%) above the estimate and \$705.4 million (39.2%) above FY 2023. The year-to-date refund variance from the estimate reflects two phases: the first phase occurred in the seven months of the fiscal year when refundable pass-through entity tax credits claimed on tax year 2022 resulted in large tax refunds, particularly impacting the month of December; and the next phase began in calendar year 2024 when refunds on tax year 2023 returns exceeded the



levels anticipated in the revenue estimates. Refunds in the first three months of 2024 were 22 percent above the estimate. Through the first 43 days of the filing season, the number of refunds issued is up 8 percent from last year, while the average refund size is up 15 percent.

Withholding remains central to the income tax payment stream. For the month, monthly withholding collections totaled \$944.5 million and were \$16.5 million (-1.7%) below the estimate. For the fiscal year-to-date, this component is \$62.2 million (0.8%) above estimate. Monthly withholding was \$96.6 million (-9.3%) below last March and is \$179.6 million (-2.2%) below last year for the fiscal year-to-date.

The monthly withholding category includes estimated taxes paid by certain types of pass-through entities on their taxable income (these are pass-through entity withholding taxpayers, using the 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. For the seven months following the enactment in June 2022, EPTE estimated taxes were paid using the IT-1140ES as an interim form, and these collections are included in the withholding category. Beginning in February 2023, EPTE estimated tax payments were made using the IT-4738ES form and these collections are included in the estimated payments category. Pass-through entity tax payments have shifted significantly from IT-1140ES returns to the IT-4738ES tax returns. This pronounced shift explains the decrease in FY 2024 year-to-date collections for this category from FY 2023 levels.

The details within the withholding category reveal strong performance for employer withholding this fiscal year. A reduction in the employer withholding tax rates went into effect in November 2023. Since then, monthly collections have been approximately 10 percent less than collections what would have been collected had the rates not changed. Actual year-to-date withholding collections are \$161.4 million (2%) above last year, which is very respectable growth considering the rate reduction.

Annual withholding represents the annual return payments made by pass-through entity withholding taxpayers. For March, collections from this component were -\$34.7 million, \$54.6 million below the estimate. The negative amount is after an accounting adjustment attributable to taxpayers who remitted estimated payments using the IT1140ES return but ultimately filed the annual return as either an EPTE taxpayer or as a composite income taxpayer. Without the adjustment, tax collections would have been \$12 million in March, \$7.9 million less than the estimate.

In March, annual tax return payments were \$160.9 million, above the estimate by \$61.2 million (61.4%). For FY 2024 to date, these payments have exceeded estimates by \$361.2 million, which is 121.2 percent higher than expected. This payment category increased by \$8.9 million (5.9%) in March compared to last year; and has increased by \$256.2 million (63.5%) year to date.

The annual return category includes payments that accompany individual annual income



tax returns. It also now includes collections from pass-through entities that use the EPTE tax filing option; in addition, collections from pass-through entities that are composite income taxpayers continue to be included in this category. Collections for this particular income tax reporting category have been inflated by the type of accounting adjustments mentioned above: just as annual withholding collections were adjusted downward by \$46.7 million in March, annual return collections received a positive adjustment of \$46.7 million. Without the adjustment, this component would have been \$114.3 million in March, or \$14.6 million more than the estimate. Of this \$114.3 million “pre-adjusted” collections amount, \$54.4 million is attributable to pass-through entity (EPTE and Composite Income Tax) annual tax returns and the remaining \$59.8 million attributable to payments made on individual income tax returns (via the IT-1140 return or 40P payment voucher). Nevertheless, next month will be a much more significant collection month than March, as annual returns and payments for those with filing extensions are due in April.

March is not a very significant month for the quarterly estimated payments category. However, these collections exceeded the estimate by \$5.6 million (26.3%) and were \$2.4 million (-8.3%) below last year. Year-to-date collections exceed the estimate by \$298.9 million (46%) and are \$230.1 million (32%) higher than last year. As explained above, the availability of the EPTE tax filing option and the delayed issuance of an EPTE-specific tax form has resulted in a shift of collections from the monthly withholding category to this category. After combining the quarterly estimated payments category and the monthly withholding category, total estimated tax payments from pass-through entities have increased by \$81 million (13.9%) for the year to date. This reflects the net impact of a \$340.9 million decrease in PTE estimated taxes paid with IT-1140ES returns and a \$421.9 million increase in PTE estimated taxes paid with EPTE (IT-4738ES) and Composite Income Tax (IT-4708ES) returns. Meanwhile, estimated payments made by individuals have decreased by \$191.8 million (-34.6%) for the year to date.

Trust payments and other tax collection combined were collectively \$7.8 million (-43.8%) below the March estimate. For the fiscal year, the combined categories are \$16.3 million (-17.4%) below estimate and \$30.4 million (-28.3%) below last year. April and May will provide a clearer picture of how these combined categories will perform for the year.

