



OBM

Ted Strickland
Governor

J. Pari Sabety
Director

October 13, 2009

MEMORANDUM TO: The Honorable Ted Strickland, Governor
The Honorable Lee Fisher, Lt. Governor

FROM: J. Pari Sabety, Director 

SUBJECT: Monthly Financial Report

This report contains information regarding Ohio's financial position through September 30, 2009 as well as highlights of regional and national economic indicators that are important to understanding the current state and direction of Ohio's economy.

Evidence continues to build that the recession ended in the United States sometime during the May – July 2009 timeframe. National retail sales increased somewhat in August, buoyed in part by auto sales; however, despite the increase, retail spending is still far below levels experienced in previous years. Jobless claims are still increasing, but at a slower rate than earlier in the calendar year. Experts continue to predict that this will be a largely jobless recovery. Additionally, risks in the commercial and residential real estate markets will continue to constrict credit markets in the months ahead.

Ohio's September revenue performance met the estimates, supported by both income tax withholding and the sales tax. OBM and the Department of Taxation will continue to monitor receipts closely.

Attached to this report is an expanded section that describes Ohio's receipts and expenditures of American Recovery and Reinvestment Act funds. Ohio submitted its data on ARRA expenditures in accordance with Section 1512 of the Act on October 9, 2009, one day ahead of schedule. Of the \$8.2 billion that the state is expected to receive during this three-year program, approximately \$1.6 billion has been expended. \$335.6 million in disbursements falls under the new accountability requirements and was reported during this first reporting period.*

*These figures do not include ARRA awards directly to component units of the state such as Ohio Housing Finance Agency, Ohio Water Development authority, and colleges and universities.

MONTHLY FINANCIAL REPORT
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ECONOMIC SUMMARY

The economy contracted in the second quarter and for the fourth consecutive quarter, but posted the best performance since the 1.5% increase in the second quarter of 2008. Employment remained in a downtrend through September and the unemployment rate increased nationally in September to a new high of 9.8% for the cycle. The Ohio unemployment rate decreased to 10.8% in August, but remained in double digits for the fifth straight month. Leading economic indicators suggest that an economic recovery is taking hold. Despite raising projections for near-term growth, economists expect the recovery from the 2007-09 recession to be weak by historical standards, as were the recoveries from the previous two recessions in 1990-91 and 2001. The pace of economic recovery in Ohio will depend heavily on the fate of the motor vehicle industry and the strength of export markets.

Overview of Economic Performance

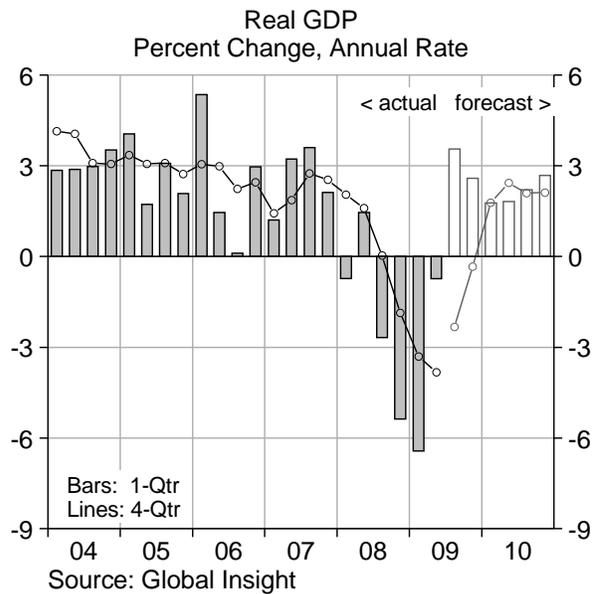
- Forecasters project an increase in real GDP during the third quarter of 3% or higher.
- Ohio employment decreased by 30,100 jobs in August, following a 14,300 job gain in July.
- Personal consumption expenditures increased 1.3% in August, reflecting the rebate-induced increase in motor vehicle sales and solid gains in other categories.
- Industrial production increased 0.8% in August for the second straight monthly gain.

Economic Growth

The rate of change in real GDP was revised up to -0.7% in the second quarter, following declines of 6.4% in the first quarter and 5.4% in the fourth quarter of 2008. Compared with a year earlier, real GDP was down 3.8%. The economy has contracted in four consecutive quarters and five out of the last six quarters and by the largest amount over a four-quarter span in the post-World War II period. The mix of activity during the second quarter points to a much stronger increase in real GDP during the third quarter than was expected early in the year.

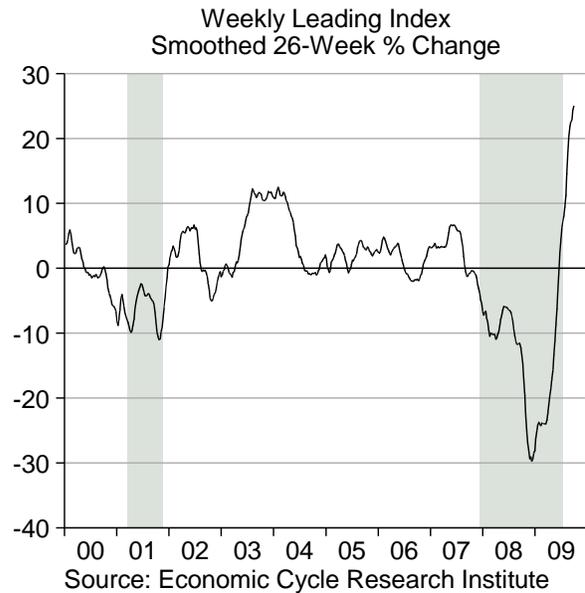
The recent monthly patterns in related indicators point toward gains in personal consumption expenditures, investment in business equipment and exports during the third quarter. Reflecting convincing improvement in construction activity during the summer, investment in residential structures could be unchanged during the third quarter, which would be the best showing since the fourth quarter of 2005. Recent indicators point with somewhat less certainty to a much smaller decline in business inventories.

As a result, forecasters project an increase in real GDP during the third quarter of 3% or higher. IHS Global Insight estimates that real GDP increased by 3.6% in the third quarter and projects a rise of 2.6% in the fourth quarter. Although a modest pace by historical standards early in a recovery, 3% growth would be a marked improvement from expectations earlier in the year. As recently as March, for example, IHS Global Insight was predicting a decline of 1.2% for third-quarter real GDP. In April, the *Blue Chip Economic Indicators* consensus was for a 0.4% increase in real GDP during the third quarter.



The **Weekly Leading Index** published by the Economic Cycle Research Institute increased for the twenty-eighth straight week in the week ending September 25 on a four-week moving average basis. The smoothed six-month rate of change improved to a record-high +25.1%, up from the low for the cycle and the all-time low of -29.7% reached on December 5.

The **Leading Economic Index** published by the Conference Board increased 0.6% in August – the fifth consecutive monthly rise. The smoothed six-month rate of change increased to 5.4% – the fourth consecutive positive change and the best since July 2004. The sharp upturn is very strong evidence that economic recovery is underway.



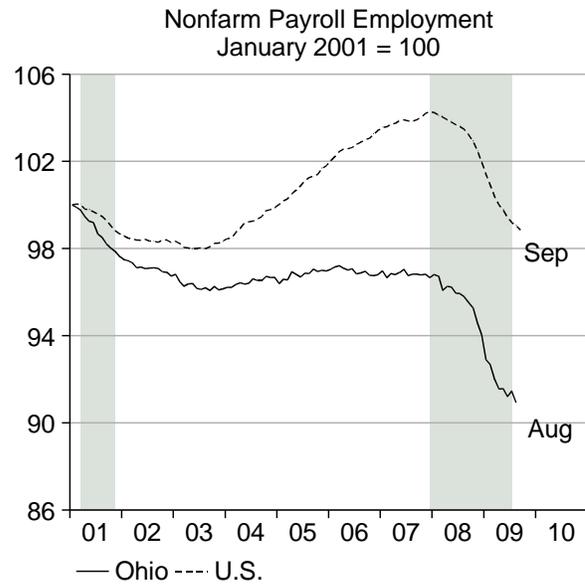
Similarly, the Ratio of the Coincident to Lagging Economic Index published by the Conference Board increased for the fifth straight month in August – another signal of an upturn in the economy. The ratio has reached its cyclical trough at approximately the same time that recessions have ended on many occasions in the past.

Employment

Labor markets took one step backward in September after taking two small steps forward in July and August. **Total employment** decreased by 263,000 jobs and the **unemployment rate**

increased by 0.1 percentage points to 9.8%. Average hourly earnings increased 0.1% after a 0.4% increase in August that was boosted by the increase in the minimum wage. Hourly wages were up 2.5% from a year ago – a new low for this cycle. The year-over-year rate of change in wages reached a low of 1.5% early in the last economic cycle.

The 263,000 decrease in employment in September ended a two-month string of successively smaller employment declines. Total employment fell 201,000 in August and 304,000 in July, compared with a decline of 463,000 in June. Construction (-64,000), manufacturing (-51,000), retail trade (-39,000) and government (-53,000) posted the largest employment declines. State and local education uncharacteristically accounted for more than one-half of the decline in government employment.



Even though employment has fallen by a record amount in this cycle – down 7.2 million jobs or 5.2% – the Bureau of Labor Statistics expects the March 2009 level to be adjusted down by 824,000 jobs in the annual benchmark revision to be announced next February. The adjustment would lift the total job loss by a like amount to approximately 8.0 million or 5.8% from the peak to the September level.

Although labor markets have a long way to go to fully recover from the recession, the slowing in the rate of decline in temporary help employment and the slower rate of increase in the unemployment rate are both consistent with the beginning of that process. Temporary help employment fell by just 1,700 jobs in September and has decreased by an average of only 9,000 jobs per month during the past five months, compared with an average decline of 69,000 per month during the previous five months. Temporary help employment is viewed by some as a leading indicator of labor market health, because temporary workers can be added and dismissed more easily than permanent workers. At the same time, the rate of increase in the unemployment rate has slowed to an average of 0.1 percentage points point per month during the last four months from 0.4 percentage points per month during the previous six months.

