OBM

April 12, 2011

MEMORANDUM TO: The Honorable John R. Kasich, Governor
The Honorable Mary Taylor, Lt. Governor

FROM: Timothy S. Keen, Director TK

SUBJECT: Monthly Financial Report

ECONOMIC SUMMARY

Economic Performance Overview

- Real GDP increased by 3.1% in the fourth quarter after a lull in the middle two quarters of the year. Continued acceleration in consumer spending accounted for essentially all of the growth. The consensus is that the economy will expand at a somewhat faster pace throughout 2011.
- U.S. employment increased by 216,000 jobs in March, and the unemployment rate decreased to 8.8 percent.
- Ohio employment increased by 13,800 in February after a 34,100 increase in January. The Ohio unemployment rate decreased for the twelfth month in a row to 9.2 percent.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio, but point to a moderate rate of growth.

Economic Growth

Economic activity continued apace during the fourth quarter, supported mainly by a surge in consumer spending. Real GDP increased 3.1% at an annual rate, up one-half point from 2.6% in the third quarter and 1.7% in the second quarter. The level of real GDP increased to a new all-time high that exceeds the peak prior to the 2007-09 recession by 0.1%, marking the technical transition from the recovery to the expansion phase of the business cycle.

Compared with a year earlier, real GDP increased 2.8% – the fastest pace during a 4-quarter span since the 3.0% rise in the second quarter of 2006. Growth during 2010 essentially matched the December 2009 and March 2010 projections by the Governor's Council of Economic Advisors of 2.8%, but remained below the long-run trend rate of approximately 3¼ percent.

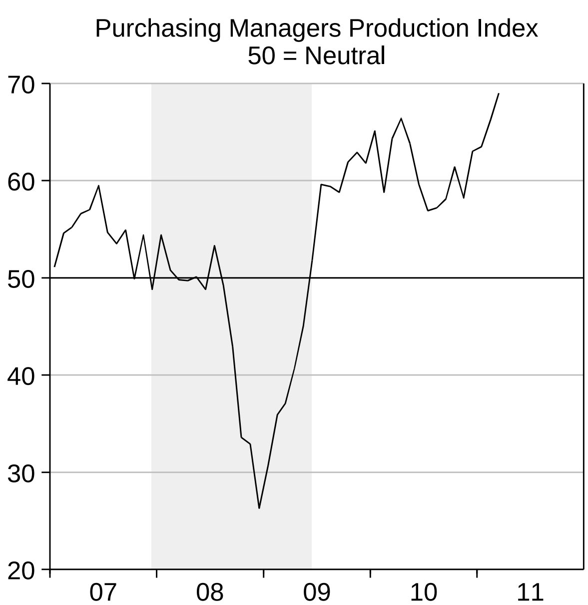
Personal consumption expenditures increased 4.0%, contributing 2.8 percentage points of the 3.1% increase in real GDP. Each major category of consumer spending increased, reflecting strong growth in income and an improvement in confidence corresponding to the pending temporary reduction in payroll taxes and the continued strong rise in stock prices. Personal income increased 4.1% at an annual rate, which exceeded growth in wage and salary disbursements of 3.3% annualized. The saving rate decreased for the second quarter in a row to 5.6 percent.

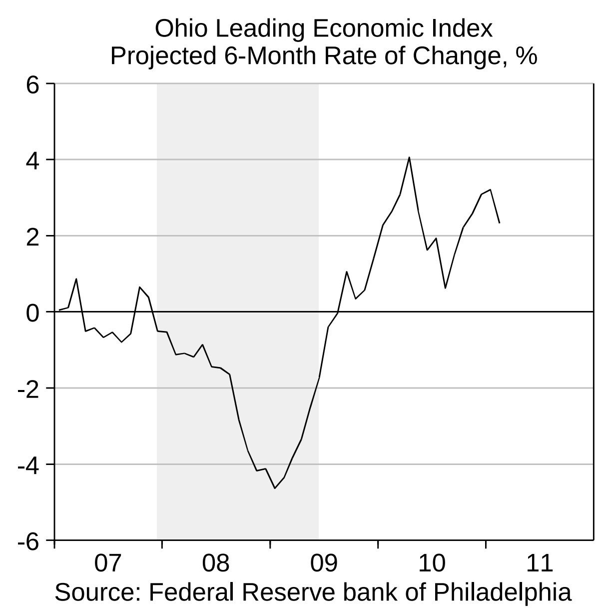
Outside of exports, which contributed 1.1 percentage points to real GDP growth, no other major category made a significant contribution to growth. Exports increased 8.6%, but growth in investment in plant and equipment slowed to 7.7% from 10.0% in the third quarter and 17.2% in the second quarter. Investment in residential structures increased 3.3%, following a decrease of 27.3% in the third quarter that took the level to its lowest mark since the early 1980s.

