OBM

Ted Strickland
Governor

J. Pari Sabety
Director

April 10, 2010

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 March 31, 2010 as well as highlights of regional and national economic indicators that are important to understanding the current state and direction of Ohio's economy.

Employment took a positive turn in March with the addition of 162,000 net jobs reflecting the largest monthly gain in two years. Leading economic indicators seem to be signaling that Ohio is beginning its slow economic recovery. Consumer spending experienced a marked uptick as the International Council of Shopping Centers (ICSC) reported that retail sales in March increased 9.0% year over year, though observers cautioned that a portion of that amount reflected a pull-forward from Easter weekend which occurred in early April this year. A more accurate view of the strength of the consumer recovery will occur when March sales are combined with April sales.

Through the first nine months of FY 2010, tax receipts have performed very close to expectations falling short of year-to-date estimates by just $59.3 million or 0.5%. Similar to last month, overall tax receipts in March came in slightly above estimate ($16.0 million or 1.4%). The personal income tax exceeded estimate for the second consecutive month following its weaker-than-expected January performance. Combined with positive monthly variances in the corporate franchise and auto sales taxes, this positive variance in the personal income tax more than offset slight negative variances in several taxes, most notably the non-auto sales and cigarette taxes.

GRF spending continues under control and very close to estimate. March disbursements across all reporting categories were $65.2 million (4.3%) below estimate for the month. Through the first nine months of FY 2010, total GRF disbursements were $19,798.8 million, which is $150.8 million (0.8%) below the year-to-date estimate.

ARRA Revenue and Disbursement Update. Attached to this report is an appendix detailing Ohio's monthly and cumulative receipts and expenditures of American Recovery and Reinvestment Act funds, including additional detail on State Fiscal Stabilization Funds (SFSF). Of the $8.2 billion that the state is expected to receive during this three-year program, approximately $3.31 billion has been received and $3.25 billion has been expended.

MONTHLY FINANCIAL REPORT
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ECONOMIC SUMMARY

<u>Economic Performance Overview</u>

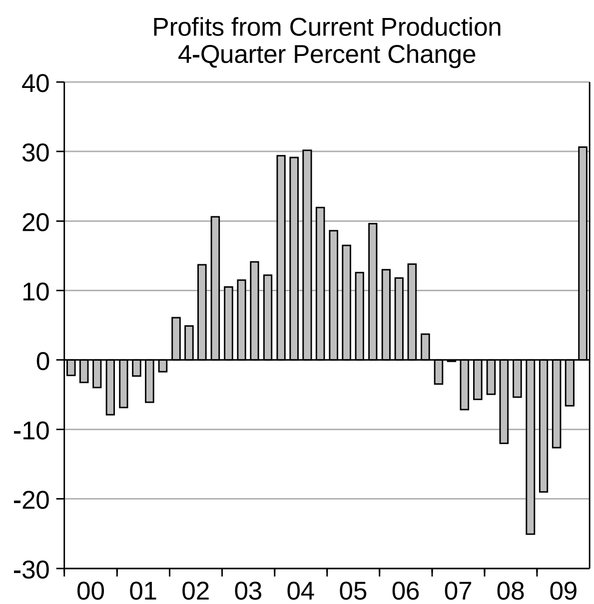
- Real GDP increased 5.6% in the fourth quarter after a 2.2% increase in the third quarter. Analysts expect continued growth at a slower pace of about 3% in 2010.
- Employment in March posted the largest gain since the onset of recession. The unemployment rate was unchanged 9.7% in March, down from the high of 10.1% in October, in a key sign that a sustainable recovery is underway.
- Ohio employment increased in February after a small gain in January, but the unemployment rate ticked up to 10.9%.
- Leading economic indicators remain consistent with continuing slow economic recovery both nationally and in Ohio.

<u>Economic Growth</u>

The Commerce Department dialed back its calculation of **real GDP** growth in the fourth quarter from 5.9% to 5.6%. The initial estimate was 5.7%. Growth in Q3 had already been reduced to a more modest 2.2% from an initial estimate of 3.7%. Compared with a year earlier, real GDP was higher by 0.1%. Corporate profits surged due to tight cost controls. Leading indicators point to continued economic growth but at a slower pace in 2010.

The inventory swing remained the largest contributor to fourth quarter growth. The level of inventories decreased by a little more than previously reported but by much less than in the third quarter, adding 3.8 percentage points to GDP growth instead of the 3.9 points reported last month.

Growth in **final sales**, which excludes the change in inventories, was revised modestly lower to 1.7% from an initial estimate of 2.2%. Final sales increased 1.5% in the third quarter. The 1.6% annualized growth rate over the two quarters is the weakest on record at the beginning of a recovery, outside of lackluster beginning to the recovery from the 2001 recession.



The downward revision to final sales growth resulted from downward revisions to growth in investment in nonresidential structures (from -13.9% to -18.0%) and in consumer spending on services (from +1.2% to +1.0%).

Business investment in equipment and software and exports made the biggest positive contributions to growth. Investment in residential structures made a small positive contribution for the second consecutive quarter. Spending by financially strapped state and local governments decreased 2.2%, subtracting 0.27 percentage points from GDP growth.

Corporate profits from current production increased 8.0% in the fourth quarter (36.0% annualized) – down from 10.8% in Q3, but the fourth gain in as many quarters. Compared with a year earlier, profits were higher by 30.6% – the first time in positive territory since the fourth quarter of 2006 and the fastest year-over-year growth rate (by a small amount) since the first quarter of 1984.

The jump in profits reflects the surge in nominal GDP combined with the continued decrease in labor costs. Unit labor costs decreased 5.9% annualized in the fourth quarter. Even after the impressive gain of the past year, however, profits remain 11.3% below the peak reached in the third quarter of 2006. Although profits are likely to continue to expand throughout the year, the peak rate of growth for this cycle is at hand.

The ECRI **Weekly Leading Index** posted the fourth straight increase on a 4-week moving average basis in the week ending March 26 after five weekly declines. The smoothed six-month rate of change ticked up to 13.9% – the third gain after 21 straight weekly declines.

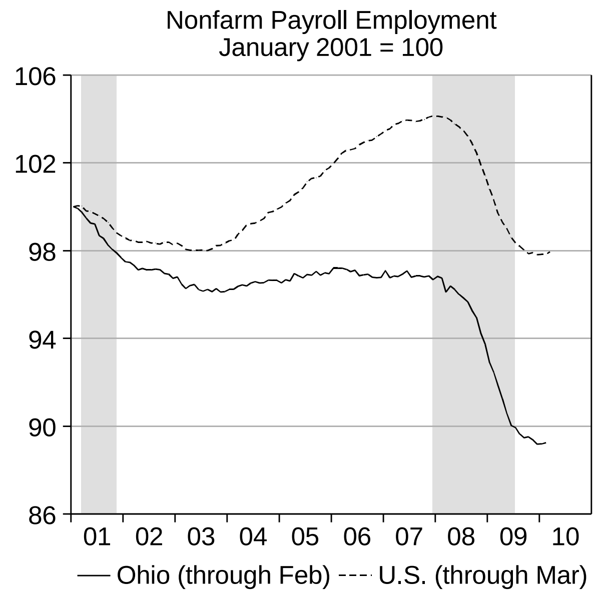
The **Leading Economic Index** published by the Conference Board increased 0.1% in February – the eleventh consecutive monthly rise, but the smallest of the string. The 6-month smoothed percent change declined for the second straight month from a peak for the cycle of 11.0% in December to 9.0% in February.

The **Ratio of the Coincident to Lagging Economic Index** decreased in February after ten straight monthly increases, reflecting a larger rise in the lagging index than in the coincident index. The ratio has reached its cyclical trough at approximately the same time that recessions have ended on many occasions in the past. The most recent low was reached in March 2009.

The **Ohio Leading Indicator** increased for the fourth straight month in February, lifted mainly by improvement in initial claims for unemployment insurance and the longer workweek in manufacturing. The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased for the fifth straight month in February, based on revised data. Although still negative, the year-over-year change has improved from a low for the cycle of -9.8% reached last August to -4.0% in February.

Employment

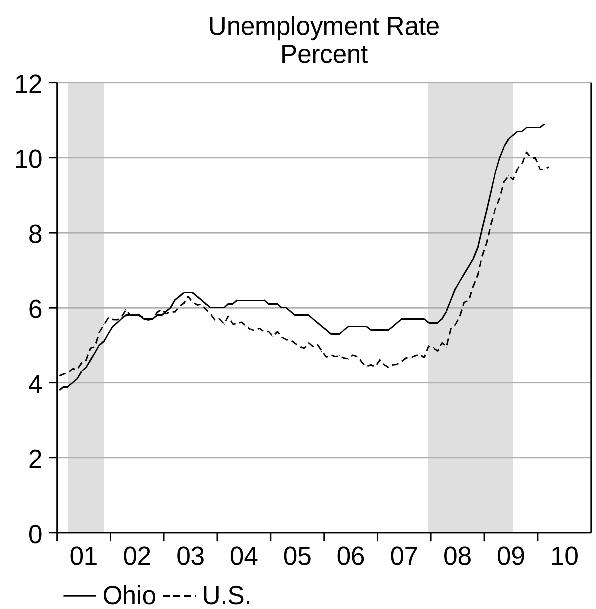
Nonfarm payroll employment increased 162,000 jobs in March – the best monthly gain since March 2007. The increase was boosted by the hiring of 48,000 temporary Census workers, but was accompanied by positive revisions to previous months that lifted the average monthly change to -11,000 jobs during the previous four months. The March increase in employment also reflected the arrival of normal weather after several severe storms in February. Employment increased by an average of 54,000 jobs per month in the first quarter, compared with an average decrease of 753,000 jobs per month in the first quarter of 2009.



Manufacturing employment increased for the third straight month and construction employment increased for the first time since January 2007. Employment at temporary help services companies increased for the sixth straight month, adding 313,000 new jobs during the period. The hiring and dismissal of temporary workers appears to lead the addition and elimination of permanent jobs at turning points in the business cycle. Private service sector firms added a total of 82,000 jobs during March.

