State of Ohio
Monthly Financial Report

MARCH 10, 2025

Memorandum to:
The Honorable Mike DeWine, Governor
The Honorable Jim Tressel, Lt. Governor

From: Kimberly Murnieks, OBM Director

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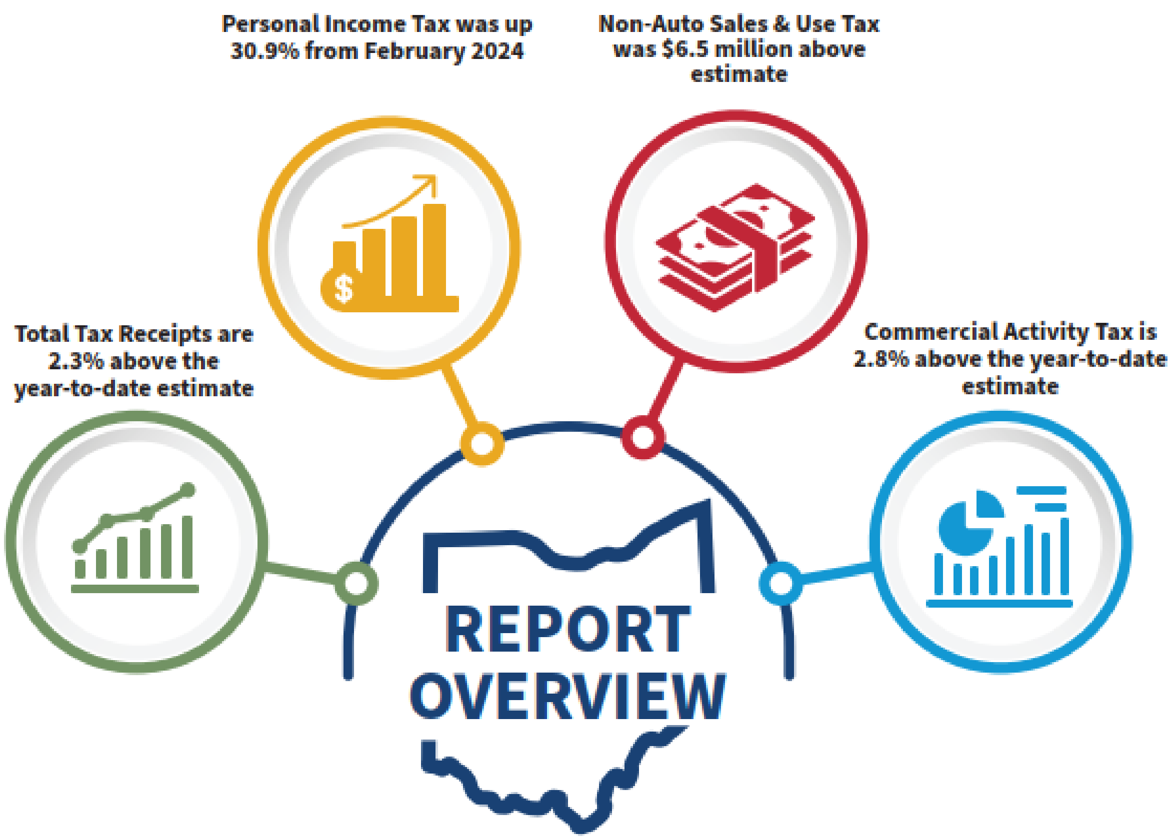
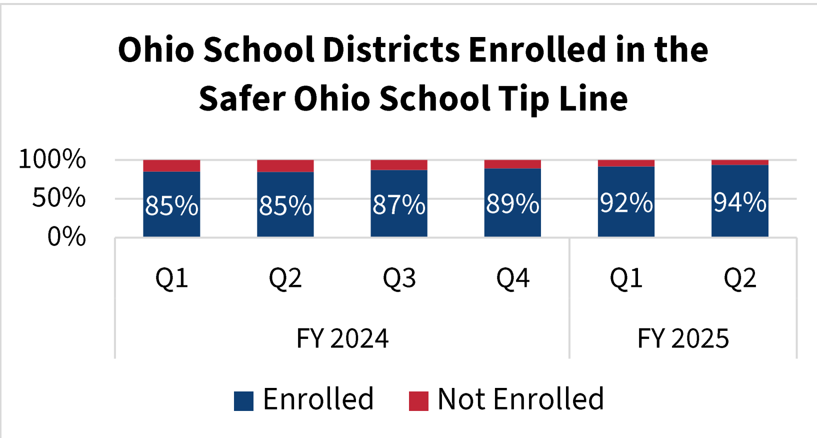

Personal Income Tax was up 30.9% from February 2024
Non-Auto Sales & Use Tax was $6.5 million above estimate
Total Tax Receipts are 2.3% above the year-to-date estimate
Commercial Activity Tax is 2.8% above the year-to-date estimate
REPORT OVERVIEW

Spotlight on Results

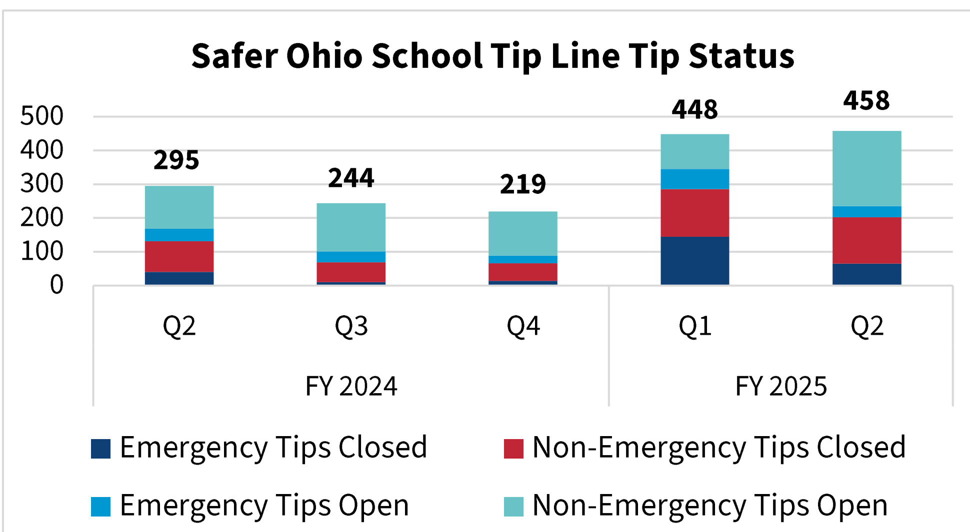
Spotlighting: Safer Ohio School Tip Line

The Safer Ohio School Tip Line is an anonymous reporting system that allows students and adults to share information with school officials and law enforcement about threats to student safety. Items reported to the tip line include, but are not limited to, bullying, hazing, gang-related activities, verbal or written threats, unusual/suspicious behavior, self-harm, and anything believed to be a threat to school safety. The tip line can be accessed 24/7 by call, text, web form, or mobile app.



Of Ohio's 611 school districts, 574 were enrolled in the Safer Ohio School Tip Line in Q2 FY 2025, a 10.3 percent increase in school districts enrolled compared to Q1 FY 2024. Districts not enrolled in the tip line have an agreement with an alternate tip line provider. Regardless of school district enrollment status, 100 percent of tips received are passed on to local resources. In Q2 FY 2025, it took an average of only 2.5 minutes to pass tips along, 29 percent faster compared to Q1 FY 2025.

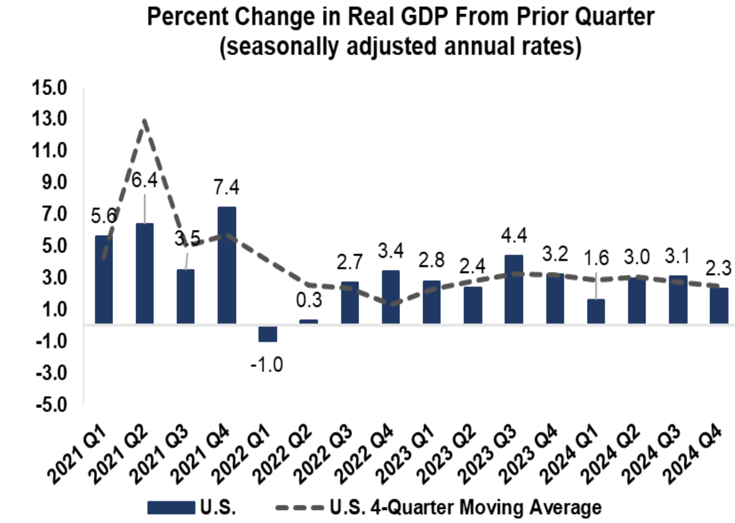
Between October and December 2024, the Safer Ohio School Tip Line received 458 tips, 21 percent of which were emergency tips. Of the emergency tips, 66.3 percent were closed on the dashboard during the same quarter. Tips on the dashboard are closed by the individual school district, not the Department of Public Safety. The Department is committed to continuing education on the importance of closing tips on the dashboard as they are resolved.



Economic Activity

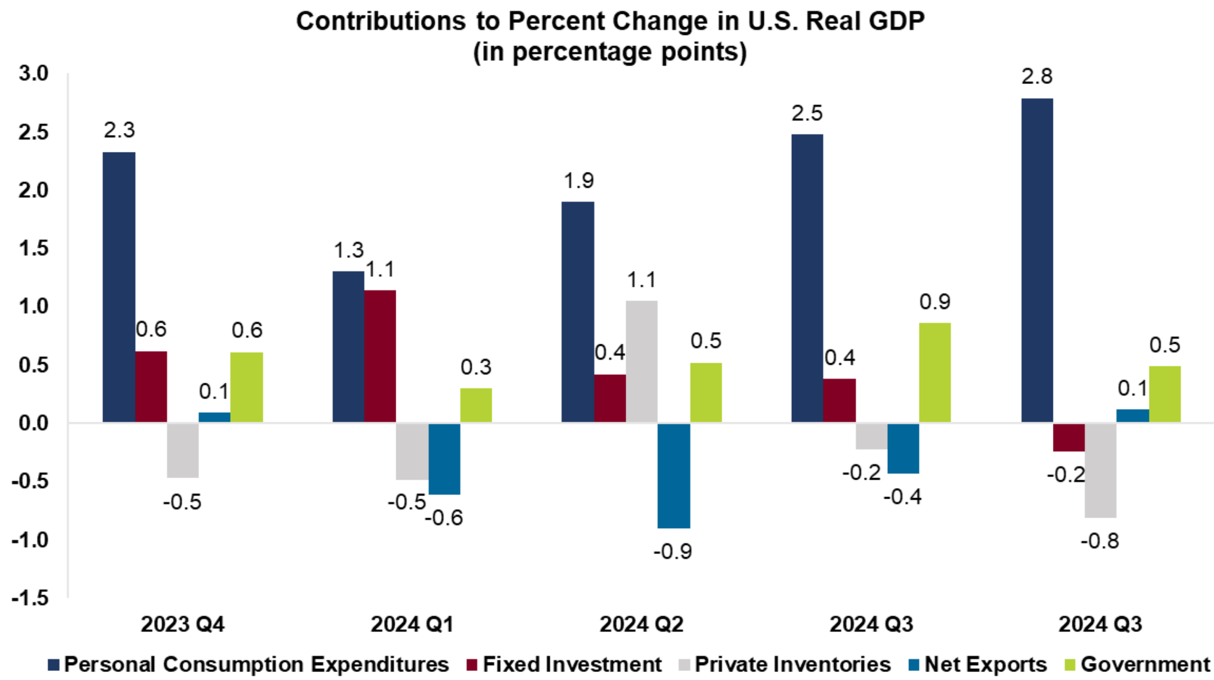
Economic Outlook

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 2024 at an annualized rate of 2.3 percent, which marks the 11th consecutive quarter of growth.



