

State of Ohio

Monthly Financial Report

JULY 10, 2025

Memorandum to:

The Honorable Mike DeWine, Governor

The Honorable Jim Tressel, Lt. Governor

From: Kimberly Murnieks, OBM Director



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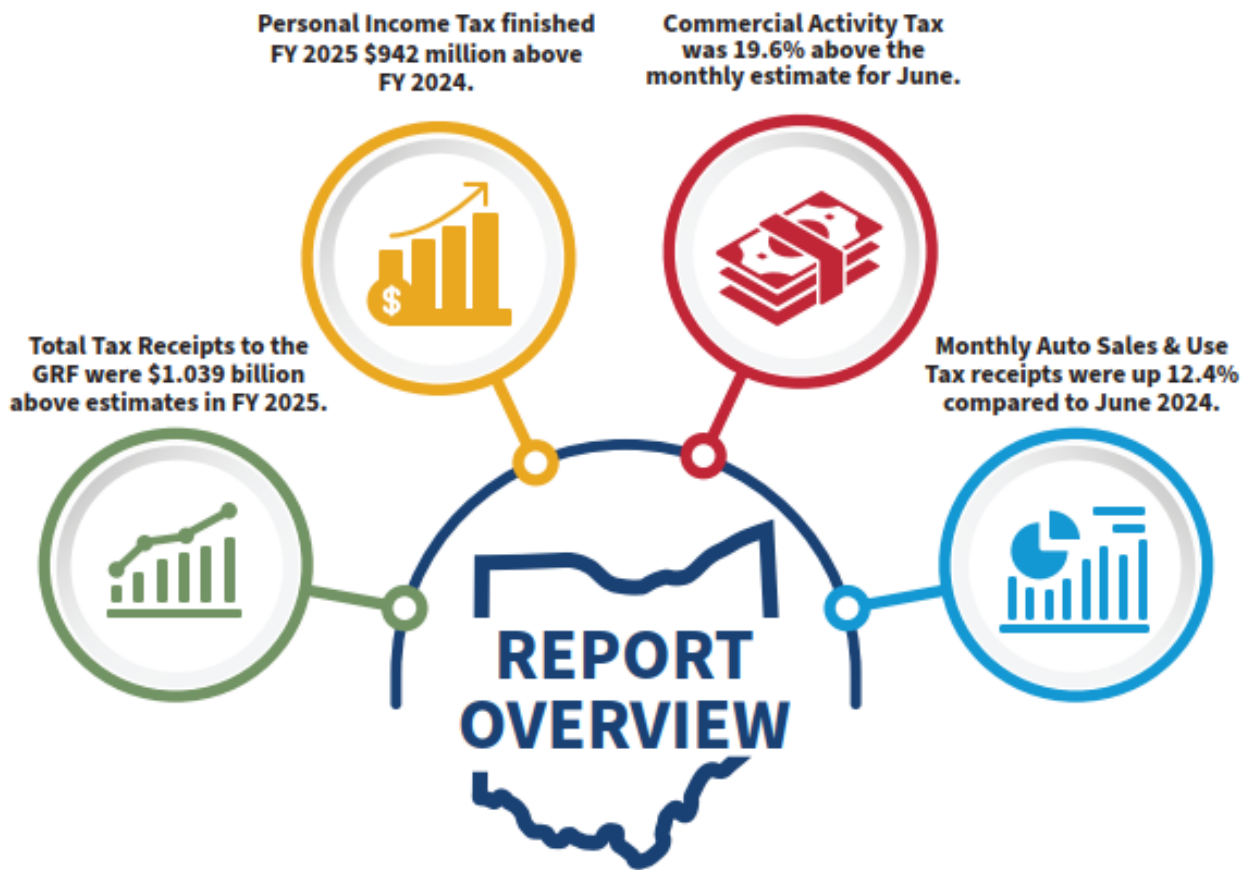
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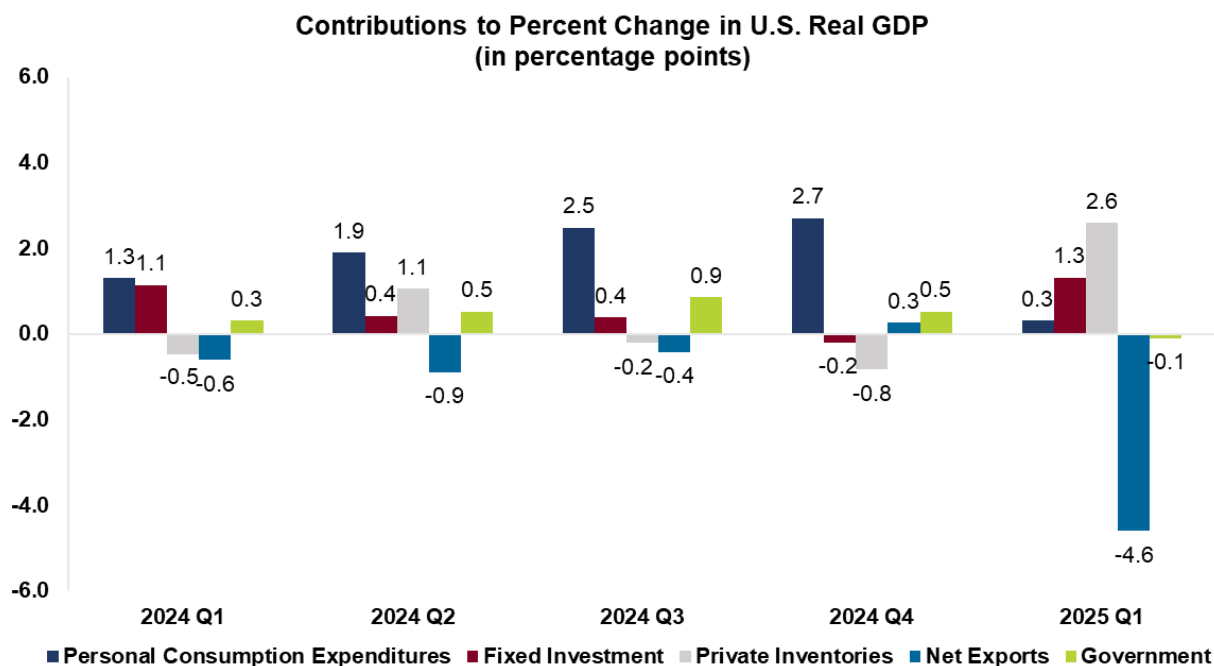
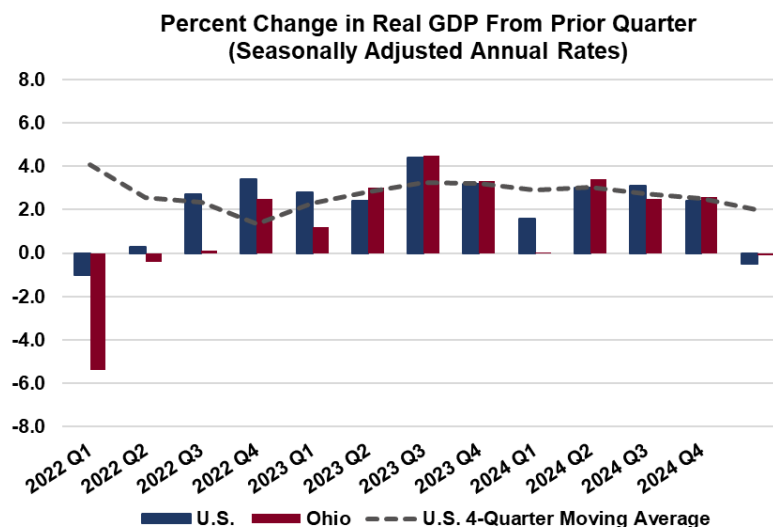


Economic Activity

Economic Outlook

According to the Bureau of Economic Analysis' third estimate, the nation's **Real Gross Domestic Product (GDP)** decreased in the first quarter of calendar year 2025 at an annualized rate of 0.5 percent, which marks the first decrease after 11 consecutive quarters of growth.

The first quarter decrease in real GDP resulted from a significant decline in net exports (-4.6 percentage points) and a minor reduction in government spending (-0.1 percentage point) that were partially offset by increases in private inventories (2.6 percentage points), fixed investment (1.3 percentage point), and personal consumption expenditures (0.3 percentage point).



Ohio's Real GDP decreased an estimated 0.1 percent during the first quarter of 2025, which was 0.4 percentage point better than the national average. The decrease in GDP in Ohio largely reflected negative contributions in finance and insurance (-0.7 percentage point), wholesale and retail trade (-0.3 percentage point), and management of companies and enterprises (-0.3 percentage point). These decreases were partially offset by positive contributions from real estate and rental and leasing (0.6 percentage point), information (0.5 percentage point), and nondurable goods manufacturing (0.3 percentage point).

In May 2025, the Conference Board's **Leading Economic Index** decreased 0.1 percent to 99.0, after decreasing 1.4 percent in April. The Conference Board's Senior Manager of Business Cycle Indicators reported that May's decline resulted from a continuation of falling consumer expectations, persistently weak manufacturing order creation, as well as a decrease in building permits. Although an outright recession is not currently anticipated, the Conference Board forecasts that real GDP growth will decelerate to 1.6 percent in 2025. If tariff effects persist, deceleration could continue into 2026.

Much uncertainty remains about the U.S. economy. While real GDP decreased more in the first quarter than initially estimated, forecasters expect gains in the second quarter to balance the declines. Ongoing tariff uncertainties leave some business owners hesitant to make long-term investment decisions. That said, more jobs than anticipated were added nationally in June, suggesting the continuation of a stable labor market.

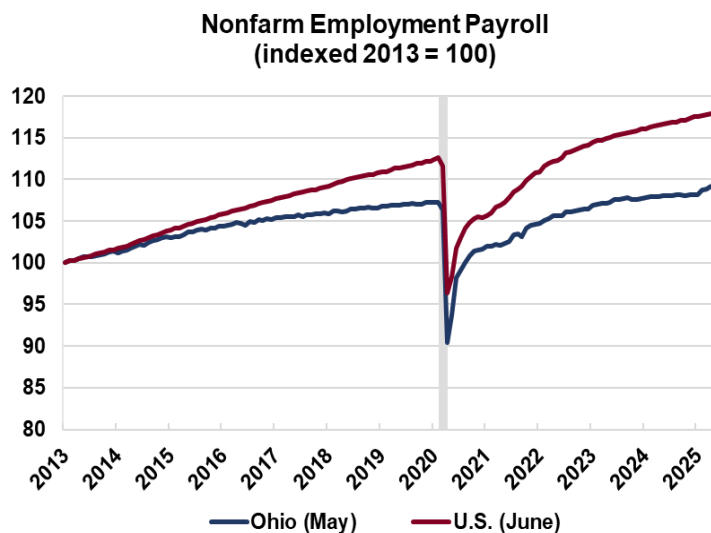
Economic Forecasts

Source	Date	2nd Quarter 2025 Annualized GDP Forecast
Federal Reserve Bank of New York (Nowcast)	07/04/2025	1.6%
Federal Reserve Bank of Atlanta (GDPNow)	07/03/2025	2.6%
Moody's Analytics High Frequency GDP Tracker	07/02/2025	3.0%
S&P Global GDP Tracker	07/01/2025	1.3%
Conference Board	06/11/2025	2.3%
Wells Fargo	06/11/2025	3.4%