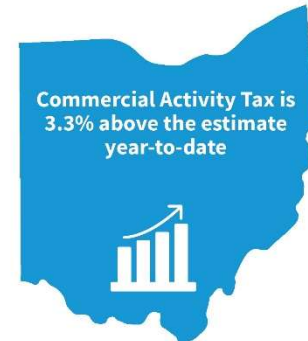
**March Personal Income Tax Receipts by Component**  
**(\$ in millions)**

	Actual Mar.	Estimate Mar.	\$ Var	Actual Mar.-2024	Actual Mar.-2023	\$ Var Y-to-Y
Monthly Withholding	\$ 944.5	\$ 961.0	\$ (16.5)	\$ 944.5	\$ 1,041.1	\$(179.6)
Annual Withholding	\$ (34.7)	\$ 19.9	\$ (54.6)	\$ (34.7)	\$ 30.3	\$ (65.0)
Quarterly Est.	\$ 27.0	\$ 21.4	\$ 5.6	\$ 27.0	\$ 29.5	\$ (2.4)
Annual Returns/40 P	\$ 160.9	\$ 99.7	\$ 61.2	\$ 160.9	\$ 152.0	\$ 8.9
Trust Payments	\$ 1.3	\$ 1.5	\$ (0.2)	\$ 1.3	\$ 1.6	\$ (0.3)
Other	\$ 8.6	\$ 16.2	\$ (7.6)	\$ 8.6	\$ 13.3	\$ (4.8)
Less: Refunds	\$(678.0)	\$ (566.0)	\$(112.0)	\$ (678.0)	\$ (563.0)	\$(115.0)
Local Distributions	\$ (39.0)	\$ (38.2)	\$ (0.8)	\$ (39.0)	\$ (36.7)	\$ (2.3)
Net to GRF	\$ 390.7	\$ 515.0	\$(124.8)	\$ 390.7	\$ 668.2	\$(277.5)

## Commercial Activity Tax (CAT)

GRF revenues from the CAT were \$14 million (-51.1%) below the March estimate and are \$61.3 million (3.3%) above the year-to-date estimate. March revenues were down \$5.6 million (-29.5%) from last year, while year-to-date revenues were up \$287.1 million (17.8%).

March is not a significant collection month for the CAT because it immediately follows the month in which tax payments are due for the October-December gross receipts activity period. CAT revenue comes from quarterly tax payments, so it is useful to examine the revenue stream on a quarterly basis. For the third quarter of FY 2024, CAT revenue was \$2.4 million (-0.4%) below the estimate. This follows 13 consecutive quarters in which CAT revenue exceeded expectations.



The FY 2024-2025 state operating budget changed the portion of CAT revenue that is credited to the GRF. Previously, the GRF received 85 percent of monthly CAT receipts remaining after making required deposits into the Tax Refund Fund and the CAT Administration Fund. Beginning in July 2023, the new budget requires that all CAT revenues (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 \$1.9 million (0.1%) higher than last year.

## Insurance Taxes

As was the case in February, domestic insurance tax revenues in March were well above estimate coming in \$36.4 million higher than expected for the month. For both months, such revenues are \$74.5 million above estimate. For the year, domestic insurance tax revenues are \$69 million (999.4%) above estimate.

The recent performance of domestic insurance taxes has been partially offset by the performance of foreign insurance taxes. Although foreign insurance tax receipts showed a positive variance of \$7.4 million (13%) in March, for the combined months of February and March, the source was \$27.9 million (-14.5%) below estimate. Year to date, foreign insurance tax revenues are \$17 million (-4.4%) below the estimate.

Combined domestic and foreign insurance tax revenues for the year-to-date are \$444.1 million, a very strong \$51.9 million (13.2%) positive variance from the estimate. OBM will continue to investigate the reasons for the unexpected allocations between the two

sources that occurred in February and March. The final significant revenue milestone for FY 2024 insurance taxes will be the domestic insurance tax payments, which will occur in June.

## Financial Institutions Tax (FIT)

FIT revenues were below forecast in March, with a negative variance of \$13.7 million (-30.9%). For the year, this source is \$22.9 million (-16.9%) below estimate, due to the March variance and higher than expected refunds in the first half of the fiscal year.

The last day of March is the due date for the second estimated payment of each tax year; however, when March 31 falls on a weekend, as occurred this year, the due date is on the next business day. Although the revenue estimate attempts to forecast tax revenues received and recorded before and after the due date, it remains a challenge to forecasting the payment flow with any degree of accuracy. Nevertheless, early April data suggest that the negative variance in March will not be made up in this month.