Source: Bureau of Economic Analysis

The fourth-quarter increase in real GDP resulted from increases in personal consumption expenditures (2.8 percentage points) government expenditures (0.5 percentage point), and net exports (0.1 percentage point). These increases were partially offset by decreases in private inventories (-0.8 percentage point) and fixed investment (-0.2 percentage point).



Source: Bureau of Economic Analysis

In January 2025, the Conference Board's **Leading Economic Index** decreased 0.3 percent to 101.5, after increasing 0.1 percent in December. Over the last six months, the Index decreased by 0.9 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that this decline resulted from fewer hours worked in manufacturing and more pessimism regarding future business conditions. Despite these declines, the Conference Board expects growth to remain strong to start the year before pulling back in the second half of the year.

The **Federal Reserve's Beige Book** evaluates current economic conditions across 12 districts. According to the report covering the February 2025 reporting period, business activity in the Fourth District, which includes Ohio, was flat in recent weeks. Activity is expected to increase modestly in the coming months. Employment levels continued to remain flat, and consumer spending decreased. Bankers reported that commercial loan demand rose, whereas consumer lending remained constant. Residential construction demand declined modestly compared to the previous reporting period. Nonresidential construction activity remained flat; however slightly higher demand is anticipated in the coming months.

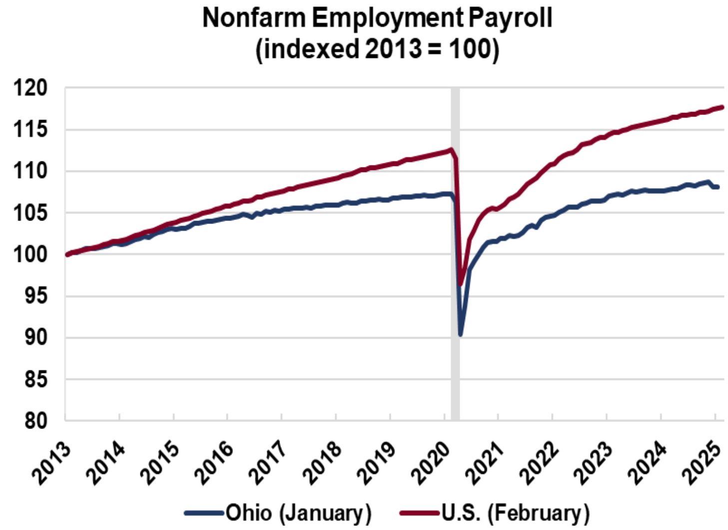
Most forecasters expect real GDP to continue to grow, although at a more moderate rate, as the effects of tariffs impart short-term headwinds on consumer spending. The U.S. labor market added over 167,000 jobs per month in 2024 and is off to a strong start through February. The unemployment rate currently remains low, and the Federal Open Market Committee has signaled a wait-and-see approach for the federal funds rate through the first half of the year as trade policy continues to evolve.

Economic Forecasts

Source	Date	1st Quarter 2025 Annualized GDP Forecast
Federal Reserve Bank of New York (Nowcast)	03/07/2025	2.7%
Federal Reserve Bank of Atlanta (GDPNow)	03/06/2025	-2.4%
Moody's High Frequency GDP Model	03/06/2025	1.2%
S&P Global GDP Tracker	03/06/2025	1.6%
Philadelphia Federal Reserve Survey of Professional Forecasters	02/14/2025	2.5%
Wells Fargo	02/13/2025	3.0%
Conference Board	02/12/2025	2.5%

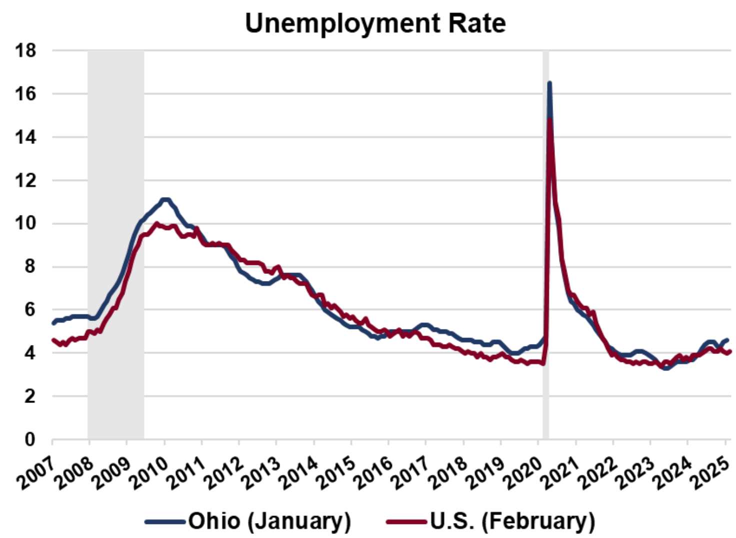
Ohio Labor Market

Ohio's nonfarm payroll employment decreased by an estimated 800 jobs between December and January 2025 to 5.7 million. With this decrease, nonfarm employment was 0.3 percent above levels in January 2024. Ohio employment remains near the record levels reached in the second half of calendar year 2024.



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** in January 2024 was 62.4 percent, unchanged from December 2024.



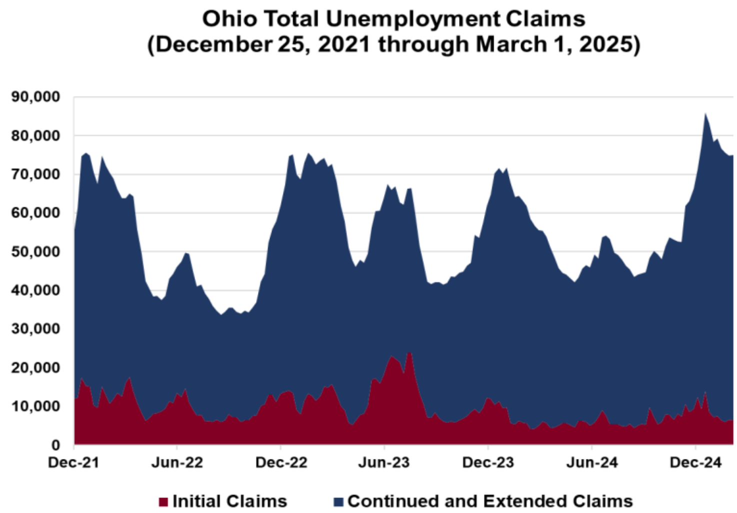
Source: Bureau of Labor Statistics through FRED

The **Ohio unemployment rate** in January 2025 was 4.6 percent, an increase of 0.1 percentage point compared to December, and 0.5 percentage point above the national rate in January. Unemployment remains near record lows.

In January 2025, **initial unemployment claims** decreased 11.1 percent for men and decreased 7.2 percent for women compared to December 2024. Compared to January 2024, initial claims for men increased 0.6 percent whereas initial claims for women decreased 11.1 percent.

Compared to December 2024, initial claims filed in January 2025 decreased for individuals of all races except for those who identify as American Indian. Those who identify as Hispanic (-17.5%) and those who identify as White (-11.6%) saw the largest decreases. Initial claims increased for those who identify as American Indian (6.2%), as well as for those who did not specify (0.4%).

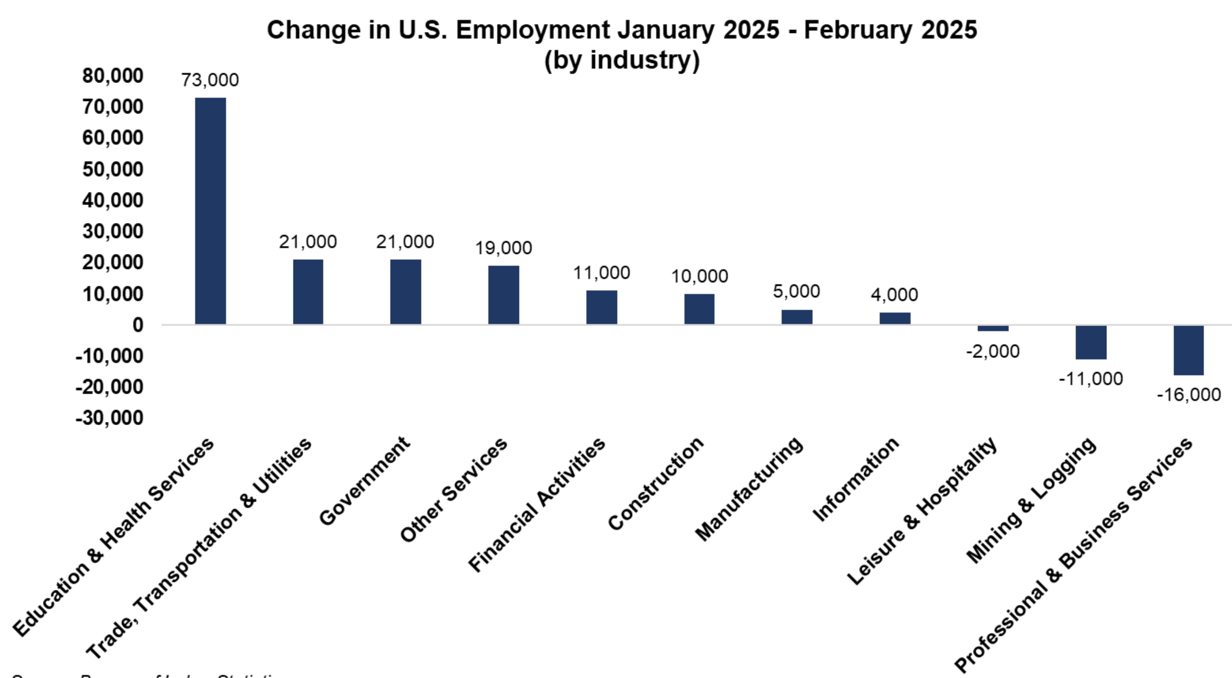
During the week ending March 1, 2025, 6,537 individuals filed initial unemployment claims, a 1.6 percent decrease compared to the previous week. During the same week, 68,388 individuals filed **continued and extended claims**, a 0.2 percent decrease from the prior week.



Source: Ohio Department of Job and Family Services

U.S. Labor Market

U.S. nonfarm payroll employment increased by an estimated 151,000 in February 2025. Growth in employment occurred across multiple industries, with education and health services, trade, transportation and utilities, and government experiencing the largest gains. Losses in professional and business services, mining and logging, and leisure and hospitality partially offset these gains.



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** decreased 0.2 percentage point between January and February to 62.4 percent. The **U.S. employment-population ratio** decreased 0.2 percentage point to 59.9 in February. Both the labor force participation rate and the employment-population ratio were each 0.2 percentage point lower compared to February 2024.