Even so, at 9.8%, the unemployment rate is 5.4 percentage points above its low point in the previous expansion and stands at its highest level since 1983. The broadest measure of unemployment, which includes so-called discouraged workers, increased to a new all-time high of 17.0%.

In an indication of ongoing weakness in the demand for labor, the length of the workweek edged back down to the all-time low of 33.0 hours in September. **Total hours worked** decreased 0.5% in September to 6.9% below the year earlier level. For the quarter, total hours worked decreased at an annual rate of 4.3%, requiring a similar rise in productivity to avoid a decline in real GDP.

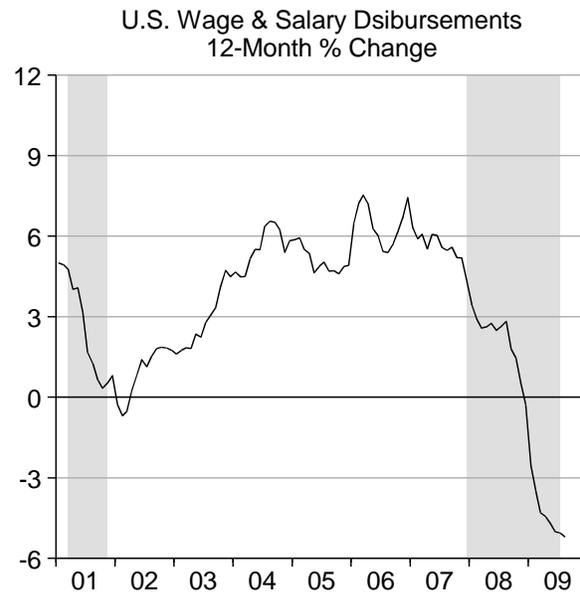
Productivity increased 6.6% in the second quarter, following gains of less than 1% in each of the two previous quarters.

Initial jobless claims resumed a downward path in September, but remained close to the four-week average in the final week of the month. At 521,000 claimants in the most recent week ending October 3, initial claims remain well above the normal level of approximately 325,000. There is some speculation that faulty seasonal factors have distorted initial claims upward this year, and that the normal annual revision of seasonal factors early next year will reveal greater improvement than is now apparent.

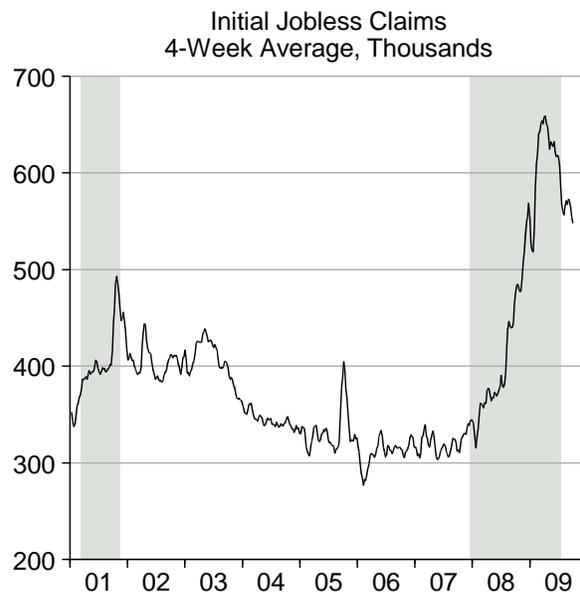
Ohio employment decreased by 30,100 jobs in August, following a 14,300 job gain in July. The July gain was revised up from an initial estimate of +9,800. Employment has decreased by 272,000 jobs, or 5.1%, during the twelve months ending in August. Most sectors posted job losses during August, led by professional and business services (-7,500), government (-7,000), trade, transportation and utilities (-6,800) and manufacturing (-5,700). Only educational and health services (+2,400) posted an increase in employment.

Of the eleven **Ohio Metropolitan Statistical Areas**, only Sandusky added jobs (+1,100) during the twelve months ended in August. Employment fell by the largest amounts in Cleveland (-62,600), Cincinnati (-42,700) and Toledo (-18,200). Columbus lost 18,000 jobs.

Employment fell substantially in Ohio and each of the **contiguous states** during the year ending in August. The declines were larger in states with a higher concentration of employment in manufacturing and smaller in states with a higher concentration of employment in mining. Employment fell 7.9% in Michigan, 6.0% in Indiana, 5.1% in Ohio, 4.6% in Kentucky, 3.3% in West Virginia, and 3.3% in Pennsylvania. For the region as a whole, employment was down 5.2% during the same period, compared with a decline of 4.1% for all states outside the region combined.



Only educational and health services (+2,400)



Consumer Income and Consumption

Recent trends in consumer income and spending have been dominated by the American Recovery and Reinvestment Act and the federal rebates for new car purchases. **Personal income** increased 0.2% in August – the same as in July. Income fell 1.1% in June after rising 1.3% in May.

Wage and salary disbursements, which account for just over one-half of personal income, increased 0.2% for the second straight month in August. Prior to the July increase, wage and salary disbursements declined for eight straight months. Compared with a year earlier, wage and salary disbursements were down 5.2% – a new low point for the cycle. Personal income was down 2.6% from a year earlier, up from a year-over-year decline of -3.4% in June.

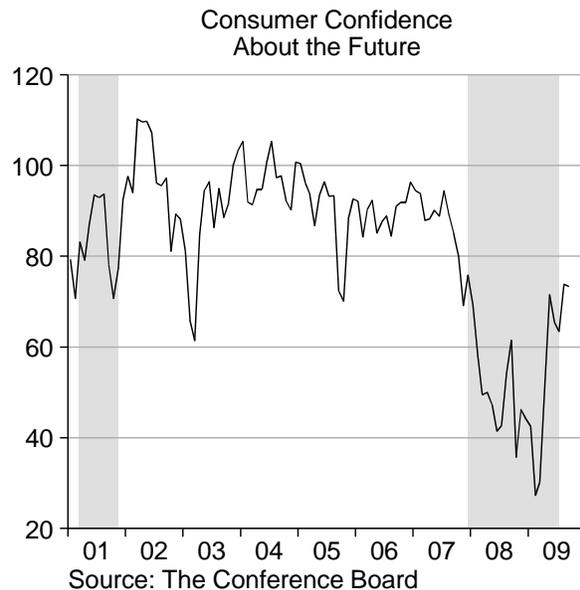
Personal consumption expenditures

increased 1.3% in August, reflecting the rebate-induced increase in motor vehicle sales and solid gains in other categories. In inflation-adjusted terms, purchases of motor vehicles and parts increased 12.9%. Real spending on furnishings (+1.0%), recreational goods and vehicles (+4.0%) and other durables (+1.8%) also increased. Real spending on nondurable goods posted broad-based increases, with gains in clothing of 2.0%, gasoline and other energy goods of 1.8% and other nondurable goods of 0.8%. Real spending on services increased a modest 0.2%.

The slump in light motor vehicle sales to 9.2 million units in September from 14.1 million in August, following the termination of the (Cash Allowance Rebate System) CARS program, subtracted significantly from overall spending during the month. The effect of the CARS program on sales in the near future remains uncertain. The September sales rate of 9.2 million units was only slightly below the 9.5 million unit average during the six months prior to the July-August program. Sales will be lower for a period of months than they would have been in the absence of the program to the degree that the incentives accelerated the timing of purchases.

Outside of motor vehicles, Consumer spending has recovered somewhat. **Chain store sales** managed a rise of 0.3% in the week ending October 2, suggesting that consumers remain constrained. Compared with a year earlier, chain store sales were higher by 1.0%, up from a -2.0% change from August 2008 to August 2009.

Measures of **consumer attitudes** were mixed during September. The Conference Board measure of consumer confidence edged down as assessments of both current conditions and future prospects deteriorated modestly. The Reuters/University of Michigan survey of consumer

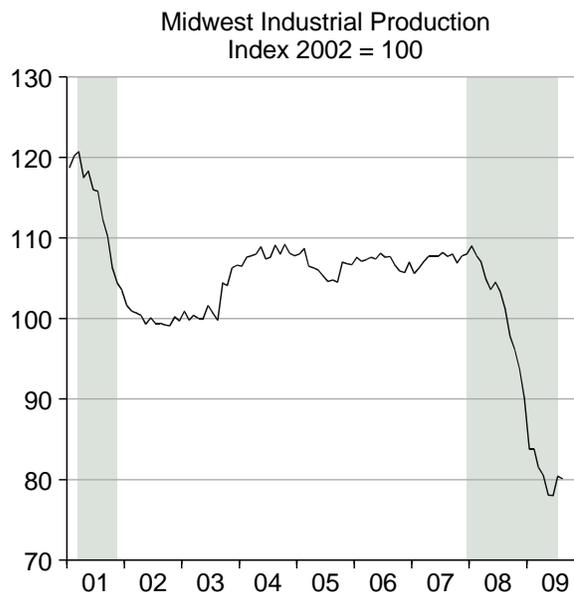


sentiment improved in September, reflecting somewhat brighter assessments of both current and prospective conditions. In the case of both surveys, consumer attitudes are markedly improved from their February lows and appear to be on trends consistent with at least modest economic recovery.

Manufacturing

Industrial production increased 0.8% in August for the second straight monthly gain. The July increase was revised up from 0.5% to 1.0%. Manufacturing output increased 0.6% and mining output was up 1.9%. Compared with a year earlier, industrial production was still down 10.7%.

The sizable back-to-back gains raise the odds that the recession ended in the May-to-July period. The official determination will not be announced by the National Bureau of Economic Research until perhaps as late as the spring or summer of 2010. The timing of the announcement will depend on the strength of any recovery in the overall economy coming months. Industrial production has been a reliable indicator of the end of the recession in the past because the index has reached its cyclical trough within one month of the end of each of the ten previous business cycle recessions dating back to 1948-49.



Midwest manufacturing output decreased 0.3% in August, due solely to a large decline in motor vehicle production that followed a large increase in July. Regional auto sector production fell 4.2%, according to the Federal Reserve Bank of Chicago. Production rose in the machinery sector (+0.3%), steel sector (+0.6%) and resource sector (+1.3%). The decrease in motor vehicle production in the Midwest during August was an anomaly. Motor vehicle assemblies increased 12.0% nationally during the month after a 42.8% rise in July.