After a record accumulation of inventories during the summer, businesses added to inventories modestly in the fourth quarter. The slowdown in inventory accumulation subtracted 3.4 percentage points from real GDP growth during the quarter. In part the slowdown might have been related to the suspension by China of export subsidies for a wide range of goods that took place in July, prompting businesses in China to accelerate shipments to the U.S. from the fourth quarter to the third quarter. The pattern in inventories closely matched the pattern in U.S. imports of goods, which increased 40.5% in the second quarter and 17.4% in the third quarter before falling 4.1% in the fourth quarter.

Economic growth in the first quarter appears to have continued at about the same pace in the fourth quarter, although severe weather and sharp increases in food and energy prices have prompted forecasters to lower estimates for first quarter growth. **Purchasing managers** reported the most widespread improvement in conditions on average during the first quarter since early in the recovery from the 1981-82 recession. The **Leading Economic Index** increased for the eighth consecutive month in February. The ratio of coincident to lagging indexes – itself a leading indicator – has increased somewhat less forcefully in recent months. The 4-week average of the **Weekly Leading Index** remained in late March in the 6.0% to 7.0% range where it has been since mid-February.

Forecasters have revised projections for real GDP in 2011 moderately higher since late summer. The March **Blue Chip Economic Indicators** consensus is for real GDP growth of 3.4% in each quarter of 2011, which would translate into an increase of 3.1% for all of 2011 compared with 2010. Forecasters expect inflation to remain relatively low and unemployment to remain



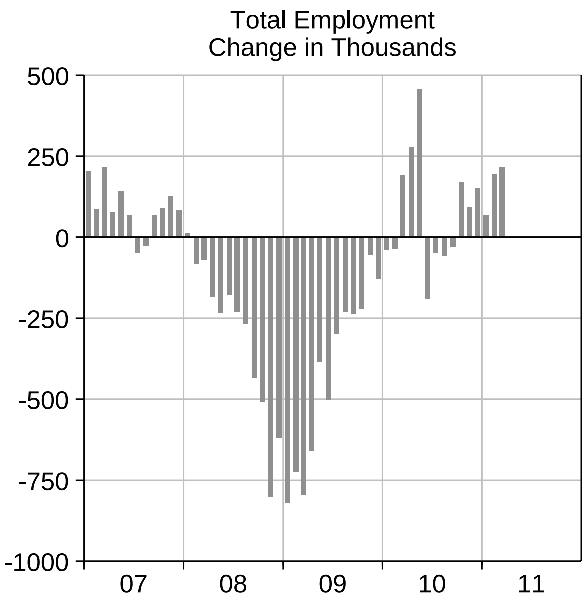


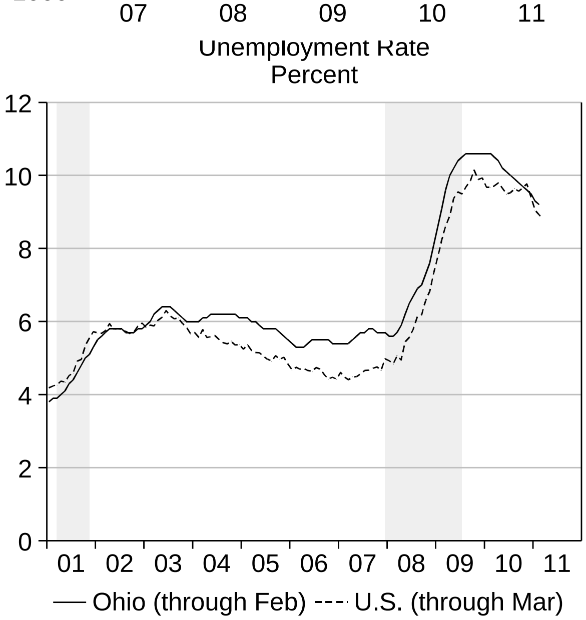
relatively high during the year.