## GRF Non-Tax Receipts

GRF non-tax receipts totaled \$1.1 billion and were \$320.3 million (23.1%) below the estimate for the month of March. Year-to-date non-tax receipts totaled \$10.2 billion and were \$653.6 million (6.0%) below estimate.

The monthly variance in non-tax receipts was mostly due to the Federal Grants category, which was \$330.9 million (24.7%) below estimate. This variance was primarily attributable to lower than estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.

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

<u>REVENUE SOURCE</u>	MONTH				YEAR-TO-DATE			
	ACTUAL MARCH	ESTIMATE MARCH	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	828,830	850,300	(21,470)	-2.5%	8,713,665	8,647,700	65,965	0.8%
Auto Sales & Use	146,978	177,000	(30,022)	-17.0%	1,401,272	1,450,600	(49,328)	-3.4%
<b>Subtotal Sales &amp; Use</b>	<b>975,808</b>	<b>1,027,300</b>	<b>(51,492)</b>	<b>-5.0%</b>	<b>10,114,937</b>	<b>10,098,300</b>	<b>16,637</b>	<b>0.2%</b>
Personal Income	390,724	515,500	(124,776)	-24.2%	6,729,790	7,028,900	(299,110)	-4.3%
Corporate Franchise	28	0	28	N/A	180	0	180	N/A
Financial Institutions Tax	30,659	44,400	(13,741)	-30.9%	120,186	143,100	(22,914)	-16.0%
Commercial Activity Tax	13,389	27,400	(14,011)	-51.1%	1,902,895	1,841,600	61,295	3.3%
Petroleum Activity Tax	3,220	3,400	(180)	-5.3%	9,618	8,200	1,418	17.3%
Public Utility	1,767	3,400	(1,633)	-48.0%	122,300	119,900	2,400	2.0%
Kilowatt Hour	26,845	27,000	(155)	-0.6%	217,069	220,700	(3,631)	-1.6%
Natural Gas Distribution	56	0	56	N/A	36,087	35,200	887	2.5%
Foreign Insurance	64,306	56,900	7,406	13.0%	368,262	385,300	(17,038)	-4.4%
Domestic Insurance	36,485	100	36,385	36384.6%	75,859	6,900	68,959	999.4%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	53,820	61,900	(8,080)	-13.1%	523,071	551,200	(28,129)	-5.1%
Alcoholic Beverage	4,071	5,100	(1,029)	-20.2%	44,976	46,500	(1,524)	-3.3%
Liquor Gallonage	4,179	4,300	(121)	-2.8%	42,514	44,300	(1,786)	-4.0%
Estate	0	0	0	N/A	0	0	0	N/A
<b>Total Tax Receipts</b>	<b>1,605,355</b>	<b>1,776,700</b>	<b>(171,345)</b>	<b>-9.6%</b>	<b>20,307,744</b>	<b>20,530,100</b>	<b>(222,356)</b>	<b>-1.1%</b>
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,006,938	1,337,884	(330,946)	-24.7%	9,750,063	10,604,528	(854,465)	-8.1%
Earnings on Investments	0	0	0	N/A	230,936	91,264	139,672	153.0%
License & Fees	60,665	49,553	11,112	22.4%	86,547	73,727	12,820	17.4%
Other Income	748	1,250	(502)	-40.1%	143,041	95,450	47,591	49.9%
ISTV'S	27	0	27	N/A	737	0	737	N/A
Total Non-Tax Receipts	1,068,378	1,388,687	(320,309)	-23.1%	10,211,324	10,864,969	(653,645)	-6.0%
<b>TOTAL REVENUES</b>	<b>2,673,734</b>	<b>3,165,387</b>	<b>(491,654)</b>	<b>-15.5%</b>	<b>30,519,068</b>	<b>31,395,069</b>	<b>(876,001)</b>	<b>-2.8%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,750	0	1,750	N/A	10,950	0	10,950	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,750	0	1,750	N/A	10,950	0	10,950	N/A
<b>TOTAL SOURCES</b>	<b>2,675,484</b>	<b>3,165,387</b>	<b>(489,904)</b>	<b>-15.5%</b>	<b>30,530,018</b>	<b>31,395,069</b>	<b>(865,051)</b>	<b>-2.8%</b>