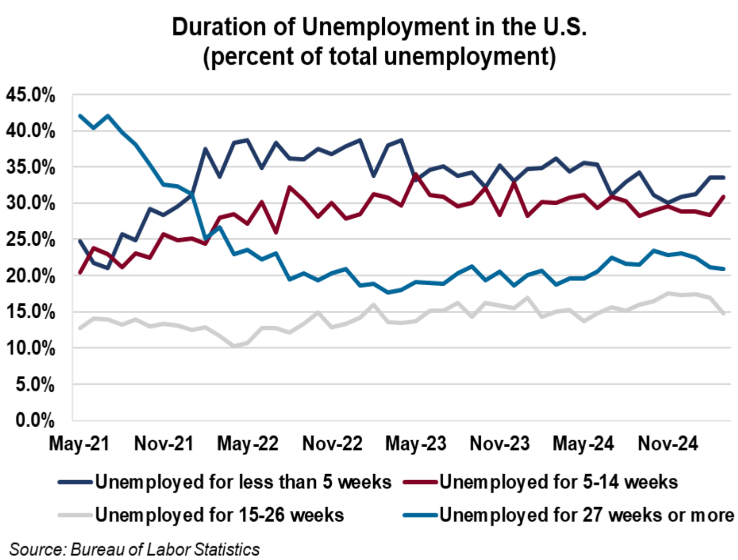
The **U.S. unemployment rate** increased 0.1 percentage point in February 2025 to 4.1 percent while the number of unemployed individuals increased by 203,000 to 7.1 million. Between January and February 2025, the unemployment rate decreased by 0.5 percentage point for those who identified as Asian and 0.2 percentage point for those who identified as Black. Individuals who identify as Hispanic saw their unemployment rate increase 0.4 percentage point and the unemployment rate increased for those who identify as White by 0.3 percentage point. The unemployment rate increased by 0.2 percentage point for men to 4.2 percent and increased by 0.1 percentage point for women to 4.1 percent between January 2025 and February 2025.

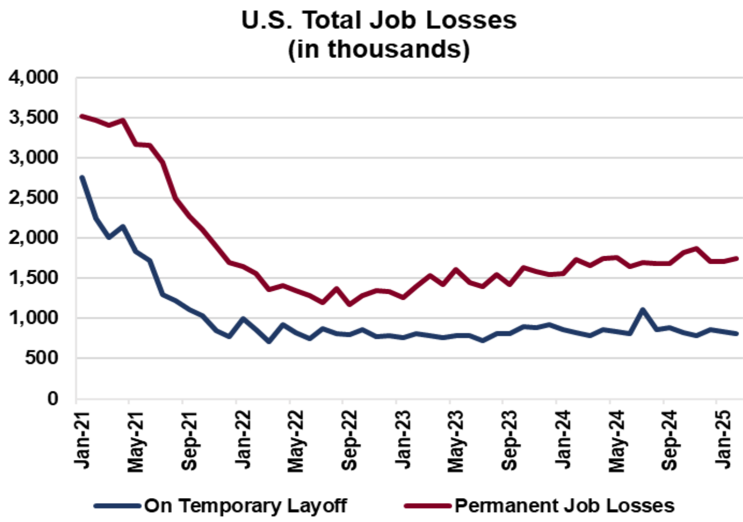
Unemployment Rates by Demographic Group

	Dec-2024	Jan-2025	Jan-2025
Women	4.1%	4.0%	4.1%
Men	4.1%	4.0%	4.2%
Black	6.1%	6.2%	6.0%
White	3.6%	3.5%	3.8%
Asian	3.5%	3.7%	3.2%
Hispanic	5.1%	4.8%	5.2%

In February 2025, 33.1 percent of unemployed individuals in the nation were unemployed for less than 5 weeks, a 0.9 percent decrease from January 2025.

The number of **people not in the labor force who currently want a job** increased by 414,000 (7.6%) between January and February to 5.9 million people.





Source: Bureau of Labor Statistics

The number of unemployed people on **temporary layoff** decreased by 2.2 percent to 817,000 in February 2025.

The number of people with **permanent job losses** increased by 40,000 (2.3%) in February to 1.7 million people.

Consumer Income and Consumption

$25.3 Trillion

Personal income increased by $221.9 billion (0.9%) in January 2025 to $25.3 trillion. The gains in December were primarily due to increases in employee compensation of $66.6 billion (0.4%) and personal income receipts on assets of $42.3 billion (1.1%).

Personal consumption expenditures decreased by $30.7 billion (-0.2%) between December 2024 and January 2025. Overall spending on goods decreased by 1.2 percent in January compared to December. Spending on durable goods decreased 3 percent and was driven by decreases in spending on motor vehicles and parts (-5.2%), recreational goods and vehicles (-2.2%), and other durable goods (-1.9%). Spending on nondurable goods decreased 0.2 percent in January, largely due to decreased spending on gasoline and other energy goods (-2.6%). Spending on services increased 0.3 percent in January 2025, primarily driven by increased spending on food services and accommodations (0.9%), housing and utilities (0.8%), and recreation services (0.7%). Decreased spending on transportation services (-0.1%) and health care (-0.1%) partially offset these gains.

Personal saving totaled $1 trillion in January 2025, a 32.2 percent increase from December's revised level but 13.6 percent below January 2024's level. The **personal saving rate** was 4.6 percent in January 2025, a 1.1 percentage point increase from December 2024.

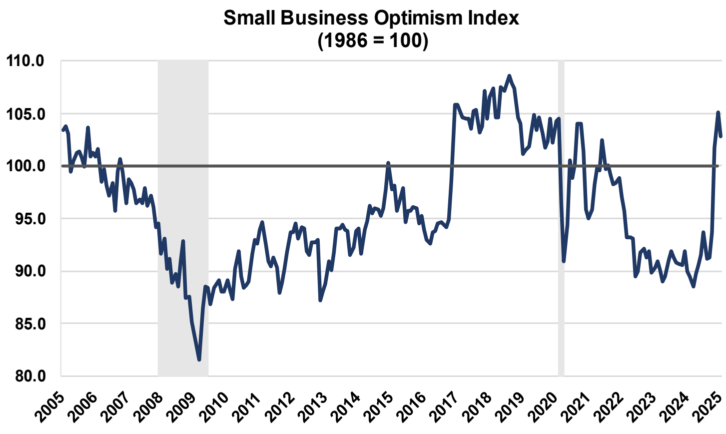
Consumer Spending by Industry, for Select Industries
($ in millions of chained 2017 dollars)

	December 2024	January 2025	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	$2,161,432	$2,088,976	-3.4%	5.3%	4.7%
Motor vehicles and parts	$630,992	$593,177	-6.0%	6.8%	-1.8%
Furnishings and durable household equipment	$454,102	$447,244	-1.5%	5.1%	5.0%
Recreational goods and vehicles	$811,984	$788,421	-2.9%	5.2%	12.4%
Other durable goods	$301,008	$299,879	-0.4%	2.1%	5.3%
Nondurable Goods	$3,469,651	$3,442,796	-0.8%	2.0%	3.8%
Clothing and footwear	$509,773	$511,290	0.3%	0.6%	1.8%
Gasoline and other energy goods	$319,585	$321,612	0.6%	2.8%	2.7%
Other nondurable goods	$1,473,439	$1,449,340	-1.6%	2.6%	5.1%
Services	$10,773,135	$10,781,912	0.1%	2.9%	5.5%
Transportation services	$507,746	$509,134	0.3%	5.3%	6.5%
Housing and utilities	$2,655,786	$2,667,973	0.5%	1.6%	3.1%
Health care	$2,869,571	$2,871,848	0.1%	4.4%	10.0%
Food services and accommodations	$1,075,792	$1,081,125	0.5%	1.8%	1.6%
Financial services and insurance	$1,178,581	$1,178,105	0.0%	2.4%	6.6%

Note: The table above provides details on real personal consumption spending in chained 2017 dollars, which differs from the figures in the text that are not adjusted for inflation.
Source: Bureau of Economic Analysis, Table 2.8.6 Real Personal Consumption Expenditures by Major Type of Product

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.5 percent in January 2025 compared to December 2024. The “all items” index increased 3 percent over the last year. Compared to December, price increases in January were widespread. Energy prices increased the most (1.1%), followed by food (0.4%) and shelter (0.4%).

The two major consumer opinion surveys reported declines in February 2025. Respondents in the University of Michigan’s **Survey of Consumers** reported a decrease of seven percentage points (-9.8%) in consumer sentiment to 64.7 in February compared to January. Decreases in sentiment were seen across all wealth, incomes, and age groups. The Conference Board’s **Consumer Confidence Index** also decreased seven percentage points to 98.3 in February, down from a revised 105.3 in January. The decrease in confidence in February was shared by all consumers but declined significantly for consumers between 35 and 55 years old.



Source: NFIB

The **Small Business Optimism Index** decreased 2.3 percentage points to 102.8 in January. However this marks the third consecutive month above the 51-year average of 98. Inflation remained the top concern for 18 percent of small business owners, down two points from December. In January, 35 percent of small business owners reported job openings they could not fill, unchanged from December.

Travel and Tourism

Ohio’s three most prominent transit authorities, the Greater Cleveland Regional Transit Authority, Central Ohio Transit Authority, and Southwest Ohio Regional Transit Authority, provided an estimated 3.8 million unlinked passenger trips in February 2025. This was 7.4 percent below January 2025 ridership levels and 1.3 percent above February 2024.

Nationally, 62.6 million travelers went through TSA checkpoints in February. Average airline checkpoint traffic decreased by 4.8 percent in February 2025 compared to January 2025. **Total travel throughput** in February 2025 was 3.1 percent lower than in February 2024.

In the U.S., the **hotel occupancy rate** was 62.8 percent for the week ending March 1, 2025, 0.4 percent higher than the comparable week in 2024. The **average daily rate** for a hotel room was $159.26, a 2.7 percent increase from 2024. **Revenue per available room** was $100.06, 3.1 percent higher than the same week in 2024.

Industrial Activity

According to data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.5 percent between December 2024 and January 2025 and was 2 percent higher than in January 2024.

The **Manufacturing Production Index** decreased 0.1 percent in January 2025 and was 1.3 percent above December 2024. Durable manufacturing production remained unchanged between December and January and nondurable manufacturing production decreased by 0.3 percent. Nationally, manufacturing in eight of Ohio’s top 10 industries decreased production between December and January. The largest production decrease was in motor vehicles and parts (5.2%). Aerospace and other transportation equipment increased production during this time frame (6.0%).

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

Manufacturing Sector	Percent Change November 2024 and December 2024	Percent Change December 2024 and January 2025	Percent Change January 2024 and January 2025
Aerospace and Other Transportation Equipment	6.8%	6.0%	-0.1%
Chemicals	-0.2%	0.0%	6.4%
Electrical Equipment	0.4%	-0.1%	2.2%
Fabricated Metal Products	0.8%	-0.2%	-1.3%
Food Beverage and Tobacco Products	0.8%	-0.2%	-0.1%
Machinery	-0.5%	-0.1%	1.3%
Motor Vehicles and Parts	-1.6%	-5.2%	-5.9%
Petroleum and Coal	2.9%	-0.1%	4.3%
Plastics and Rubber Products	-0.4%	-1.6%	-4.1%
Primary Metals	3.3%	-1.7%	0.0%

In February 2025, the Institute for Supply Management reported that the **Purchasing Managers Index** (PMI) for the United States decreased 0.6 percentage point to 50.3 percent, signaling that economic activity expanded in the manufacturing sector in January for the second month in a row.

Source: Institute for Supply Management

Across the nation, 10 of the 15 industries tracked by ISM increased production in December. Of those industries with a significant presence in Ohio, manufacturing petroleum and coal products, primary metals, and food, beverage and tobacco products increased the most. In contrast, machinery production experienced a decline.

According to the survey committee chair, the manufacturing industry expanded in February. Demand weakened, while output stabilized, and inputs contributed to the index's growth. Anecdotal evidence from nationwide purchasing and supply executives surveyed by the Institute for Supply Management indicated uncertainty about the tariff environment and prices.