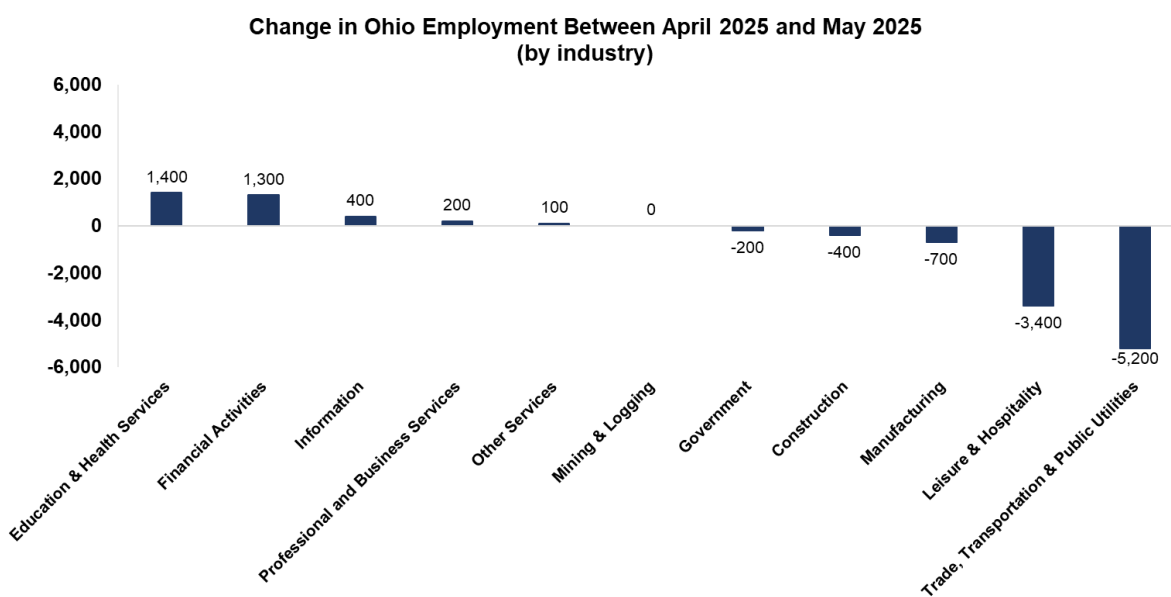
Ohio Labor Market

Ohio's nonfarm payroll employment decreased by an estimated 6,500 jobs between April and May 2025 to 5.7 million. Compared to May 2024 levels, there were 55,700 (1%) more Ohioans employed in May 2025.

In Ohio, the largest employment gains between April and May 2025 occurred in education and health services (1,400), and financial services (1,300), and financial activities (1,300). These gains were more than offset by decreases in trade, transportation, and public utilities (-5,200), as well as in leisure and hospitality (-3,400).



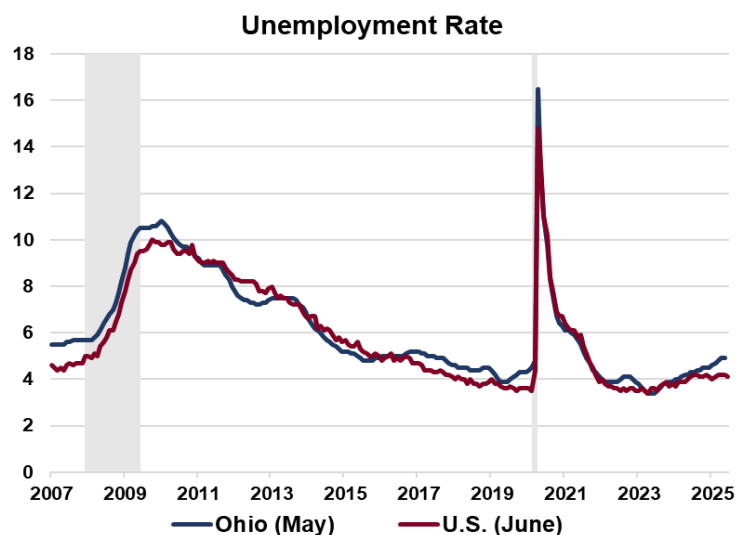
Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

Ohio's seasonally adjusted **labor force participation rate** in May 2025 was 62.7 percent, unchanged from April, and was 0.3 percentage point above the national rate in May. Ohio's seasonally adjusted **employment-population ratio** was 59.6 in May 2025, a 0.1 percentage point decrease from April.

The **Ohio unemployment rate** in May 2025 was 4.9 percent, unchanged from April 2025, and was 0.7 percentage point above the national rate in May.

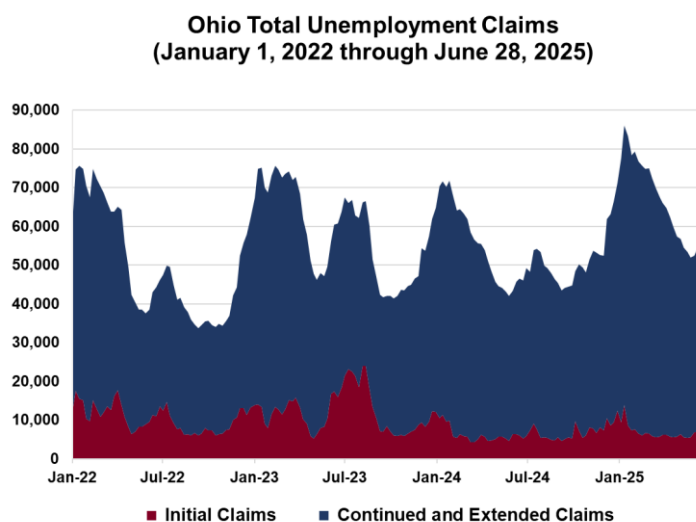


In May 2025, **initial unemployment claims** decreased 4.3 percent for men and increased 12.1 percent for women compared to April 2025. Compared to May 2024, initial claims for men were 7.1 percent higher, and for women, they were 3.4 percent higher.

Compared to April, initial claims filed in May 2025 increased by 18.2 percent for individuals who identify as Asian/Pacific Islander and 11.5 percent for those who identify as Black. Decreases in

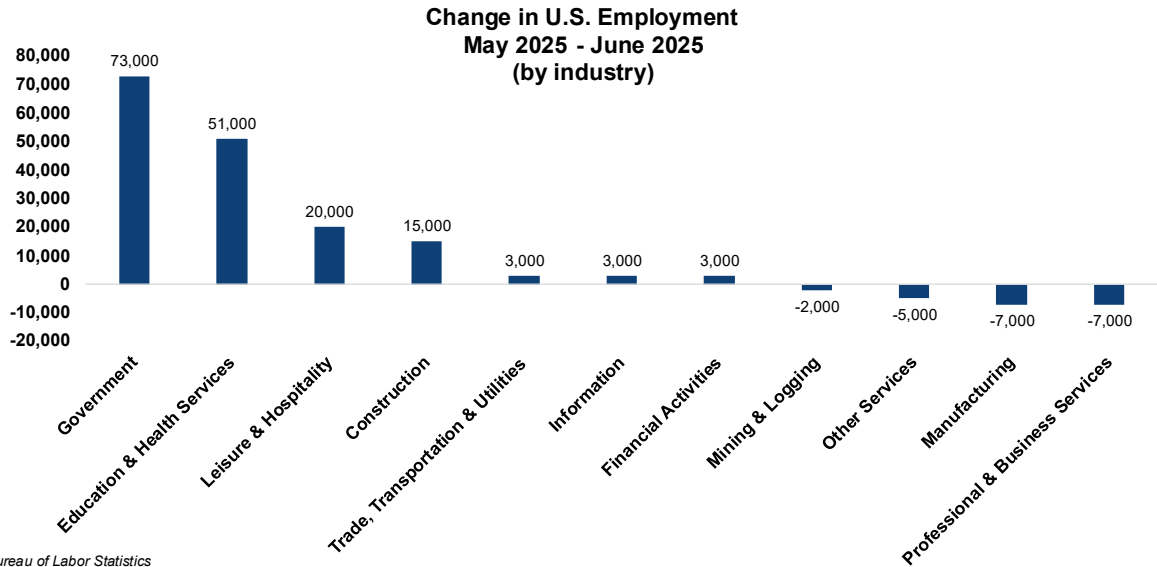
initial claims compared to April 2025 were seen for individuals who identify as American Indian (-14.3%), Hispanic (-1.7%), White (-0.2%), and for those who did not specify a race (-3.9%).

During the week ending June 28, 2025, 5,264 individuals filed an initial unemployment claim, representing a 7.3 percent increase from the previous week. During the same week, 49,491 individuals filed **continued and extended claims**, a 0.9 percent increase from the prior week.



U.S. Labor Market

U.S. nonfarm payroll employment increased by an estimated 147,000 in June 2025. Employment growth was primarily driven by increases in government (73,000), education and health services (51,000), and leisure and hospitality (20,000) that were partially offset by decreases in professional and business services (-7,000), manufacturing (-7,000), and other services (-5,000).



The **U.S. labor force participation rate** decreased by 0.1 percentage point between May and June, to 62.3 percent, and was 0.3 percentage point lower than in June 2024. The **U.S. employment-population ratio** remained at 59.7 in June and was 0.3 percentage point lower compared to the same time one year prior.

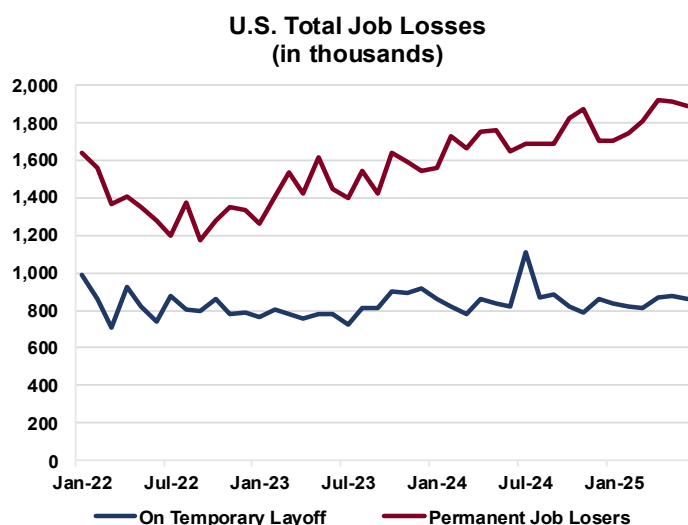
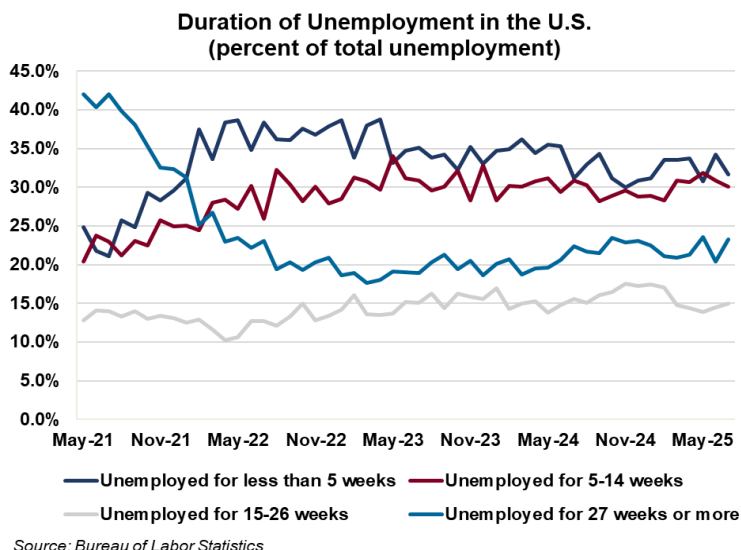
The **U.S. unemployment rate** decreased from 4.6 percent in May to 4.1 percent in June 2025, while the number of unemployed individuals increased by 222,000 to seven million. Between May and June 2025, the unemployment rate decreased by 0.3 percentage point for those who identify as Hispanic (4.8%), by 0.2 percentage point for those who identify as white (3.6%), and by 0.1 percentage point for those who identify as Asian (3.5%). The unemployment rate for individuals who identify as Black increased by 0.8 percentage point to 6.8 percent. The unemployment rate for men remained at 4.3 percent, whereas the unemployment rate for women decreased 0.3 percentage point between May and June 2025 to 3.9 percent.