Purchasing managers at manufacturing companies indicated that activity stabilized in September. The ISM index was little changed in September from August. The important component indexes for new orders and production slipped on the month, but reports on other aspects of activity were mixed. The one-month pause in the sharp rebound in the ISM index since its historic low last December is not unusual, as the indicator typically moves in an erratic pattern around its cycle.

Factory shipments and new orders both edged down in August, but the recent pattern suggests that the steep decline in the second half of 2008 has ended. Shipments fell 0.3%. New orders were down 0.8%. In a sign that production is being realigned with demand, the inventory-to-sale ratio declined for the third month in a row. On balance, factory activity during August points toward ongoing improvement at a moderate pace.

Construction

Total **construction put-in-place** increased by 0.8% in August, as a rise in private residential construction (+4.7%) more than offset a decline in private nonresidential construction (-0.1%). Total public construction decreased by 1.1%.

The jump in residential construction, and therefore the increase in overall construction, might be misleading. Excluding improvements to residential structures, which are unreliably estimated from month to month, residential construction edged down by 0.1%. Within residential, single-family construction increased 4.5%, while multi-family construction decreased by the same percentage.

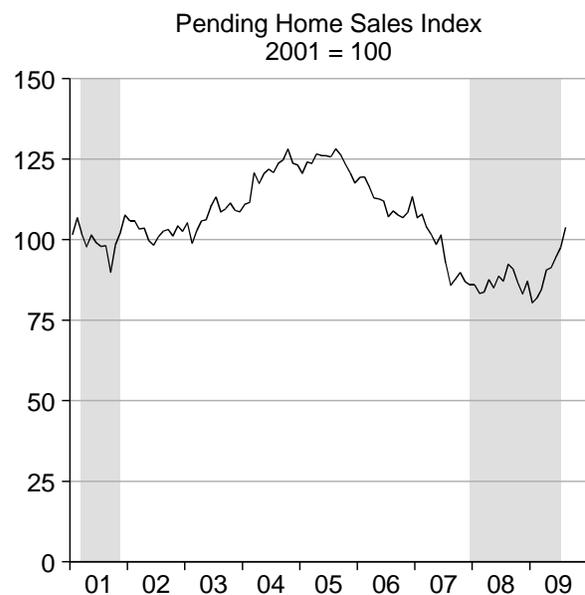
Although nonresidential investment decreased by only 0.1% in August, the June and July estimates were revised down significantly, and the August decline was the fifth monthly drop in a row. In addition, nonresidential construction was supported in August by a 5.4% increase in manufacturing construction, which was driven by what may prove to be unsustainable spending on upgrades at refineries.

The **Architecture Billings Index** (ABI) compiled by the American Institute of Architects fell back in August, after a large improvement in July. At 41.7, the index level remains well below the neutral level of 50, where it has been since February 2008. The pattern in the index is consistent with continued weakness in nonresidential construction. The index for Midwest Billings improved from 39.0 to 43.0, reaching its highest level in a year.

In the **housing sector**, permits and starts in August continued a modest trend toward improvement that became evident in the first quarter. Permits for single-family houses were down marginally in August. Multi-family permits increased by 5.6% from the all-time low reached in July.

Despite the apparent upturn, the residential construction industry remains under pressure from tighter credit terms required by lenders, deleveraging by households, high vacancy rates in many sections of the country and little expectation of housing price appreciation in the intermediate term.

Sales of new and existing homes were mixed during August, but the 3-month averages of each increased for the fifth consecutive month. In both cases, sales remain at depressed levels, but increasingly are tracing a pattern of improvement. Pending home sales – a more up-to-date measure of existing home sales – were not only up for the fifth straight month in August (3-month moving average basis) but were 10.4% higher than in August 2008.



The **supply of homes for sale** – both new and existing – declined in August. Relative to the August sales pace, the supply of homes on the market decreased to the lowest level since the first quarter of 2007 for both categories.

Evidence that **home prices** are leveling off accumulated in July. The S&P/Case-Shiller Home Price Index for twenty metro areas increased 1.2% in July after a 0.8% rise in June. The June increase followed 36 consecutive monthly declines. In conjunction with at least a temporary leveling off in housing construction and a substantial draw-down in inventories of unsold homes, the leveling off in prices suggests that the adjustment in the housing sector is well advanced.

GENERAL REVENUE FUND RECEIPTS

During the month of September, **total GRF receipts totaled \$2,163.2 million** which was \$7.0 (0.3%) below estimates. This negative variance was driven by a combination of lower than expected performance in federal grants and transfers, which combined to offset a third consecutive month of better than estimated for performance in tax receipts.

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	\$39.5 million	1.1%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$9.0 million)	(0.4%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	(\$15.1 million)	(19.9%)
TOTAL REVENUE VARIANCE:		\$15.4 million	0.3%

Breaking a long run of failing to meet the monthly estimate, the non-auto sales tax exceeded the estimate during the month of September and combined with continued better than expected performance in the auto sales, personal income, corporate franchise, and cigarette taxes to result in a positive variance in tax receipts for the third consecutive month. Through the first quarter of FY 2010, total tax receipts exceeded estimates by \$39.5 million (1.1%). Despite this relatively good news however, it must be kept in mind that tax revenues are still \$515.7 million (-12.1%) below last year for the first quarter of the fiscal year..

Individual Sources Above Estimate		Individual Sources Below Estimate	
Non-Auto Sales Tax	\$1.9	Kilowatt Hour Tax	(\$1.3)
Auto Sales Tax	\$10.7	Estate Tax	(\$2.0)
Personal Income Tax	\$8.7	Federal Grants	(\$16.8)
Corporate Franchise Tax	\$9.7	Other Income	(\$2.2)
Cigarette Tax	\$4.8	ISTVs	(\$2.5)
Liquor Transfers	\$3.0	Transfers In – Other	(\$19.9)
Other Sources Above Estimate	\$0.3	Other Sources Below Estimate	(\$1.4)
Total above	\$39.1	Total below	(\$46.1)

Non-Auto Sales and Use Tax

For the first time since June 2008 non-auto sales tax revenue exceeded the estimate as September receipts totaled \$464.9 million or \$1.9 million (0.4%) more than expected. This positive monthly performance reduced the year-to-date shortfall to \$22.1 million (-1.5%) below estimate. Despite exceeding the estimate for the month, non-auto sales tax continues to significantly lag last year. Receipts were \$44.5 million (-8.7%) lower than for the same month last fiscal year, although this is an improvement over the double-digit declines in year-over-year receipts that had occurred in seven of the previous nine months, including the last four consecutive months.

Auto Sales Tax

September auto sales tax receipts totaled \$92.6 million and exceeded estimates by \$10.7 million (13.1%). On a year-over-year basis, auto tax receipts outpaced those from the same month last fiscal year by \$7.5 million or 8.8%. As was the situation in August, OBM believes that a large portion of the additional auto sales tax revenues recognized in September was the result of the continuation and expansion of the Cash for Clunkers incentive program.

Personal Income Tax

Personal income tax receipts continued to exceed estimate in September, with the \$739.1 million in receipts exceeding the estimate by \$8.7 million or 1.2 percent. Quarterly estimated payments were the major contributor for this monthly overage, with pass-through-entities contributing most to this overage. Year-over-year, total personal income tax receipts show a continuing weakening trend, as they were \$181.4 million or 19.7% lower than September 2008. Year-to-date receipts are now \$44.5 million or 2.7 percent above the estimate, but still \$283.9 million or 14.1 percent below the corresponding period in FY 2009.

FY2010 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	SEP	SEP	SEP	Y-T-D	Y-T-D	Y-T-D
Withholding	\$557.1	\$559.2	\$2.1	\$1,614.5	\$1,654.8	\$40.3
Quarterly Est.	\$213.0	\$221.2	\$8.2	\$234.8	\$242.0	\$7.2
Trust Payments	\$8.0	\$4.1	(\$3.8)	\$9.2	\$5.2	(\$4.0)
Annual Returns & 40 P	\$17.7	\$21.1	\$3.4	\$41.4	\$37.7	(\$3.7)
Other	\$1.0	\$5.9	\$4.9	\$14.1	\$19.8	\$5.7
Less: Refunds	(\$19.5)	(\$25.3)	(\$5.8)	(\$86.2)	(\$86.5)	(\$0.3)
Local Distr.	(\$46.9)	(\$47.2)	(\$0.3)	(\$148.7)	(\$149.4)	(\$0.7)
Net to GRF	\$730.4	\$739.1	\$8.7	\$1,679.1	\$1,723.6	\$44.5

Corporate Franchise Tax

Corporate franchise tax receipts for the month of September totaled \$10.1 million, or \$9.7 million above the estimate of \$0.5 million. The money coming in at this time are the final settlements for tax year 2009 for returns being filed on extension. Payments from these extension returns were higher than expected. As Fiscal Year 2010 is the final year for completing the phase out of this tax for most taxpayers, comparing the performance on a year-over-year basis will not be meaningful.

Commercial Activity Tax

In FY 2010, receipts from the commercial activity tax (CAT) will continue to be distributed to non-GRF funds to reimburse school districts and local governments for the phase out of the tangible personal property tax. During the month of September, CAT receipts totaled \$11.1 million or \$2.4 million below the monthly estimate of \$13.5 million. Through the first quarter of the year, total CAT receipts year totaled \$323.7 million, or \$4.0 below the year-to-date estimate.

In the September 10, 2009 report, an error was made as it was reported that CAT receipts totaled \$299.2 million through the end of August were \$15.0 million below estimate. Both figures were incorrect. This monthly report contains corrected data. CAT receipts through August actually totaled \$312.6 million and were only \$1.6 million below estimate.

Kilowatt Hour Tax

The kilowatt hour tax during the month of September posted total receipts of \$16.3 million which were \$1.3 million (7.5%) below the estimate. This variance is attributable largely to the relatively weak demand for electricity driven by a milder than expected summer. Additionally, while the percentage variance for this tax appears to be large, it must be noted that this is in

comparison to the post Public Library Fund allocations which totals about \$11.8 million from this tax source.