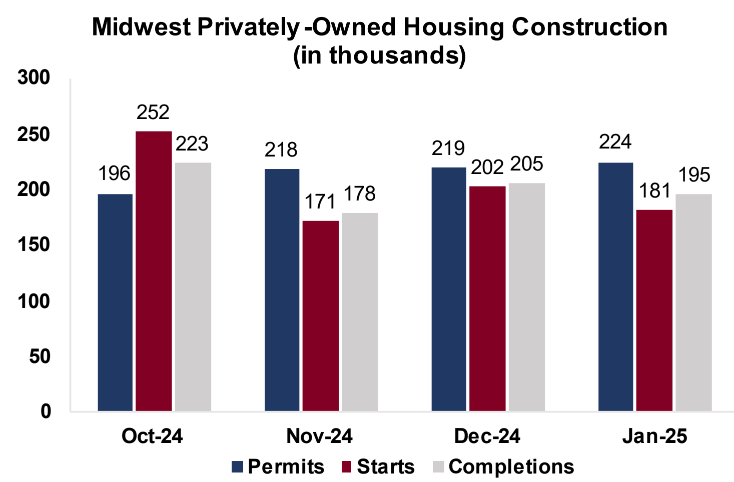
"New orders continue to be strong after picking up in December. The uncertainty about tariffs keeps us cautious on spending, despite the strong sales right now."
[Electrical Equipment, Appliances & Components]

"Inflation and pricing pressure continue to drive uncertainty in our 2025 outlook. We are seeing volume impacts due to pricing, with customers buying less and looking for substitution options." [Food, Beverage and Tobacco Products]

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately owned housing units decreased 34.3 percent between December 2024 and January 2025, 18.7 percent below the number issued in January 2024.

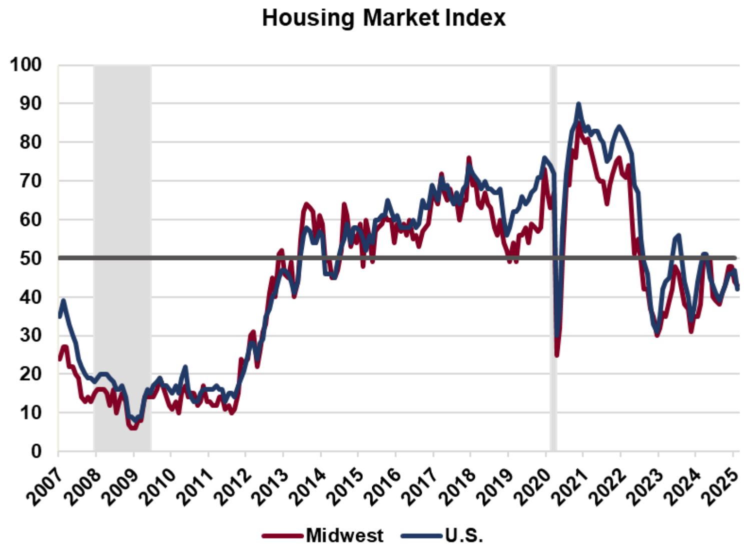
Privately-owned housing starts in the Midwest decreased 10.4 percent between December 2024 and January 2025 and were 30.2 percent above January 2024. In January 2025, privately owned housing completions in the Midwest declined by 4.9 percent compared to December 2024 and were 18.4 percent below January 2024.



Source: U.S. Census Bureau through FRED

New home sales in the Midwest decreased by 16.7 percent between December 2024 and January 2025 to 70,000 units, 13.6 percent lower than last year.

In January 2025, 7,428 homes sold in Ohio, a 0.8 percent increase from January 2024. The average sales price in Ohio was $274,522, a 7.6 percent increase compared to last January. The president of Ohio REALTORS remarked that Ohio's housing market is showing strong momentum at the start of the year. The increase in home values and home prices demonstrate that Ohio remains desirable for families and businesses.



Source: National Association of Home Builders

In January 2025, the Housing Market Index decreased five points nationally to 42 and decreased one point in the Midwest to 43.

U.S. Construction and Housing Market

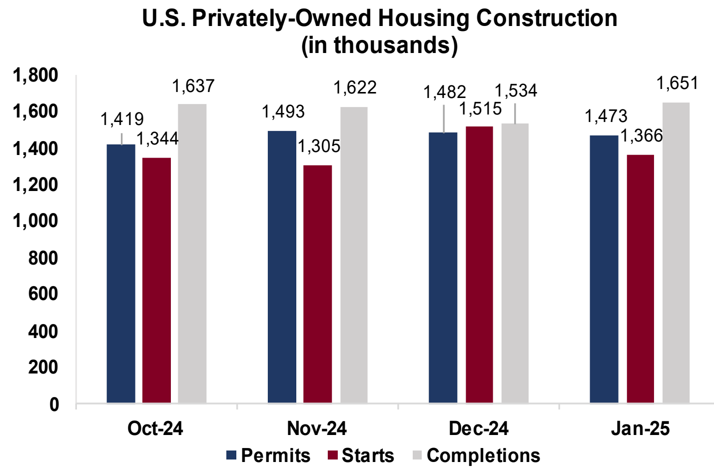
The U.S. Census Bureau reported **total construction spending** in January 2025 at a seasonally adjusted rate of $2.19 trillion, a 0.2 percent decrease from the revised December 2024 estimate. The January 2025 spending estimate was 3.3 percent above spending in January 2024.

Public sector construction spending increased an estimated 0.1 percent in January 2025 compared to the revised December estimate, bringing the seasonally adjusted annual total to $506.5 billion. Public spending on non-residential construction increased 0.2 percent from December 2024's revised estimate to $494 billion in January 2025 and was 5.9 percent above January 2024.

Private sector construction spending decreased 0.2 percent in January 2025 from December 2024 to a seasonally adjusted annual total of $1.68 trillion and was 2.6 percent above January 2024 spending levels. Private residential construction in January 2025 was 0.4 percent below December's revised level and 3.1 percent above January 2024's spending. Private non-residential construction was unchanged in January 2025 compared to December 2024 and was 1.8 percent above January 2024.

In the U.S., the number of **building permits** issued for privately owned housing units decreased by 0.6 percent between December 2024 and January 2025. It was 2.3 percent below the number of permits issued in January 2024.

Nationally, privately owned housing starts decreased by 9.8 percent between December 2024 and January 2025 and were 0.7 percent below January 2024.



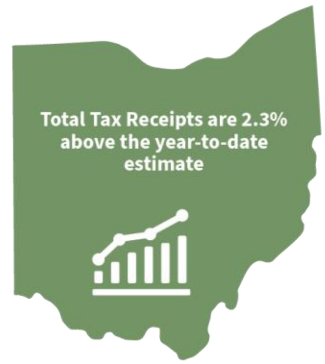
Source: U.S. Census Bureau through FRED

In January 2025, **newly built single-family home sales** decreased by 10.5 percent compared to December 2024 and were 1.1 percent below January 2024 sales. The national median sales price in December 2024 was $446,300, a 7.5 percent increase compared to the revised December median sales price, and 3.7 percent higher compared to January 2024.

According to the National Association of Realtors, **existing home sales** decreased 4.9 percent between December 2024 and January 2025 to an annual rate of 4.1 million housing units. Sales in January 2025 increased by two percent compared to January 2024. The median sale price of all existing homes increased 4.8 percent from a year ago to $396,900. Available inventory in January totaled 1.2 million units, a 3.5 percent increase compared to December 2024 and a 16.8 percent increase compared to January 2024’s inventory level.

Revenues

February GRF tax revenue shows a negative variance from estimate, amounting to $93.9 million (-4.2%). However, most of the variance is from the timing of commercial activity tax collections, as revenue anticipated for February was instead received in January. For the year-to-date, tax revenues with the transfer from the sales tax holiday fund exceed estimate by $431.4 million (2.3%). Without the transfer, tax receipts exceed estimates by $891.9 million (4.9%). While most tax sources are currently above estimate, non-auto sales tax and personal income tax together explain over 90 percent of the year's accumulated positive tax revenue variance.



YTD and Percent Variance for Revenues
($ in millions)

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, sales tax holiday transfer, 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	$ 431.4	2.3%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	$ (210.2)	-2.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$ 5.9	N/A
Total Receipts and Transfer Variance		**$ 227.1**	**0.8%**
Non-Federal Receipts and Transfer Variance		**$ 506.8**	**2.7%**
Federal Grants Variance		**$ (279.7)**	**-2.8%**

GRF sources totaled $2.8 billion in February and were $669,000 (0.02%) above the estimate. As mentioned above, tax revenues were $93.9 million (-4.2%) below the estimate. Non-tax revenues were $90.1 million (15%) above the estimate. For the year-to-date, tax revenues and transfers are above the estimate and non-tax revenues are below estimate.

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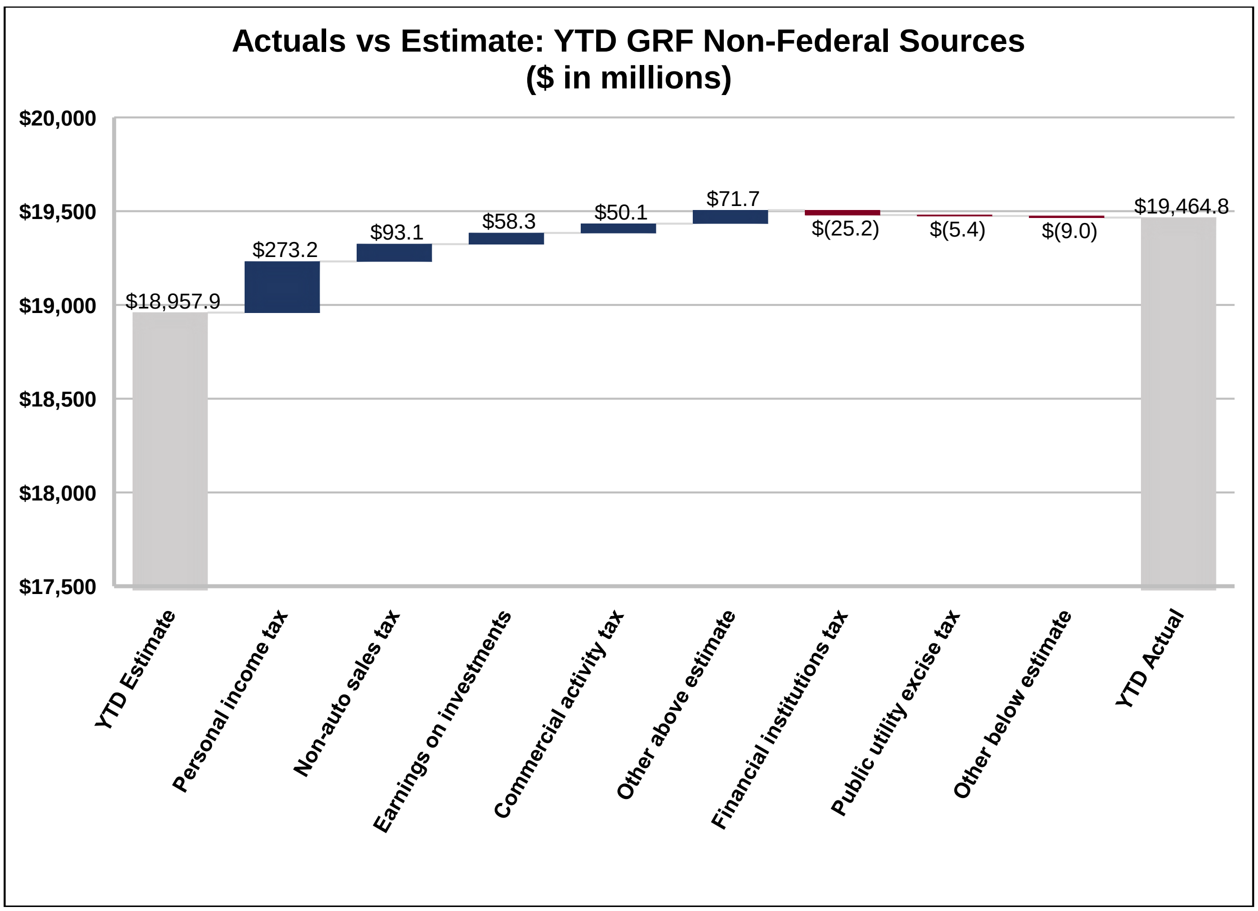
The following table shows that in February, the positive variances from estimate ($111 million) exceeded the negative variances ($110.3 million), resulting in a net positive variance from the estimate of $669,000.