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

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	MARCH FY 2024	MARCH FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
<b>TAX RECEIPTS</b>								
Non-Auto Sales & Use	828,830	833,325	(4,495)	-0.5%	8,713,665	8,465,062	248,603	2.9%
Auto Sales & Use	146,978	167,302	(20,324)	-12.1%	1,401,272	1,458,434	(57,161)	-3.9%
<b>Subtotal Sales &amp; Use</b>	<b>975,808</b>	<b>1,000,628</b>	<b>(24,820)</b>	<b>-2.5%</b>	<b>10,114,937</b>	<b>9,923,496</b>	<b>191,442</b>	<b>1.9%</b>
Personal Income	390,724	668,234	(277,510)	-41.5%	6,729,790	7,464,293	(734,503)	-9.8%
Corporate Franchise	28	23	6	26.1%	180	88	92	105.0%
Financial Institutions Tax	30,659	31,301	(642)	-2.1%	120,186	153,325	(33,139)	-21.6%
Commercial Activity Tax	13,389	18,988	(5,599)	-29.5%	1,902,895	1,615,839	287,056	17.8%
Petroleum Activity Tax	3,220	5,335	(2,116)	-39.7%	9,618	11,367	(1,749)	-15.4%
Public Utility	1,767	3,707	(1,941)	-52.3%	122,300	130,523	(8,222)	-6.3%
Kilowatt Hour	26,845	25,484	1,360	5.3%	217,069	219,957	(2,887)	-1.3%
Natural Gas Distribution	56	0	56	N/A	36,087	37,196	(1,110)	-3.0%
Foreign Insurance	64,306	64,607	(301)	-0.5%	368,262	400,093	(31,830)	-8.0%
Domestic Insurance	36,485	34	36,451	107207.6%	75,859	18,774	57,085	304.1%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Cigarette and Other Tobacco	53,820	63,682	(9,862)	-15.5%	523,071	576,312	(53,241)	-9.2%
Alcoholic Beverage	4,071	5,967	(1,896)	-31.8%	44,976	47,178	(2,202)	-4.7%
Liquor Gallonage	4,179	4,118	61	1.5%	42,514	43,102	(588)	-1.4%
Estate	0	1	(1)	N/A	0	34	(34)	-99.8%
<b>Total Tax Receipts</b>	<b>1,605,355</b>	<b>1,892,109</b>	<b>(286,754)</b>	<b>-15.2%</b>	<b>20,307,744</b>	<b>20,641,576</b>	<b>(333,831)</b>	<b>-1.6%</b>
<b>NON-TAX RECEIPTS</b>								
Federal Grants	1,006,938	1,398,980	(392,041)	-28.0%	9,750,063	10,323,901	(573,838)	-5.6%
Earnings on Investments	0	0	0	N/A	230,936	113,367	117,570	103.7%
License & Fee	60,665	68,459	(7,794)	-11.4%	86,547	92,299	(5,752)	-6.2%
Other Income	748	1,095	(346)	-31.6%	143,041	138,152	4,888	3.5%
ISTV'S	27	12	15	131.0%	737	13,943	(13,206)	-94.7%
Total Non-Tax Receipts	1,068,378	1,468,545	(400,167)	-27.2%	10,211,324	10,681,662	(470,338)	-4.4%
<b>TOTAL REVENUES</b>	<b>2,673,734</b>	<b>3,360,654</b>	<b>(686,921)</b>	<b>-20.4%</b>	<b>30,519,068</b>	<b>31,323,237</b>	<b>(804,169)</b>	<b>-2.6%</b>
<b>TRANSFERS</b>								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,750	0	1,750	N/A	10,950	11,035	(85)	-0.8%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,750	0	1,750	N/A	10,950	11,035	(85)	-0.8%
<b>TOTAL SOURCES</b>	<b>2,675,484</b>	<b>3,360,654</b>	<b>(685,171)</b>	<b>-20.4%</b>	<b>30,530,018</b>	<b>31,334,272</b>	<b>(804,254)</b>	<b>-2.6%</b>