Cigarette Tax

The cigarette tax posted receipts of \$80.7 million during the month of September which were \$4.8 million (6.3%) below the estimate. This performance, combined with better than expected receipts during the months of July and August increased the positive variance for this tax source to \$11.9 million (7.0%). While the tax is still decreasing on a year-over-year basis, shrinking by \$9.0 million (-4.8%) compared to the first quarter of FY 2009, the drop in consumption and revenue is not as great as anticipated.

GRF non-tax receipts totaled \$714.1 million in September, with the performance coming in \$22.1 million below the estimate. This negative performance relative to estimates is attributable to receiving less in federal Medicaid reimbursement as a result of lower than expected spending.

GRF transfers during the month of September totaled \$32.6 million and were \$16.9 million below the estimate. The negative variance in transfers is the result of lower than estimated transfers from the kilowatt hour fund. OBM estimated that the kilowatt hour fund would transfer \$37.5 million in September and the remaining \$37.5 million in June. Since there was not a sufficient balance to transfer the full \$37.5 million in September, the remainder will be transferred in June, along with the \$37.5 million estimated for that month.

Section 512.60 of House Bill 1 authorizes the Director of Budget and Management to transfer whatever non-general revenue funds are necessary to ensure a balanced budget and requires the Director to report both what was estimated and transferred on a quarterly basis as part of this report. For the first quarter of FY 2010, no such transfers authorized under this section were estimated and none occurred. Any and all transfers occurring to the General Revenue Fund were authorized or directed under other legal authority and thus do not fall under the provisions of Section 512.60.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2010 VS ESTIMATE FY 2010
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL	ESTIMATE	\$ VAR	% VAR	ACTUAL	ESTIMATE	\$ VAR	% VAR
	SEPTEMBER	SEPTEMBER			Y-T-D	Y-T-D		
TAX RECEIPTS								
Non-Auto Sales & Use	464,902	462,978	1,924	0.4%	1,480,289	1,502,423	(22,134)	-1.5%
Auto Sales & Use	92,622	81,923	10,699	13.1%	262,595	242,361	20,234	8.3%
Subtotal Sales & Use	557,524	544,901	12,623	2.3%	1,742,884	1,744,785	(1,900)	-0.1%
Personal Income	739,052	730,400	8,652	1.2%	1,723,620	1,679,100	44,520	2.7%
Corporate Franchise	10,139	461	9,678	2100.4%	(3,639)	(9,039)	5,400	-59.7%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	11	98	(87)	-88.9%	34,125	46,322	(12,196)	-26.3%
Kilowatt Hour	16,280	17,591	(1,311)	-7.5%	41,839	47,680	(5,840)	-12.2%
Foreign Insurance	4,397	4,413	(16)	-0.4%	4,112	4,312	(200)	-4.6%
Domestic Insurance	108	(234)	343	-146.2%	161	(820)	981	-119.7%
Other Business & Property Tax	4	0	4	N/A	101	286	(185)	-64.6%
Cigarette	80,679	75,926	4,753	6.3%	180,632	168,764	11,868	7.0%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	3,942	4,479	(537)	-12.0%	14,923	15,168	(245)	-1.6%
Liquor Gallonage	2,972	3,106	(134)	-4.3%	9,249	9,218	31	0.3%
Estate	1,421	3,446	(2,025)	-58.8%	1,659	4,403	(2,744)	-62.3%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,416,529	1,384,585	31,943	2.3%	3,749,668	3,710,179	39,489	1.1%
NON-TAX RECEIPTS								
Federal Grants	709,711	726,525	(16,814)	-2.3%	1,996,362	2,000,165	(3,803)	-0.2%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	1,296	1,851	(555)	-30.0%	14,056	14,611	(555)	-3.8%
Other Income	3,103	5,300	(2,197)	-41.4%	9,705	11,901	(2,197)	-18.5%
ISTV'S	7	2,500	(2,493)	-99.7%	(142)	2,351	(2,493)	-106.0%
Total Non-Tax Receipts	714,117	736,176	(22,059)	-3.0%	2,019,982	2,029,029	(9,047)	-0.4%
TOTAL REVENUES	2,130,646	2,120,761	9,884	0.5%	5,769,650	5,739,208	30,442	0.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	15,000	12,000	3,000	25.0%	42,000	38,000	4,000	10.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	17,594	37,500	(19,906)	-53.1%	18,572	37,664	(19,092)	-50.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	32,594	49,500	(16,906)	-34.2%	60,572	75,664	(15,092)	-19.9%
TOTAL SOURCES	2,163,240	2,170,261	(7,021)	-0.3%	5,830,222	5,814,872	15,350	0.3%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL - FY 2010 VERSUS FY 2009
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	SEPTEMBER	SEPTEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2010	FY 2009	VAR	VAR	FY 2010	FY 2009	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	464,902	509,368	(44,466)	-8.7%	1,480,289	1,658,203	(177,914)	-10.7%
Auto Sales & Use	92,622	85,132	7,490	8.8%	262,595	260,224	2,371	0.9%
Subtotal Sales & Use	557,524	594,500	(36,976)	-6.2%	1,742,884	1,918,427	(175,542)	-9.2%
Personal Income	739,052	920,481	(181,430)	-19.7%	1,723,620	2,007,508	(283,888)	-14.1%
Corporate Franchise	10,139	2,380	7,759	326.0%	(3,639)	32,133	(35,772)	-111.3%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	11	90	(79)	-87.9%	34,125	47,477	(13,352)	-28.1%
Kilowatt Hour	16,280	14,908	1,371	9.2%	41,839	37,550	4,289	11.4%
Foreign Insurance	4,397	4,392	4	0.1%	4,112	4,295	(183)	-4.3%
Domestic Insurance	108	(214)	322	-150.7%	161	(772)	933	-120.9%
Other Business & Property Tax	4	0	4	7997.2%	101	246	(145)	-58.8%
Cigarette	80,679	85,317	(4,637)	-5.4%	180,632	189,678	(9,046)	-4.8%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	3,942	4,434	(492)	-11.1%	14,923	14,955	(32)	-0.2%
Liquor Gallonage	2,972	3,097	(125)	-4.0%	9,249	9,166	83	0.9%
Estate	1,421	3,586	(2,165)	-60.4%	1,659	4,668	(3,008)	-64.5%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,416,529	1,632,973	(216,444)	-13.3%	3,749,668	4,265,333	(515,664)	-12.1%
NON-TAX RECEIPTS								
Federal Grants	709,711	258,646	451,064	174.4%	1,996,362	1,633,045	363,317	22.2%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	1,296	1,415	(119)	-8.4%	14,056	13,866	190	1.4%
Other Income	3,103	3,198	(95)	-3.0%	9,705	13,598	(3,894)	-28.6%
ISTVS	6,95211	3,805	(3,798)	-99.8%	(142)	3,871	(4,013)	-103.7%
Total Non-Tax Receipts	714,117	267,064	447,052	167.4%	2,019,982	1,664,381	355,600	21.4%
TOTAL REVENUES	2,130,646	1,900,037	230,608	12.1%	5,769,650	5,929,714	(160,064)	-2.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	15,000	29,000	(14,000)	-48.3%	42,000	44,000	(2,000)	-4.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	17,594	616	16,978	2755.4%	18,572	5,681	12,891	226.9%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	32,594	29,616	2,978	10.1%	60,572	49,681	10,891	21.9%
TOTAL SOURCES	2,163,240	1,929,653	233,587	12.1%	5,830,222	5,979,395	(149,172)	-2.5%

GENERAL REVENUE FUND DISBURSEMENTS

September 2009 GRF disbursements, across all fund uses, were \$1,798.1 million. This was \$130.3 million (6.8%) below estimate for the month. On a year to date basis, total GRF disbursements are \$7,298.0 million, which is \$191.7 million (2.6%) below estimate. Details of the year to date disbursements are provided in the table below.

Fund Use	Description	YTD Disbursements
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	\$ 6,707.5 million
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$ 590.6 million
TOTAL GRF DISBURSEMENTS:		\$ 7,298.0 million

GRF disbursements are reported according to functional reporting categories and this section contains information regarding each category.

Primary, Secondary, and Other Education

This category includes expenditures made by the Department of Education, E-tech, School for the Blind, and School for the Deaf. The September expenditures in this category were \$536.6 million, representing a variance of \$8.9 million (1.6%) below estimate.

- The September disbursements for the department of Education are \$10.2 million (1.9%) below estimated. For the year to date, disbursements are \$41.8 million (2.4%) below estimated. Most of the variance this month is due to under-spending in Foundation Funding and Ohio Educational Computer Network. There is some positive variance in Foundation Funding-Federal Stimulus and Pupil Transportation. These variances are expected to be narrowed with the full implementation of the new funding system.

Higher Education

September disbursements for Higher Education were \$185.3 million, representing a variance of \$5.4 (2.8%) below the estimate for the month. Year-to-date disbursements were \$590.9 million, representing a variance totaling \$4.8 (0.8%) below the estimate.

Public Assistance and Medicaid

September expenditures in this category, which includes all GRF expenditures by the Department of Job & Family Services (ODJFS), were \$529.4 million. Expenditures were \$116.8 million (18.1%) below estimate for the month.

Public Assistance and Non-Medicaid

This sub-category includes, but is not limited to, the following types of expenditures: social services such as adoption assistance and disability financial assistance; state match for federal

child care and TANF grants; administrative support expenses including payroll and equipment; and county administration for public assistance programs.