The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.6% in February for the eighteenth straight gain. The 6-month smoothed rate of change increased to 5.3% – the fastest since the late 1990s. The rebound in a **leading index for Ohio**, also compiled by the Philadelphia Fed, that took hold in the fourth quarter continued in January and at a somewhat slower pace in February.

Employment

Nonfarm payroll employment increased by 216,000 jobs in March, and private sector employment increased by 230,000 jobs – the best showing since March 2006. The **unemployment rate** edged down again to 8.8 percent. The workweek lengthened by 0.1 hour overall and in manufacturing, and overtime hours in manufacturing increased from 4.2 hours to 4.3 hours – the most since June 2007. As a result, aggregate hours increased 0.6% to 2.4% above the year earlier level. Average hourly earnings dipped a bit in March to 2.0% above the year earlier level.





Various measures of the demand for labor have strengthened recently. Purchasing managers at non-manufacturing firms reported the most-widespread growth in employment since April 2006. Purchasing managers in manufacturing reported on average in the first quarter the most-widespread growth in employment since the first quarter of 1973. The demand for labor among small businesses continued to strengthen in February, according to the **National Federation of Independent Business**, as plans to hire have been positive for four months in a row for the first time since the financial crisis hit in September 2008.

Gains in nonfarm payroll employment in March were broad-based, with 68.2% of 269 private sector industries reporting higher employment than in December. Among 82 manufacturing industries, 68.5% reported higher payrolls than in December. Manufacturing employment increased by 17,000 jobs for a total of 128,000 net new jobs in the last five months. Among industries in the service sector, increases occurred in professional and business services

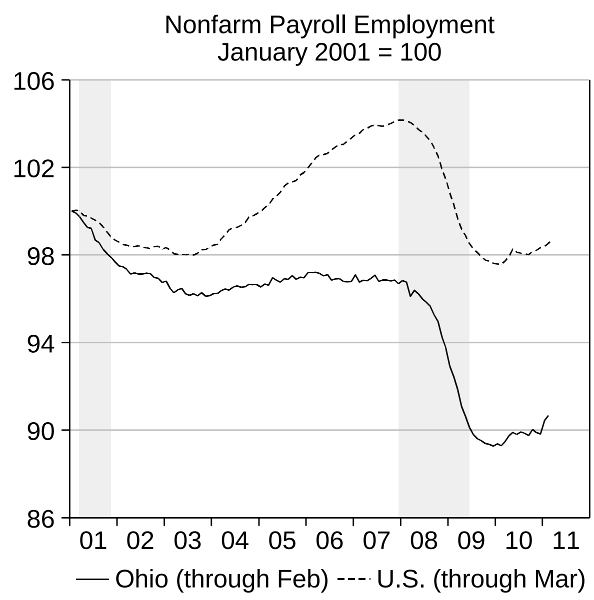
(+78,000), education and health services (+45,000), leisure and hospitality (+37,000), and trade, and transportation and utilities (+32,000). Government employment decreased by 14,000 jobs.

The recent pattern of **initial jobless claims** is consistent with ongoing improvement in labor market conditions. Initial claims fluctuated just above 450,000 per week during most of 2010, falling convincingly below that level late in the year. It is likely that the pace of layoffs has started to trend lower, but also is unclear whether the pace of hiring has picked up significantly. The result is that the **unemployment rate** remains high, despite decreasing from 9.5% last summer to 8.8% in March.

From its peak sixteen months ago in October 2009, the **unemployment rate** has decreased by 1.3 percentage points – a typical pattern at this stage in the business cycle during past half-century. This time, however, an unusual decline in the labor force has accounted for 30.0% of the decline in the unemployment rate, with 70.0% resulting from an increase in employment. Every other instance of a decline in the unemployment of this size over a 17-month period since the early 1960s has been accompanied by an increase rather than a decrease in the labor force, suggesting that labor markets are not as strong as implied by the recent drop in the unemployment rate.

The severity of unemployment also remained high. The average duration of unemployment increased to a record length of 39.0 weeks. The broadest measure of unemployment, which includes people who have given up seeking a job because they do not expect to find one and people working part-time because they cannot find a full-time job, improved again in March but was still 15.7%. In addition, the percentage of unemployed people who are not on temporary layoff was 52.0% in March, still close to the all-time high of 54.0 percent. Prior to the 2007-09 recession, the percentage had never been higher than 45.0 percent.