Unemployment Rates by Demographic Group

	Apr-2025	May-2025	June-2025
Women	4.0%	4.2%	3.9%
Men	4.4%	4.3%	4.3%
Black	6.3%	6.0%	6.8%
White	3.8%	3.8%	3.6%
Asian	3.0%	3.6%	3.5%
Hispanic	5.2%	5.1%	4.8%

In June 2025, 23.3 percent of unemployed individuals in the nation were unemployed for 27 weeks or more, a 13 percent increase from May 2025.

The number of **people not in the labor force who currently want a job** increased by 39,000 (0.7%) between May and June to six million people.



The number of unemployed people on **temporary layoff** decreased by 1.6 percent to 860,000 in June 2025.

The number of people with **permanent job losses** decreased by 2,900 (-1.5%) between May and June to 1.9 million people.

Consumer Income and Consumption

\$25.7 Trillion

Preliminary data suggest that **personal income** decreased by \$109.6 billion (0.4%) in May 2025 to \$25.7 trillion. Losses in May were primarily due to declines in personal current transfer receipts of \$110.4 billion (2.2%) and proprietors' income of \$48.4 billion (2.3%). These declines were partially offset by increases in wages and salaries of \$49.1 billion (0.4%).

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

	April 2025	May 2025	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	\$ 2,153,560	\$ 2,114,146	-1.8%	3.8%	7.3%
Motor vehicles and parts	\$ 641,649	\$ 603,388	-6.0%	4.0%	2.3%
Furnishings and durable household equipment	\$ 452,614	\$ 451,138	-0.3%	4.3%	8.8%
Recreational goods and vehicles	\$ 788,928	\$ 793,943	-0.3%	4.0%	11.7%
Other durable goods	\$ 300,138	\$ 303,990	1.3%	1.8%	8.4%
Nondurable Goods	\$ 3,486,191	\$ 3,476,416	0.3%	2.5%	4.6%
Clothing and footwear	\$ 516,345	\$ 523,648	1.4%	5.1%	7.2%
Gasoline and other energy goods	\$ 320,713	\$ 312,285	-2.6%	-2.9%	-1.1%
Other nondurable goods	\$ 1,483,123	\$ 1,479,604	-0.2%	4.2%	7.3%
Services	\$ 10,778,201	\$ 10,775,397	0.0%	1.8%	4.8%
Transportation services	\$ 503,800	\$ 501,272	-0.5%	-1.1%	3.7%
Housing and utilities	\$ 2,660,545	\$ 2,662,919	0.1%	1.1%	2.2%
Health care	\$ 2,910,230	\$ 2,916,279	0.2%	4.5%	10.2%
Food services and accommodations	\$ 1,078,435	\$ 1,068,029	-1.0%	0.5%	2.4%
Financial services and insurance	\$ 1,182,229	\$ 1,180,318	-0.2%	2.3%	4.1%

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

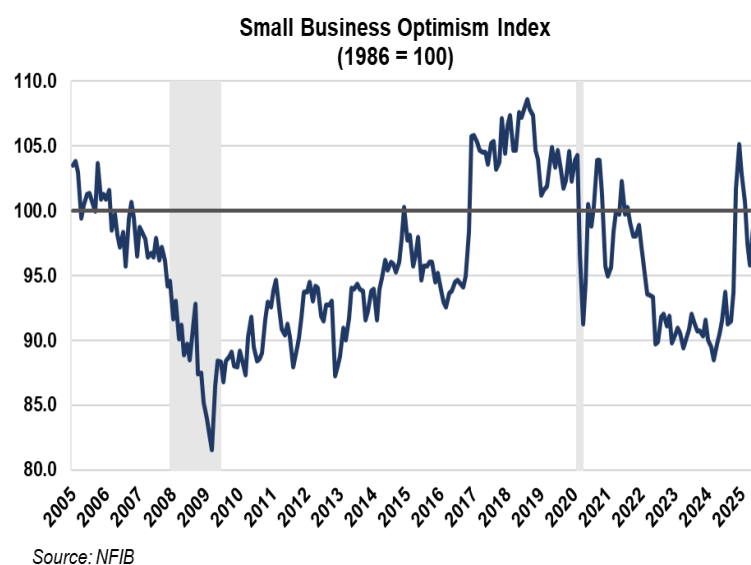
Preliminary **personal consumption expenditures** decreased by \$29.3 billion (-0.1%) between April and May 2025. Overall spending on goods decreased 0.8 percent in May compared to April. Spending on durable goods decreased 1.8 percent and was driven by decreases in spending on motor vehicles and parts (-6.1%). Spending on nondurable goods decreased by 0.2 percent in May, largely due to a decrease in spending on gasoline and other energy goods (-4.8%). Spending on services increased 0.1 percent in May 2025. Increases in spending on housing and utilities (0.4%) and healthcare (0.3%) were partially offset by a decrease in spending on food services and accommodations (-0.7%).

Personal saving preliminarily totaled \$1.01 trillion in May 2025, an 8.8 percent decrease compared to April's revised level and 3.9 percent below May 2024's level. The **personal saving rate** was 4.5 percent in May 2025, a 0.4 percentage point increase from April's revised rate.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.1 percent in May 2025 compared to April 2025. Over the last year, the "all items" index increased 2.4 percent. The most significant increases in May were seen in shelter (0.3%) and food and

beverage (0.3%) prices and were partially offset by a 1 percent decrease in energy prices between April and May 2025.

The June 2025 releases of two major consumer opinion surveys suggest continued uncertainty among consumers. The University of Michigan's **Survey of Consumers** reported a 16.3 percent increase in May compared to June, with the index registering at 60.7. Sentiment decreased 11 percent in the last year. Survey respondents remain concerned about the potential impact of tariffs. The Conference Board's **Consumer Confidence Index** decreased 5.4 percentage points to 93 in June, down from an upwardly revised 98.4 in May. The Index declined in six out of the last seven months. Confidence decreased across all age groups in June. Consumers reported less optimism about current business conditions than last month, and their evaluation of current job availability weakened for the sixth consecutive month.



The **Small Business Optimism Index** declined 0.2 percentage point to 98.6 in June, slightly above the 51-year average of 98. The decline was primarily due to a substantial increase in respondents reporting excess inventories. Nineteen percent of respondents indicated that taxes were their single most important problem in May and June. In June, 36 percent of small business owners reported having job openings they could not fill, up two percentage points from May.

Travel and Tourism

Ohio's three largest transit agencies—the Greater Cleveland Regional Transit Authority, Central Ohio Transit Authority, and Southwest Ohio Regional Transit Authority—recorded an estimated 3.5 million unlinked passenger trips in June 2025. This was 26.5 percent lower than ridership in May 2025 and a one percent increase from June 2024.

Nationally, 81.3 million travelers passed through TSA checkpoints in June 2025. Average airline checkpoint traffic rose by 2.7 percent in June 2025 compared to May. **Total travel throughput** in June 2025 declined by 0.8 percent from June 2024.

In the U.S., the **hotel occupancy rate** was 71.9 percent for the week ending June 28, 2025, which is 0.1 percent lower than the same week in 2024. The **average daily rate**

for a hotel room was \$163.30, unchanged from the previous year. **Revenue per available room** was \$117.45, which is 0.1 percent below the amount in the same week in 2024.

Industrial Activity

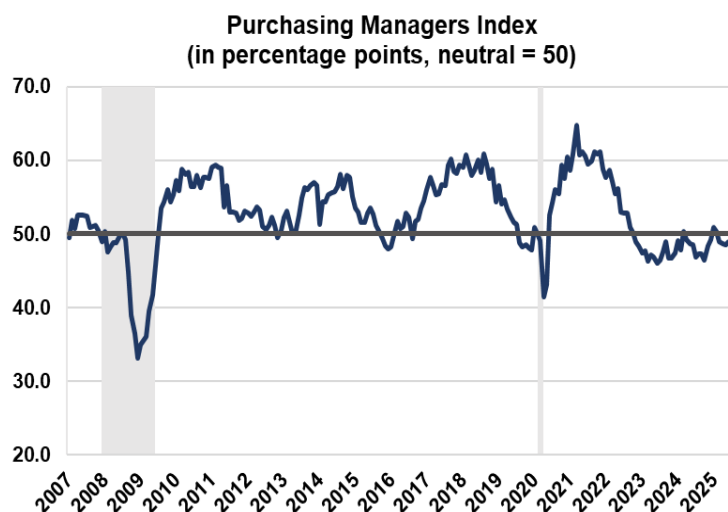
According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** decreased by 0.2 percent from April to May 2025 and was 0.6 percent higher than in May 2024.

Manufacturing Production preliminarily increased by 0.1 percent in May 2025 and was 0.5 percent above May 2024. Durable manufacturing production rose by 0.4 percent, while nondurable manufacturing output declined by 0.2 percent between April and May 2025. Nationwide, manufacturing in seven of Ohio's top 10 industries saw production increases from April to May. The largest increases in production occurred in motor vehicles and parts (4.9%), machinery (1%), and electrical equipment (0.9%). These gains were partly offset by decreases in production in petroleum and coal (-1.4%) and fabricated metals (-1.2%).

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

Manufacturing Sector	Percent Change April 2025 to May 2025	Percent Change March 2025 to April 2025	Percent Change May 2024 to May 2025
Aerospace and Other Transportation Equipment	0.4%	1.1%	5.7%
Chemicals	0.1%	-0.6%	4.1%
Electrical Equipment	0.9%	-1.0%	2.4%
Fabricated Metal Products	-1.2%	1.1%	-2.2%
Food Beverage and Tobacco Products	-0.3%	-0.5%	-0.9%
Machinery	1.0%	-0.1%	1.0%
Motor Vehicles and Parts	4.9%	-2.3%	0.9%
Petroleum and Coal	-1.4%	-1.2%	-2.7%
Plastics and Rubber Products	0.1%	-0.5%	-2.4%
Primary Metals	0.2%	-0.6%	-1.5%

In June 2025, the Institute for Supply Management (ISM) reported that the **Purchasing Managers Index** (PMI) for the United States increased to 49, a 0.5 percentage point increase compared to May. According to the chair of the survey committee, the rate of contraction in the manufacturing industry slowed between May and June. Demand indicators remained mixed and while production increased the employment index declined further. The inventories index remained in contraction as companies completed pull-forward activity in advance of tariffs.



Source: Institute for Supply Management

Across the nation, nine of the 15 industries tracked by ISM increased production in June. Of those industries with a significant presence in Ohio, the manufacturing of petroleum and coal, machinery, and food and beverage products increased. In contrast, the manufacturing of chemical products, transportation equipment, and fabricated metal products declined.

Anecdotal evidence from a nationwide survey of purchasing and supply executives conducted by the Institute for Supply Management indicated ongoing uncertainty about the future of the trade environment and concerns about prices.