ODJFS, non-Medicaid General Revenue Fund disbursements total \$63.0 million for the month of September, which is \$4.6 million (7.87%) higher than disbursement estimates for the month. Variances within line item spending were attributable, in part, to the following:

- Child Care Match/Maintenance of Effort county subsidy payments were \$39.3 million higher than agency estimates. This was attributable to process timing of county quarterly expenditures. Excluding this adjustment, JFS (non Medicaid) disbursements were \$34.7 million lower than September estimates.
- Entitlement Administration disbursements were \$17.1 million lower than estimated disbursements for the month due to county reconciliation variances.
- Temporary Assistance for Needy Families (TANF) subsidy payment adjustments were \$15.6 million under the monthly estimate. This was due to a transfer adjustment occurring in September instead of August and county reconciliation variances.
- Disbursements from the Support Services line item were \$2.2 million lower than agency estimates due to a cumulative quarterly adjustment to correct employee payroll coding.
- Child, Family, and Adult Community and Protective Service subsidy payments were \$5 million less than monthly estimates due to counties' inability to draw payroll funding.
- Computer Project line item expenditures were \$4.3 million over the monthly estimate due to unexpected maintenance vendor payments.
- Over/under spending across remaining GRF line items also contributed to the variance.

Medicaid

This sub-category includes expenditures by the Department of Job and Family Services for Medicaid services contained primarily in the 600525 line item. Please note that administrative costs related to the ODJFS program are included in the previous sub-category.

Expenditures

GRF disbursements year-to-date for the Medicaid program are \$2,672.7 million, which is \$146.7 million (5.2%) below estimate, and \$517.7 million (19.4%) below the same period in the prior year. Disbursements for the month of September were \$466.4 million, which was \$121.4 million (20.7%) below estimate and \$450.6 million (96.6%) below the same period in the prior year. The variance between the current and prior year is due to a greater usage of non-GRF resources in the current period.

All funds disbursements year-to-date are \$3,201.1 million, which is \$146.7 million (4.4%) below estimate, and \$80.0 million (2.5%) below disbursements for the same period in the prior

year. Disbursements for September were \$994.4 million, which was \$121.8 million (10.9%) below projected expenditures and \$13.0 million (1.3%) below the same period in the prior year.

The chart below shows the current month’s disbursement variance (in millions) by funding source:

	September Projection	September Actual	Variance	Variance %
GRF	\$ 587.8	\$ 466.4	\$ (121.4)	-20.7%
Non-GRF	\$ 528.3	\$ 528.0	\$ (342.2)	-0.1%
All Funds	\$ 1,116.2	\$ 994.4	\$ (121.8)	-10.9%

Notable variances across all funding sources include:

Nursing Facilities – Disbursements for nursing facilities for the month of September were \$212.4 million, which was \$23.1 million (9.8%) below estimate. As was the case in the prior month, this is primarily due to the fact that the budgeted rate increase has not yet been implemented. JFS expects to begin payment of the new rates, as well as the retroactive payment, in the month of October. This will reduce the variance in future months.

Buy-In – Disbursements for the Buy-In program for the month of September were \$0, which was \$27.2 million under projections. As noted in the September report, due to a timing issue, the payments for both the months of August and September for the program were paid in August. As such, no payment was required in September, causing this variance.

Physician – Disbursements for physician services in the month of September were \$22.9 million, which was \$7.8 million (25.4%) below estimates. JFS has noted the beginning of a trend towards fewer claims and lower utilization than expected, particularly in the ABD population. In addition, JFS has identified a vendor timing issue which resulted in a delay in receiving claims in mainly the crossover ABD population, which in turn meant that those claims were not paid in the timeframe that was originally planned. JFS expects the issue to be resolved shortly, and does not expect it to be an on-going concern.

Caseload

Total Medicaid caseload for the month of August, the most recent month available, was 2.00 million covered persons, which was an increase of 14,200 persons over the month of July. The majority of the increase occurred in the Covered Families and Children (CFC) portion of the program, which increased by 13,179 persons to an August total of 1.52 million persons, and an increase in the Aged, Blind and Disabled (ABD) program of 1,168 persons, for an August total of 470.4 thousand covered persons.

The majority of the increase was seen in CFC, which was up by 13,179 persons to 1.52 million covered persons, though it was 11,876 (.78%) under total projected enrollment. Healthy Families and the Healthy Families expansion categories, which are the core eligibility groups of

the Medicaid program, continue to drive the caseload increases. The Children's Health Insurance Program (CHIP) also saw an increase in this period of 1,647 children in this period.

The ABD program showed an increase of 1,168 persons to a total of 470.4 thousand covered lives. This was 3,523 persons under total projected enrollment. The largest change can be seen in the shift from fee-for-service to managed care, due to the Northeast and Northwest regions returning to mandatory enrollment. Fee-for-service enrollment saw a reduction of 19,183 persons, while managed care enrollment increased by 20,351 covered lives.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Aging, Mental Health, Developmental Disabilities, ODADAS, and Health. Examples of expenditures in this category include: 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. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in this category instead of the previous category.

September 2009 expenditures in this category were \$49.4 million, which was \$3.6 million (6.7%) below estimate. Significant notes include:

- For the year-to-date, the Department of Health disbursements total \$20.0 million, which is under budget by \$2.1 million (9%). September 2009 disbursements for the Department of Health totaled \$3.65 million. When compared to September 2009 estimates, in aggregate, actual disbursements were \$0.8 million (18%) below estimate. This is primarily attributable to the following:
 - The Breast and Cervical Cancer Screening program was over budget by \$0.3 million. This was due to payments being made in September which had not been made in July (due to the Continuing Resolutions) or August.
 - The Federally Qualified Health Centers line item was under budget by \$0.65 million, due to a delay in finalizing the disbursement estimates for this line.
- For the year, the Department of Aging disbursements total \$29.4 million, which is below budget by \$3.5 million (11%). September 2009 disbursements for the Department of Aging totaled \$6.7 million. When compared to September 2009 estimates, in aggregate, actual disbursements were \$2.4 million (26%) below estimate. This is primarily attributable to the following:
 - The Long Term Care line item was under budget by \$2.8 million. This was due to disbursement estimates being high and more funds from other sources being used than originally planned.
 - The Residential State Supplement line item was over estimate by \$0.6 million. This was due to the August payment being made in September. (The August actual was above estimate.)

- The Department of Mental Health disbursed \$20.2 million in the month of September, which is \$700,000 above the estimate.
- The Department of Developmental Disabilities disbursed \$16.6 million in the month of September, which is \$911,000 above the estimate. This variance offsets below estimate spending in August to the dollar.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). Disbursements in the Corrections category totaled \$158.3 million in the month of September, which was \$6.9 million (4.2 percent) less than the \$165.3 million estimate for the month.

- The Department of Rehabilitation and Correction disbursed \$124.4 million in the month of September, which was \$5.6 million (4.3%) less than the \$130.1 million estimate for the month. The variances took place in the Mental Health Services line item and the Institutional Medical Services line item. The Department experienced attrition in these areas which slowed the disbursement processes. The Department expects overall spending to even out throughout the fiscal year.
- The Department of Youth Services disbursed \$15.1 million in the month of September, which was \$1.2 million (7.6%) less than the \$16.3 million estimate for the month. Approximately \$1.0 million of the variance was in the Reclaim line item that expended \$10.2 million which is \$1.0 million (8.9 percent) less than the estimated amount of \$11.2 million. Most of this variance is due to a refund that was received from a county Community Correctional Facility during the month of September.

Environmental Protection & Natural Resources

September expenditures in this category totaled \$5.4 million, which was \$0.3 million (4.9%) above the disbursement estimate.

Transportation

For September 2009, the Transportation disbursements were \$0.5 million, which was \$0.1 (20.5%) below the disbursement estimate.

General Government

For September 2009, General Government disbursements were \$40.6 million, which was \$0.7 million (1.8%) below the disbursement estimate.

- Disbursements for Department of Taxation operations during the month of September totaled \$9.3 million and were thus \$2.3 (32.9%) million above the estimate of \$7.0 million. For the year to date, disbursements total \$20.9 million and are \$2.0 million

(10.6%) above the estimate of \$18.9 million. These variances are considerable on a percentage basis and are due to greater than anticipated expenditures for payroll from the department's GRF appropriations during the month of September. Over the remainder of the year, the annual variance should decrease as a larger than anticipated portion of payroll costs are supported in future months by non-GRF appropriations.

- In September, the Department of Administrative Services disbursed \$23.4 million, which was \$2.7 million (10.5%) less than expected for the month. This occurred for two reasons. First, the state paid less than estimated (\$0.8 million savings) in debt service for Administrative Building Fund projects because of a refunding transaction that replaced higher interest bonds with lower interest ones. A Capital Square Review and Advisory Board contribution toward September's debt service payment also reduced the anticipated cost to the GRF (\$0.5 million savings). Second, operational cutbacks for building maintenance in the state office towers combined with the credits applied for local government tenants' share of rent to reduce net state costs paid by the GRF (\$1.5 million savings).

Community & Economic Development

Year-to-date, the Department of Development GRF disbursements are \$34.6 million, which is \$0.2 million or 0.6% below the estimate. For the month of September the Department of Development disbursed \$20.0 million in GRF, which is \$0.5 million or 2.5% below the estimate.

- The Department of Development was below estimate in appropriation line items, Thomas Edison, Third Frontier, and Rapid Outreach. These variances were the result of lower than anticipated grant reimbursements called in by the grantees.

Tax Relief & Other

September disbursements for tax relief were close to estimates totaling \$245.3 million or \$6.0 million (2.5%) above the monthly estimate of \$239.3. For the year to date, total tax relief payments have totaled \$373.8 million, which is \$7.2 million (1.9%) below the year to date estimate of \$380.9 million. These payments are made to local governments and school districts to reimburse for revenues foregone as a result of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

Debt Service

For September 2009, debt service payments on general obligations of the state were \$15.9 million, which was equal to the disbursement estimate.