GRF Revenue Sources Relative to Monthly Estimates – February 2025
($ in millions)

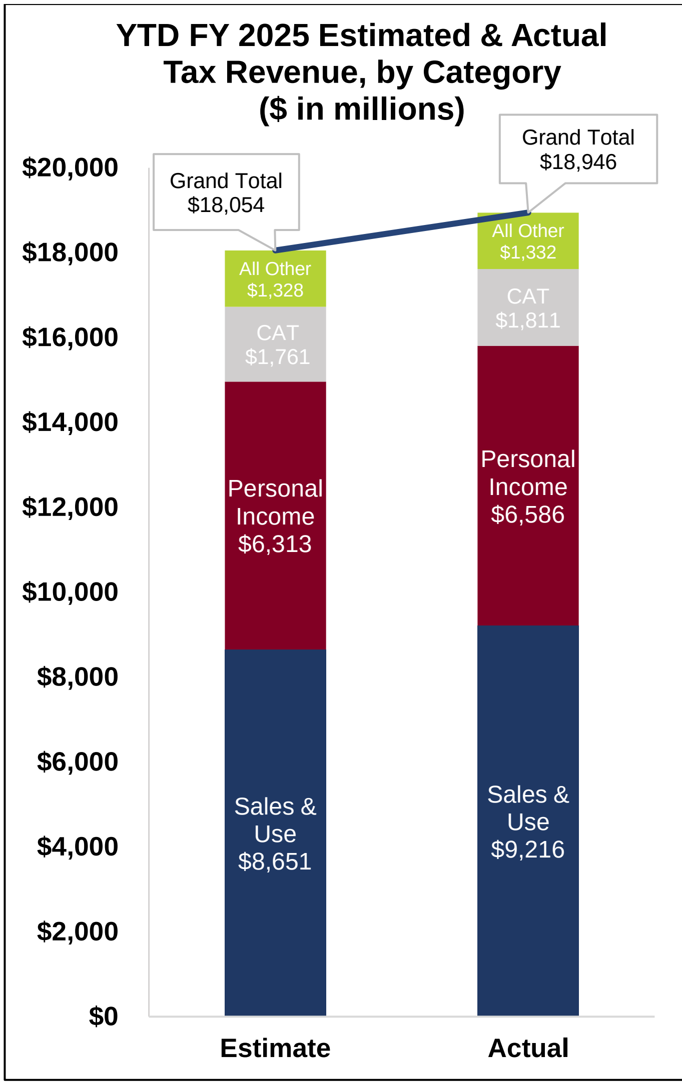
Individual Revenue Sources Above Estimate			Individual Revenue Sources Below Estimate		
Federal Grants	$	74.7	Commercial Activity Tax	$	(53.6)
Licenses & Fees	$	15.2	Financial Institutions Tax	$	(33.1)
Non-Auto Sales Tax	$	6.5	Personal Income Tax	$	(20.6)
Temporary Transfers In	$	4.5	Other revenue sources below estimate	$	(2.9)
Other revenue sources above estimate	$	10.2			
Total Above	**$**	**111.0**	**Total Below**	**$**	**(110.3)**

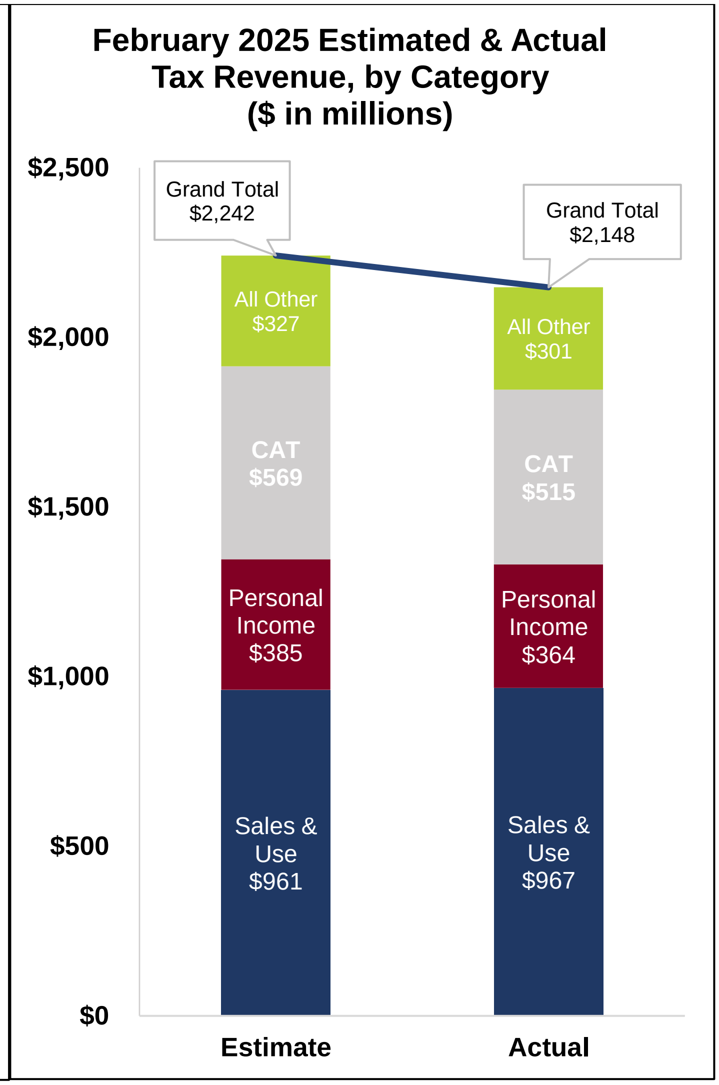
Note: Due to rounding of individual sources, the combined sum of sources above and below estimate may differ slightly from the total variance.



The preceding chart shows how various sources have contributed to the variance between actual and estimated non-federal revenues and transfers through February 2025. There is a $506.9 million difference between actual and forecasted non-federal revenues, with over one-half of the variance comprised of the personal income tax.

The following chart shows estimated and actual GRF tax revenues for the year and for February 2025, categorized by tax source. Sales and use tax revenues account for 49 percent of total tax revenues for the fiscal year to date.





In February, total receipts and transfers increased by $51.3 million (1.8%) compared to last year. Tax revenues increased $31.1 million (1.5%), while non-tax revenues increased $17.9 million (2.7%). Year-to-date, tax receipts including the sales tax holiday transfer, are $367 million (2%) above last year, and non-tax receipts are $880.2 million (9.6%) above last year. On a year-to-date basis, transfers, excluding the sales tax holiday transfer, are $3.3 million (-35.5%) below last year.

The source with the most significant year-over-year dollar increase in February was personal income at $86 million (30.9%), followed by non-auto sales tax at $21.3 million (2.7%) and licenses & fees at $16.4 million (213%). The most significant decrease was financial institutions tax at $50.4 million (-77%). The most notable year-to-date increases are in federal grants at $890.6 million (10.2%), followed by personal income tax at $247.3 million (3.9%), and transfers in, including sales tax holiday transfer, at $116 million. Significant year-to-date decreases are found in the commercial activity tax at $78 million (-4.1%), other income at $30.5 million (-21.4%), and financial institutions tax at $23.5 million (-26.2%).

Non-Auto Sales Tax

For February, GRF non-auto sales and use tax collections totaled $832.4 million, which is $6.5 million (0.8%) above the estimate. Year-to-date revenue is $553.7 million (7.5%) above the estimate. However, once combined with the transfer from the expanded sales tax holiday fund to the GRF, year-to-date revenue is just $93.1 million (1.2%) above estimate. February revenue is $21.9 million (2.7%) above last year, and year-to-date revenue is $68.5 million (0.9%) above last year.

Much of the significant positive year-to-date variance pertains to the expanded sales tax holiday from July 30 to August 8. The revenue foregone from the sales tax holiday was considerably smaller than anticipated by the monthly revenue forecasts. Originally forecasted to reduce GRF revenue by $584 million, the impact has since been estimated at $124 million: this difference represents a $460 million positive variance from original estimate. Transfers from the expanded sales tax holiday fund reimburse the GRF and several local funds for their revenue losses. These transfers occurred in December. The transfer to the GRF amounted to $124 million, $460 million below the original transfer estimate. The negative sales tax holiday transfer variance offsets much of the positive accumulated sales tax revenue variance.

January's elevated performance explains most of the $93.1 million year-to-date positive variance remaining after accounting for the expanded sales tax holiday transfer. February and March consistently generate the smallest revenue intake during a given fiscal year. Despite its relatively small size, February made a modest contribution to the accumulated positive variance. Furthermore, February's growth rate is consistent with the average year-over-year revenue growth displayed during those months (July, October, December, and January) not notably impacted by the expanded sales tax holiday.

Moving to economic data, the latest release from the U.S. Census Bureau's Advance Monthly Retail Trade Survey (MARTS) program shows respectable year-over-year retail sales growth in January. Focusing on establishments primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), the MARTS data indicates a 3.6 percent increase in national sales, not seasonally adjusted, during January 2025. In December and November, year-over-year growth was 5.7 percent and 3.5 percent, respectively. By comparison, Ohio all-funds non-auto sales tax revenue increased 8.4 percent in January, was flat in December, and increased 3.1 percent in November.

The MARTS data show several recent month-over-month declines in sales. On a seasonally adjusted basis, January 2025 sales for the retail categories listed above were 1.1 percent lower than in December, following a 0.6 percent increase in December from November and a 0.1 percent decrease in November from October.

Auto Sales Tax

February auto sales tax revenues were $134.4 million, which is $732,000 (-0.5%) below estimate. Year-to-date revenues are $10.9 million (0.9%) above the estimate. Revenues were $9.4 million (-6.5%) below last February and are $8.1 million (0.6%) above last year on a year-to-date basis.

Economic indicators provide a national context for the auto sales tax. According to the U.S. Department of Commerce's Bureau of Economic Analysis, February sales of new light vehicles reached a seasonally adjusted annual rate (the number of sales during the month adjusted for seasonal variations and expressed as an annualized total) of 16 million units. February sales were up 3.2 percent from January and up 2.1 percent from a year ago. On an unadjusted basis, light vehicle unit sales in February were at 1.22 million units. This is up 10.6 percent from the previous month and 0.7 percent below last February.

While new vehicle transaction prices remain high, price growth for the nation slowed significantly in calendar year 2023; since then, prices have experienced a slight decline. The latest release of the Consumer Price Index for All Urban Consumers (CPI-U) data from the U.S. Bureau of Labor Statistics shows January even with December. Year-over-year price changes continue to be modestly negative: the CPI-U for new motor vehicles in January 2025 was down 0.3 percent from January 2024, continuing the series of price declines that began in March 2024. Even with the recent reductions, new vehicle prices remain significantly above five years ago, with the CPI-U for new motor vehicles being 20.5 percent higher than in February 2020.

Turning to national used vehicle data, January 2025 retail sales were at 1.41 million units, according to data reported by Cox Automotive. This figure is 7.5 percent higher than January 2024 and 4.9 percent above the prior month. Sales have increased on a year-over-year basis during each of the seven preceding months, with aggregate sales showing an 8.3 percent growth rate.