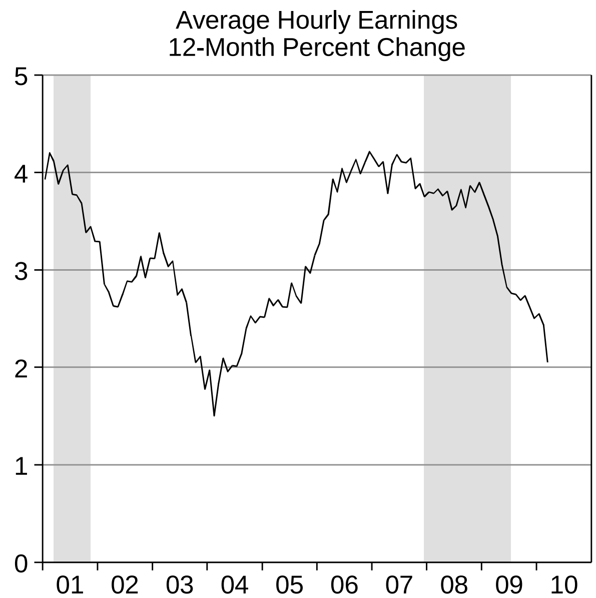
The **length of the workweek** increased modestly from 33.9 hours to 34.0 hours, including an increase from 39.7 hours to 39.9 hours in manufacturing. Total hours worked increased 0.4% from February to March and 1.8% annualized from the fourth quarter of 2009 to the first quarter of 2010. Total hours worked were up by 1% in March from the cyclical low reached last October.

The **unemployment rate** stayed at 9.7% again in March, after peaking at 10.1% in October. The number of people counted as unemployed increased by 134,000 in March, reflecting an increase in the labor force that exceeded the increase in employment. The incidence of unemployment remained severe, as the median duration of employment increased to 20 weeks and the percentage of those unemployed who are not on temporary layoff remained above 50% for the fourteenth consecutive month.



The recent pattern in the unemployment rate is a sign that the recession ended last summer. Each of the ten previous recessions had already ended by the time the unemployment rate decreased by at least 0.4 percentage points from the peak during the previous twelve months. The lag from the end of recession to the decline of at least 0.4 percentage points ranged from one month following the 1949 recession to 24 months following the 2001 recession. The median lag was six months.

Average hourly earnings decreased 0.1% in March – the first monthly decline since 2003. Compared with a year earlier, average hourly earnings were up 2.1% – down from the cyclical peak of 3.6% in February 2009 and the lowest since 2.0% in July 2004. The modest pick-up in demand has prompted businesses to increase labor input by extending the workweek, but the large number of unemployed and underemployed workers continues to weigh on compensation.



Ohio employment increased 3,500 jobs in February after a small gain in January – the first back-to-back gains since mid-2007. The December level marked a new low for the cycle. Employment has decreased by 177,900 jobs, or 3.4%, during the twelve months ending in February. The unemployment rate was little changed at 10.9% in February – the eleventh consecutive month at or above 10.0%.

Manufacturing (-6,000), construction (-5,500) and trade, transportation and utilities (-3,300) posted notable job losses during March. Education and health services (+7,300), professional and business services (+6,500) and government (+4,200) posted sizable job gains on the month. Education and health services (+8,900) was the only to increase employment during the year ending in February, with manufacturing (-86,300) and construction (-59,000) posting the largest decreases.

Of the eleven **Ohio Metropolitan Statistical Areas**, only Sandusky added jobs (+700) during the twelve months ended in February. Employment fell by the largest amounts in Cleveland (-35,400), Cincinnati (-27,600) and Columbus (-24,300). Employment also was notably lower in Akron (-16,200) and Dayton (-12,800).

Employment fell substantially in Ohio and each of the **contiguous states** during the year ending in February. Employment fell 3.4% in Pennsylvania, 3.3% in Indiana, 2.7% in Kentucky and Ohio, 2.5% in West Virginia, and 2.1% in Michigan. In all cases, the year-over-year rates of change in employment were up notably from the lows for the cycle reached within the previous six months. For the region as a whole, employment was down 2.8% during the same period, compared with a decline of 2.4% for all states outside the region combined.

Consumer Income and Consumption

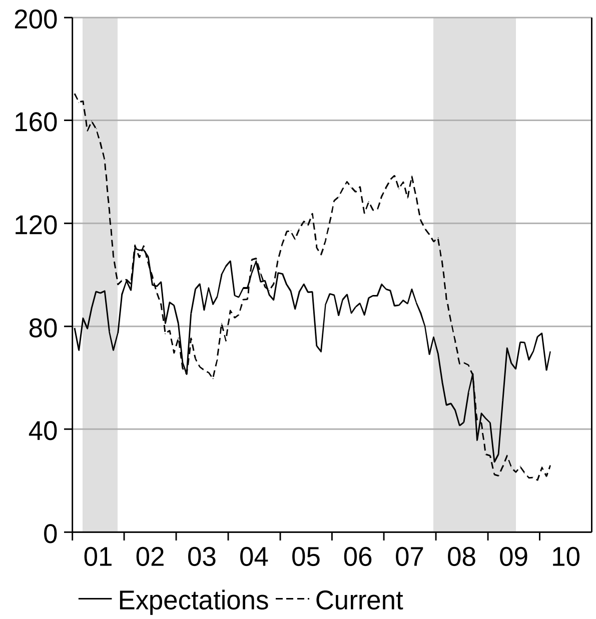
Personal income was flat in February after a 0.3% rise in January. Wage and salary disbursements were also essentially unchanged on the month. Personal income was up by 2.0% from a year earlier – the second month of positive year-over-year comparisons. Wage and salary disbursements were unchanged from a year earlier after a long string of negative year-over-year comparisons.

Despite little change in income during the month, **personal consumption expenditures** increased 0.3% in February – the fifth monthly gain in a row and the ninth in the last ten months. The level of consumption was 4.6% higher than the low reached in December 2008, which followed from a 3.4% drop from the peak in June 2008. Strength in spending appeared to continue into March, as the International Council of Shopping Centers (ICSC) reported that same-store sales increased 9.0% from a year earlier. The fact that Easter was earlier than last year is believed to have boosted sales this year.

Sales of light motor vehicles increased to 11.8 million units at an annual rate in March from 10.3 million units in February and an average of 10.5 million units during the previous six months. The severe winter storms in February added somewhat to the February-March comparison.

Consumer attitudes were little changed in March after faltering in February. Expectations have improved notably from the lows reached in late 2008/early 2009, but remain near average historical recession levels. Assessments of current conditions remain depressed and near all-time lows, particularly according to the Conference Board survey. In addition, plans to buy a new car decreased to match the lowest reading on record (back to 1967) and plans to buy a new home in the next six months fell to a 3-month low.

Consumer Confidence
Index 1985 = 100



Source: The Conference Board

Manufacturing

Industrial production increased 0.1% in February following a 0.9% gain in January – the eighth consecutive rise. Production in manufacturing decreased 0.2%, led by a 4.4% decline in production of motor vehicles and parts. Colder-than-normal weather across much of the country lifted utility output for the third in as many months in February. Total industrial production increased at an annual rate of 8.3% from the low in June, but remains 10.2% below the pre-recession peak.

The increase in industrial production in February further strengthens the case that the recession ended in the May-July period. Production (which hit its low in June 2009) reached its trough within one month of the end of each of the previous ten recessions. The low point in production was one month early at the 1954 trough and one month late at the 1975 and 1982 business cycle troughs. The timing of the low point in production exactly matched the timing of the end of recession in the other seven cycles.

Midwest manufacturing output increased 2.0% in January after a downwardly revised decline of 0.5% in December, according to the Federal Reserve Bank of Chicago. Production increased in all four sectors: auto (4.5%) and steel, machinery and resource (all 1.3%) in January, but is likely to have declined in February in part due to the severe weather across much of the country. Although Midwest manufacturing output remained 23.6% below the January 20080 peak, it has increased 8.9% from the cyclical low reached last June.

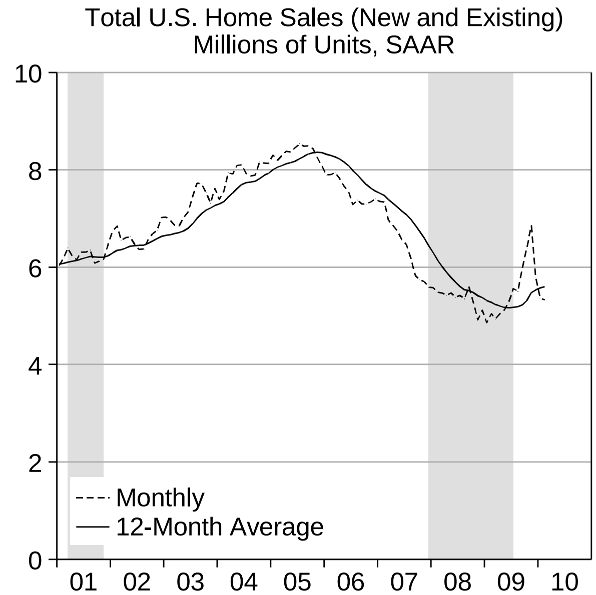
Reports from **purchasing managers** were robust in March and remained consistent with rising employment and production in the sector. The Purchasing Managers Index, which is a composite of several sub-indexes that measure different aspects of manufacturing activity, increased to 59.6 – the highest level since July 2004 – and is consistent with increases in manufacturing output in March and April.

Factory orders increased 0.6% in February, despite complications created by the winter storms. Shipments edged down by 0.1%, but the decline followed five consecutive increases. The increase in orders was the sixth in a row and lifted the level to 10.5% above a year ago. Shipments were 5.6% higher than a year earlier. Orders for non-defense capital goods excluding aircraft were 8.2% higher than a year earlier.

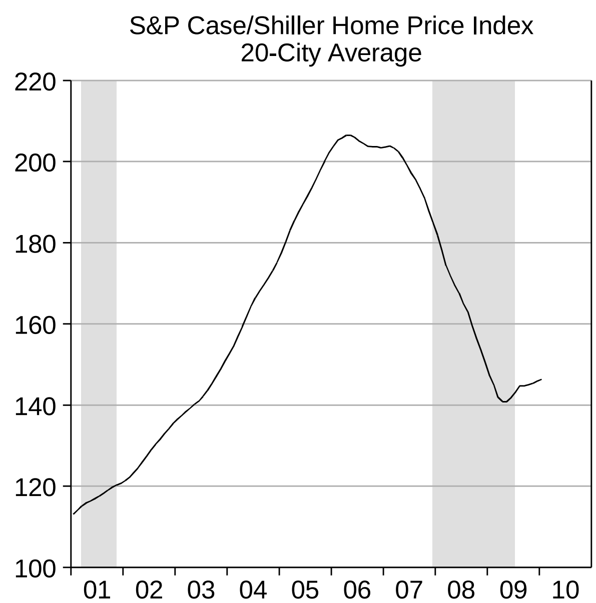
Construction

Total **construction put-in-place** decreased 1.3% in February and the changes for previous months were revised significantly lower. The January change was revised from -0.6% to -1.4%. The December change was revised from -1.2% to -3.4%. Excluding the poorly-measured residential improvements category, construction fell 0.9%. Construction of single-family homes declined 0.2%, while multi-family home construction was unchanged. Private nonresidential construction was off 0.4% to 24.3% below the year earlier level – a new low for this cycle.