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2010. Based on the estimated revenue for FY 2010 and the estimated FY 2010 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2010 is an estimated \$66.8 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2010 nor should it be considered as equivalent to the FY 2010 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF ending fund balance will be impacted by any GRF expenditures or transfers that may be authorized by the General Assembly or by the Controlling Board during the course of the fiscal year.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2010 VS ESTIMATE FY 2010
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	SEPTEMBER	SEPTEMBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	536,589	545,534	(8,946)	-1.6%	1,732,548	1,773,344	(40,796)	-2.3%
Higher Education	185,323	190,759	(5,436)	-2.8%	590,883	595,638	(4,755)	-0.8%
Public Assistance and Medicaid	529,410	646,243	(116,833)	-18.1%	2,863,758	3,006,278	(142,521)	-4.7%
Health and Human Services	49,434	53,002	(3,569)	-6.7%	274,449	287,004	(12,555)	-4.4%
Justice and Public Protection	158,261	165,258	(6,997)	-4.2%	547,564	549,584	(2,020)	-0.4%
Environmental Protection and Natural Resources	5,379	5,128	251	4.9%	22,161	22,173	(12)	-0.1%
Transportation	504	634	(130)	-20.5%	2,482	2,618	(135)	-5.2%
General Government	40,595	41,334	(739)	-1.8%	99,496	102,311	(2,814)	-2.8%
Community and Economic Development	19,998	20,510	(511)	-2.5%	34,613	34,824	(210)	-0.6%
Tax Relief and Other	245,329	239,304	6,025	2.5%	373,778	380,934	(7,156)	-1.9%
Capital Outlay	155	0	155	N/A	255	0	255	N/A
Debt Service	15,862	15,862	(0)	0.0%	165,465	166,756	(1,291)	-0.8%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,786,838	1,923,569	(136,730)	-7.1%	6,707,452	6,921,463	(214,011)	-3.1%
Transfers Out:								
OPER TRF OUT-OTH	11,235	4,764	6,471	N/A	48,798	26,500	22,298	84.1%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	541,794	541,800	(6)	0.0%
Total Transfers (Out)	11,235	4,764	6,471	N/A	590,592	568,300	22,292	3.9%
Total Fund Uses	1,798,074	1,928,333	(130,259)	-6.8%	7,298,044	7,489,763	(191,719)	-2.6%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2010 VS ACTUAL FY 2009
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	SEPTEMBER	SEPTEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2010	FY 2009	VAR	VAR	FY 2010	FY 2009	VAR	VAR
Primary, Secondary and Other Education	536,589	548,205	(11,617)	-2.1%	1,732,548	1,836,042	(103,494)	-5.6%
Higher Education	185,323	190,720	(5,397)	-2.8%	590,883	614,022	(23,140)	-3.8%
Public Assistance and Medicaid	529,410	984,795	(455,385)	-46.2%	2,863,758	3,383,688	(519,930)	-15.4%
Health and Human Services	49,434	72,736	(23,303)	-32.0%	274,449	339,537	(65,088)	-19.2%
Justice and Public Protection	158,261	229,998	(71,737)	-31.2%	547,564	642,851	(95,287)	-14.8%
Environmental Protection and Natural Resources	5,379	8,494	(3,115)	-36.7%	22,161	27,595	(5,434)	-19.7%
Transportation	504	1,283	(779)	-60.7%	2,482	3,418	(936)	-27.4%
General Government	40,595	84,835	(44,240)	-52.1%	99,496	146,760	(47,263)	-32.2%
Community and Economic Development	19,998	30,268	(10,269)	-33.9%	34,613	46,903	(12,289)	-26.2%
Tax Relief and Other	245,329	251,706	(6,377)	-2.5%	373,778	401,792	(28,015)	-7.0%
Capital Outlay	155	12	143	N/A	255	12	243	N/A
Debt Service	15,862	97,201	(81,340)	-83.7%	165,465	256,052	(90,587)	-35.4%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,786,838	2,500,253	(713,415)	-28.5%	6,707,452	7,698,672	(991,220)	-12.9%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	11,235	955	10,280	1076.7%	48,798	230,755	(181,956)	-78.9%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	541,794	159,159	382,635	240.4%
Total Transfers (Out)	11,235	955	10,280	1076.7%	590,592	389,914	200,679	51.5%
Total Fund Uses	1,798,074	2,501,208	(703,134)	-28.1%	7,298,044	8,088,586	(790,541)	-9.8%

FUND BALANCE
GENERAL REVENUE FUND
FY 2010
(\$ in thousands)

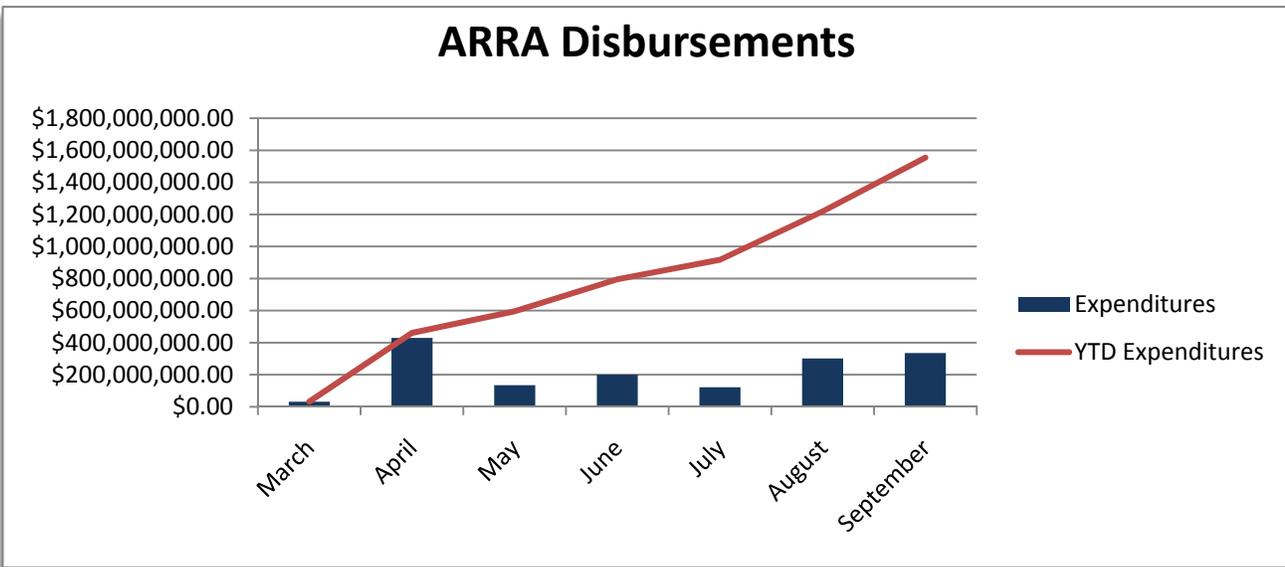
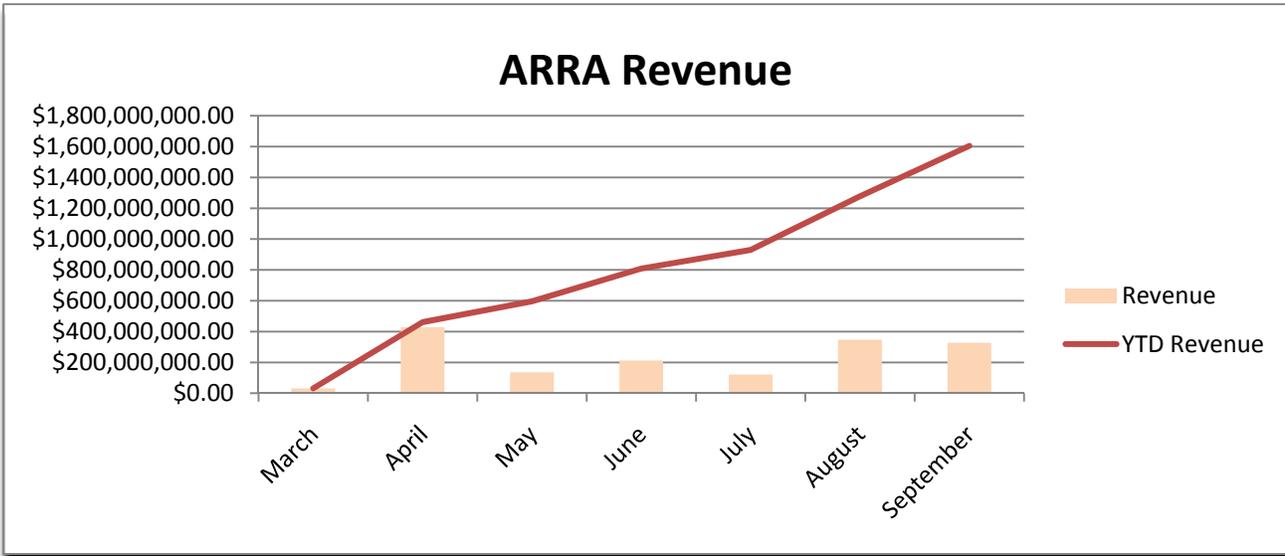
July 1, 2009 Beginning Cash Balance	\$ 734,526
Plus FY 2010 Estimated Revenues	16,401,656
Plus FY 2010 Estimated Federal Revenues	7,184,275
Plus FY 2010 Estimated Transfers to GRF	1,566,706
Total Sources Available for Expenditure & Transfer	25,887,163
Less FY 2010 Estimated Disbursements	24,452,724
Less FY 2010 Estimated Total Encumbrances as of June 30, 2009	293,279
Less FY 2010 Estimated Transfers Out	1,074,343
Total Estimated Uses	25,820,346
FY 2010 ENDING FUND BALANCE	66,817

ARRA Monthly Revenue and Disbursements Report

ARRA Revenue and Disbursements by State Fiscal Year

On February 17, 2009 President Obama signed the American Recovery and Reinvestment Act into law. Ohio began receiving funds in March 2009 and has since received \$1.604 billion in federal revenue and disbursed \$1.554 billion for the reporting period ending September 30, 2009.