Used vehicle prices peaked in January 2022 and trended downward through mid-2024. Since then, prices have increased marginally. The Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, is 0.8 percent higher in January 2025 than the preceding January, and 0.4 percent above December 2024. The Index is 4.9 percent above June 2024, the most recent low point. However, it is 13.6 percent below March 2023, when prices attained their most recent peak. Retail prices tend to move in the same direction as wholesale prices but with a lag. The January 2025 CPI-U for used vehicles is up 6.1 percent from its August 2024 low but remains 6.7 percent below its peak in May 2023. Using a longer time frame, used-vehicle prices remain significantly higher than at the beginning of the decade, with the January 2025 CPI-U index being 33 percent higher than in January 2020.

Personal Income Tax

February GRF personal income tax receipts totaled $364.3 million, which is $20.6 million (-5.4%) below the estimate. Year-to-date revenue is $273.2 million (4.3%) above the estimate. On a year-over-year basis, February income tax collections are up $86 million (30.9%). Year-to-date revenue is $247.3 million (3.9%) above last year.

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

Withholding collections during the month totaled $899.3 million and were $8.3 million (-0.9%) below the estimate. February represents only the second month this year in which collections did not meet the estimate, with November being the other month. This component is $149.7 million (2.1%) above the mark for the fiscal year-to-date. Collections were $31.7 million (-3.4%) below last February and $11.4 million (-0.2%) lower than last year for the fiscal year. After adjusting for the effects of the withholding rate reduction and this February having one less day than last year, withholding increased by 4 percent. Year-to-date rate-adjusted growth is a strong 8.3 percent.

February is not a significant month for other tax payment components. Nonetheless, estimated payments made by pass-through entities amounted to $11.6 million, which was $0.5 million (-4.5%) below estimate. They decreased $0.2 million (-1.9%) from last year. Year-to-date collections amount to $516.7 million, which is $159.7 million (-23.6%) below the estimate and represents a $125.3 million (-19.5%) decrease from the prior year. Collections have been highly variable since the Electing Pass-Through Entity (EPTE) tax took effect at the beginning of FY 2023. However, in FY 2025, they have been consistently below estimate and lower than FY 2024. This year's collections may reflect the transition to a normalized level of estimated payments, aligned with the pass-through entity tax rate.

Annual tax return payments made by pass-through entities amounted to $9.2 million in February, which is $6.1 million (-39.6%) below the estimate and $4.9 million (-34.5%) below the previous year. This component is $15.3 million (-12.3%) below the forecast for the fiscal year and $82.1 million (-42.9%) below last year.

Estimated tax payments made by individuals amounted to $6.8 million in February, $1.1 million (-4.5%) below estimate; this amount also represents a $1.3 million (-15.8%) decrease from last year. On a year-to-date basis, collections are $46.6 million (13.3%) above estimate and $42.4 million (11.9%) above FY 2024.

The individual annual returns category primarily reflects payments accompanying yearly income tax return filings. Such payments amounted to $24 million in February, $2.4 million (11%) above the estimate. Year-to-date collections exceed the forecast by $2.5 million (1.7%). The month's intake was $2.1 million (9.7%) above the prior year. For the year, annual return payments have increased by $3.1 million (2.1%) from FY 2024.

Trust payments and other tax collections combined were $8.6 million in February, which was $1.4 million (-14.1%) below the estimate. Year-to-date receipts are $4.6 million (5.8%) above the mark. Collections from these categories were $0.9 million (12.1%) above last February; for the year, they are $17.5 million (26.1%) above FY 2024.

The federal tax filing season for the taxable year 2024 began in late January. Accordingly, February marks the first whole-month of Ohio income tax refund issuances. February refunds amounted to $545.4 million, $2.5 million (0.5%) above the forecast. Refunds for the fiscal year to date are $261.7 million (-15%) below the estimate. Compared to the prior fiscal year, February refunds decreased $124.7 million (-18.6%) and for the year to date are down $404.7 million (-21.5%).

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

	Actual Feb	Estimate Feb	$ Var	Actual Feb-2025	Actual Feb-2024	$ Var Y-to-Y
Employer Withholding	$ 899.3	$ 907.6	$ (8.3)	$ 899.3	$ 931.0	$ (31.7)
Pass-Through Entity Annual Returns	$ 9.2	$ 15.3	$ (6.1)	$ 9.2	$ 14.1	$ (4.9)
Pass-Through Entity Estimated Payments	$ 11.6	$ 12.1	$ (0.5)	$ 11.6	$ 11.8	$ (0.2)
Individual Estimated Payments	$ 6.8	$ 7.9	$ (1.1)	$ 6.8	$ 8.1	$ (1.3)
Individual Annual Returns	$ 24.0	$ 21.6	$ 2.4	$ 24.0	$ 21.9	$ 2.1
Trust Payments	$ 1.6	$ 1.6	$ 0.0	$ 1.6	$ 1.7	$ 0.0
Other	$ 7.0	$ 8.4	$ (1.4)	$ 7.0	$ 6.0	$ 1.0
Less: Refunds	$(545.4)	$ (542.9)	$ (2.5)	$ (545.4)	$ (670.0)	$ 124.7
Local Distributions	$ (49.9)	$ (46.7)	$ (3.2)	$ (49.9)	$ (46.3)	$ (3.6)
Net to GRF	$ 364.3	$ 384.9	$ (20.6)	$ 364.3	$ 278.2	$ 86.0

Commercial Activity Tax (CAT)

February GRF revenues from the CAT were $515.4 million, $53.6 million (-9.4%) below the estimate. For the year, revenues are $50.1 million (2.8%) above the estimate. February revenues were $8.8 million (-1.7%) below the prior year, while year-to-date intake is $78 million (-4.1%) below FY 2024.

The FY 2024-2025 main operating budget enacted CAT law changes that took effect in calendar year 2024. These changes significantly impact year-over-year revenue comparisons. The budget increased the annual exclusion to $3 million from the previous $1 million level and repealed the "minimum tax." The expanded exclusion entirely exempts most CAT taxpayers from the tax while all other taxpayers (those remaining on the tax rolls) realize a reduction in tax liability. Businesses remaining subject to the CAT also experience a tax reduction from no longer paying the minimum tax. These two changes first impacted the CAT payments due in May 2024.

The CAT is paid on a quarterly basis, with the due date on the 15th day of the second month following the end of each quarter. February 2025 is the month the tax is due for taxable gross receipts realized during the October-December 2024 reporting period. Because many taxpayers opt to pay their tax during the month preceding the due date, combined January and February receipts provide the best indication of probable performance over the entire quarterly collections period. Over those two months, revenues exceeded the estimate by $23.2 million (3.7%). Because the March estimate is just $9.5 million, CAT revenue will likely surpass the estimate over the quarter.

Financial Institutions Tax

Financial institutions tax revenue came in below forecast during February, by $33.1 million (-68.7%). For the year, this source is $25.1 million (-27.6%) below estimate.

Some of the February variance from estimate is due to the challenge of anticipating revenue timing. The last day of January is the due date for the first estimated financial institutions tax payment of each tax year. A portion of the tax is received a few days before the due date and paid into the accounting system by January 31. However, some tax payments are not received in time to be booked during January and instead are posted as February revenue. More of the tax was posted as January revenue than anticipated, and the opposite occurred in February. Furthermore, another reason for February's variance was $20.5 million in increased refunds that were not anticipated by the estimate.

On a combined basis, January and February revenue was only $754,000 (-0.7%) below the estimate. This means year-to-date performance is now close to where it was at the end of December.

GRF Non-Tax Receipts

GRF non-tax receipts totaled $691.4 million and were $90.1 million (15.0%) above the estimate for the month of February. Year-to-date non-tax receipts total $10.0 billion and are $210.2 million (2.1%) below estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was $74.7 million (12.6%) above estimate. The variance was primarily attributable to above estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report.

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

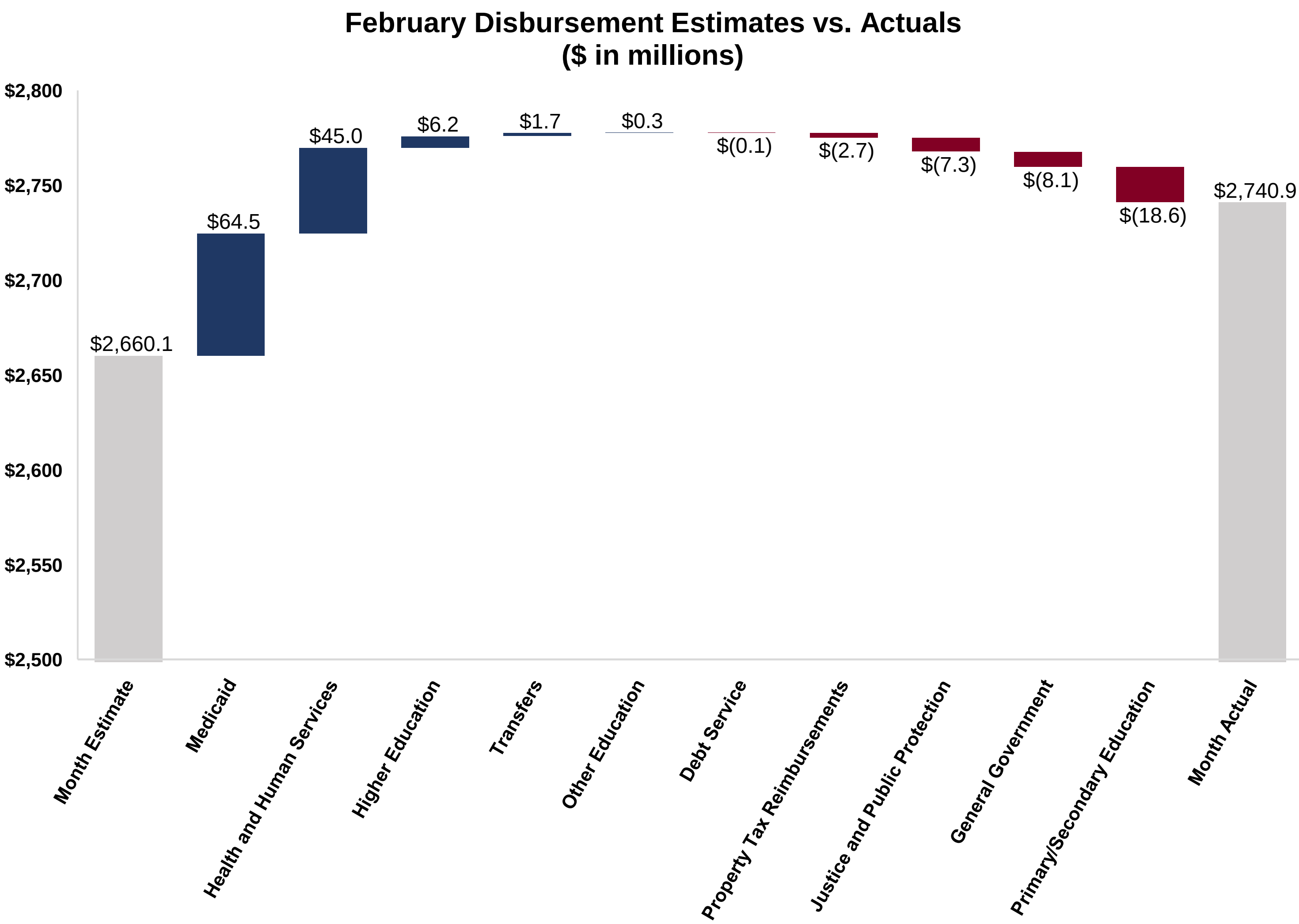
REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL FEBRUARY	ESTIMATE FEBRUARY	$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	832,386	825,900	6,486	0.8%	7,953,374	7,399,700	553,674	7.5%
Sales Tax Holiday Transfer	0	0	0	N/A	123,752	584,300	(460,548)	-78.8%
Auto Sales & Use	134,368	135,100	(732)	-0.5%	1,262,390	1,251,500	10,890	0.9%
Subtotal Sales & Use	**966,754**	**961,000**	**5,754**	**0.6%**	**9,339,517**	**9,235,500**	**104,016**	**1.1%**
Personal Income	364,261	384,900	(20,639)	-5.4%	6,586,326	6,313,100	273,226	4.3%
Commercial Activity Tax	515,355	569,000	(53,645)	-9.4%	1,811,457	1,761,400	50,057	2.8%
Insurance Tax	143,908	143,600	308	0.2%	375,213	353,900	21,313	6.0%
Kilowatt Hour	28,689	26,500	2,189	8.3%	210,240	206,300	3,940	1.9%
Financial Institutions Tax	15,088	48,200	(33,112)	-68.7%	66,034	91,200	(25,166)	-27.6%
Public Utility	38,444	35,600	2,844	8.0%	113,907	119,300	(5,393)	-4.5%
Natural Gas Distribution	14,178	16,200	(2,022)	-12.5%	30,219	35,400	(5,182)	-14.6%
Petroleum Activity Tax	0	0	0	N/A	5,205	4,800	405	8.4%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Corporate Franchise	11	0	11	N/A	119	0	119	N/A
Cigarette and Other Tobacco	52,231	48,400	3,831	7.9%	452,593	437,700	14,894	3.4%
Alcoholic Beverage	4,785	4,000	785	19.6%	41,399	40,800	599	1.5%
Liquor Gallonage	3,909	4,100	(191)	-4.7%	37,170	38,600	(1,431)	-3.7%
Estate	0	0	0	N/A	3	0	3	N/A
Total Tax Receipts	**2,147,612**	**2,241,500**	**(93,888)**	**-4.2%**	**19,069,403**	**18,638,002**	**431,401**	**2.3%**
NON-TAX RECEIPTS								
Earnings on Investments	0	0	0	N/A	220,845	162,500	58,345	35.9%
License & Fees	24,144	8,938	15,205	170.1%	41,911	29,178	12,733	43.6%
Other Income	747	549	198	36.0%	111,838	114,192	(2,354)	-2.1%
ISTV'S	12	0	12	N/A	14,822	14,001	821	5.9%
TOTAL STATE SOURCE	**2,172,515**	**2,250,987**	**(78,472)**	**-3.5%**	**19,458,817**	**18,957,872**	**500,945**	**2.6%**
Federal Grants	666,461	591,770	74,691	12.6%	9,633,771	9,913,520	(279,749)	-2.8%
Total Non-Tax Receipts	691,364	601,257	90,107	15.0%	10,023,186	10,233,390	(210,204)	-2.1%
TOTAL REVENUES	**2,838,976**	**2,842,757**	**(3,781)**	**-0.1%**	**29,092,588**	**28,871,392**	**221,196**	**0.8%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	4,450	0	4,450	N/A	5,934	0	5,934	N/A
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	4,450	0	4,450	N/A	5,934	0	5,934	N/A
TOTAL SOURCES	**2,843,426**	**2,842,757**	**669**	**0.0%**	**29,098,522**	**28,871,392**	**227,130**	**0.8%**