Housing activity has been buffeted in recent months by changing expectations regarding federal transfers to selected home buyers and erratic weather patterns. U.S. housing starts were little changed from the prior month on a 3-month moving average basis, but were 8.7% higher than a year earlier. Single-family starts were 33.9% higher than in February 2008 on a 3-month moving average basis, while multi-family starts were down by 45.8%.



New and existing **home sales** decreased from January to February and on a 3-month moving average basis in part reflecting the unusually severe weather. The Mortgage Bankers Association index of mortgage applications to purchase homes points to better sales in March and April. After hitting the lowest level since July 1997 on a 4-week moving average basis at the end of February, the index rebounded 10.7% in March. Inventories of unsold homes increased again in February relative to the current pace of sales.



The S&P Case/Shiller index of **home prices** in 20 metro markets increased for the eighth straight month in January to 3.9% above the trough reached in May 2009. Compared with a year earlier, prices were down just 0.7%.

Risks facing housing include that potential effect on prices of the shadow inventory of homes pending foreclosure that is not included in the homes for sale tallies but could be put on the market this year. In addition the current wave of adjustable mortgage rate resets could lift defaults, foreclosures and prices when unemployment is already high and a large percentage of mortgage balances exceed home values.

REVENUES

The monthly and fiscal year GRF revenue estimates contained in this report reflect the December passage of H.B. 318.

March GRF revenue totaled $1,309.7 million which was $35.1 million (2.6%) below estimate. This negative variance was the result of lower-than-expected non-tax revenue (fee and other income) and a delay in transfers anticipated to occur in March, which more than offset better-than-expected performance in several tax sources. For the fiscal year-to-date, GRF revenue is $460.2 million (2.6%) below estimate. As shown in the following table ($ in millions), this year-to-date underperformance is largely due to lower-than-expected Federal grant receipts resulting from lower year-to-date Medicaid spending and not to tax receipts which are close to estimate.

Category	Description	$ 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	($59.3)	(0.5%)
Non-tax receipts	Federal grants, investment earnings, licenses & fees, other income, intrastate transfers	($277.2)	(4.9%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	($123.7)	(13.2%)
TOTAL YTD REVENUE VARIANCE:		($460.2)	(2.6%)

With respect to March tax receipts, the personal income tax experienced another positive month, adding to indications that lower-than-expected January collections were an anomaly. This overage combined with positive results in the auto sales and corporate franchise taxes to more than offset negative variances in the non-auto sales and cigarette taxes. Overall, March tax receipts experienced a positive variance of $16.0 million, further reducing the year-to-date shortfall of $99.6 million that existed after January. Year-over-year, tax receipts through March were $1,010.8 million (8.2%) below tax receipts collected through the same period a year ago.

Individual Sources Above Monthly Estimate		Individual Sources Below Monthly Estimate	
Auto Sales Tax	$7.3	Non-Auto Sales Tax	($22.3)
Personal Income Tax	$19.3	Kilowatt Hour tax	($1.7)
Corporate Franchise Tax	$23.4	Foreign Insurance Tax	($3.2)
Liquor Transfers	$5.0	Cigarette Tax	($6.6)
Temporary Transfers In	$3.0	License and Fees	($1.8)
Other Sources Above Estimate	$0.9	Other Income	($3.8)
		Transfers In – Other	($54.0)
		Other Sources Below Estimate	($0.6)
Total above:	**$58.9**	**Total below:**	**($94.0)**

Non-Auto Sales and Use Tax

Non-auto sales receipts totaled $434.3 million in March, but came in $22.3 million (4.9%) below estimate. This negative variance may be the result of how the monthly estimate for March was constructed and there is a good chance that this shortfall will be made up in the month of April. The managed care company portion of the tax base contributed approximately $21.2 million to receipts in March. For the year-to-date, non-auto sales tax receipts were $118.0 million (2.5%) below estimate. On a year-over-year basis, this tax is performing very close to FY 2009 levels, coming in just $29.1 million (0.6%) below collections for the same period in FY 2009.

Auto Sales Tax

Continuing its better-than-expected performance, March auto sales tax receipts totaled $76.3 million, exceeding the estimate by $7.3 million (10.5%). Receipts outpaced the same month last fiscal year by $1.8 million (2.4%) and are above year-to-date estimates by $42.8 million (7.3%). Year-to-date receipts were $10.9 million (1.7%) below collections for the same period in FY 2009.

Personal Income Tax

Building on the bounce back experienced in February, personal income tax receipts continued their overall positive performance in March totaling $442.8 million and exceeding the monthly estimate by $19.3 million (4.5%). This positive variance was almost exclusively due to better-than-expected performance in withholding which exceeded the estimate by $19.9 million (3.3%). March withholding was higher than last year, even adjusting for the extra payment day. Slight negative monthly variances in quarterly estimated payments and payments associated with annual returns offset the positive performance of the other income tax components.

On a year-to-date basis, personal income tax receipts for the first three quarters of FY 2010 remain below estimate by $53.5 million (1.1%) as quarterly estimated payments continue to be the main contributor to this underperformance. On a year-over-year basis, personal income tax receipts through March were $509.6 million (9.4%) below receipts collected for the same three quarters in FY 2009.

FY 2010 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)

	ESTIMATE MAR	ACTUAL MAR	$ VAR MAR	ESTIMATE Y-T-D	ACTUAL Y-T-D	$ VAR Y-T-D
Withholding	$598.8	$618.7	$19.9	$5,170.7	$5,187.3	$16.6
Quarterly Est.	$17.8	$16.0	($1.8)	$747.4	$641.2	($106.2)
Trust Payments	$0.8	$1.6	$0.8	$25.5	$17.4	($8.1)
Annual Returns & 40 P	$94.1	$86.2	($7.9)	$259.5	$247.0	($12.5)
Other	$12.6	$16.9	$4.3	$53.8	$71.3	$17.5
Less: Refunds	($264.1)	($256.8)	$7.4	($848.3)	($804.5)	$43.8
Local Distr.	($36.5)	($39.8)	($3.3)	($457.6)	($462.2)	($4.6)
Net to GRF	**$423.5**	**$442.8**	**$19.3**	**$4,951.0**	**$4,897.5**	**($53.5)**

Corporate Franchise Tax

Corporate franchise tax receipts for the month of March were $53.4 million against the estimate of $30.0 million. This reflects stronger-than-expected payments from the financial institution sector – the only major industry to which the corporate franchise tax continues to apply. As the phase out of the corporate franchise tax was completed in fiscal year 2010 for most other industries, comparing the performance on a year-over-year basis would 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. Building on the shortfalls of the last several months, the CAT posted another negative variance in March with receipts of $10.9 million that were $5.5 million (33.5%) short of the estimate.

For the year-to-date, the CAT has collected $996.5 million in receipts – $106.2 million less than estimated. As a result, temporary transfers into the GRF to reimburse it for funds advanced to make payments to school districts and local governments in August and September are also behind schedule. OBM and the Department of Taxation continue to closely analyze the performance of this tax to determine the extent to which this trend will continue over the remainder of the fiscal year.

Kilowatt Hour Tax

The kilowatt hour tax during the month of March posted receipts of $18.3 million, or $1.7 million (8.5%) below the estimate. As a result of another negative monthly variance, the tax is now $10.3 million (7.5%) below the year-to-date estimate. As mentioned in previous monthly reports, this negative year-to-date variance is attributable largely to the relatively weak demand for electricity driven by both a milder than expected summer and reduced demand due to broader economic factors.

Foreign Insurance Tax

The foreign insurance tax during the month of March posted receipts of $92.8 million, or $3.2 million (3.3%) below the estimate. Despite lower-than-estimated March receipts, the tax retains a slightly positive year-to-date balance of $0.6 million as a result of a stronger-than-expected performance in February when collections exceeded the estimate by $8.1 million.

Cigarette Tax

After several months of better-than-expected performance, the cigarette tax slipped in March with total receipts of $69.0 million which were $6.6 million (8.7%) below the estimate. Due to stronger than expected collections of this tax in early April, OBM and the Department of Taxation believe that the March performance may be a matter of timing and that revenues should recover in April. Despite the weaker than expected March performance, total cigarette tax receipts continue to exceed estimates by $31.4 million (5.5%). Despite the relatively strong year-to-date performance versus the estimate, cigarette tax receipts are $39.4 million (6.1%) below collections through the same month last fiscal year.

GRF non-tax receipts totaled $77.4 million in March, which was $5.1 million (6.2%) below the estimate. This negative performance relative to the estimate is primarily attributable to the license and fees and other income categories.

GRF transfers during the month of March totaled $36.3 million and were $46.0 million (55.9%) below the estimate. This negative variance in March is due to a delay in the transfer of payroll related savings in non-GRF funds that had been estimated to occur in March, but which will not begin to occur until April.