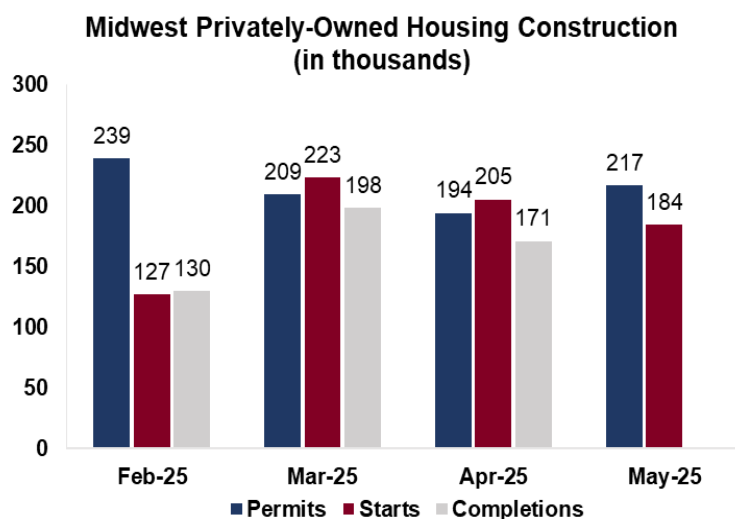
“Tariffs continue to cause confusion and uncertainty for long-term procurement decisions. The situation remains too volatile to firmly put such plans into place.”
[Computer & Electronic Products]

“Tariff volatility has impacted machinery, steel and specialized components. Also, potential shortages of skilled labor for construction, maintenance and installation.” [Food, Beverage, & Tobacco Products]

Ohio and Midwest Construction and Housing Market

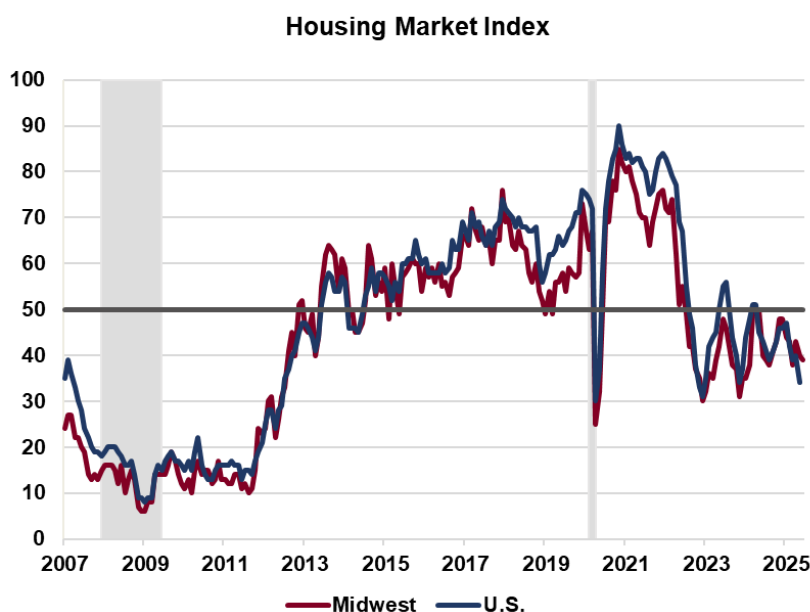
In Ohio, **building permits** for privately-owned housing units increased 33.5 percent from April to May 2025 and were 38.1 percent higher than in May 2024.

Privately-owned housing starts in the Midwest preliminarily fell by 10.2 percent between April and May 2025 but remained 26 percent above May 2024 levels. In May 2025, privately-owned housing completions in the Midwest increased by 9.9 percent compared to April 2025, though they were 9.6 percent lower than in May 2024.



Source: U.S. Census Bureau through FRED

New home sales in the Midwest preliminarily decreased by 7.1 percent from April to May 2025 to 78,000 units. Sales in May 2025 were 3.7 percent lower compared to sales in May 2024.



Source: National Association of Home Builders

In May 2025, 12,721 homes were sold in Ohio, a 1.3 percent decline from May 2024. The average sale price in Ohio was \$313,733, a 2.7 percent increase compared to last May. During the first five months of the year, home sales totaled 49,280, a 1.9 percent decrease compared to the January through May 2024 period.

In June 2025, the Housing Market Index decreased two points nationally to 32 and decreased one point in the Midwest to 39,

indicating that a majority of builders feel less confident in the near-term outlook.

U.S. Construction and Housing Market

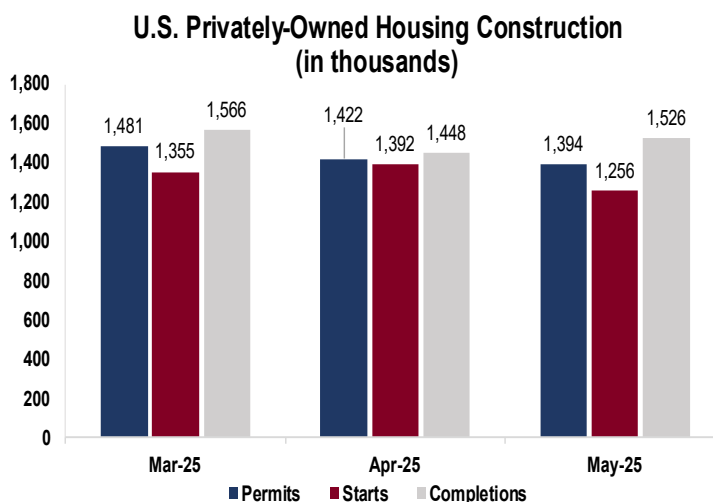
The U.S. Census Bureau reported **total construction spending** in May 2025 at a seasonally adjusted rate of \$2.14 trillion, a 0.3 percent decrease from the revised April 2025 estimate, and 3.5 percent below spending in May 2024.

Public sector construction spending rose by an estimated 0.1 percent in May 2025 compared to the revised April estimate, bringing the seasonally adjusted annual total to \$511.6 billion. Public spending on non-residential construction remained unchanged from April 2025's revised estimate at \$499.4 billion in May 2025 and was 3.1 percent higher than in May 2024.

Private sector construction spending decreased by 0.5 percent in May 2025 from April 2025 to a seasonally adjusted annual total of \$1.63 trillion and was 5.4 percent below May 2024 levels. Private residential construction in May 2025 was 0.5 percent below April's revised level and 6.7 percent below May 2024's spending. Private non-residential construction was 0.4 percent below April 2025's spending and was 3.9 percent above May 2024.

In the U.S., the number of **building permits** issued for privately-owned housing units decreased by two percent between April and May 2025 and was 0.9 percent below the number of permits issued in May 2024.

Nationally, privately-owned housing starts decreased by 9.8 percent between April and May 2025 and were 4.6 percent below May 2024.



Source: U.S. Census Bureau through FRED

In May 2025, **newly built single-family home sales** decreased by 13.7 percent compared to April 2025 and were 6.3 percent below sales in May 2024. The national median sales price in May 2025 was \$426,600, a 3.7 percent increase compared to April's revised median sales price, and three percent higher compared to May 2024.

According to the National Association of Realtors, **existing home sales** increased 0.8 percent between April and May 2025 to an annual rate of four million housing units. Sales in May 2025 decreased 0.7 percent compared to May 2024. The median sale price of all existing homes increased 1.3 percent from a year ago to \$422,800. Available inventory in May totaled 1.5 million units, a 6.2 percent increase compared to April 2025, and a 20.3 percent increase compared to May 2024's inventory level.

Revenues

FY 2025 concluded in June, with the year ending on a positive note as GRF tax revenue exceeded the estimate by \$239.1 million (9.1%). Personal income tax explains most of the month's positive variance. For the year, tax revenues with the transfer from the sales tax holiday fund exceeded the estimate by \$1 billion (3.7%). Without the transfer, tax receipts exceed estimates by \$1.5 billion (5.4%). Personal income tax accounts for two-thirds of the year's total tax revenue and sales tax holiday transfer 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	\$ 1,039.7	3.7%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$ 173.5	1.2%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$ (241.2)	-66.1%
Total Receipts and Transfer Variance		\$ 972.0	2.2%
Non-Federal Receipts and Transfer Variance		\$ 910.7	3.1%
Federal Grants Variance		\$ 61.3	0.4%

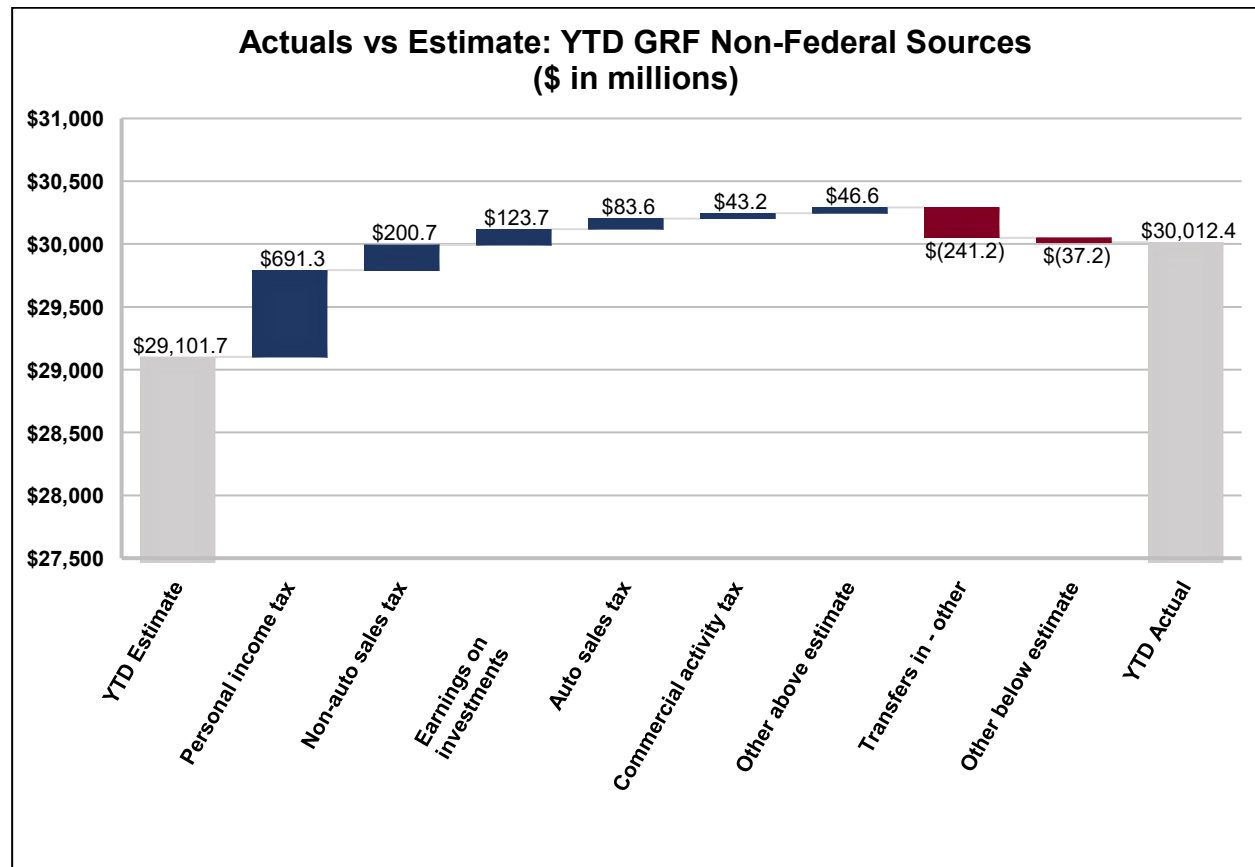
In June, GRF sources totaled \$3.6 billion and were \$364.8 million (-9.2%) below the estimate. As mentioned above, tax revenues were \$239.1 million (9.1%) above the estimate, while non-tax revenues were \$326.3 million (-33.5%) below the mark. Transfers were below the estimate by \$277.6 million (-76.1%). For the year, tax revenues and non-tax revenues are above the estimate, while transfers are below the estimate.