Ohio employment increased by 13,800 jobs in February on top of a 34,100 job increase in January. During 2010, Ohio employment increased by a total of 31,000 jobs, rising during the winter and spring and remaining flat through year end. Ohio employment remains 371,400 jobs below the pre-recession peak reached in March 2006.



Employment increased in most sectors during the twelve months ending in February. Declines in employment occurred in government (-1,500), financial services (-1,400) and information (-400). Increases occurred in all other sectors, led by professional business services (+22,900), education and health services (+21,000) and leisure and hospitality (+15,000).

The **Ohio unemployment rate** fell again in February to 9.2% from the high for the cycle of

10.6% in March – the twelfth consecutive monthly decline and the seventh consecutive reading below 10.0 percent. The unemployment rate had reached a cyclical low of 5.3% in April 2006.

The pattern of employment in nearby states this year has been similar to that in Ohio – some strength in the spring followed by weakness over the summer. During the twelve months ending in February, employment increased in each of the **contiguous states** to Ohio. On a year-over-year basis, employment increased 1.9% in Pennsylvania, 1.8% in Michigan, 1.7% in Kentucky, 1.6% in Ohio, and 0.9% and 0.7% in West Virginia and Indiana, respectively.

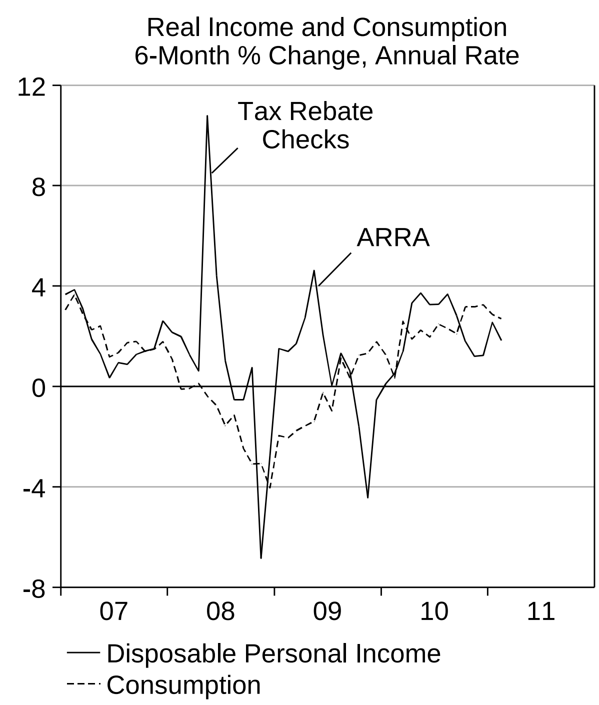
For the Ohio and contiguous state region, employment increased 1.6% during the most recent twelve months, compared with a 0.9% increase for all states outside the region combined. The year-over-year change in employment in Ohio and the contiguous states has exceeded growth outside the region during the fourteen months from January 2010 through February. The last time employment in the region grew faster than in the rest of the nation for as long as fourteen months was February 1993.

Consumer Income and Consumption

Consumer income continued to advance in February, but consumers reduced the rate of saving to compensate for large increases in prices of food and energy. Personal income increased 0.3% in February after an upwardly revised 1.2% increase in January. Disposable personal income also increased 0.3% in February after a 0.8% increase in January that was boosted by the reduction in the payroll tax rate. Personal consumption expenditures increased 0.7% in February, but decreased 0.1% after inflation.

The gains in **personal income** resulted largely from two special factors: reduced employee contributions for government social insurance and the expiration of Making Work Pay provisions. Excluding special factors, disposable personal income increased 0.3% in February after a gain of 0.2% in January. In real terms, adjusted disposable personal income decreased 0.1% in the month. Wage and salary disbursements increased 0.3% in February for the third month in a row to 4.1% above the year earlier level – the best year-over-year comparison since January 2008.

Personal consumption expenditures increased a strong 0.7% in February to 4.1% above the year earlier level. Spending increases were concentrated in durable goods (+1.6%) and non-durable goods (+1.4%). Spending on services increased 0.2 percent. To sustain spending in the face of higher energy prices, consumers cut the rate of saving from 6.1% in January to 5.8%.