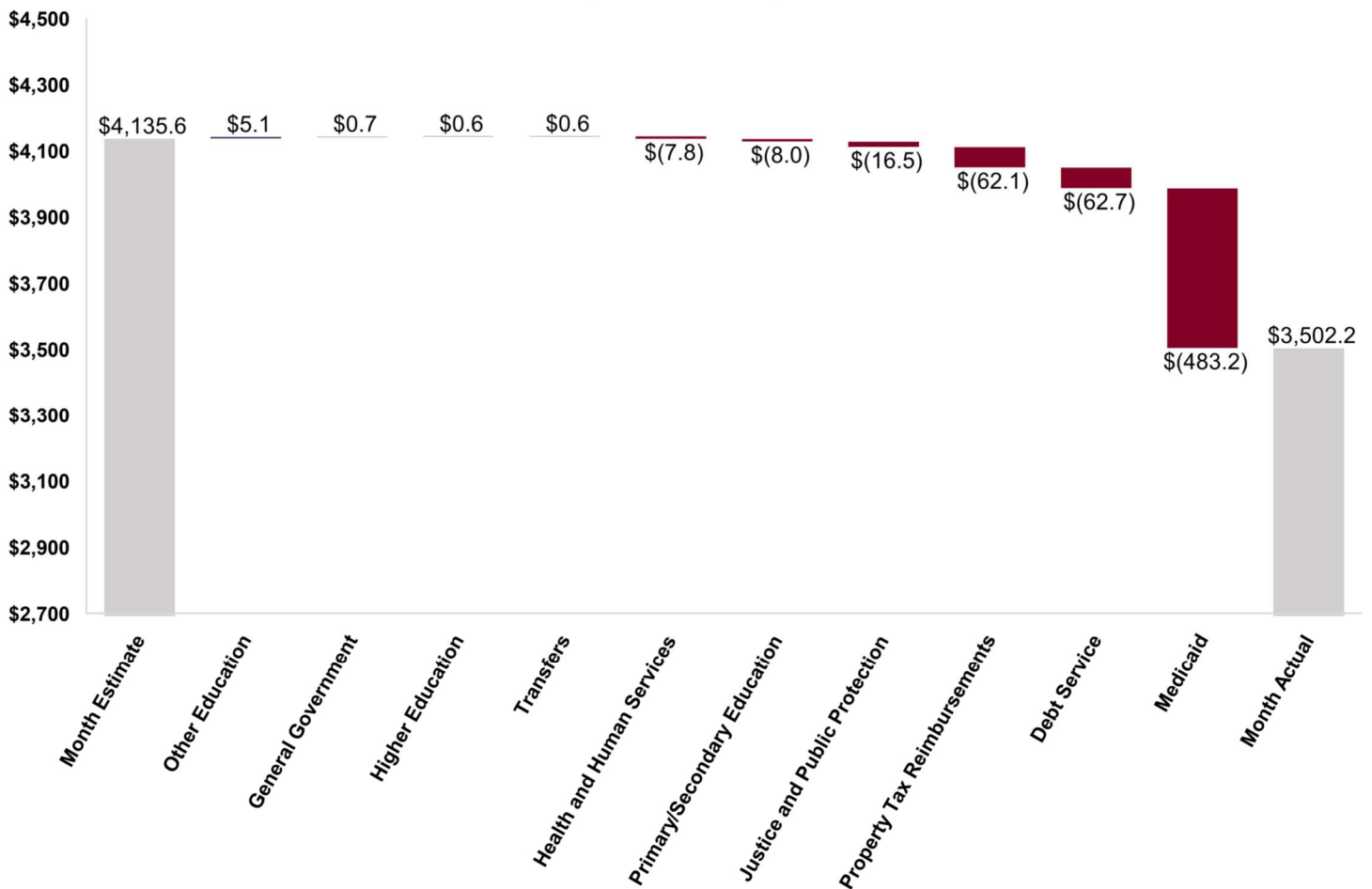
# Disbursements

March GRF disbursements, for all uses, totaled \$3.5 billion and were \$633.4 million (15.3%) below estimate. This variance was primarily due to lower-than-estimate spending in the Medicaid category followed by Debt Service and Property Tax Reimbursements and partially offset by higher-than-estimated disbursements in Other Education and General Government categories.