The following table shows that in June, the negative variances from the estimate (\$676.4 million) exceeded the positive variances (\$311.7 million), resulting in a net negative variance from the estimate of \$364.8 million.

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

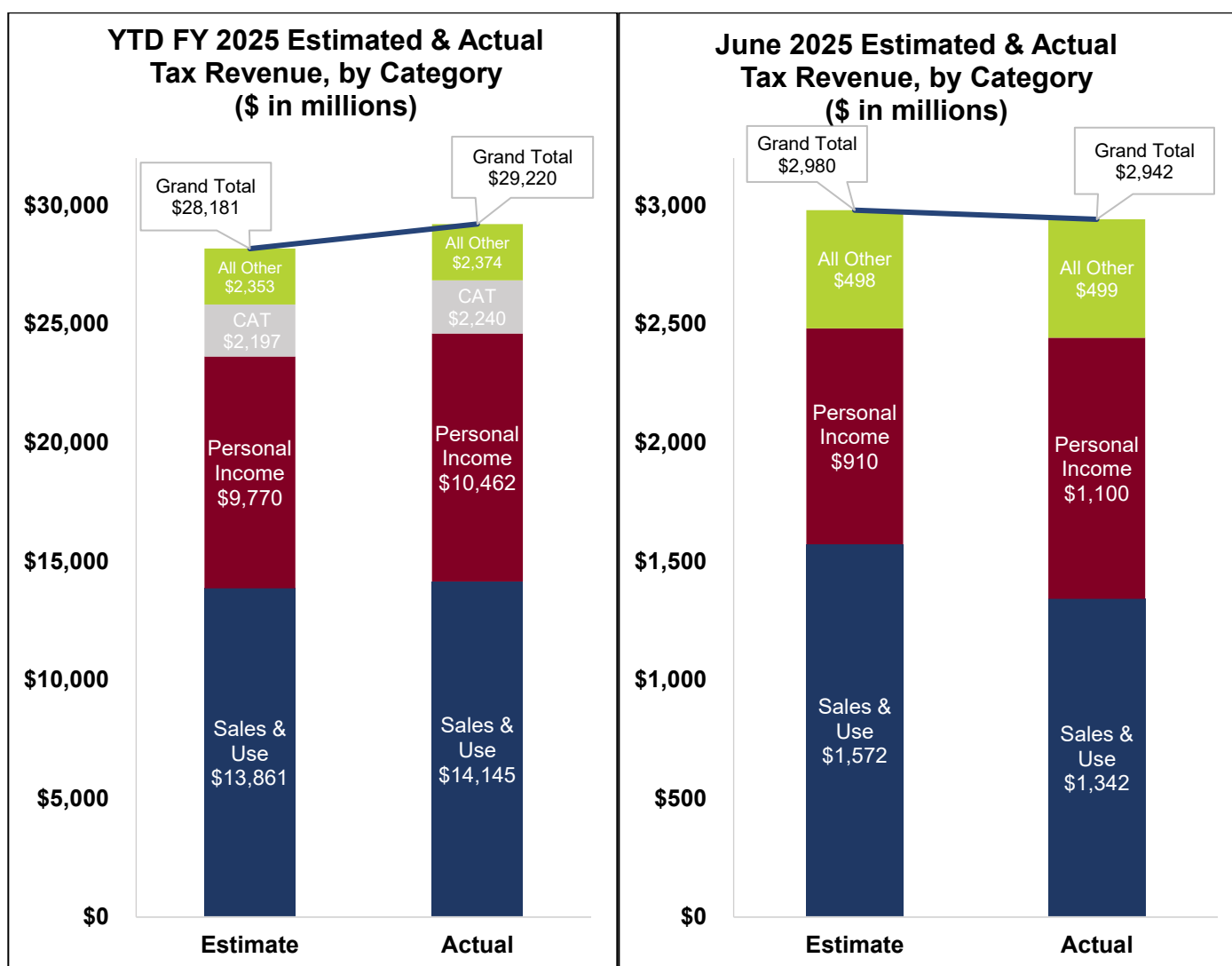
Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Personal Income Tax	\$ 190.1	Federal Grants	\$ (346.6)
Non-Auto Sales Tax	\$ 34.9	Transfers In-Other	\$ (277.6)
Earnings on Investments	\$ 34.7	ISTV'S	\$ (13.9)
Public Utility Excise Tax	\$ 23.2	Insurance Tax	\$ (21.7)
Natural Gas Distribution Tax	\$ 14.4	Other revenue sources below estimate	\$ (16.6)
Other revenue sources above estimate	\$ 14.3		
Total Above	\$ 311.7	Total Below	\$ (676.4)

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 illustrates the contributions of multiple sources to the variance between actual and estimated non-federal revenues and transfers for FY 2025. There is a \$910.7 million difference between actual and forecasted non-federal revenues, with 76 percent of the variance comprised of the personal income tax.

The following chart shows estimated and actual GRF tax revenues for the year and for June 2025, categorized by tax source. Sales and use tax revenues (including the December 2024 expanded sales tax holiday transfer) account for 48 percent of total tax revenues for the fiscal year.



In June, total receipts and transfers increased by \$217.3 million (6.4%) compared to the same period last year. Tax revenues increased \$257.3 million (9.9%), while non-tax revenues decreased \$127.3 million (-16.5%). Transfers increased \$87.3 million. In FY 2025, tax receipts, including the sales tax holiday transfer, are \$1.28 billion (4.6%) above the previous year, and non-tax receipts are \$1.48 billion (11.1%) above last year. Transfers, excluding the sales tax holiday transfer, are \$108.5 million (706.5%) above last year.

The source with the most significant year-over-year dollar increase in June was personal income tax at \$183.3 million (20%), followed by transfers in- other at \$87.3 million and non-auto sales tax at \$54.6 million (5.3%). The most significant decrease was in federal grants at \$100.2 million (-15.2%). The most notable year-to-date increases are in federal grants at \$1.5 billion (12.2%), followed by personal income tax at \$942.2 million (9.9%). The most significant year-to-date decrease is in the commercial activity tax at \$125.9 million (-5.3%).

Non-Auto Sales Tax

For June, GRF non-auto sales and use tax collections totaled \$1.1 billion, which is \$34.9 million (3.3%) above the estimate. Revenue for the fiscal year is \$661.2 million (5.8%) above the estimate. However, once combined with the transfer from the expanded sales tax holiday fund to the GRF, FY 2025 revenue is \$200.7 million (1.7%) above the estimate. June revenue is up \$54.6 million (5.3%) from last year, and the year's revenue is \$250.1 million (2.1%) above last year.

Much of the significant positive variance during FY 2025 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 determined to be \$124 million; this difference represents a \$460 million positive variance from the 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 sales tax revenue variance.

Moving to economic data, the latest release from the U.S. Census Bureau's Advance Monthly Retail Trade Survey (MARTS) program shows an increase in year-over-year retail sales during March. 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 4 percent increase in national sales, not seasonally adjusted, during May 2025. In March and April, sales increased on a year-over-year basis by 5 percent and 4.1 percent, respectively. By comparison, Ohio all-funds non-auto sales tax revenue increased 5.3 percent in May, 6.7 percent in April, and 1.8 percent in March.

Recent MARTS data show month-over-month growth in May. On a seasonally adjusted basis, May 2025 sales for the retail categories listed above were 0.3 percent higher than in April, following no change from March to April and a 0.8 percent increase from February to March.

Auto Sales Tax

June auto sales tax revenues totaled \$165.1 million, which is \$12.9 million (8.5%) above the estimate. FY 2025 revenues are \$83.6 million (4.4%) above the estimate. Revenues were \$18.2 million (12.4%) above last June and across the 12-month period are \$70.4 million (3.7%) above last year.



Quarterly data from the Ohio Bureau of Motor Vehicles (BMV) provides details on FY 2025 taxable motor vehicle transactions, including a break-out between new and used vehicles. During the April-June 2025 quarterly period, aggregate motor vehicle sales increased by \$803.8 million (8.8%) from FY 2024; for the fiscal year, they increased by \$836.1 billion (2.4%). New vehicle sales grew by \$591.7 million (16.1%) for the quarter while used vehicle sales increased by \$212.1 million (3.9%). During FY 2025, new vehicle purchases increased by \$1.2 billion (8.5%) and used vehicle purchases dropped by \$357.7 million (-1.7%).

Details on transaction volumes and prices cast further light on new and used vehicle market changes. The total number of taxable motor vehicle transactions in FY 2025 was 40,233 (2.1%) above the prior year, with new vehicle transactions growing by 26,491 (7%) and used vehicle transactions increasing by 13,292 (0.8%). Average prices for new and used vehicles moved in different directions during FY 2025: new vehicle prices rose \$506 (1.4%) from the previous year, while used vehicle prices declined \$340 (-2.5%), with composite prices increasing 0.3 percent. Even though used vehicle prices dropped, they remain 38.9 percent above the pandemic-era low reached in the third quarter of 2020. New vehicle prices are currently 22.5 percent higher than in the same quarter.

Several economic indicators provide a national context for the auto sales tax. According to the U.S. Department of Commerce's Bureau of Economic Analysis, June 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 15.3 million units. June sales were down 1.7 percent from May and up 2.2 percent from a year ago. On an unadjusted basis, light vehicle unit sales in June were at 1.25 million units. This is up 14.2 percent from the previous month and 4.2 percent above the same month last year. During the July 2024-June 2025 period, unadjusted light vehicle sales have grown 3.3 percent.

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 that May was up 0.4 percent from last year, marking the second consecutive year-over-year increase since February 2024. May prices were down 0.3 percent from the previous month. New vehicle prices are significantly higher than five years ago, with the CPI-U for new motor vehicles 20.2 percent higher than in February 2020.

Turning to national used vehicle data, May 2025 retail sales were at 1.57 million units, according to data reported by Cox Automotive. This figure is 4.4 percent higher than in May 2024 and remains unchanged from the prior month. On a year-over-year basis, used retail sales have increased during each of the preceding 10 months, growing by 6.7 percent during that time.

Used vehicle prices peaked in January 2022 and trended downward through mid-2024. Since then, prices have increased modestly. The Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, has recently demonstrated elevated year-over-year increases. Following April's strong growth, the May 2025 index is 4 percent higher than the preceding May. The Index is 4.7 percent above June 2024, the most recent low point. However, it is 13.8 percent below March 2023, when prices reached their most recent peak. Retail prices tend to move in the same direction as wholesale prices but with a lag. The May 2025 CPI-U for used vehicles is up 5.2 percent from its August 2024 low but remains 7.6 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 May 2025 CPI-U index being 31.8 percent higher than in January 2020.

Personal Income Tax

June GRF personal income tax receipts totaled \$1.1 billion, which is \$190.1 million (20.9%) above the estimate. Year-to-date revenue is \$691.3 million (7.1%) above the estimate. On a year-over-year basis, June income tax collections are up \$183.3 million (20%). Year-to-date revenue is \$942.2 million (9.9%) 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 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.

Refunds primarily account for the income tax exceeding the performance estimate in June. The refund outcome reflects a significant transfer of revenue from the Tax Refund Fund back to the GRF. The transfer explains why refunds show up as positive collections rather than the typical negative amount. June refunds totaled a positive \$36.1 million, compared to an estimated negative \$120 million, resulting in a \$156.1 million positive fiscal variance from the forecast. Refunds for the fiscal year to date are \$320 million (-9.9%) below the estimate, representing a positive fiscal impact equal to that amount. Compared to the prior fiscal year, June refunds decreased by \$120.8 million, and for the year, they decreased by \$710.8 million (19.7%).