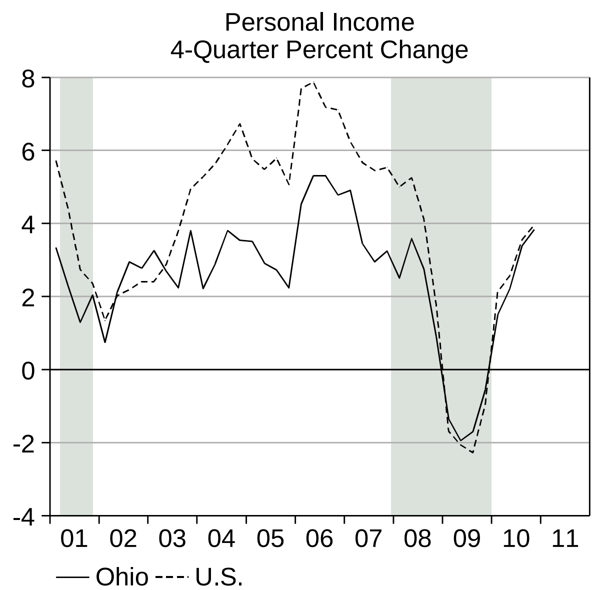
The rise in spending on durable goods reflected a 6.4% increase in light motor vehicle sales from 12.6 million units in January to 13.1 million units in February. The rise in non-durable goods spending reflected a price-driven increase in spending on energy-related goods. After adjustment for inflation, personal consumption expenditures increased 0.3% in February to 2.5% higher than a year ago.

Retail sales increased 1.0% in February for the eighth straight monthly increase. Compared with a year earlier, retail sales were higher by 8.9 percent. Excluding purchases of cars and gas, retail sales increased 0.6% in the ninth consecutive gain to 5.1% above the year ago level. Sales of light motor vehicles increased from 13.1 million units in February to 13.4 million units in March – the best, other than during the cash-for-clunkers program, since August 2008.

Chain store sales continued to rise at the recent year-over-year pace of 2.5% to 3.0% through March, according to the International Council of Shopping Centers. The moderate gains have continued despite increases in the price of gasoline to near $4 per gallon and unrest in the Middle East and troubles in Japan that might have played a role in undermining consumer confidence.

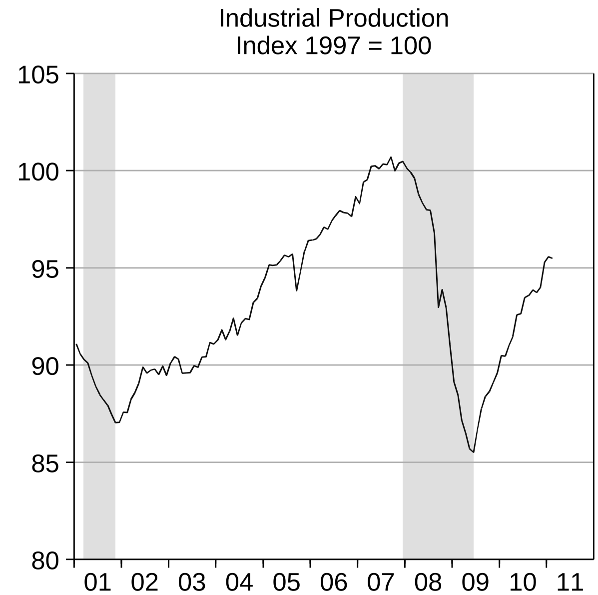
Consumer Confidence deteriorated notably in March, according to both the Conference Board and Reuters/University of Michigan surveys. In both cases, expectations worsened while assessments of current conditions were little changed from February. Although up significantly from the recent cyclical lows, confidence readings remain well below average levels observed during economic expansions in the past. By some measures, confidence levels are still below average levels observed during past recession.

Ohio personal income and **wage and salary disbursements** grew at the fastest pace in 2010 since 2006. Personal income increased 3.0% in the fourth quarter to a new all-time high in nominal terms and wage and salary disbursements increased 2.8 percent. Wage and salary disbursements remain 2.6% below the all-time peak reached in the first quarter of 2008. From the fourth quarter of 2009 to the fourth quarter of 2010, personal income and wage and salary disbursements grew 3.8% and 3.4%, respectively, compared with declines of 0.6% and 4.0% in 2009.