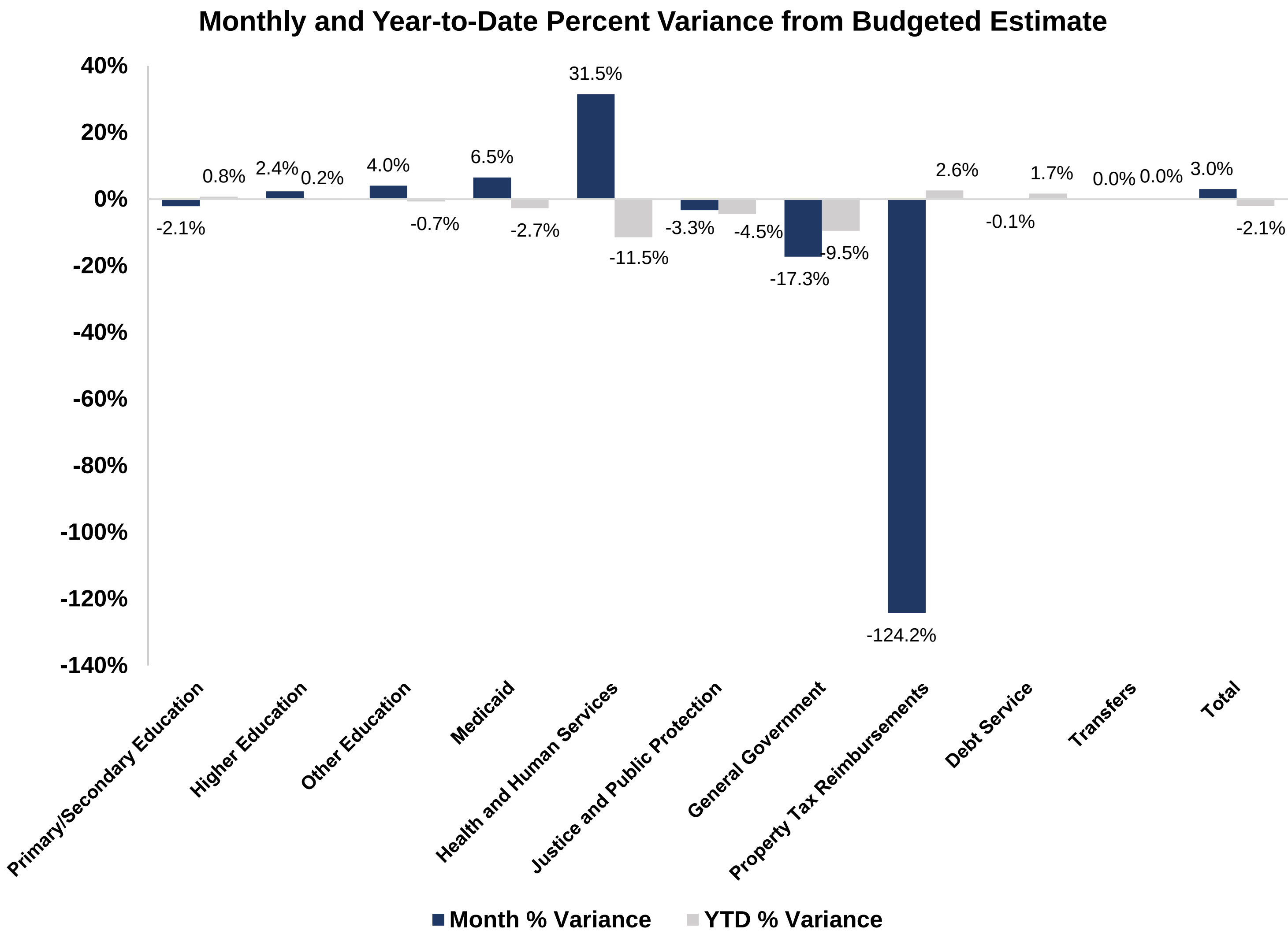
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2025 VS ACTUAL FY 2024
($ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	FEBRUARY FY 2025	FEBRUARY FY 2024	$ VAR	% VAR	ACTUAL FY 2025	ACTUAL FY 2024	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	832,386	810,452	21,933	2.7%	7,953,374	7,884,835	68,540	0.9%
Sales Tax Holiday Transfer	0	0	0	N/A	123,752	0	123,752	N/A
Auto Sales & Use	134,368	143,763	(9,395)	-6.5%	1,262,390	1,254,294	8,096	0.6%
Subtotal Sales & Use	**966,754**	**954,216**	**12,538**	**1.3%**	**9,339,517**	**9,139,129**	**200,388**	**2.2%**
Personal Income	364,261	278,216	86,045	30.9%	6,586,326	6,339,066	247,260	3.9%
Commercial Activity Tax	515,355	524,151	(8,796)	-1.7%	1,811,457	1,889,506	(78,049)	-4.1%
Insurance Tax	143,908	139,180	4,728	3.4%	375,213	343,330	31,883	9.3%
Kilowatt Hour	28,689	28,712	(23)	-0.1%	210,240	190,225	20,015	10.5%
Financial Institutions Tax	15,088	65,502	(50,414)	-77.0%	66,034	89,527	(23,493)	-26.2%
Public Utility	38,444	39,937	(1,493)	-3.7%	113,907	120,534	(6,626)	-5.5%
Natural Gas Distribution	14,178	16,617	(2,439)	-14.7%	30,219	36,031	(5,812)	-16.1%
Petroleum Activity Tax	0	0	0	N/A	5,205	6,398	(1,193)	-18.6%
Other Business & Property	0	0	0	N/A	0	0	0	N/A
Corporate Franchise	11	13	(2)	-13.3%	119	152	(32)	-21.4%
Cigarette and Other Tobacco	52,231	59,631	(7,399)	-12.4%	452,593	469,252	(16,658)	-3.6%
Alcoholic Beverage	4,785	6,351	(1,566)	-24.7%	41,399	40,905	494	1.2%
Liquor Gallonage	3,909	3,986	(77)	-1.9%	37,170	38,335	(1,165)	-3.0%
Estate	0	0	0	N/A	3	0	3	5370.5%
Total Tax Receipts	**2,147,612**	**2,116,511**	**31,102**	**1.5%**	**19,069,403**	**18,702,389**	**367,014**	**2.0%**
NON-TAX RECEIPTS								
Earnings on Investments	0	0	0	N/A	220,845	230,936	(10,092)	-4.4%
License & Fee	24,144	7,714	16,429	213.0%	41,911	25,882	16,028	61.9%
Other Income	747	727	20	2.8%	111,838	142,292	(30,455)	-21.4%
ISTV'S	12	0	12	3453.6%	14,822	710	14,111	1986.4%
TOTAL STATE SOURCE	**2,172,515**	**2,124,952**	**47,563**	**2.2%**	**19,458,817**	**19,102,210**	**356,607**	**1.9%**
Federal Grants	666,461	665,037	1,424	0.2%	9,633,771	8,743,124	890,647	10.2%
Total Non-Tax Receipts	691,364	673,479	17,885	2.7%	10,023,186	9,142,946	880,240	9.6%
TOTAL REVENUES	**2,838,976**	**2,789,990**	**48,987**	**1.8%**	**29,092,588**	**27,845,335**	**1,247,253**	**4.5%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	4,450	2,157	2,293	1	5,934	9,200	(3,266)	(0)
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	4,450	2,157	2,293	1	5,934	9,200	(3,266)	(0)
TOTAL SOURCES	**2,843,426**	**2,792,147**	**51,279**	**1.8%**	**29,098,522**	**27,854,534**	**1,243,988**	**4.5%**

Disbursements

February GRF disbursements, for all uses, totaled $2.7 billion and were $79.1 million (3.0%) above estimate. Higher-than-estimate Medicaid, Health and Human Services, and Higher Education were partially offset by lower-than-estimate spending on Primary and Secondary Education, General Government, and Justice and Public Protection spending. On a year-over-year basis, total February disbursements were $444.8 million (19.4%) higher than those of the same month last fiscal year, with the Primary and Secondary Education category largely responsible for the difference.