Table 1

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

REVENUE SOURCE	Month: ACTUAL MARCH	Month: ESTIMATE MARCH	Month: $ VAR	Month: % VAR	Year-to-Date: ACTUAL Y-T-D	Year-to-Date: ESTIMATE Y-T-D	Year-to-Date: $ VAR	Year-to-Date: % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	434,309	456,600	(22,291)	-4.9%	4,621,056	4,650,153	(29,097)	-0.6%
Auto Sales & Use	76,289	69,037	7,252	10.5%	626,695	583,912	42,783	7.3%
Subtotal Sales & Use	510,598	525,637	(15,039)	-2.9%	5,247,751	5,234,065	13,686	0.3%
Personal Income	442,764	423,500	19,264	4.5%	4,897,460	4,950,999	(53,539)	-1.1%
Corporate Franchise	53,416	30,000	23,416	78.1%	56,300	64,000	(7,699)	-12.0%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,056	1,045	11	1.0%	89,125	119,518	(30,392)	-25.4%
Kilowatt Hour	18,301	20,000	(1,699)	-8.5%	125,848	136,102	(10,254)	-7.5%
Foreign Insurance	92,840	96,004	(3,164)	-3.3%	262,853	262,207	646	0.2%
Domestic Insurance	48	8	40	484.9%	1,295	(929)	2,224	239.5%
Other Business & Property Tax	(2)	7	(9)	-136.6%	281	436	(156)	-35.7%
Cigarette	69,040	75,603	(6,563)	-8.7%	604,035	572,629	31,406	5.5%
Alcoholic Beverage	4,229	4,250	(21)	-0.5%	40,815	42,515	(1,700)	-4.0%
Liquor Gallonage	2,708	2,630	77	2.9%	27,420	27,169	251	0.9%
Estate	1,101	1,388	(287)	-20.7%	27,010	30,759	(3,749)	-12.2%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,196,099	1,180,072	16,026	1.4%	11,380,193	11,439,471	(59,277)	-0.5%
NON-TAX RECEIPTS								
Federal Grants	70,365	69,557	808	1.2%	5,146,220	5,396,305	(250,085)	-4.6%
Earnings on Investments	0	0	0	N/A	21,355	38,000	(16,645)	-43.8%
License & Fees	6,461	8,250	(1,789)	-21.7%	58,445	53,404	5,041	9.4%
Other Income	530	4,350	(3,820)	-87.8%	153,659	164,801	(11,142)	-6.8%
ISTV'S	0	300	(300)	-100.0%	6,988	11,351	(4,363)	-38.4%
Total Non-Tax Receipts	77,357	82,457	(5,100)	-6.2%	5,386,667	5,663,862	(277,195)	-4.9%
TOTAL REVENUES	1,273,456	1,262,529	10,927	0.9%	16,766,861	17,103,333	(336,472)	-2.0%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	17,000	12,000	5,000	41.7%	124,000	110,000	14,000	12.7%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	3	54,000	(53,997)	-100.0%	20,954	92,664	(71,710)	-77.4%
Temporary Transfers In	19,252	16,300	2,952	18.1%	669,866	735,900	(66,034)	-9.0%
Total Transfers	36,255	82,300	(46,045)	-55.9%	814,821	938,564	(123,743)	-13.2%
TOTAL SOURCES	1,309,711	1,344,829	(35,118)	-2.6%	17,581,681	18,041,897	(460,215)	-2.6%

Table 2

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

REVENUE SOURCE	Month				Year-to-Date			
	MARCH FY 2010	MARCH FY 2009	$ VAR	% VAR	ACTUAL FY 2010	ACTUAL FY 2009	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	434,309	416,124	18,185	4.4%	4,621,056	4,739,022	(117,967)	-2.5%
Auto Sales & Use	76,289	74,499	1,791	2.4%	626,695	637,552	(10,857)	-1.7%
Subtotal Sales & Use	510,598	490,622	19,976	4.1%	5,247,751	5,376,575	(128,824)	-2.4%
Personal Income	442,764	359,252	83,513	23.2%	4,897,460	5,407,071	(509,610)	-9.4%
Corporate Franchise	53,416	144,808	(91,392)	-63.1%	56,300	368,703	(312,403)	-84.7%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,056	1,072	(16)	-1.5%	89,125	122,494	(33,369)	-27.2%
Kilowatt Hour	18,301	18,648	(347)	-1.9%	125,848	110,666	15,182	13.7%
Foreign Insurance	92,840	95,726	(2,887)	-3.0%	262,853	261,387	1,467	0.6%
Domestic Insurance	48	7	41	616.2%	1,295	(865)	2,160	249.8%
Other Business & Property Tax	(2)	7	(9)	-135.4%	281	379	(98)	-25.9%
Cigarette	69,040	81,567	(12,527)	-15.4%	604,035	643,481	(39,446)	-6.1%
Alcoholic Beverage	4,229	4,175	55	1.3%	40,815	41,839	(1,024)	-2.4%
Liquor Gallonage	2,708	2,625	83	3.2%	27,420	26,986	434	1.6%
Estate	1,101	1,450	(349)	-24.1%	27,010	32,287	(5,277)	-16.3%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,196,099	1,199,958	(3,859)	-0.3%	11,380,193	12,391,001	(1,010,807)	-8.2%
NON-TAX RECEIPTS								
Federal Grants	70,365	750,893	(680,528)	-90.6%	5,146,220	5,164,831	(18,611)	-0.4%
Earnings on Investments	0	0	0	N/A	21,355	97,412	(76,056)	-78.1%
License & Fee	6,461	8,427	(1,966)	-23.3%	58,445	58,461	(16)	0.0%
Other Income	530	7,503	(6,972)	-92.9%	153,659	38,927	114,732	294.7%
ISTV'S	0	4	(4)	-96.4%	6,988	14,929	(7,941)	-53.2%
Total Non-Tax Receipts	77,357	766,826	(689,469)	-89.9%	5,386,667	5,374,559	12,108	0.2%
TOTAL REVENUES	1,273,456	1,966,784	(693,329)	-35.3%	16,766,861	17,765,560	(998,699)	-5.6%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	17,000	13,000	4,000	30.8%	124,000	122,000	2,000	1.6%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	3	0	3	N/A	20,954	48,891	(27,937)	-57.1%
Temporary Transfers In	19,252	132,811	(113,559)	-85.5%	669,866	445,311	224,556	50.4%
Total Transfers	36,255	145,811	(109,556)	-75.1%	814,821	616,202	198,618	32.2%
TOTAL SOURCES	1,309,711	2,112,595	(802,884)	-38.0%	17,581,681	18,381,762	(800,081)	-4.4%

DISBURSEMENTS

The monthly and fiscal year GRF spending estimates for elementary and secondary education reflect the passage in December of H.B. 318.

March 2010 GRF disbursements, across all fund uses, were $1,462.3 million. This was $65.2 million (4.3%) below estimate for the month. On a year-to-date basis, total GRF disbursements are $19,798.8 million, which is $150.8 million (0.8%) below estimate. Year-to-date disbursements by category are provided in the following table ($ in millions).

Category	Description	YTD Disbursements	YTD Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	$18,772.5	($207.8)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$1,026.3	$57.0
TOTAL GRF DISBURSEMENTS:		$19,798.8	($150.8)

GRF disbursements are reported according to functional categories and this section contains information describing spending and variances within each of those categories.

Primary, Secondary and Other Education

This category includes expenditures made by Department of Education, E-tech, the Ohio State School for the Blind, and the School for the Deaf. Expenditures in this category for the month of March totaled $350.3 million which was $43.9 million (14.3%) above the monthly estimate.

- March expenditures by the Department of Education totaled $348.1 million and were $44.3 million or 14.6% above estimate. Variances for the month can be attributed to payments from ALI 200511 (Auxiliary Services), which were $55.6 million above the estimate for the month due to a payment delay. For the year-to-date, expenditures are $117.8 million or 2.3% above estimates.

Higher Education

March disbursements for Higher Education were $191.9 million, representing a variance of $1.4 million (0.8%) above the estimate. Year-to-date disbursements total $1,858.6 million, representing a variance of $13.4 million (0.7%) above the estimate.

Public Assistance and Medicaid

March expenditures in this category, which include all GRF expenditures by the Department of Job & Family Services (ODJFS), were $529.8 million. Expenditures were $10.8 million (2.0%) below estimate for the month. Year-to-date expenditures total $7,696.6 million, which is $323.3

million (4.0%) below estimates. The following discussion of spending and variances to date addresses Public Assistance and Non-Medicaid programs separate from Medicaid.

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 $7,040.0 million, which is $285.6 million (3.9%) below estimate, and $1,028.1 million (14.6%) below the same point in time in the prior year. Disbursements for the month of March were $441.5 million, which was $34.2 million (7.2%) below estimate and $408.5 million (92.5%) below the same period in the prior year.

The large variances in GRF disbursements over the prior year are a reflection of the planned increased use of Non-GRF resources in the Medicaid program as part of the FY10 budget.

All funds disbursements year-to-date are $9,672.6 million, which is $332.8 million (3.3%) below estimate, and $485.6 million (5.0%) above disbursements for the same point in time in the prior year. Disbursements for March were $1,155.9 million, which was $51.7 million (4.3%) below projected expenditures and $88.0 million (7.6%) above the same period in the prior year.

The below table ($ in millions) shows the current month's disbursement variance by funding source:

$ in millions	March Projection	March Actual	Variance	Variance %
GRF	$ 475.7	$ 441.5	$ (34.2)	-7.2%
Non-GRF	$ 731.9	$ 714.4	$ (17.5)	-2.4%
All Funds	$ 1,207.6	$ 1,155.9	$ (51.7)	-4.3%

Specific variances across all funding sources include:

Medicare Part D – The disbursement for the Medicare Part D payment was $0, which was $22.5 million (100.0%) below projections. This is due to a change in CMS policy concerning the application of the enhanced Federal Medical Assistance Percentage (eFMAP) found in the American Recovery and Reinvestment Act (ARRA) to Medicare Part D payments. It was initially decided that the increased federal percentage would not apply to Part D payments. On February 18, 2010, the Department of Health and Human Services (DHHS) announced that states would be allowed to apply the eFMAP rate to Part D payments retroactive to October 1, 2008, the beginning of the ARRA eFMAP period. States were given a credit for that difference. Payments for this program are not required until that credit is expended.

Outpatient Hospital– Disbursements for the Outpatient Hospital programs were $45.9 million, which was $6.7 million (17.0%) over projected expenditures. This is due to a higher than projected number of claims, as well as a higher than expected cost per claim.

Caseload

Total caseload for the month of February, the most recent month available, was 2.07 million covered persons, which was an increase of 12,020 persons over the month of January. This number includes the State Fund Only programs, including the Breast and Cervical Cancer program, and represents the 26th consecutive month of growth. The Covered Families and Children (CFC) program increased by 9,822 persons, for a February total of 1.58 million persons. The Aged, Blind and Disabled (ABD) program increased by 2,213 persons, for a February total of 482,400 covered lives.

Total enrollment for the same period last year was 1.90 million covered persons, including 1.43 million persons in the CFC program and 463,600 people in the ABD category. This represents total Medicaid growth over the last twelve months of 169,600 covered lives.

CFC showed an increase of 9,822 persons to 1.58 million covered lives, and continues to be the main driver of caseload in the Medicaid program. Enrollment in this category was 7,692 (.48%) under total projected enrollment. The Healthy Families and the Healthy Families expansion categories, the core eligibility groups of the Medicaid program, continue to be the major factor in caseload increases, accounting for nearly all of the total increase.

The ABD program showed an increase of 2,213 persons to a total of 482,400 covered lives. This was 3,019 persons (0.63%) over total projected enrollment for this category. As has been the case in previous months, much of the increase is accounted for by increases in the Qualified Medicare Beneficiary (QMB) and the Special Low-Income Medicare Beneficiary (SLMB) premium assistance programs.