Manufacturing

Manufacturing activity remained solid through the first quarter, according to a variety of measures. **Industrial production** decreased 0.1% in February, but January was revised up from -0.1% to +0.3% and the December gain was nudged up from 1.2% to 1.3 percent. Manufacturing output increased 0.4% in February after a 0.9% increase to start the year in January. Capacity utilization in manufacturing increased to 74.3% in February, up from the cyclical low of 65.4% in June 2009, but still below the cyclical peak of 80.3% in April 2007.



Compared with a year earlier, industrial production was up by 5.6%, but remained 5.2% below its July 2007 peak. Manufacturing production was up by 6.9% year-over-year, but remained 7.1% below its July 2007 peak. Production in three industries with particular importance for Ohio – primary metal, fabricated metal and machinery – was mixed during January, but higher by 9.2%, 12.4% and 19.9%, respectively, year-over-year. Production levels remained well below the corresponding pre-recession peaks. Production of motor vehicles and parts increased 4.2% in February to 14.3% above the year earlier level.

Midwest manufacturing output increased 1.3% in February, according to the Chicago Federal Reserve Bank. Production decreased 0.2% in the resource sector, but increased in the auto (+3.4%), steel (+0.8%) and machinery (+0.7%) sectors. Compared with a year earlier, Midwest manufacturing production was up by 11.7%, compared with a peak growth rate so far for this cycle of 14.8% in June. The level of Midwest production in December was 22.0% above the low in June 2009 but still 17.8% below the peak in January 2008.

Reports from **purchasing managers** in manufacturing were very positive again in March, albeit a bit less robust than in February. The composite index was essentially stable at 61.4. A reading of 50 is considered neutral. A large increase in the production index to 69.0 (the highest since January 2004) was tempered by small to medium declines in other sub-indexes. The employment index retreated modestly to 63.0, but remained above 60 for the third month in a row – the first such string since 1973.

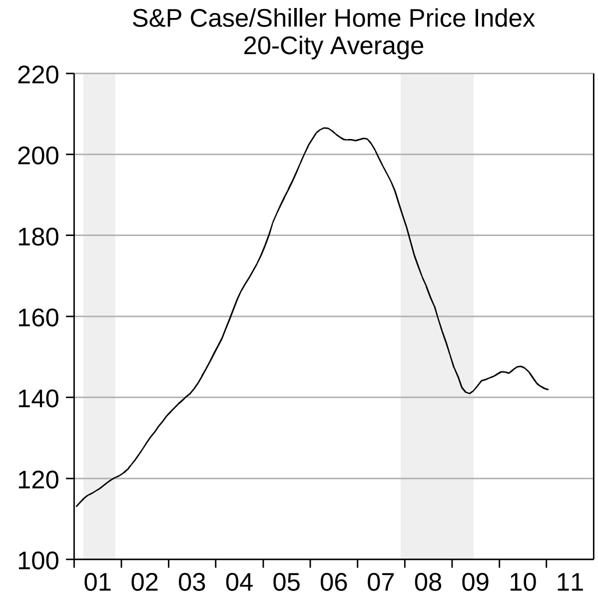
Construction

Total **construction put-in-place** decreased 1.4% in February. Excluding the unreliably estimated residential improvements component, construction fell by 0.6 percent. Private construction fell 1.4%, with residential construction off 3.7% and nonresidential up 0.9 percent. Despite the considerable adjustments made to property prices and building activity in recent years, there is insufficient evidence to conclude with confidence that construction has reached a trough.

Activity was uneven during February across **non-residential** sectors. Construction-put-in-place increased in manufacturing (+5.6%), power (+2.8%), transportation (+2.0%) and communication (+1.5%). Decreases were led by religious (-3.9%), amusement and recreation (-3.7%) and office (-1.9%). The **Architecture Billings Index** from the American Institute of Architects edged higher to 50.6 in February – the fourth month in a row above the neutral 50 mark. The **Inquiries**

for New Work Index was essentially unchanged at 56.4. The **Billings Index for the Midwest** was flat at 55.3 in February – the sixth month in a row above 50.

Residential construction-put-in-place decreased 3.7% in February, due only in part to the poorly estimated improvements component. Activity across the housing sector was uniformly weak during the month, with construction, sales and prices falling and inventories rising. The 3-month moving average of housing starts declined by 4.1% across the U.S. and 18.2% in the Midwest. **Sales of existing homes** fell 9.6% in February, but were up slightly on a 3-month moving average basis. The more forward looking **Pending Home Sales Index** was lower by 1.3% across the U.S. and 1.0% in the Midwest on a 3-month moving average basis in February. **Sales of newly built homes** fell sharply in January and February and were down 3.9% on a 3-month moving average basis.