Withholding collections during the month totaled \$854.1 million and were \$17.1 million (2%) above the estimate. This component is \$230.1 million (2.2%) above the mark for the fiscal year. Collections were \$39.9 million (4.9%) above those of last June and are \$99.7 million (0.9%) higher than those of last year for the fiscal year. After adjusting for the effects of the withholding rate reduction, withholding increased by 7.2 percent. The rate-adjusted growth is eight percent during FY 2025.

June is noteworthy for estimated tax payments because most taxpayers' second quarterly installment is due during the month. Estimated payments made by pass-through entities amounted to \$95.5 million in June, which was \$7.9 million (9.1%) above the estimate. They increased \$11.1 million (13.2%) from last year. Year-to-date collections amount to \$762.9 million, which is \$134.5 million (-15%) below the estimate and represents a \$92.2 million (-10.8%) decrease from the prior year.

Annual tax return payments made by pass-through entities totaled \$11.3 million in June, which is \$3.2 million (39.9%) above the estimate and \$3.7 million (48.4%) higher than the previous year. For the fiscal year, this component was \$47.8 million (-9.9%) below the forecast and \$103.8 million (-19.2%) below the previous year.

Individuals made estimated tax payments totaling \$149 million in June, which is \$29.4 million (24.6%) above the estimate; this amount also represents a \$28.7 million (23.9%) increase from last year. For the year, collections are \$108.8 million (19.2%) above estimate and \$103.4 million (18.1%) above FY 2024.

The individual annual returns category primarily reflects payments accompanying yearly income tax return filings. Net collections were -\$6.1 million in June, \$17.4 million below estimate. This unusual negative amount reflects a one-time accounting adjustment, which settles up for amounts that should have been assigned to several other tax types but instead had been assigned to the individual annual returns category. If not for the adjustment, collections in June would have been \$18.2 million. Total FY 2026 individual annual return collections exceed the forecast by \$222.2 million (27.3%) and increased \$208.1 million (25.1%) from FY 2024. These results indicate notably stronger-than-anticipated performance for tax year 2024. Final results for the tax year will become

apparent later this year when taxpayers using filing extensions finally submit their annual returns and settle their payments and reported tax liabilities.

Trust payments and other tax collections combined were \$11.2 million in June, which was \$1.9 million (-14.4%) below the estimate. Year-to-date receipts are \$14.4 million (8.6%) above the mark. Collections from these categories were \$0.8 million (7.3%) above those of last June, and for the year, they are \$29.8 million (19.6%) above the FY 2024 total.

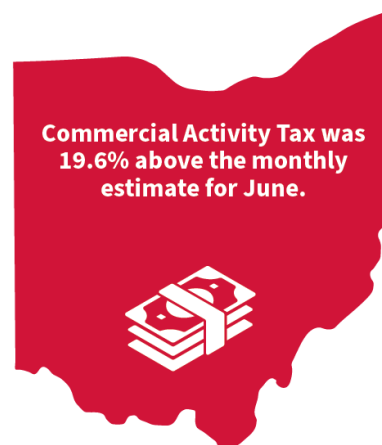
June Personal Income Tax Receipts by Component (\$ in millions)

	Actual June	Estimate June	\$ Var	Actual June-2025	Actual June-2024	\$ Var Y-to-Y
Employer Withholding	\$ 854.1	\$ 837.0	\$ 17.1	\$ 854.1	\$ 814.3	\$ 39.9
Pass-Through Entity Annual Returns	\$ 11.3	\$ 8.1	\$ 3.2	\$ 11.3	\$ 7.6	\$ 3.7
Pass-Through Entity Estimated Payments	\$ 95.5	\$ 87.6	\$ 7.9	\$ 95.5	\$ 84.4	\$ 11.1
Individual Estimated Payments	\$ 149.0	\$ 119.6	\$ 29.4	\$ 149.0	\$ 120.3	\$ 28.7
Individual Annual Returns	\$ (6.1)	\$ 11.3	\$ (17.4)	\$ (6.1)	\$ 11.5	\$ (17.6)
Trust Payments	\$ 8.3	\$ 4.7	\$ 3.6	\$ 8.3	\$ 4.9	\$ 3.4
Other	\$ 2.9	\$ 8.4	\$ (5.5)	\$ 2.9	\$ 5.6	\$ (2.6)
Less: Refunds	\$ 36.1	\$ (120.0)	\$ 156.1	\$ 36.1	\$ (84.7)	\$ 120.8
Local Distributions	\$ (50.9)	\$ (46.6)	\$ (4.3)	\$ (50.9)	\$ (46.9)	\$ (4.1)
Net to GRF	\$1,100.2	\$ 910.1	\$ 190.1	\$ 1,100.2	\$ 916.9	\$ 183.3

Commercial Activity Tax (CAT)

June GRF revenues from the CAT were \$7.7 million, \$1.3 million (19.6%) above the estimate. For the year, revenues are \$43.2 million (2%) above the estimate. June revenues were \$0.7 million (9.3%) above the prior year, while year-to-date intake is \$125.9 million (-5.3%) 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, as they are no longer required to pay the minimum tax. These two changes first impacted the CAT payments due in May 2024. The exclusion expanded to \$6 million effective in calendar year 2025, with the first impact on tax payments due in May 2025.

June is not a large collection month for the CAT because it immediately follows the month in which tax payments are due for the January-March gross receipts activity period. CAT revenue is generated from quarterly tax payments, making it useful to examine the revenue stream quarterly. During the fourth quarter of FY 2025, CAT revenue was \$30 million (7%) below the estimate. Quarterly revenue decreased by \$67 million (-14.5%) from the previous year as the fully phased-in tax policy changes affected revenues.

GRF Non-Tax Receipts

GRF non-tax receipts totaled \$646.5 million and were \$326.3 million (33.5%) below the estimate for the month of June. Year-to-date non-tax receipts total \$14.9 billion and are \$173.5 million (1.2%) above estimate.

The monthly variance in non-tax receipts was mostly due to the federal grants category, which was \$346.6 million (-38.2%) below estimate. The variance was primarily attributable to below 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			
	ACTUAL JUNE	ESTIMATE JUNE	\$ VAR	% VAR
TAX RECEIPTS				
Non-Auto Sales & Use	1,089,746	1,054,800	34,946	3.3%
Sales Tax Holiday Transfer	0	0	0	N/A
Auto Sales & Use	165,127	152,200	12,927	8.5%
Subtotal Sales & Use	1,254,874	1,207,000	47,874	4.0%
Personal Income	1,100,201	910,100	190,101	20.9%
Commercial Activity Tax	7,651	6,400	1,251	19.6%
Insurance Tax	305,694	327,400	(21,706)	-6.6%
Kilowatt Hour	14,538	16,200	(1,662)	-10.3%
Financial Institutions Tax	23,883	28,300	(4,417)	-15.6%
Public Utility	26,595	3,400	23,195	682.2%
Natural Gas Distribution	14,395	0	14,395	N/A
Petroleum Activity Tax	2,395	3,300	(905)	-27.4%
Other Business & Property	211	200	11	5.3%
Corporate Franchise	7	0	7	N/A
Cigarette and Other Tobacco	95,649	103,000	(7,351)	-7.1%
Alcoholic Beverage	3,451	5,100	(1,649)	-32.3%
Liquor Gallonage	4,785	4,900	(115)	-2.3%
Estate	106	0	106	N/A
Total Tax Receipts	2,854,434	2,615,300	239,134	9.1%
NON-TAX RECEIPTS				
Earnings on Investments	84,743	50,000	34,743	69.5%
License & Fees	422	902	(480)	-53.2%
Other Income	782	820	(38)	-4.6%
ISTV'S	9	13,899	(13,891)	-99.9%
TOTAL STATE SOURCE	2,940,390	2,680,922	259,468	9.7%
Federal Grants	560,582	907,208	(346,626)	-38.2%
Total Non-Tax Receipts	646,538	972,830	(326,292)	-33.5%
TOTAL REVENUES	3,500,972	3,588,130	(87,158)	-2.4%
TRANSFERS				
Budget Stabilization	0	0	0	N/A
Transfers In - Other	87,400	365,000	(277,600)	-76%
Temporary Transfers In	0	0	0	N/A
Total Transfers	87,400	365,000	(277,600)	-76%
TOTAL SOURCES	3,588,372	3,953,130	(364,758)	-9.2%

YEAR-TO-DATE			
ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
12,033,430	11,372,200	661,230	5.8%
123,752	584,300	(460,548)	-78.8%
1,987,593	1,904,000	83,592	4.4%
14,144,774	13,860,500	284,274	2.1%
10,461,519	9,770,200	691,319	7.1%
2,240,151	2,197,000	43,150	2.0%
785,265	768,300	16,965	2.2%
301,309	293,900	7,410	2.5%
200,586	218,000	(17,415)	-8.0%
180,123	172,400	7,723	4.5%
68,688	67,300	1,387	2.1%
10,656	11,500	(844)	-7.3%
459	400	59	14.7%
176	0	176	N/A
711,979	703,500	8,479	1.2%
59,986	60,500	(514)	-0.8%
54,442	57,000	(2,558)	-4.5%
109	0	109	N/A
29,220,222	28,180,502	1,039,721	3.7%
398,667	275,000	123,667	45.0%
139,294	135,000	4,294	3.2%
115,462	118,348	(2,886)	-2.4%
14,957	27,900	(12,943)	-46.4%
29,888,603	28,736,750	1,151,853	4.0%
14,182,719	14,121,393	61,326	0.4%
14,851,100	14,677,641	173,459	1.2%
44,071,322	42,858,142	1,213,180	2.8%
0	0	0	N/A
123,846	365,000	(241,154)	-66%
0	0	0	N/A
123,846	365,000	(241,154)	-66%
44,195,168	43,223,142	972,026	2.2%