Public Assistance and Non-Medicaid

ODJFS, non-Medicaid, General Revenue Fund disbursements totaled $88.3 million for the month of March. In the aggregate, GRF spending was $23.5 million (36.2%) higher than disbursement estimates for the month. Major variances within individual line items were attributable to the following:

- Child Care Match/Maintenance of Effort, ALI 600413, subsidy disbursements were $12.1 million higher than the agency estimates. This was attributable to the quarterly county reconciliation payments and large county requests made in preparation for the new state child care payment system.
- Early Care and Education, ALI 600535, subsidy spending was $10.3 million higher than original estimates. This was attributable to the quarterly county reconciliation payments and large county requests made in preparation for the new state child care payment system.
- Entitlement Administration (ALI 600521) disbursements were $2.4 million higher than estimates. The original estimate to fully expend the funds by January 2010 did not occur due to previous lower than anticipated county spending within the line item. Counties will continue to expend funds throughout the remainder of the fiscal year.

- TANF State, ALI 600410, subsidy disbursements were $2.3 million below original estimates due to lower than expected expenditures within the line item.
- Support Services, ALI 600321, spending was $2 million over monthly estimates due to unexpected Medicaid Information Technology System (MITS) contract expenditures.
- Administration – Local, ALI 600502, disbursements were approximately $1.1 million higher than expected spending due to a previous county finance reconciliation payment.

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.

March expenditures in this category were $47.9 million, which was $2.4 million (5.3%) above estimate for the month. The year-to-date actual disbursements are $781.0 million, which is $17.4 million (2.2%) below the estimate.

- For the year-to-date, the Department of Health disbursements total $65.7 million, which is under estimate by $2.9 million (4.2%).
- March 2010 disbursements for the Department of Health totaled $7.1 million, $4.4 million (164%) above estimate. This is primarily attributable to the Immunizations line (440-418) was above estimate by $3.5 million as a result of payments being made in March which were originally scheduled in the December/January timeframe. Similarly, the Federally Qualified Health Centers line (440-465) was over estimate by $1.2 million due to payments being made in March which were originally scheduled for November and January.
- For the year, the Department of Aging disbursements total $88.4 million, which is below estimate by $1.9 million (2.1%).
- March 2010 disbursements for the Department of Aging totaled $10.1 million. When compared to March 2010 estimates, in aggregate, actual disbursements were $0.5 million (5.3%) above estimate. This is primarily attributable to the Residential State Supplement (RSS) (490-412) being above estimate by $0.4 million as a result of February payment being made in March.
- The Department of Mental Health disbursed $12.6 million in the month of March, which is $1.3 million, or 9.8% under the estimate. $1.0 million of the variance is attributable to the Department shifting $1.0 million in payroll expenses off of the GRF Central Administration line item, 333321, to a non-GRF fund.
- The Department of Developmental Disabilities disbursed $14.6 million in the month of March, which is $.7 million, or 4.5% below the estimate.

Justice and Public Protection

March expenditures in the Justice and Public Protection category were $147.8 million, which was $8.4 million (5.4%) below estimate for the month. The year-to-date disbursements are $1,488.7 million, which is $52.9 million (3.4%) below the estimate.

- Disbursements in the Corrections category totaled $131.1 million in the month of March, which was $8.1 million (5.8%) less than the $139.2 million estimate for the month.
- The Department of Rehabilitation and Correction (DRC) disbursed $115.0 million in the month of March, which was $7.6 million (6.2%) less than the $122.6 million estimate for the month. This variance primarily can be attributed to lower than average costs for medical and mental health services for the month.
- The Department of Youth Services (DYS) disbursed $16.1 million in the month of March, which was $0.5 million (2.8%) less than the $16.6 million estimate for the month.

General Government

For March 2010, General Government disbursements were $42.2 million which was $4.4 million (9.4%) below the estimate. The year-to-date actual expenditures were $238.6 million, which is $11.8 million below the year-to-date estimate (4.7%).

- A portion of the March variance can be attributed to the Department of Administrative Services (DAS) which disbursed only $28.7 million, which was $2.9 million (9.1%) less than estimated for the month. This under spending combined with that which occurred in February continued a reversal from January when DAS overspent January disbursement estimates by a similar margin. The primary reason for this monthly variance was lower than expected OBA rent payments which were $1.8 million below estimate.

Community and Economic Development

For the month of March, disbursements in this category were $17.5 million which was $11.5 million (191%) above the estimate. Year-to-date, community and economic development related general revenue fund disbursements total $87.2 million, which is $15.5 million (21.7%) above the estimate. Most of the monthly and year-to-date variance is in the Cultural Facilities Commission lease-rental line item.

- For the month of March the Cultural Facilities Commission (AFC) disbursed $11.6 million, primarily in its lease-rental payments line item. This payment which was estimated to not have occurred until April resulted in the agency's March disbursements being $11.6 million above the estimate. As this payment was supposed to occur in April, this variance will correct itself next month.
- For the month of March the Department of Development disbursed $4.8 million in GRF, which is $1.2 million (20%) below the estimate, with lower than expected disbursements in the Thomas Edison (195401), Small Business Development (195404), Governor's Office of Appalachia (195416), and the Ohio Investment in Training Program (195434) line items. These variances were the result of lower than anticipated grant reimbursements called in by the grantees.

- For the year-to-date, the Department of Development GRF disbursements are $53.5 million, which is $9.5 million or 15% below the estimate.

Tax Relief and Other

March disbursements for the tax relief and other category totaled $71.5 and were $92.4 million below the estimate of $163.9 million, with the entirety of both the estimates and disbursements comprised of tax relief payments. For the year-to-date, tax relief payments total $948.2 million, which is $69.0 million above the year-to-date estimate. In that the disbursement estimates for these payments reflect approximately 60 percent of payments to occur in the second half of the fiscal year, the year-to-date variance should narrow considerably as we continue through the year. 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

March debt service payments on general obligation bonds of the state totaled $57.0 million, which was $10.4 million (15.4%) below the estimate. This variance resulted from much lower than estimated interest rates on the state's variable rate bonds and savings generated by refunding certain outstanding higher-interest rate bonds with new lower-interest bonds. For the year-to-date, debt service spending is $21.7 million (6.1%) below estimate, with this variance expected to grow modestly through the remainder of FY 2010.

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

Functional Reporting Categories Description	MONTH ACTUAL MARCH	MONTH ESTIMATED MARCH	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE YTD ACTUAL	YEAR-TO-DATE YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary, Secondary and Other Education	350,253	306,339	43,914	14.3%	5,241,146	5,124,307	116,839	2.3%
Higher Education	191,876	190,437	1,440	0.8%	1,858,633	1,845,219	13,414	0.7%
Public Assistance and Medicaid	529,762	540,513	(10,752)	-2.0%	7,696,552	8,019,854	(323,302)	-4.0%
Health and Human Services	47,907	45,490	2,418	5.3%	781,004	798,413	(17,409)	-2.2%
Justice and Public Protection	147,781	156,216	(8,435)	-5.4%	1,488,684	1,541,565	(52,881)	-3.4%
Environmental Protection and Natural Resources	4,267	3,939	328	8.3%	68,184	65,430	2,754	4.2%
Transportation	1,022	680	342	50.3%	13,804	12,351	1,453	11.8%
General Government	42,216	46,587	(4,371)	-9.4%	238,567	250,347	(11,780)	-4.7%
Community and Economic Development	17,474	6,013	11,462	190.6%	87,240	71,698	15,541	21.7%
Tax Relief and Other	71,522	163,872	(92,351)	-56.4%	964,038	895,107	68,931	7.7%
Capital Outlay	0	0	0	N/A	330	0	330	N/A
Debt Service	56,953	67,345	(10,392)	-15.4%	334,300	355,961	(21,661)	-6.1%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**1,461,032**	**1,527,429**	**(66,397)**	**-4.3%**	**18,772,481**	**18,980,252**	**(207,770)**	**-1.1%**
Transfers Out:								
OPER TRF OUT-OTH	1,218	0	1,218	N/A	55,008	30,477	24,531	80.5%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	938,866	32,471	3.5%
Total Transfers (Out)	**1,218**	**0**	**1,218**	**N/A**	**1,026,345**	**969,343**	**57,002**	**5.9%**
Total Fund Uses	**1,462,250**	**1,527,429**	**(65,180)**	**-4.3%**	**19,798,827**	**19,949,595**	**(150,768)**	**-0.8%**

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

	MONTH				YEAR-TO-DATE			
Functional Reporting Categories Description	**MARCH FY 2010**	**MARCH FY 2009**	**$ VAR**	**% VAR**	**ACTUAL FY 2010**	**ACTUAL FY 2009**	**$ VAR**	**% VAR**
Primary, Secondary and Other Education	350,253	467,582	(117,329)	-25.1%	5,241,146	5,477,848	(236,702)	-4.3%
Higher Education	191,876	192,427	(551)	-0.3%	1,858,633	2,000,914	(142,281)	-7.1%
Public Assistance and Medicaid	529,762	895,310	(365,548)	-40.8%	7,696,552	8,743,254	(1,046,701)	-12.0%
Health and Human Services	47,907	57,454	(9,547)	-16.6%	781,004	927,777	(146,773)	-15.8%
Justice and Public Protection	147,781	204,558	(56,778)	-27.8%	1,488,684	1,665,916	(177,232)	-10.6%
Environmental Protection and Natural Resources	4,267	3,586	681	19.0%	68,184	77,830	(9,646)	-12.4%
Transportation	1,022	1,059	(37)	-3.5%	13,804	16,145	(2,341)	-14.5%
General Government	42,216	59,327	(17,112)	-28.8%	238,567	307,438	(68,871)	-22.4%
Community and Economic Development	17,474	20,058	(2,584)	-12.9%	87,240	119,181	(31,941)	-26.8%
Tax Relief and Other	71,522	44,966	26,556	59.1%	964,038	842,633	121,405	14.4%
Capital Outlay	0	101	(101)	-100.0%	330	288	42	14.8%
Debt Service	56,953	84,305	(27,352)	-32.4%	334,300	519,034	(184,734)	-35.6%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**1,461,032**	**2,030,732**	**(569,700)**	**-28.1%**	**18,772,481**	**20,698,257**	**(1,925,776)**	**-9.3%**
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	1,218	3,161	(1,944)	-61.5%	55,008	243,299	(188,291)	-77.4%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	604,470	366,868	60.7%
Total Transfers (Out)	**1,218**	**3,161**	**(1,944)**	**-61.5%**	**1,026,345**	**847,768**	**178,577**	**21.1%**
Total Fund Uses	**1,462,250**	**2,033,894**	**(571,644)**	**-28.1%**	**19,798,827**	**21,546,026**	**(1,747,199)**	**-8.1%**

FUND BALANCE

The monthly and fiscal year GRF spending estimates for elementary and secondary education reflect the passage in December of H.B. 318.