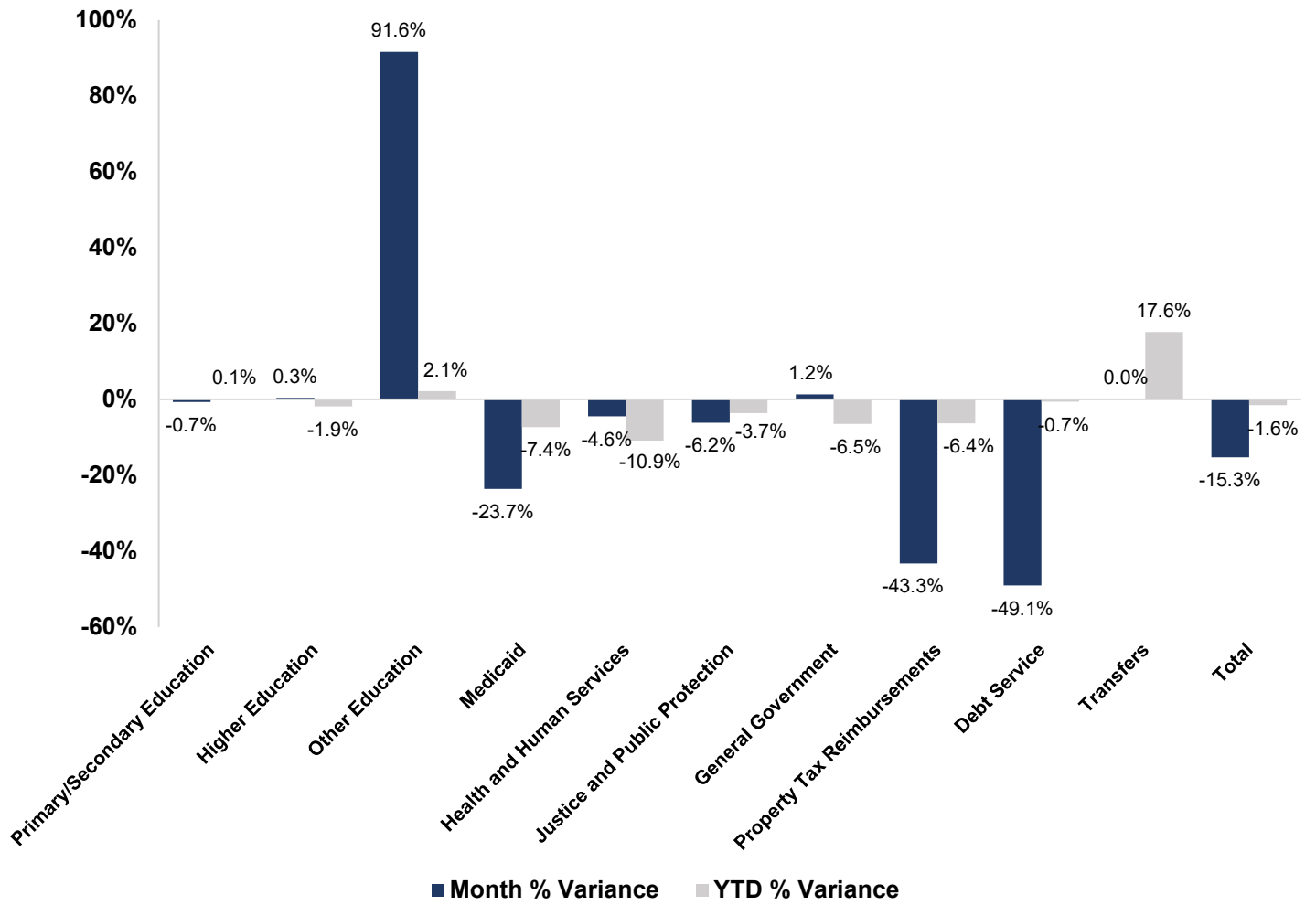


On a year-over-year basis, total March disbursements were \$20.6 million (0.6%) lower than those of the same month last fiscal year, with the Medicaid category largely responsible for the difference.

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



### 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

March GRF disbursements for the Medicaid Program totaled \$1.5 billion and were \$483.2 million (-23.7%) below estimate. Year-to-date GRF disbursements totaled \$14.9 billion and were \$1.2 billion (-7.4%) below estimate and \$201 million (1.4%) above disbursements for the same period in the previous fiscal year.

The March GRF disbursement variance was primarily attributable to below estimate caseloads. Total caseloads declined by 28,774 members, in March, as the Department continued the resumption of routine eligibility operations post federally declared public health emergency. The variance was also attributable to the continued delay of some payments to managed care organizations – these payments are still expected to be made in the coming months.

March all-funds disbursements for the Medicaid Program totaled \$3.5 billion and were \$390.5 million (-10.1%) below estimate. Year-to-date all-funds disbursements totaled \$28.4 billion and were \$1.6 billion (-5.3%) below estimate and \$1.4 billion (5%) above disbursements for the same period in the previous fiscal year. The all-funds disbursement variance was primarily attributable to below estimate caseloads and the delay of some payments to managed care organizations as mentioned above.

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

	March Estimate	March Actual	Variance	Variance %
GRF	\$ 2,038.6	\$ 1,555.4	\$ (483.2)	-23.7%
Non-GRF	\$ 1,824.9	\$ 1,917.5	\$ 92.6	5.1%
All Funds	\$ 3,863.4	\$ 3,472.9	\$ (390.5)	-10.1%

### Medicaid Enrollment

Total March enrollment was 3.16 million, which was 124,352 (-3.8%) below estimate and 411,119 (-11.5%) below enrollment for the same period last fiscal year. Year-to-date average monthly enrollment was 3.29 million and was approximately 73,523 (-2.2%) below estimate. The Department resumed routine Medicaid eligibility operations in April 2023. Total enrollment has declined by approximately 420,538 between April 2023 and March – an average decline of about 34,260 per month. Note that this number may be adjusted in the coming months as retroactive and backdated enrollments occur.

March enrollment by major eligibility category was: Covered Families and Children (CFC), 1.69 million; Group VIII Expansion, 825,504 and Aged, Blind and Disabled (ABD), 500,404.

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

## Debt Service

March payments for debt service totaled \$65 million and were \$62.7 million (49.1%) below estimate. Year-to-date disbursements in this category totaled \$1.1 billion and were \$8 million (0.7%) below estimate. The monthly variance was due to the timing of certain debt service payments. These payments were originally estimated to occur in March but disbursed in February instead.