Monthly and Year-to-Date Percent Variance from Budgeted Estimate
40%
20%
0%
-20%
-40%
-60%
-80%
-100%
-120%
-140%
-2.1%
0.8%
2.4%
0.2%
4.0%
-0.7%
6.5%
-2.7%
31.5%
-11.5%
-3.3%
-4.5%
-17.3%
-9.5%
-124.2%
2.6%
-0.1%
1.7%
0.0%
0.0%
3.0%
-2.1%
Primary/Secondary Education
Higher Education
Other Education
Medicaid
Health and Human Services
Justice and Public Protection
General Government
Property Tax Reimbursements
Debt Service
Transfers
Total
Month % Variance
YTD % Variance

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 $1.1 billion and were $64.5 million (6.5%) above estimate. Year-to-date GRF disbursements totaled $14.9 billion and were $420.1 million (-2.7%) below estimate and $1.5 billion (11.6%) above disbursements for the same period in the previous fiscal year. The February GRF disbursement variance occurred due to above estimate managed care spending. Retroactive payments to managed care plans continued to be processed in February and are now aligned with year-to-date estimates.

February all-funds disbursements for the Medicaid Program totaled $3.2 billion and were $78 million (2.5%) above estimate. Year-to-date all-funds disbursements totaled $28 billion and were $671.3 million (-2.3%) below estimate and $3.1 billion (12.3%) above disbursements for the same period in the previous fiscal year. The February all-funds disbursement variance was primarily due to the managed care spending explained in the paragraph above. The all-funds disbursement was partly offset by below estimate administrative spending caused by the timing of IT-related invoices.

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

	February Estimate	February Actual	Variance	Variance %
GRF	$ 990.4	$ 1,054.9	$ 64.5	6.5%
Non-GRF	$ 2,173.8	$ 2,187.3	$ 13.5	0.6%
All Funds	$ 3,164.2	$ 3,242.2	$ 78.0	2.5%

Medicaid Enrollment
Total February enrollment was 3.02 million, a decline of 6,285 from the prior month and 170,939 (-5.4%) below enrollment for the same period last year. The year-to-date average monthly enrollment was 3.04 million, 13,539 below the estimate.

February enrollment by major eligibility category was: Covered Families and Children (CFC), 1.61 million; Group VIII Expansion, 769,869, and Aged, Blind and Disabled (ABD), 498,479.

**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. 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.

February disbursements in this category totaled $188 million and were $45 million (31.5%) above the estimate. The variance in this category is primarily caused by above-estimate spending by the Department of Children and Youth, which was $52.4 million (104%) above estimate. The Department was $41.7 million above estimate for Early Care and Education (369%) and $16.1 million above estimate for Child Care Maintenance of Effort, which was not estimated to have spending this month. Spending was higher than anticipated in these two lines because child care costs had been paid out of federal sources for several months but spending is now shifting to these sources. Spending for both these lines is expected to even out as the fiscal year proceeds.

On a year-over-year basis, disbursements in this category were $50.9 million (37.1%) higher than for the same month last fiscal year while year-to-date expenditures are $138.6 million (11.2%) higher than at the same point in FY 2024.

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education and Workforce. February disbursements for this category totaled $867.4 million and were $18.6 million (-2.1%) below the estimate. Most of this variance was attributable to the foundation funding formula payment being under projections by $21.1 million. The below estimate spending is due to adjustments to correct overpayments to school districts that occurred in the first half of the year when prior-year student data was used for payments. Districts with declining enrollment, and subsequent decreases in foundation funding, have their funding reduced over time, resulting in lower foundation payments in the second half of a fiscal year. This underspending is likely to continue for the remainder of the fiscal year. This variance was partially offset by pupil transportation, which was above estimate by $3.6 million due to a settlement payment.

Year-to-date disbursements total $7.2 billion and are $55.6 million (0.8%) above the estimate. On a year-over-year basis, disbursements in this category were $312 million (56.2%) higher than for the same month in the previous fiscal year while year-to-date expenditures are $607.6 million (9.2%) higher than the same point in FY 2024.

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 for this category totaled $38.7 million and were $8.1 million (-17.3%) below the estimate. The variance in the category was primarily due to below-estimate spending by the Department of Development's Local Development projects, which were $3.9 million below estimate. This variance was mainly attributed to the timing of reimbursement requests made by local government or community partners administering local development projects. The Department of Transportation also contributed to the variance. February disbursements for the Department totaled $5.8 million and were $1.6 million (21.1%) below estimate. $4.7 million of this variance is attributable to lower spending on State Road Improvement projects due to the significant coordination required for the volume of projects being constructed nearby and a slower pace in receiving project invoices for reimbursement. This variance was partially offset by more payments ($1.7 million) for the Urban Transit Program and payments ($1.2 million) for two large Rail Development projects.

Year-to-date disbursements total $460.4 million and are $48.1 million (-9.5%) below the estimate. On a year-over-year basis, disbursements in this category were $2.8 million (-6.6%) higher than for the same month in the previous fiscal year, while year-to-date expenditures are $528.7 million (-53.5%) lower than the same point in FY 2024. This change is attributable to a large one-time economic development payment made in September of FY 2024.

Justice and Public Protection

This category includes non-debt service GRF expenditures by the Department of Rehabilitation and Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities. February disbursements in this category totaled $214.1 million and were $7.3 million (-3.3%) below the estimate.

The variance in this category was primarily attributed to the Department of Rehabilitation and Correction which was $9.5 million (-6.3%) below its estimated disbursements for February. This is due to slight underspending by several programs, including Institutional Operations, Parole and Community Operations, and Institutional Medical Services.

Year-to-date disbursements in this category total $2.1 billion and are $98.9 million (-4.5%) below the estimate. On a year-over-year basis, disbursements in this category were $3.7 million (-1.7%) below the same month in the previous fiscal year while year-to-date expenditures are $87.1 million (4.4%) above the same point in FY 2024.

Higher Education

February disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled $266.2 million and were $6.2 million (2.4%) above the estimate.

Year-to-date disbursements were $1.8 billion and were $4.2 million (0.2%) above estimate. On a year-over-year basis, disbursements in this category were $14.7 million (5.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $92.9 million (5.3%) higher than at the same point in FY 2024.

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 due to the non-business real property tax credit, owner occupancy credit, and homestead exemption. February reimbursements totaled -$0.5 million and were $2.7 million below estimate. The monthly variance is primarily due to prior year payments that voided due to age, resulting in a negative accounting action.

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 $6.5 million and were $0.3 million (4.0%) above the estimate. Year-to-date disbursements were $80.8 million, which was $0.6 million (-0.7%) below the estimate. On a year-over-year basis, disbursements in this category were $0.8 million (13.4%) higher than for the same month in the previous fiscal year while year-to-date expenditures were $2.7 million (3.4%) higher than at the same point in FY 2024.

Debt Service

February payments for debt service totaled $104 million and were $0.1 million (-0.1%) below estimate. Year-to-date disbursements in this category total $1.0 billion and are $16.3 million (1.7%) above the estimate. The year-to-date variance is primarily attributable to the utilization of available cash resources to redeem certain outstanding General Obligation bonds to reduce the State's overall debt service obligations.

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

Functional Reporting Categories Description	MONTH ACTUAL FEBRUARY	MONTH ESTIMATED FEBRUARY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE YTD ACTUAL	YEAR-TO-DATE YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	867,375	886,023	(18,648)	-2.1%	7,196,518	7,140,878	55,640	0.8%
Higher Education	266,194	260,039	6,155	2.4%	1,834,274	1,830,056	4,219	0.2%
Other Education	6,537	6,283	254	4.0%	80,767	81,346	(579)	-0.7%
Medicaid	1,054,861	990,362	64,500	6.5%	14,886,124	15,306,228	(420,105)	-2.7%
Health and Human Services	188,016	143,003	45,014	31.5%	1,379,182	1,557,644	(178,462)	-11.5%
Justice and Public Protection	214,052	221,368	(7,316)	-3.3%	2,085,256	2,184,118	(98,862)	-4.5%
General Government	38,698	46,788	(8,091)	-17.3%	460,436	508,524	(48,088)	-9.5%
Property Tax Reimbursements	(525)	2,168	(2,693)	-124.2%	964,365	940,201	24,164	2.6%
Debt Service	103,989	104,100	(111)	-0.1%	1,002,317	985,971	16,347	1.7%
Total Expenditures & ISTV's	**2,739,198**	**2,660,134**	**79,064**	**3.0%**	**29,889,239**	**30,534,965**	**(645,726)**	**-2.1%**
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	1,692	0	1,692	N/A	733,696	730,093	3,603	0.5%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**1,692**	**0**	**1,692**	**N/A**	**733,696**	**730,093**	**3,603**	**N/A**
Total Fund Uses	**2,740,890**	**2,660,134**	**80,756**	**3.0%**	**30,622,936**	**31,265,058**	**(642,122)**	**-2.1%**

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	FEBRUARY FY 2025	FEBRUARY FY 2024	$ VAR	% VAR	ACTUAL FY 2025	ACTUAL FY 2024	$ VAR	% VAR
Primary and Secondary Education	867,375	555,351	312,025	56.2%	7,196,518	6,588,916	607,602	9.2%
Higher Education	266,194	251,493	14,701	5.8%	1,834,274	1,741,347	92,927	5.3%
Other Education	6,537	5,765	772	13.4%	80,767	78,092	2,675	3.4%
Medicaid	1,054,861	915,731	139,130	15.2%	14,886,124	13,339,097	1,547,026	11.6%
Health and Human Services	188,016	137,120	50,897	37.1%	1,379,182	1,240,556	138,626	11.2%
Justice and Public Protection	214,052	217,793	(3,741)	-1.7%	2,085,256	1,998,187	87,070	4.4%
General Government	38,698	41,449	(2,751)	-6.6%	460,436	989,178	(528,742)	-53.5%
Property Tax Reimbursements	(525)	8,680	(9,205)	-106.1%	964,365	925,235	39,130	4.2%
Debt Service	103,989	161,059	(57,070)	-35.4%	1,002,317	1,061,508	(59,190)	-5.6%
Total Expenditures & ISTV's	**2,739,198**	**2,294,441**	**444,757**	**19.4%**	**29,889,239**	**27,962,116**	**1,927,124**	**6.9%**
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	150,000	(150,000)	N/A
Operating Transfer Out	1,692	0	1,692	N/A	733,696	6,434,019	(5,700,322)	-88.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**1,692**	**0**	**1,692**	**N/A**	**733,696**	**6,584,019**	**(5,850,322)**	**-88.9%**
Total Fund Uses	**2,740,890**	**2,294,441**	**446,449**	**19.5%**	**30,622,936**	**34,546,134**	**(3,923,199)**	**-11.4%**

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

July 1, 2024 Beginning Cash Balance*	2,141,622
Plus FY 2025 Estimated Revenues	28,152,449
Plus FY 2025 Estimated Federal Revenues	14,121,393
Plus FY 2025 Estimated Transfers to GRF	949,300
Total Sources Available for Expenditures & Transfers	**45,364,764**
Less FY 2025 Estimated Disbursements**	43,707,773
Less FY 2025 Estimated Total Encumbrances as of June 30, 2025	686,297
Less FY 2025 Estimated Transfers Out	739,408
Total Estimated Uses	**45,133,479**
FY 2025 Estimated Unencumbered Ending Fund Balance***	231,285

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

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

*****The estimated ending fund balance is based on August 2024 revenue and disbursement forecasts. OBM recently updated FY 2025 estimates as part of the Executive Budget, issued on February 3, 2025. Detailed executive recommendations for fiscal years 2026 and 2027 can be found using the link below.**

FY 2026-2027 Executive Recommendations

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

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

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.