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 $192.0 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.

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

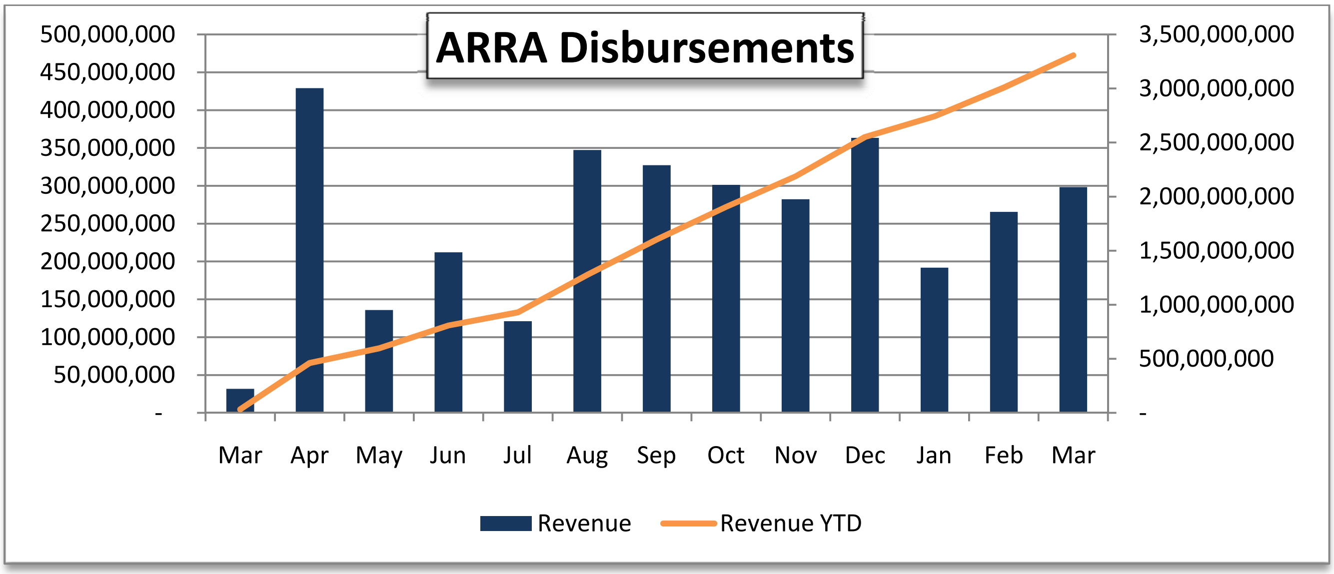
July 1, 2009 Beginning Cash Balance	**$ 734,526**
Plus FY 2010 Estimated Revenues	16,819,704
Plus FY 2010 Estimated Federal Revenues	7,184,127
Plus FY 2010 Estimated Transfers to GRF	1,567,706
Total Sources Available for Expenditure & Transfer	**26,306,063**
Less FY 2010 Estimated Disbursements	24,746,286
Less FY 2010 Estimated Total Encumbrances as of June 30, 2009	293,454
Less FY 2010 Estimated Transfers Out	1,074,343
Total Estimated Uses	**26,114,084**
FY 2010 ENDING FUND BALANCE	**191,980**

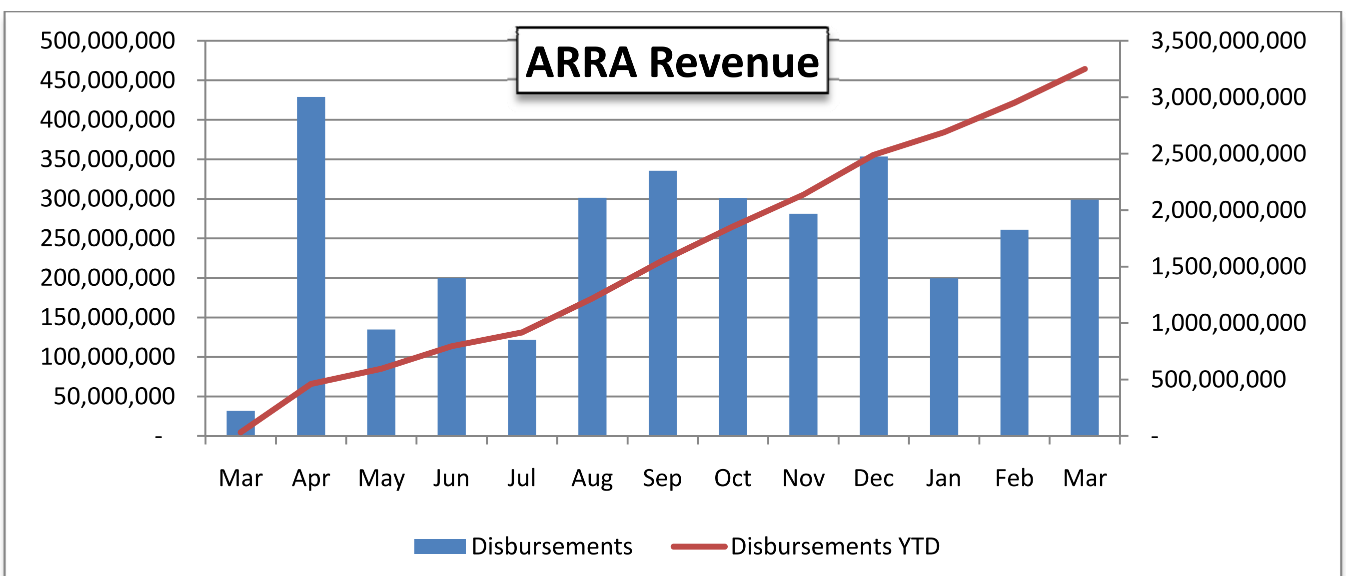
ARRA Monthly Revenue and Disbursements Report

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 $3.305 billion in federal revenue and disbursed $3.250 billion as of March 31, 2010.

	Revenue	Disbursements
FY 2009	$808,753,636	$795,630,983
FY 2010	$2,498,244,521	$2,454,469,085
Total	**$3,306,998,157**	**$3,250,100,068**





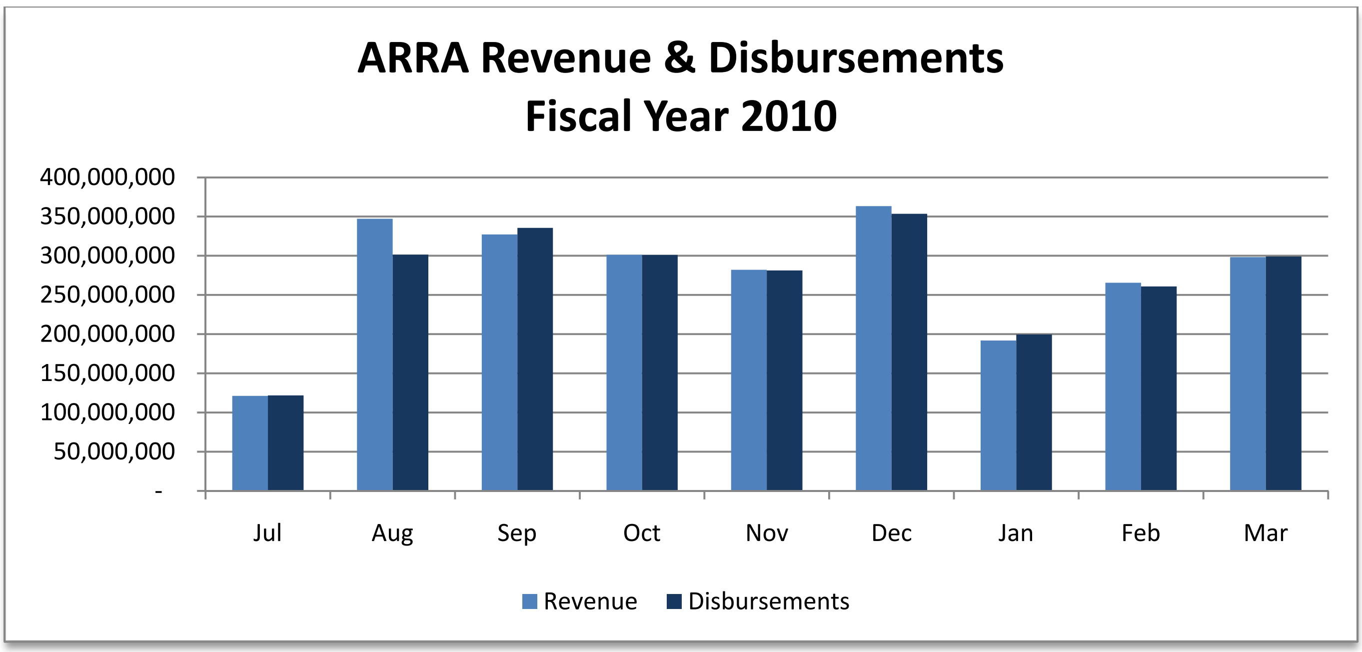
ARRA Revenue and Disbursements
for the month of March

Revenue	Disbursements
$298,287,270	$299,072,619

March – Fiscal Year 2010

ARRA Revenue
March 2010 Federal ARRA revenue received by all state agencies was $298.3 million. This was an increase of $32.7 million or 12% from the month of February.

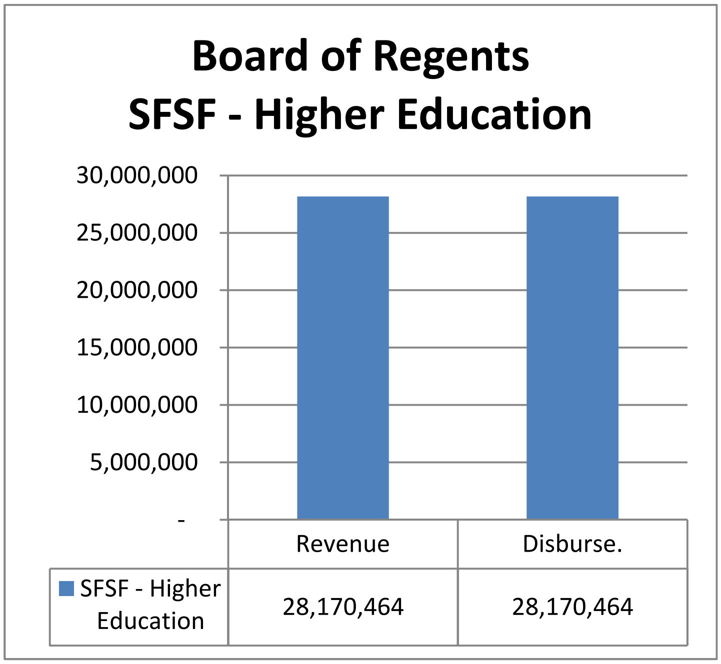
ARRA Disbursements
March 2010 Federal ARRA disbursements for all state agencies were $299.1 million. This was an increase of $33.4 million or 13% from the month of February. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agencies.