## Property Tax Reimbursements

Payments from the property tax reimbursement category are made to local governments and school districts to reimburse these entities for revenues foregone because of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

March reimbursements totaled \$81.3 million and were \$62.1 million below estimate. Year-to-date reimbursements totaled \$1 billion and were \$68.3 million (6.4%) below estimate. The monthly variance was due to the timing of county reimbursement requests and is expected to offset in future months.

## 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. March disbursements in this category totaled \$250.3 million and were \$16.5 million (6.2%) below the estimate. The majority of the variance in this category was due to expenditures for the Department of Rehabilitation and Correction which totaled \$172 million, \$16.1 million (8.5%) under the estimate. The variance was caused by lower-than-estimated spending in institutional operations this month and is expected to offset in future months.

The Department of Public Safety also contributed to the negative variance in this category. March disbursements totaled \$5.6 million and were \$2.9 million (33.9%) below estimate. The variance was primarily attributable to disbursements in the Recovery Ohio Law Enforcement program, which was \$1 million below estimate, and disbursements in the Justice Program Services, which was \$0.8 million below estimate, due to the timing of reimbursement requests from local governments and police departments for various grant programs.

Year-to-date disbursements in this category total \$2.2 billion and are \$85.7 million (3.7%) below the estimate. On a year-over-year basis, disbursements in this category were \$62.2 million (33%) above the same month last fiscal year while year-to-date expenditures are \$228.2 million (11.3%) above 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.

March disbursements in this category totaled \$10.7 million and were \$5.1 million (91.6%) above the estimate. This variance was primarily due to disbursements for the Ohio History Connection which were made in March instead of April as estimated. Year-to-date disbursements in this category total \$88.8 million and are \$1.8 million (2.1%) above the estimate. On a year-over-year basis, disbursements in this category were \$7 million (187.8%) above the same month last fiscal year while year-to-date expenditures are \$17.7 million (24.9%) above the same point in FY 2023.

## Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education and Workforce. March disbursements for this category totaled \$1.1 billion and were \$8 million (0.7%) below the estimate.

Year-to-date disbursements total \$7.7 billion and are \$5 million (0.1%) above the estimate. On a year-over-year basis, disbursements in this category were \$399 million (57.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$792.9 million (11.5%) higher than the same point in FY 2023.

## 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.

March disbursements in this category totaled \$163.6 million and were \$7.8 million (4.6%) below the estimate. Year-to-date disbursements in this category total \$1.4 billion and are \$172 million (10.9%) below the estimate. On a year-over-year basis, disbursements in this category were \$28 million (20.6%) higher than for the same month last fiscal year while year-to-date expenditures are \$101.5 million (7.8%) higher than at the same point in FY 2023.

## 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.

March disbursements in this category totaled \$57.9 million and were \$702,000 (1.2%) above the estimate. The majority of the variance in this category was due to disbursements for the Ohio Department of Transportation which totaled \$16.6 million and were \$6.9 million (70.6%) above estimate. This variance was primarily attributable to disbursements in State Public Transportation, which was \$8.8 million above estimate due to supplier issues with bus deliveries for the Transit Preservation Partnership Program and sub-recipients drawing down reimbursement requests slower than anticipated.

Year-to-date disbursements in this category total \$1 billion and are \$72.9 million (6.5%) below the estimate. On a year-over-year basis, disbursements in this category were \$24.1 million (71.3%) above the same month last fiscal year while year-to-date expenditures are \$643.4 million (159.4%) above the same point in FY 2023.

## Higher Education

March disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$221.5 million and were \$0.6 million (0.3%) above the estimate.