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

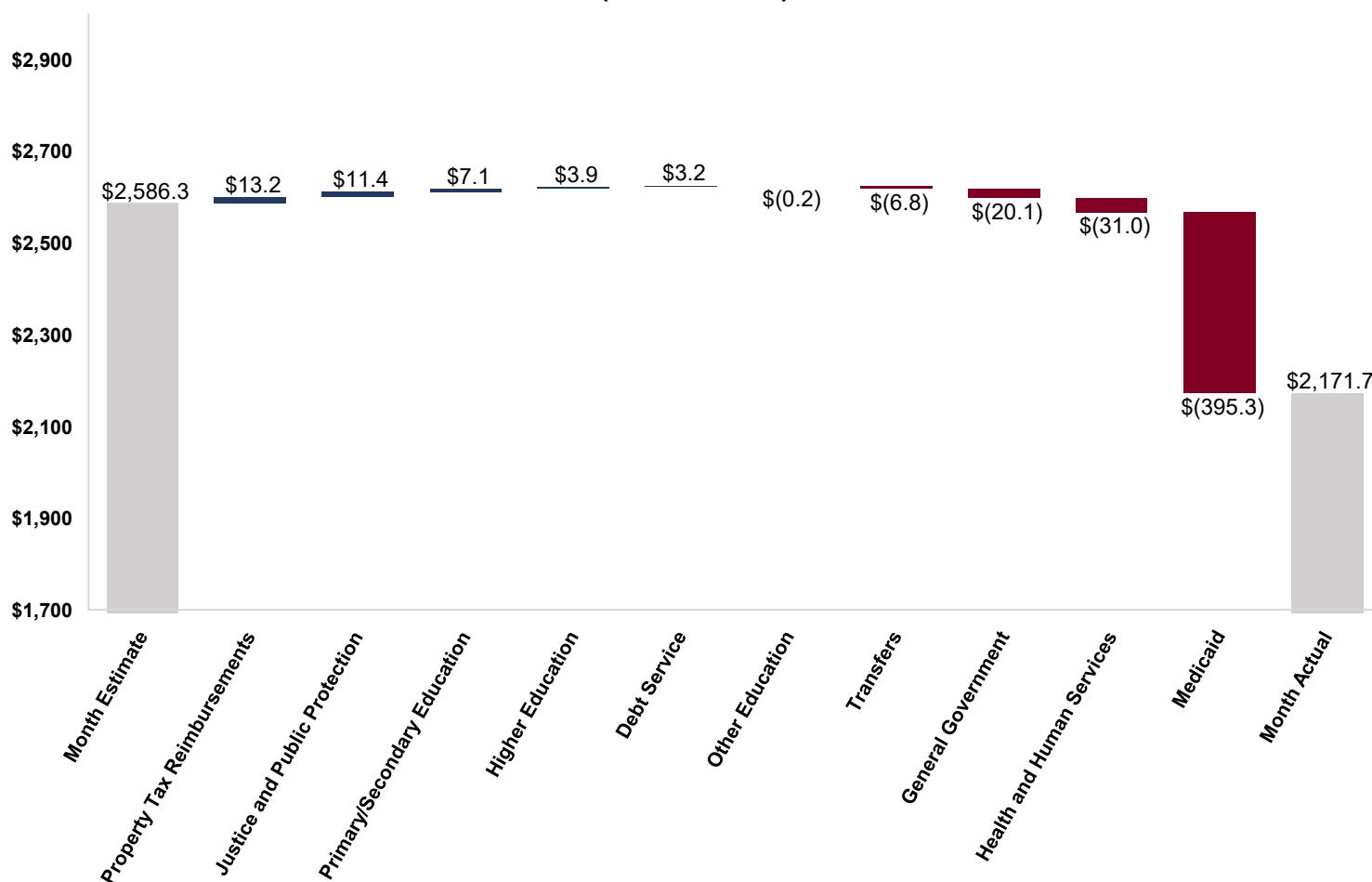
REVENUE SOURCE	MONTH			
	JUNE FY 2025	JUNE FY 2024	\$ VAR	% VAR
TAX RECEIPTS				
Non-Auto Sales & Use	1,089,746	1,035,149	54,597	5.3%
Sales Tax Holiday Transfer	0	0	0	N/A
Auto Sales & Use	165,127	146,942	18,185	12.4%
Subtotal Sales & Use	1,254,874	1,182,091	72,783	6.2%
Personal Income	1,100,201	916,930	183,271	20.0%
Commercial Activity Tax	7,651	7,000	651	9.3%
Insurance Tax	305,694	325,799	(20,105)	-6.2%
Kilowatt Hour	14,538	17,609	(3,071)	-17.4%
Financial Institutions Tax	23,883	18,805	5,079	27.0%
Public Utility	26,595	3,342	23,252	695.7%
Natural Gas Distribution	14,395	11,350	3,045	26.8%
Petroleum Activity Tax	2,395	3,574	(1,180)	-33.0%
Other Business & Property	211	155	56	35.8%
Corporate Franchise	7	10	(3)	-30.5%
Cigarette and Other Tobacco	95,649	100,537	(4,888)	-4.9%
Alcoholic Beverage	3,451	4,967	(1,517)	-30.5%
Liquor Gallonage	4,785	4,972	(187)	-3.8%
Estate	106	2	104	6448.1%
Total Tax Receipts	2,854,434	2,597,143	257,291	9.9%
NON-TAX RECEIPTS				
Earnings on Investments	84,743	111,033	(26,290)	-23.7%
License & Fee	422	1,110	(689)	-62.0%
Other Income	782	959	(176)	-18.4%
ISTV'S	9	5	4	75.8%
TOTAL STATE SOURCE	2,940,390	2,710,250	230,139	8.5%
Federal Grants	560,582	660,765	(100,183)	-15.2%
Total Non-Tax Receipts	646,538	773,872	(127,334)	-16.5%
TOTAL REVENUES	3,500,972	3,371,015	129,956	3.9%
TRANSFERS				
Budget Stabilization	0	0	0	N/A
Transfers In - Other	87,400	68	87,332	127752%
Temporary Transfers In	0	0	0	N/A
Total Transfers	87,400	68	87,332	127752%
TOTAL SOURCES	3,588,372	3,371,084	217,288	6.4%

	YEAR-TO-DATE			
	ACTUAL FY 2025	ACTUAL FY 2024	\$ VAR	% VAR
	12,033,430	11,783,307	250,123	2.1%
	123,752	0	123,752	N/A
	1,987,593	1,917,199	70,394	3.7%
	14,144,774	13,700,506	444,268	3.2%
	10,461,519	9,519,315	942,204	9.9%
	2,240,151	2,366,046	(125,895)	-5.3%
	785,265	751,781	33,484	4.5%
	301,309	284,542	16,768	5.9%
	200,586	204,900	(4,315)	-2.1%
	180,123	170,308	9,815	5.8%
	68,688	65,851	2,837	4.3%
	10,656	13,193	(2,536)	-19.2%
	459	155	304	195.8%
	176	213	(37)	-17.3%
	711,979	750,411	(38,432)	-5.1%
	59,986	60,678	(692)	-1.1%
	54,442	56,614	(2,172)	-3.8%
	109	3	106	3377.7%
	29,220,222	27,944,515	1,275,708	4.6%
	398,667	454,325	(55,657)	-12.3%
	139,294	126,629	12,665	10.0%
	115,462	145,768	(30,306)	-20.8%
	14,957	751	14,207	1892.3%
	29,888,603	28,671,987	1,216,616	4.2%
	14,182,719	12,645,652	1,537,066	12.2%
	14,851,100	13,373,125	1,477,975	11.1%
	44,071,322	41,317,640	2,753,682	6.7%
	0	0	0	N/A
	123,846	15,356	108,490	707%
	0	0	0	N/A
	123,846	15,356	108,490	707%
	44,195,168	41,332,996	2,862,173	6.9%

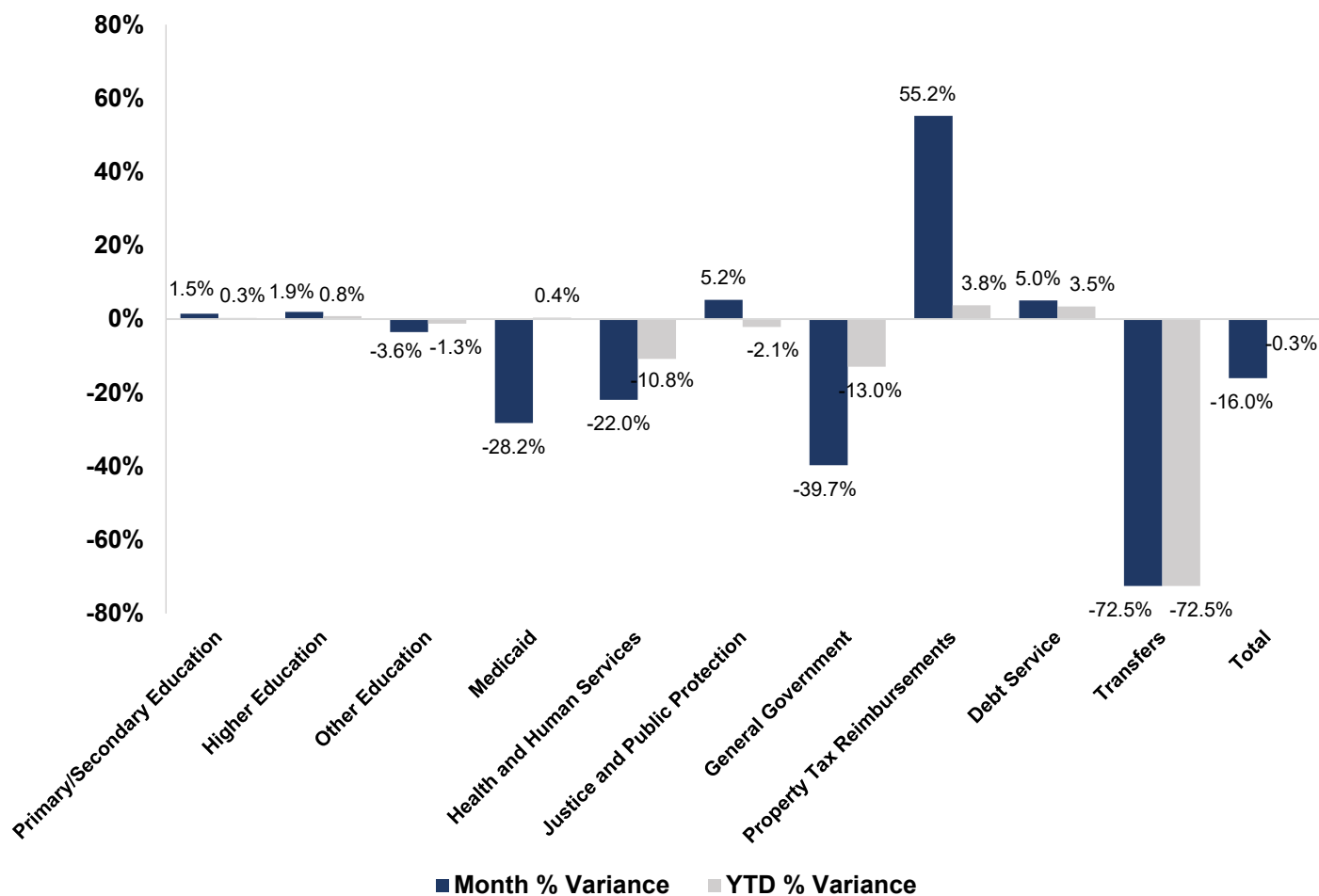
Disbursements

June GRF disbursements, for all uses, totaled \$2.2 billion and were \$407.8 million (-15.8%) below estimate. Lower-than-estimate Medicaid, Health and Human Services, and General Government spending were partially offset by higher-than-estimate spending on Property Tax Reimbursements, Justice and Public Protection, and Primary and Secondary Education spending. On a year-over-year basis, total June disbursements were \$37.5 million (1.8%) higher than those of the same month last fiscal year, with the Primary and Secondary Education category largely responsible for the difference.

June 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

June GRF disbursements for the Medicaid Program totaled \$1 billion and were \$395.3 million (-28.2%) below estimate. Year-to-date GRF disbursements totaled \$21.9 billion and were \$91.2 million (0.4%) above estimate and \$2.6 billion (13.4%) above disbursements for the same period in the previous fiscal year. The June GRF disbursement variance occurred primarily due to a quality payment to managed care organizations that was made in May but had been budgeted for June. The year-to-date GRF disbursement variance was primarily due to higher than anticipated calendar year 2025 managed care rates for the MyCare, OhioRise, and fee-for-service programs.

June all-funds disbursements for the Medicaid Program totaled \$3.3 billion and were \$297.1 million (-8.1%) below estimate. Year-to-date all-funds disbursements totaled \$43.2 billion and were \$137.2 million (-0.3%) below estimate and \$4.3 billion (11.1%) above disbursements for the same period in the previous fiscal year. The June all-funds variance occurred primarily due to the timing of the quality payment explained in the prior paragraph. The all-funds year-to-date disbursement variance was primarily due to lower than forecast caseloads for the fiscal year.

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

	June Estimate	June Actual	Variance	Variance %
GRF	\$ 1,400.9	\$ 1,005.6	\$ (395.3)	-28.2%
Non-GRF	\$ 2,245.6	\$ 2,343.8	\$ 98.2	4.4%
All Funds	\$ 3,646.4	\$ 3,349.4	\$ (297.1)	-8.1%

Medicaid Enrollment

Total June enrollment was 2.99 million, which was a decline of 2,421 from the prior month and 82,990 (-2.7%) below enrollment for the same period last year. The year-to-date average monthly enrollment was 3.03 million and was 32,582 below estimate.