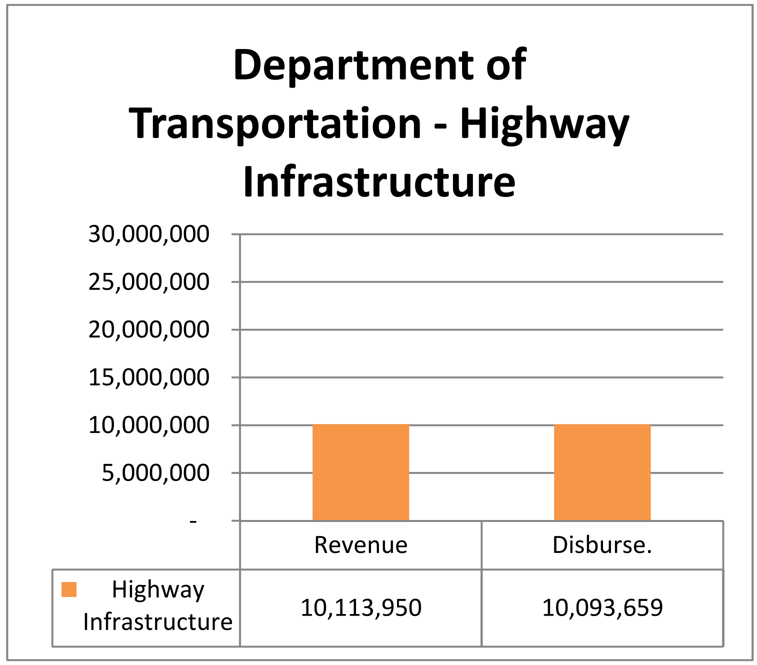


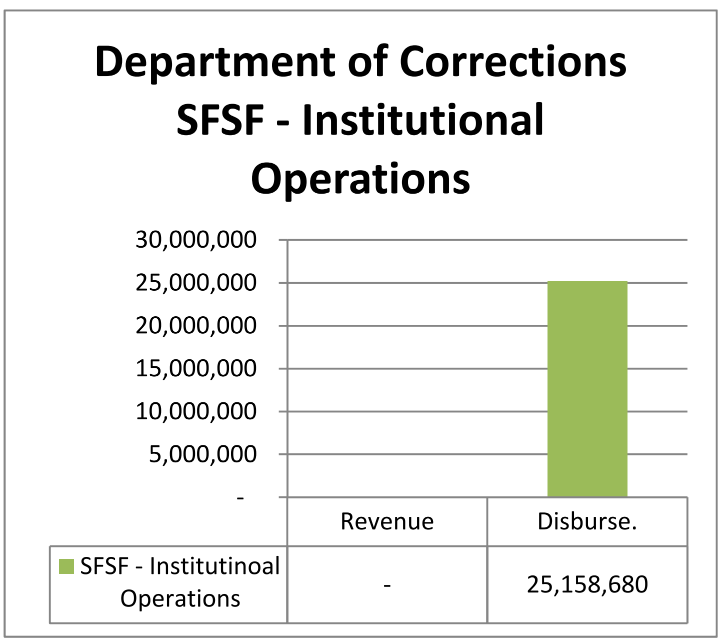
	Jul	Aug	Sep	Oct	Nov	Dec
Revenue	121,147,508	347,228,832	327,301,022	301,200,043	282,192,521	363,345,331
Disbursements	121,842,461	301,490,365	335,516,284	301,140,027	281,274,771	353,650,774
	Jan	Feb	Mar			
Revenue	191,912,355	265,629,638	298,287,270			
Disbursements	199,545,729	260,936,055	299,072,619			

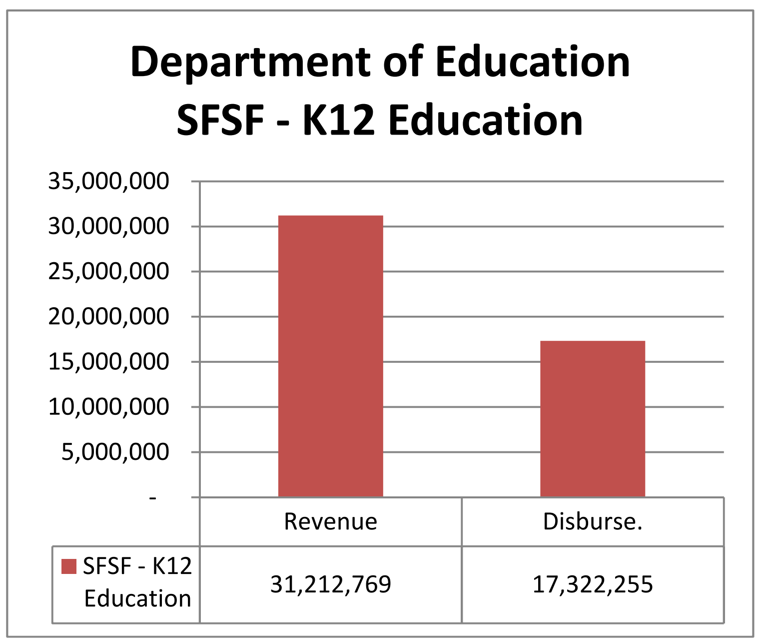
Largest Amount of Activity by Program

During the month of March, there were more than 70 active federal stimulus grants in the State of Ohio. Of those programs, the seven highlighted below accounted for 83% of the revenue received and 87% of the funds disbursed.

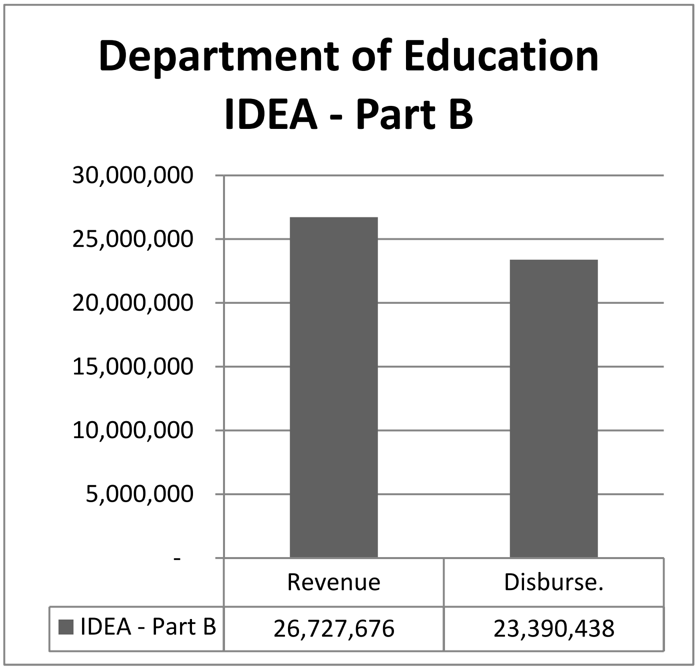


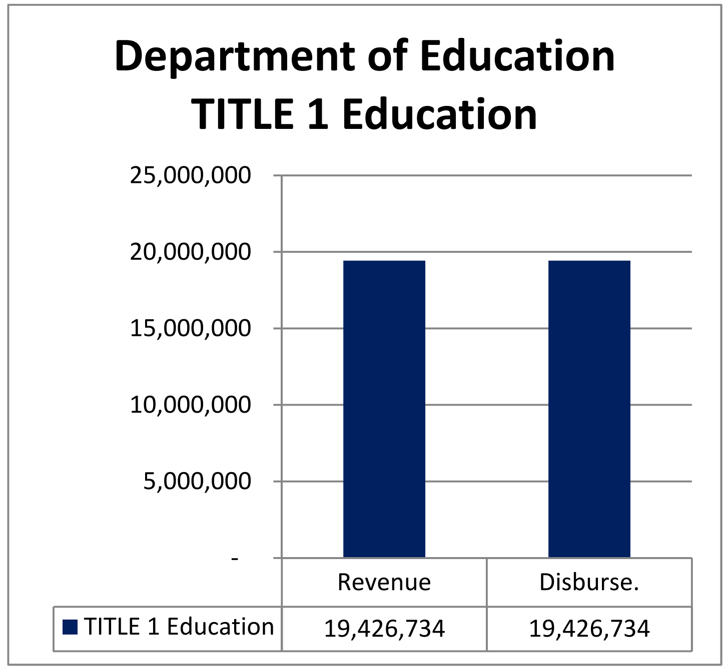


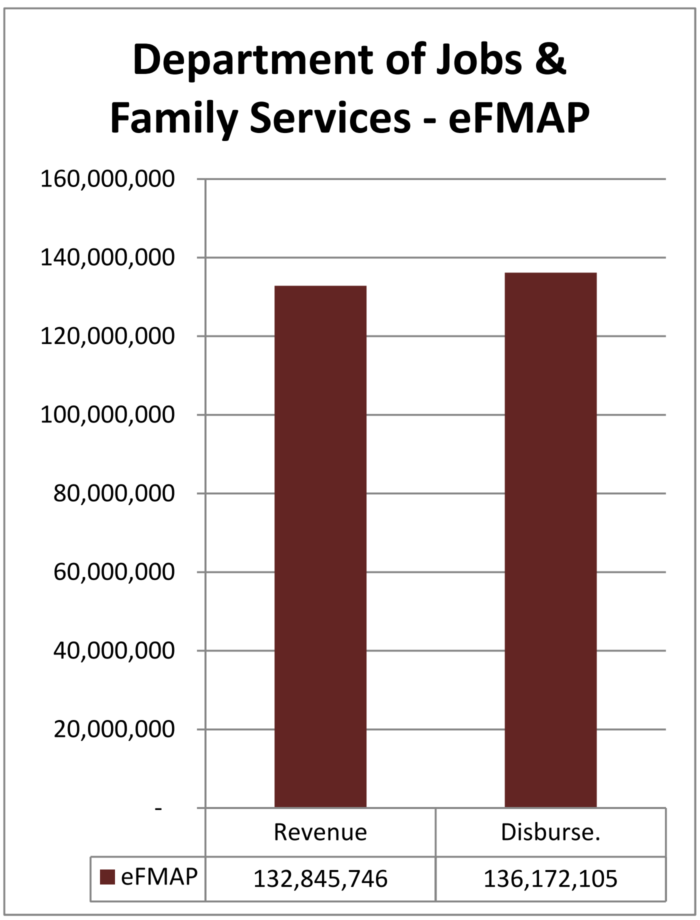




The data in the charts above represent program activity for the month of March 2010.