Year-to-date disbursements were \$2 billion, which was \$38.2 million (1.9%) below the estimate. On a year-over-year basis, disbursements in this category were \$14.7 million (7.1%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$105.6 million (5.7%) higher than at the same point in fiscal year 2023. The year-to-date variance compared to 2023 is due to the significant increase in the State Share of Instruction and the Ohio College Opportunity Grant programs in the fiscal year 2024-2025 operating budget.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL MARCH	ESTIMATED MARCH	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	1,095,961	1,103,980	(8,019)	-0.7%	7,684,877	7,679,859	5,018	0.1%
Higher Education	221,453	220,812	641	0.3%	1,962,800	2,000,977	(38,176)	-1.9%
Other Education	10,700	5,586	5,114	91.6%	88,792	86,974	1,819	2.1%
Medicaid	1,555,378	2,038,575	(483,196)	-23.7%	14,894,476	16,079,203	(1,184,727)	-7.4%
Health and Human Services	163,619	171,443	(7,824)	-4.6%	1,404,175	1,576,575	(172,400)	-10.9%
Justice and Public Protection	250,327	266,865	(16,537)	-6.2%	2,248,514	2,334,236	(85,722)	-3.7%
General Government	57,935	57,234	702	1.2%	1,047,113	1,120,013	(72,900)	-6.5%
Property Tax Reimbursements	81,310	143,438	(62,128)	-43.3%	1,006,545	1,074,851	(68,306)	-6.4%
Debt Service	64,950	127,693	(62,743)	-49.1%	1,126,458	1,134,407	(7,950)	-0.7%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,501,635</b>	<b>4,135,625</b>	<b>(633,990)</b>	<b>-15.3%</b>	<b>31,463,751</b>	<b>33,087,095</b>	<b>(1,623,345)</b>	<b>-4.9%</b>
<b>Transfers Out:</b>								
BSF Transfer Out	0	0	0	N/A	150,000	150,000	0	0.0%
Operating Transfer Out	587	0	587	N/A	6,434,606	5,447,298	987,308	18.1%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>587</b>	<b>0</b>	<b>587</b>	<b>N/A</b>	<b>6,584,606</b>	<b>5,597,298</b>	<b>987,308</b>	<b>17.6%</b>
<b>Total Fund Uses</b>	<b>3,502,222</b>	<b>4,135,625</b>	<b>(633,403)</b>	<b>-15.3%</b>	<b>38,048,356</b>	<b>38,684,393</b>	<b>(636,037)</b>	<b>-1.6%</b>

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	MARCH FY 2024	MARCH FY 2023	\$ VAR	% VAR	ACTUAL FY 2024	ACTUAL FY 2023	\$ VAR	% VAR
Primary and Secondary Education	1,095,961	696,919	399,042	57.3%	7,684,877	6,892,027	792,850	11.5%
Higher Education	221,453	206,782	14,671	7.1%	1,962,800	1,857,186	105,614	5.7%
Other Education	10,700	3,717	6,983	187.8%	88,792	71,074	17,718	24.9%
Medicaid	1,555,378	1,765,458	(210,080)	-11.9%	14,894,476	14,693,563	200,913	1.4%
Health and Human Services	163,619	135,645	27,974	20.6%	1,404,175	1,302,639	101,536	7.8%
Justice and Public Protection	250,327	188,167	62,160	33.0%	2,248,514	2,020,323	228,191	11.3%
General Government	57,935	33,827	24,108	71.3%	1,047,113	403,683	643,431	159.4%
Property Tax Reimbursements	81,310	60,921	20,389	33.5%	1,006,545	973,060	33,485	3.4%
Debt Service	64,950	147,793	(82,843)	-56.1%	1,126,458	1,353,066	(226,608)	-16.7%
<b>Total Expenditures &amp; ISTV's</b>	<b>3,501,635</b>	<b>3,239,230</b>	<b>262,405</b>	<b>8.1%</b>	<b>31,463,751</b>	<b>29,566,620</b>	<b>1,897,131</b>	<b>6.4%</b>
<b>Transfers Out:</b>								
BSF Transfer	0	0	0	N/A	150,000	727,031	(577,031)	-79.4%
Operating Transfer Out	587	283,566	(282,979)	-99.8%	6,434,606	1,524,701	4,909,905	322.0%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
<b>Total Transfers Out</b>	<b>587</b>	<b>283,566</b>	<b>(282,979)</b>	<b>-99.8%</b>	<b>6,584,606</b>	<b>2,251,732</b>	<b>4,332,874</b>	<b>192.4%</b>
<b>Total Fund Uses</b>	<b>3,502,222</b>	<b>3,522,797</b>	<b>(20,575)</b>	<b>-0.6%</b>	<b>38,048,356</b>	<b>31,818,352</b>	<b>6,230,005</b>	<b>19.6%</b>

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

<b>July 1, 2023, Beginning Cash Balance*</b>	<b>\$8,990,658.7</b>
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
<b>Total Sources Available for Expenditures &amp; Transfers</b>	<b>51,251,785.2</b>
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
<b>Total Estimated Uses</b>	<b>49,516,881.4</b>
<b>FY 2024 UNENCUMBERED ENDING FUND BALANCE***</b>	<b>\$1,734,903.8</b>

\*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.

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

Jason Akbar, Miranda Ames, Khada Chapagai, Todd Clark, Tara Clayton, Luis da Cruz, Adam Damin, Chris Guerrini, Chris Hall, Josephine Harders, Diane Hare, K'Yalei Harris, Richard Hurley, Charlotte Kirschner, Taylor Pair, Steven Peishel, Mikaela Perkins, Craig Rethman, Maya Sattler, Patrick Sheely, Matthew Sladek, and Melissa Snider.



# Glossary

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

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

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

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

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