	Revenue	Disbursements
FY 2009	\$808,753,635.73	\$795,630,982.70
FY 2010	\$795,677,362.51	\$758,849,109.69
Total	\$1,604,430,998.24	\$1,554,480,092.39



ARRA Revenue and Disbursements for the month of September

Revenue	Disbursements
\$347,228,832.42	\$301,490,365.32

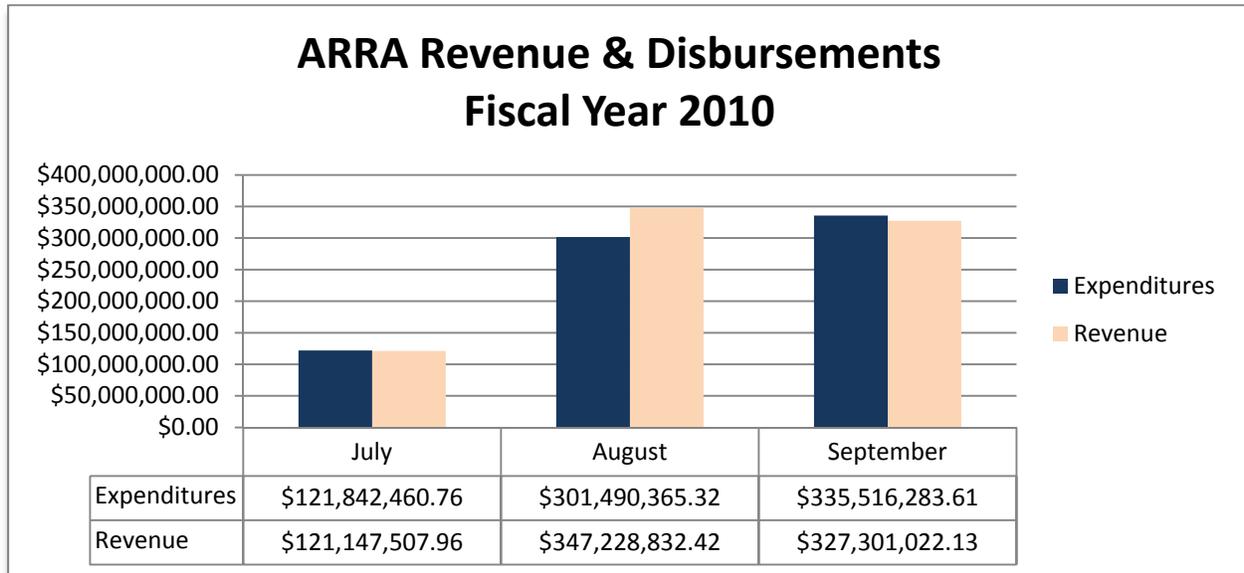
September – Fiscal Year 2010

ARRA Revenue

September 2009 Federal ARRA revenue received by all state agencies was \$ 327.3 million. This was a decrease of \$19.9 million or 6% from the month of August.

ARRA Disbursements

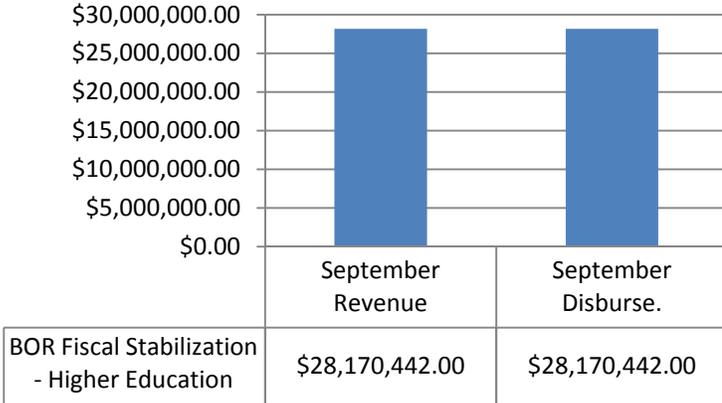
September 2009 Federal ARRA disbursements for all state agencies were \$335.5 million. This was an increase of \$34.0 million or 11% from the month of August. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agency.



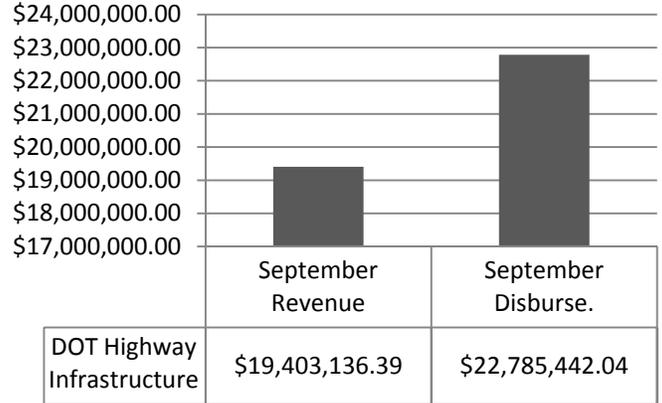
Largest Amount of Activity by Program

During the month of September, there were 41 programs which received and disbursed federal funds. Of those programs the five highlighted below accounted for 79% of the revenue received and 93% of the funds disbursed. A more detailed table with all of the ARRA revenues and disbursements by program is included as an Attachment to this report.

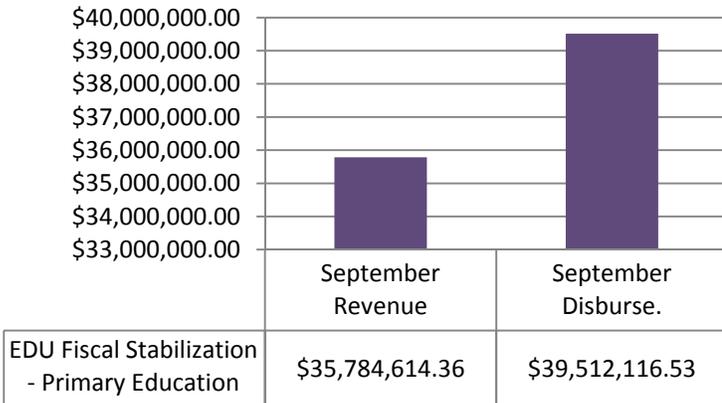
BOR Fiscal Stabilization - Higher Education



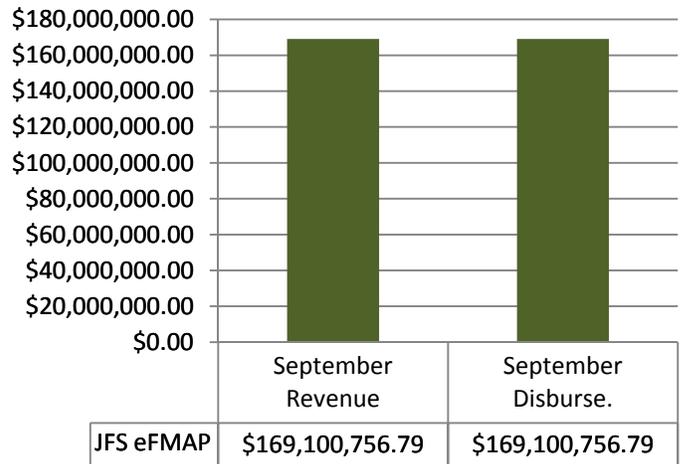
DOT Highway Infrastructure



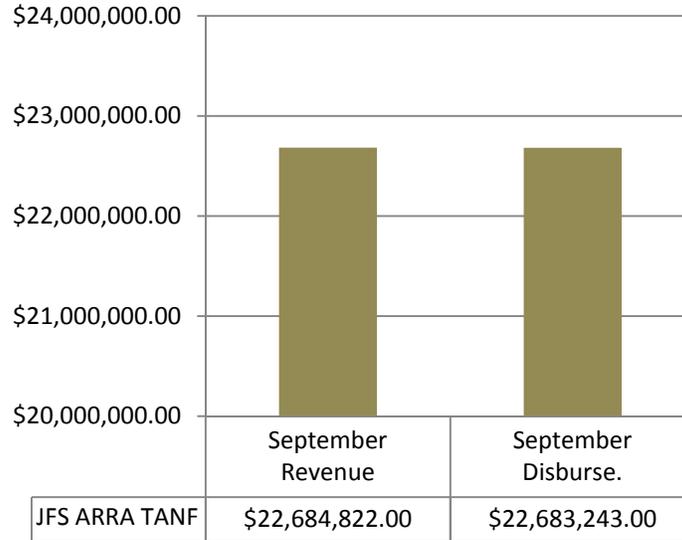
EDU Fiscal Stabilization - Primary Education



JFS eFMAP



JFS ARRA TANF - Emergency



October 10, 2009 ARRA 1512 Reporting

From Thursday, October 1, 2009 through Saturday, October 10, 2009, OBM submitted data to the FederalReporting.gov website from all state agencies that have received ARRA funds and are required to report under Section 1512(a) of the Act. The 1512 process is part of the Recovery Act that requires data to be collected and provided to the federal government every three months beginning in October 2009. Data required to be reported includes: money received and spent during specified reporting periods; direct jobs created or retained (and converted to full-time equivalent positions); projects status; location of work; and an award description.

Ohio has from October 11 – October 20 to review its submissions and make any necessary data corrections. From October 21 – October 30 the federal government will review the states’ reports and post the final results to the www.recovery.gov on October 31. If necessary, states will be allowed to make corrections up until the October 31 posting. All data is considered draft data and not final until the federal government posts the final reports on October 31.

ARRA Revenue & Disbursement Table

The following table reflects the preliminary financial data for all ARRA programs which received federal funds for the period beginning on February 17, 2009 and ending on September 30, 2009.