The data in the charts above represent program activity for the month of March 2010.

State Fiscal Stabilization Fund Overview

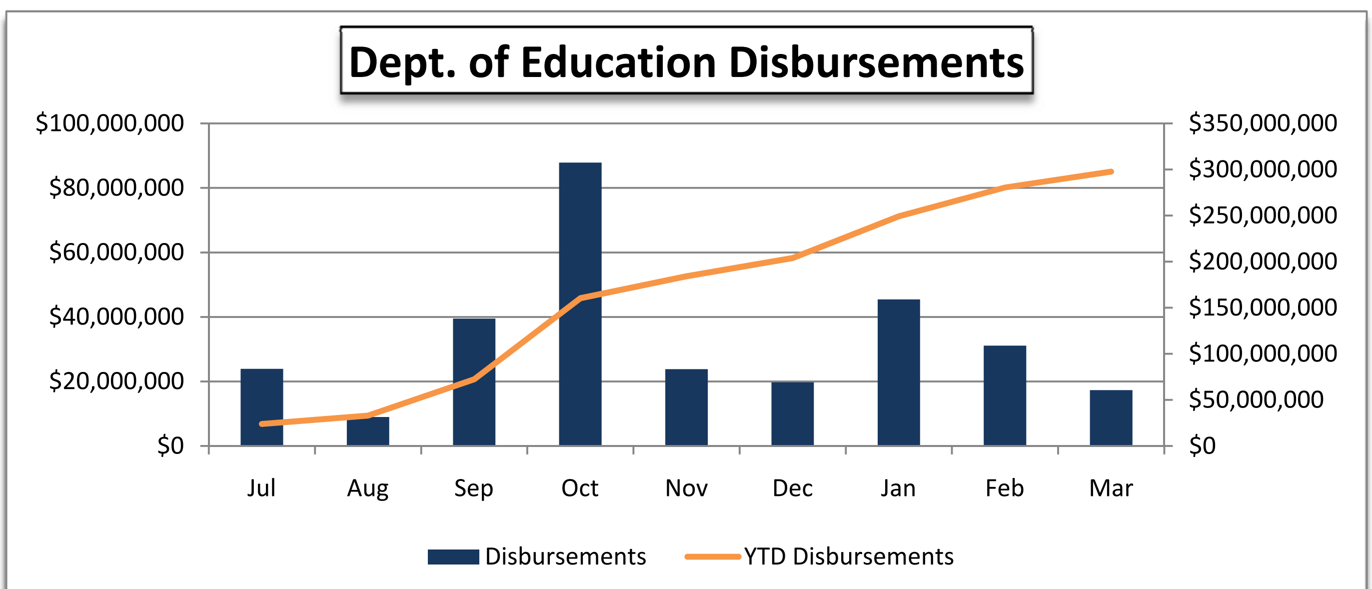
The State of Ohio has been awarded $1,789,376,483 in State Fiscal Stabilization Funds (SFSF) through ARRA. Of this amount, $1,463,709,963 is from the Education Stabilization Fund (ESF) and $325,666,520 is from the Government Services Fund (GSF). The ESF is to be used by the state to restore support for elementary and secondary education and public higher education. The GSF is intended to be used to support public safety and other government services, which can include support for education.

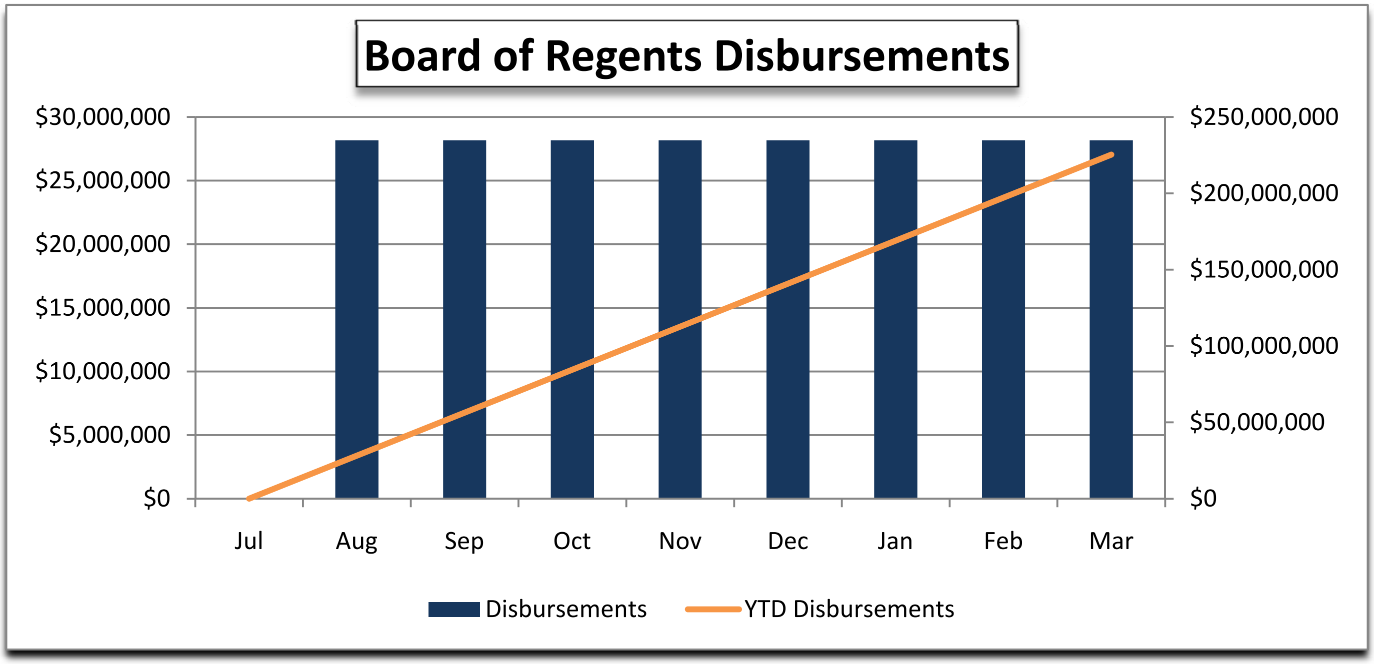
H.B. 1, the state's FY 2010-2011 operating budget, includes the following appropriations for the SFSF:

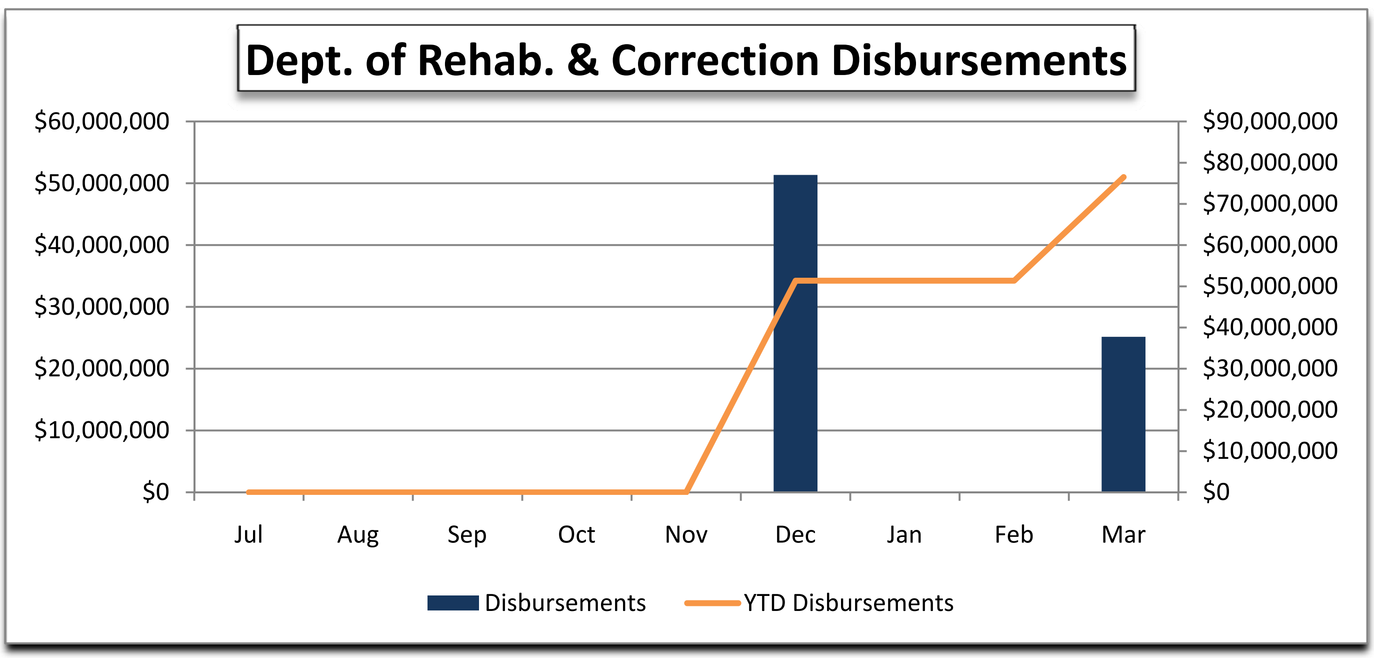
Agency	ALI	FY 2010	FY 2011	Total
Department of Education (ESF)	200551	$387,583,913	$457,449,362	$845,033,275
Board of Regents (ESF)	235644	$309,874,026	$308,802,662	$618,676,688
Department of Rehabilitation and Correction (GSF)	501620	$111,117,531	$214,488,988	$325,666,519

The appropriation for the Department of Education is being used to distribute ESF funds to local education agencies (LEAs) through the state's elementary and secondary education funding formula, the Ohio Evidence-Based Model (OEBM). The Board of Regents' appropriation is being used to distribute ESF funds to public institutions of higher education (IHEs) through the higher education funding formula, the State Share of Instruction (SSI). Finally, the Department of Rehabilitation and Correction's appropriation is being used to support payroll with the GSF.

Through March 2010, the state has disbursed $599.6 million in SFSF ($297.8 million from the Department of Education ESF, $225.4 million from the Board of Regents ESF and $76.5 from the GSF).




Board of Regents Disbursements
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Disbursements
YTD Disbursements


Dept. of Rehab. & Correction Disbursements
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Disbursements
YTD Disbursements