June enrollment by major eligibility category was: Covered Families and Children (CFC), 1.59 million; Group VIII Expansion, 756,685, and Aged, Blind, and Disabled (ABD), 498,575.

**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.

June disbursements in this category totaled \$110.1 million and were \$31 million (-22%) below the estimate. The variance in this category is primarily caused by the Department of Children and Youth which was \$20.5 million (-31.4%) below estimate with spending \$11.3 million below estimate for Family and Children Services (-56.4%), \$8.2 million below estimate for Early Care and Education, and with no spending of the estimated \$7.5 million in Child Care Maintenance of Effort. Family and Children Services spending was lower than estimate because of payments going out later than anticipated, with funds encumbered to continue to reimburse for FY 2025 expenses. The lack of spending in Early Care and Education and Child Care Maintenance of Effort is due to using the various sources available for childcare payments at different times than originally anticipated throughout the year, with spending from the GRF occurring earlier in the year.

Disbursements for the Department of Job and Family Services were \$12.2 million (-36.4%) below estimate. The variance was primarily caused by spending in three areas. Spending was \$8.0 million below estimate for Temporary Assistance for Needy Families (TANF) programs, including food bank assistance and workforce programs, \$1.9 million below estimate for county-level family assistance programs, including local food assistance and disability programs, and \$1.1 million below estimate for community assistance programs, including child and adult protective services. The lower-than-estimate spending in all three areas was due to timing of invoices and payments for various programs, including TANF Ohio Works First Assistance, SNAP Income Maintenance, and payments to county protective service agencies. Also, the state met the spending requirement for TANF maintenance of effort earlier in the year than anticipated.

Expenditures in the Health and Human Services category for FY 2025 as a whole were \$237 million (-10.8%) below the estimate, largely due to payment timing across the year. As a result, several programs encumbered FY 2025 appropriations and will disburse those funds during FY 2026. For example, the Early Childhood Education Program, now administered by the Department of Children and Youth, which provides high-quality early learning services to Ohio's preschool age children, encumbered a portion of remaining FY 2025 appropriation in anticipation of final quarter reimbursements to service providers; these payments will be made early during FY 2026 instead of in late FY 2025. Additionally,

spending variances occurred earlier in the fiscal year as the program transitioned from the Department of Education and Workforce to the Department of Children and Youth. As the new agency was established, the Department of Education and Workforce issued more Early Childhood Education payments to providers than was originally anticipated in the transition plan, leading to lower disbursements attributable to the new Department of Children and Youth for the fiscal year as a whole. Final FY 2025 TANF Ohio Works First Assistance program payments from the Department of Job and Family Services to counties were also impacted by timing. This program, which provides cash assistance to low-income families with children, will expend encumbered FY 2025 funding in early FY 2026.

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. June disbursements for this category totaled \$30.6 million and were \$20.1 million (-39.7%) below the estimate.

The variance in this category was primarily caused by the Department of Transportation. June disbursements for the Department totaled \$1.6 million and were \$7.4 million (-86.3%) below the estimate. Of this variance, \$4.9 million is attributed to lower spending on State Road Improvements projects due to significant coordination required for the volume of projects being constructed in close proximity and a slower pace in invoice reimbursement to local entities. Another \$1.2 million of this variance is attributed to invoices that were processed later than anticipated for the Public Transportation State line item used to support rural and urban transit systems.

The Department of Administrative Services and the Department of Development also contributed to this negative variance. The Department of Administrative Services' MARCS Fee Offset payment originally planned for June was made in May, causing a \$5.2 million variance. The Department of Development's Local Development projects were \$3.4 million (-79.4%) below the estimate due to lower-than-planned requests made by grant recipients administering development projects.

Year-to-date disbursements total \$644.4 million and are \$95.9 million (-13%) below the estimate. On a year-over-year basis, disbursements in this category were \$11.3 million (-27%) lower than for the same month in the previous fiscal year while year-to-date expenditures are \$559.6 million (-46.5%) 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.

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. June reimbursements totaled \$37.2 million and were \$13.2 million (55.2%) above the estimate. The monthly variance is primarily due to the timing of reimbursement requests from local governments.

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. June disbursements in this category totaled \$229.7 million and were \$11.4 million (5.2%) above the estimate.

The variance in this category was primarily attributable to the Department of Rehabilitation and Correction, which was \$6.9 million (4.6%) over their estimated disbursement due to later than anticipated final Halfway House payments as part of end of year reconciliation of bed counts and contract performance.

Year-to-date disbursements in this category total \$3.1 billion and are \$67.8 million (-2.1%) below the estimate. On a year-over-year basis, disbursements in this category were \$14.9 million (7%) above the same month last fiscal year while year-to-date expenditures are \$164.6 million (5.6%) above the same point in FY 2024.

Primary and Secondary Education

This category contains GRF spending for the Department of Education and Workforce. June disbursements for this category totaled \$483.6 million and were \$7.1 million (1.5%) above the estimate.

The variance is attributable to \$20.6 million in student assessment payments going out in June instead of being encumbered and paid out in July. This variance was partially offset by underspending (\$13.2M) in the foundation funding formula payment, which is due to overspending in the line in previous months of the fiscal year.

Year-to-date disbursements total \$9.9 billion and are \$33.5 million (0.3%) above the estimate. EdChoice Scholarship payments, community school formula, and JVSD formula exceeded previous estimates by approximately \$170 million combined and were largely offset by \$152 million in underspending in the traditional school district formula. Additionally, the Department originally planned to encumber \$20 million for student assessment reimbursements to be paid in July; however, the payments were made in June.

On a year-over-year basis, disbursements in this category were \$48 million (11%) higher than for the same month in the previous fiscal year while year-to-date expenditures are \$376.8 million (4%) higher than the same point in FY 2024. The growth from June FY 2024 to June FY 2025 was largely due to increased EdChoice scholarship payments, earlier-than-anticipated student assessment payments, and higher-than-anticipated property tax reimbursements. The higher year-to-date expenditures can be similarly attributed to the student assessment payments and property tax reimbursements, as well as higher spending on pupil transportation and foundation funding.

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. June disbursements in this category totaled \$4.1 million and were 3.6 percent below the estimate.

Year-to-date disbursements were \$104 million, which was \$1.3 million (-1.3%) below the estimate. On a year-over-year basis, disbursements in this category were 4.8 percent higher than for the same month in the previous fiscal year while year-to-date expenditures were \$1.9 million (1.8%) higher than at the same point in FY 2024.

Higher Education

June disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled \$202.5 million and were \$3.9 million (1.9%) above the estimate.

Year-to-date disbursements were \$2.7 billion and were \$22.5 million (0.8%) above the estimate. On a year-over-year basis, disbursements in this category were \$4.4 million (2.2%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$132.6 million (5.1%) higher than at the same point in FY 2024.

Debt Service

June payments for debt service totaled \$65.8 million and were \$3.2 million (5%) above estimate. Year-to-date disbursements in this category total \$1.3 billion and are \$43 million (3.5%) 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				YEAR-TO-DATE			
	ACTUAL JUNE	ESTIMATED JUNE	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	483,581	476,511	7,070	1.5%	9,856,152	9,822,622	33,530	0.3%
Higher Education	202,469	198,598	3,871	1.9%	2,708,571	2,686,114	22,457	0.8%
Other Education	4,094	4,245	(151)	-3.6%	103,891	105,215	(1,324)	-1.3%
Medicaid	1,005,598	1,400,867	(395,269)	-28.2%	21,917,763	21,826,550	91,212	0.4%
Health and Human Services	110,103	141,098	(30,995)	-22.0%	1,962,410	2,199,431	(237,021)	-10.8%
Justice and Public Protection	229,742	218,336	11,406	5.2%	3,128,260	3,196,088	(67,828)	-2.1%
General Government	30,566	50,678	(20,112)	-39.7%	644,430	740,329	(95,898)	-13.0%
Property Tax Reimbursements	37,190	23,959	13,231	55.2%	1,956,932	1,885,992	70,940	3.8%
Debt Service	65,843	62,678	3,165	5.0%	1,288,447	1,245,432	43,014	3.5%
Total Expenditures & ISTV's	2,169,187	2,576,970	(407,783)	-15.8%	43,566,857	43,707,773	(140,916)	-0.3%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	2,562	9,315	(6,754)	-72.5%	757,305	739,408	17,897	2.4%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	2,562	9,315	(6,754)	-72.5%	757,305	739,408	17,897	-72.5%
Total Fund Uses	2,171,748	2,586,285	(414,537)	-16.0%	44,324,162	44,447,182	(123,019)	-0.3%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	JUNE FY 2025	JUNE FY 2024	\$ VAR	% VAR	ACTUAL FY 2025	ACTUAL FY 2024	\$ VAR	% VAR
Primary and Secondary Education	483,581	435,591	47,991	11.0%	9,856,152	9,479,353	376,799	4.0%
Higher Education	202,469	198,105	4,364	2.2%	2,708,571	2,575,925	132,646	5.1%
Other Education	4,094	3,907	187	4.8%	103,891	102,019	1,872	1.8%
Medicaid	1,005,598	992,418	13,180	1.3%	21,917,763	19,329,476	2,588,287	13.4%
Health and Human Services	110,103	124,089	(13,985)	-11.3%	1,962,410	1,784,718	177,692	10.0%
Justice and Public Protection	229,742	214,757	14,985	7.0%	3,128,260	2,963,656	164,605	5.6%
General Government	30,566	41,893	(11,326)	-27.0%	644,430	1,204,043	(559,613)	-46.5%
Property Tax Reimbursements	37,190	57,774	(20,584)	-35.6%	1,956,932	1,873,728	83,204	4.4%
Debt Service	65,843	63,202	2,642	4.2%	1,288,447	1,304,828	(16,381)	-1.3%
Total Expenditures & ISTV's	2,169,187	2,131,736	37,451	1.8%	43,566,857	40,617,746	2,949,111	7.3%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	150,000	(150,000)	N/A
Operating Transfer Out	2,562	769,478	(766,916)	-99.7%	757,305	7,414,307	(6,657,002)	-89.8%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	2,562	769,478	(766,916)	-99.7%	757,305	7,564,307	(6,807,002)	-90.0%
Total Fund Uses	2,171,748	2,901,213	(729,465)	-25.1%	44,324,162	48,182,054	(3,857,892)	-8.0%

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

July 1, 2024 Beginning Cash Balance*		2,141,622
Plus FY 2025 Actual Revenues		29,764,851
Plus FY 2025 Actual Federal Revenues		14,182,719
Plus FY 2025 Actual Transfers to GRF		247,598
Total Sources Available for Expenditures & Transfers		46,336,801
Less FY 2025 Actual Disbursements**		43,566,857
Less FY 2025 Total Encumbrances as of June 30, 2025		893,688
Less FY 2025 Actual Transfers Out		757,305
Total Estimated Uses		45,217,850
FY 2025 Unencumbered Ending Fund Balance***		1,118,950

*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.

*** Pursuant to Ohio Revised Code, the FY 2025 unencumbered ending fund balance will be carried forward to Fiscal Year 2026

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

Jason Akbar, Miranda Ames, Khada Chapagai, Tara Clayton, Luis da Cruz, Clare DiCuccio, Lauren Erickson, Chris Guerrini, Chris Hall, Josephine Harders, Diane Hare, Richard Hurley, Charlotte Kirschner, Nathan Kolenda, Jaylyn Murray, Taylor Pair, 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	A measure produced by the Board of governors of the Federal Reserve System that measures the real output of the United States manufacturing industry by group based off of 2017 North American Industry Classification System (NAICS) codes.
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.