Sum of ARRA Financials								
	2009				2010			Grand Total
	March	April	May	June	July	August	September	
ADJ								
ARRA SUSTAINMENT RESTORATION M								
Expenditures				\$412,107.84	\$8,625.00	\$338,280.28	\$7,000.00	\$766,013.12
Revenue				\$2,241,000.00		\$187,017.00		\$2,428,017.00
AGE								
AGING HOME DELIVERED NUTRITION								
Expenditures							\$344,187.00	\$344,187.00
Revenue							\$329,187.00	\$329,187.00
AmeriCorps ARRA Competitive								
Expenditures							\$166,340.90	\$166,340.90
Revenue							\$50,340.90	\$50,340.90
AMERICORPS ARRA FORMULA								
Expenditures							\$58,000.00	\$58,000.00
Revenue							\$58,000.00	\$58,000.00
ARRA AGING CONGREGATE NUTRITIO								
Revenue						\$724,063.00	-\$135,850.00	\$588,213.00
ARRA AGING CONGRGT NUTR 2								
Expenditures						\$724,063.00	\$537,524.00	\$1,261,587.00
STIMULUS SCSEP AGE OP								
Expenditures						\$11,764.00	\$14,500.41	\$26,264.41
STIMULUS SCSEP AGE SVCS								
Expenditures	\$59,949.00	\$65,873.00	\$82,637.00	\$115,531.00	\$71,755.00	\$72,147.00		\$467,892.00
Revenue	\$59,949.00	\$65,873.00	\$122,390.00	\$75,778.00	\$83,519.00	\$86,647.41		\$494,156.41
AGO								
RECOVERY ACT OVC ASST								
Expenditures							\$249,948.00	\$249,948.00
RECOVERY ACT OVC COMP								
Expenditures							\$1,080,290.73	\$1,080,290.73
Revenue							\$1,000,000.00	\$1,000,000.00
AGR								
AQUACULTURE ASSISTANCE GRANTS								
Revenue							\$63,202.00	\$63,202.00
ART								
ARTS JOB PRESERVATION								
Revenue						\$229,000.00		\$229,000.00
ARTS JOBS PRESERVATION								
Expenditures							\$228,750.00	\$228,750.00
BOR								
STATE FISCAL STABILIZATION - HIGHER EDUCATION								
Revenue						\$28,169,292.00	\$28,170,442.00	\$56,339,734.00
STATE SHARE OF INSTRUCTION - FEDERAL STIMULUS								
Expenditures						\$28,169,292.00	\$28,170,442.00	\$56,339,734.00
DEV								

Sum of ARRA Financials								
	2009				2010			Grand Total
	March	April	May	June	July	August	September	
COMMUNITY SERVICES BLOCK GRANT								
Expenditures				\$9,613,058.00		\$35,166.00	\$323,629.00	\$9,971,853.00
Revenue				\$9,613,058.00		\$35,166.00	\$323,629.00	\$9,971,853.00
SEP STATE ENERGY PLAN								
Expenditures			\$52,228.01	\$27,077.39	\$72,063.13	\$46,797.65	\$47,378.72	\$245,544.90
Revenue				\$79,305.40	\$72,063.13	\$45,849.54	\$81,710.61	\$278,928.68
WEATHERIZATION ASSISTANCE								
Expenditures				\$20,328,179.56	\$34,015.25	\$74,001.19	\$5,911,895.89	\$26,348,091.89
Revenue				\$20,328,179.56	\$34,015.25	\$74,000.79	\$6,911,152.29	\$27,347,347.89
DNR								
RECOVERY ACT 09 WILDLAND FIRE								
Expenditures						\$6,360.99	\$350,347.94	\$356,708.93
DOT								
HIGHWAY INFRASTRUCTURE*								
Expenditures				\$116,286.69	\$3,620,062.43	\$15,419,531.58	\$22,785,442.04	\$41,941,322.74
Revenue			\$91.02	\$118,216.32	\$2,016,659.70	\$13,973,003.88	\$19,403,136.39	\$35,511,107.31
TRANSIT CAPITAL ASSISTANCE RUR								
Expenditures						\$477,748.00	\$490,203.00	\$967,951.00
Revenue							\$967,951.00	\$967,951.00
DPS								
BYRNE JUSTICE ASSISTANCE (JAG)								
Expenditures						\$361.61		\$361.61
Revenue						\$38,048,939.00		\$38,048,939.00
VIOLENCE AGAINST WOMEN (VAWA)								
Expenditures						\$220.33		\$220.33
Revenue						\$220.33		\$220.33
EDU								
EDUCATION TECHNOLOGY STATE GRA								
Expenditures							\$222,593.52	\$222,593.52
Revenue							\$222,593.52	\$222,593.52
STATE FISCAL STABILIZATION - K12 EDUCATION								
Expenditures				\$23,917,946.81	\$9,006,053.18	\$39,512,116.53		\$72,436,116.52
HOMELESS CHILDREN AND YOUTH								
Expenditures						\$283.99	\$25,965.90	\$26,249.89
Revenue						\$283.99	\$25,965.90	\$26,249.89
IDEA - Part B								
Expenditures						\$1,430,561.13	\$8,933,086.81	\$10,363,647.94
Revenue						\$1,430,561.13	\$8,933,086.81	\$10,363,647.94
IDEA - Preschool								
Expenditures						\$40,058.98	\$232,313.26	\$272,372.24
Revenue						\$40,058.98	\$232,313.26	\$272,372.24
SCHOOL CAFETERIA EQUIPMENT								
Expenditures						\$378,620.73	\$2,188,366.12	\$2,566,986.85

Sum of ARRA Financials								
	2009				2010			Grand Total
	March	April	May	June	July	August	September	
Revenue						\$218,111.06	\$2,348,875.79	\$2,566,986.85
SFSF - EDUCATION STATE GRANTS								
Revenue				\$16,464,413.63	\$16,462,699.70	\$35,784,614.36		\$68,711,727.69
TITLE 1								
Expenditures						\$780,572.96	\$6,694,930.05	\$7,475,503.01
Revenue						\$780,572.96	\$6,694,930.05	\$7,475,503.01
EPA								
FEDERAL STIMULUS SCHOOL BUS								
Expenditures							\$12,875.24	\$12,875.24
Revenue							\$12,875.24	\$12,875.24
SURFACE WATER 604B ARRA*								
Expenditures						\$26,383.50	\$46,131.14	\$72,514.64
Revenue							\$57,798.45	\$57,798.45
JFS								
01.02 ARRA WIA- ADULT								
Expenditures		\$2,402.17	\$190,754.00	\$1,606,478.05	\$547,650.17	\$1,387,752.20	\$2,708,352.42	\$6,443,389.01
Revenue		\$2,402.17	\$195,634.00	\$1,708,637.12	\$790,510.99	\$1,218,356.55	\$2,401,536.28	\$6,317,077.11
01.02 ARRA WIA- DISLOCATED								
Expenditures		\$2,402.17	\$304,168.72	\$1,939,889.07	\$1,082,467.25	\$2,161,844.37	\$4,295,096.04	\$9,785,867.62
Revenue		\$2,402.17	\$304,168.72	\$1,939,889.07	\$1,464,424.25	\$2,214,358.37	\$3,878,669.20	\$9,803,911.78
01.02 ARRA WIA- YOUTH								
Expenditures		\$25,638.28	\$315,285.01	\$5,364,600.21	\$3,314,645.29	\$5,533,289.03	\$11,504,809.87	\$26,058,267.69
Revenue		\$25,638.28	\$324,742.81	\$5,248,103.34	\$4,519,531.79	\$5,690,328.10	\$10,222,887.49	\$26,031,231.81
02.04 ARRA FOODS STAMPS STATE								
Expenditures				\$1,132,391.00	\$1,648,605.98	\$645,569.95	\$516,841.27	\$3,943,408.20
Revenue				\$1,132,391.00	\$1,618,605.98	\$645,569.95	\$433,328.79	\$3,829,895.72
02.04 ARRA TEFAP ADMINISTRATION								
Expenditures				\$362,461.00	\$136,841.00		\$457,428.00	\$956,730.00
Revenue				\$362,461.00	\$136,841.00		\$478,004.00	\$977,306.00
02.05 ARRA CCDF DISCRT								
Expenditures					\$24,313,145.30	\$34,940,075.18	\$176,625.50	\$59,429,845.98
Revenue					\$21,199,827.80	\$34,940,075.18	\$176,625.50	\$56,316,528.48
03.03 ARRA CHILD SUPP INCNTVS								
Revenue		\$1,342,952.00		-\$24,189.66	\$1,818,825.05			\$3,137,587.39
04.02 ARRA SSI CASH OUT								
Revenue			\$25,918.44	\$944,143.73	\$498,000.92	\$940,153.19	\$492,222.21	\$2,900,438.49
04.03 IV-E ADOPTION								
Revenue			\$550,589.79	\$2,451,727.40	\$737,121.69	\$267,766.67	\$859,876.92	\$4,867,082.47
04.04 IV-E FOSTER CARE								
Expenditures			\$512,614.10	\$6,766,994.22	\$877,760.34	\$850,515.40	\$927,680.86	\$9,935,564.92
Revenue			\$512,614.10	\$6,766,994.22	\$877,760.34	\$850,515.40	\$927,680.86	\$9,935,564.92
04.05 ARRA TANF - EMERGENCY								
Expenditures						\$35,520,915.00	\$22,683,243.00	\$58,204,158.00

Sum of ARRA Financials								
	2009				2010			Grand Total
	March	April	May	June	July	August	September	
Revenue						\$35,522,582.00	\$22,684,822.00	\$58,207,404.00
05.01 eFMAP								
Expenditures	\$31,822,968.23	\$427,541,022.99	\$133,893,857.48	\$156,441,805.44	\$57,821,217.37	\$161,051,792.72	\$169,100,756.79	\$1,137,673,421.02
Revenue	\$31,822,968.23	\$427,541,022.99	\$133,893,857.48	\$156,441,805.44	\$57,821,217.37	\$161,051,792.72	\$169,100,756.79	\$1,137,673,421.02
06.01 UI ADMIN NON-REED ACT								
Expenditures						\$12,895.00	\$268,677.09	\$281,572.09
06.01 UI ADMIN. REED ACT								
Expenditures				\$2,608,699.59	\$3,390,729.73	\$2,999,038.01	\$5,130,962.80	\$14,129,430.13
Revenue				\$2,608,699.59	\$11,001,911.07	\$3,384,975.93	\$3,840,000.28	\$20,835,586.87
WIA DISLOCATED WORKER NEG AUTO								
Expenditures							\$171,662.83	\$171,662.83
Revenue							\$171,662.83	\$171,662.83
WIA DISLOCATED WORKER NEG GE								
Expenditures							\$10,347.00	\$10,347.00
Revenue							\$10,347.00	\$10,347.00

* Does not include certain indirect cost components

All figures subject to change and negative figures represent adjustments

Information does not include figures from OHFA, OWDA, and state colleges & universities

Source: OBM

Date: 10/13/09