The number of existing homes for sale increased during February and the number of newly built homes for sale was flat. In both cases, the number of months' supply at the recent pace of sales increased. At the same time, prices continued to weaken across the country, according to the S&P/Case-Shiller **home price** index. The index was lower for the seventh straight month in January to 3.9% below the June 2010 level.

The National Association of Home Builders reported that builder optimism has increased to the highest level in nine months, despite these developments, although the NAHB mentioned four factors weighing down the market: (1) competition from distressed sales, (2) difficulties in selling an existing home, (3) appraisals coming in too low and (4) restrictive lending conditions for both buyers and sellers.

REVENUES

NOTE: Estimates reflected in the revenue tables are based on the original estimates for H.B. 1 as amended by H.B. 318 and do not include revised fiscal year 2011 annual estimates that were released as part of the Executive Budget for fiscal years 2012 and 2013. While the Executive Budget contains revised annual estimates for fiscal year 2011, revised monthly estimates were not prepared; therefore, the monthly estimates contained in the report will continue to reflect the original fiscal year 2011 estimates.

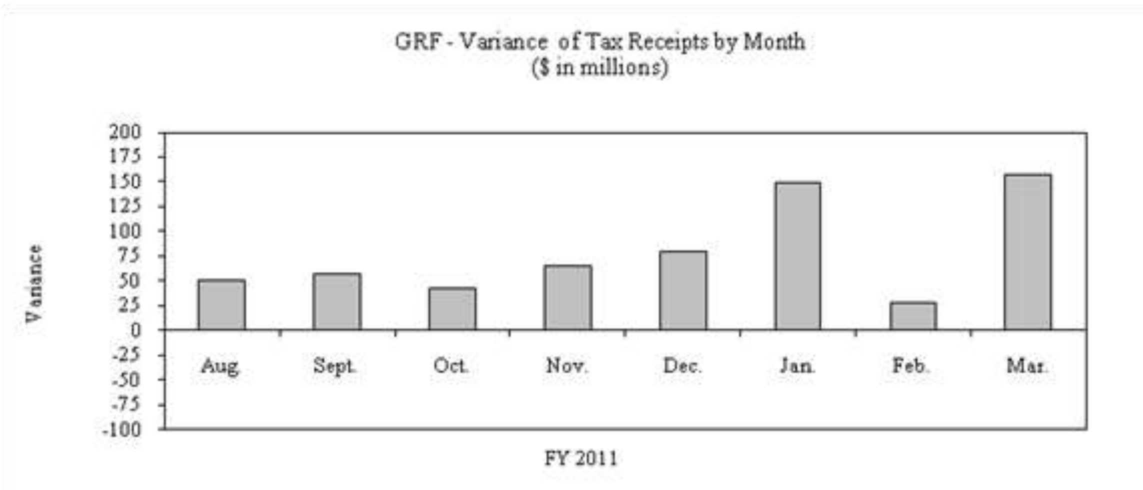
During the month of March**, GRF receipts totaled $2,779.9 million** which was $823.0 million (42.1%) above the estimate**.** This overall positive performance relative to estimate was the result of stronger-than-expected auto, non-auto sales, and personal income tax receipts, as well as timing related positive variances in federal grants in transfers. For the month, tax receipts totaled $1,368.7 million and were $157.1 million (13.0%) above the estimate, while non-tax receipts totaled $1,092.1 million and were $368.1 million (50.8%) above the estimate. Transfers totaled $319.0 million and were $297.7 million above the estimate.

As readers of the monthly report are aware, through the first three quarters of fiscal year 2011, tax revenues have exceeded the estimate in every single month, resulting in a performance that is now $627.2 million above the estimate. However, due to assumptions contained in the budget framework enacted in H.B. 1, revenues that are in excess of the estimates to this point in time cannot be viewed as a surplus since a number of spending issues must be addressed, including meeting all fiscal year 2011 obligations. Specifically, since H.B. 1 was balanced only by assuming that a number of fiscal year 2011 obligations would not be paid until fiscal year 2012, the revenue in excess of the estimate is largely consumed in meeting these deferred obligations. The deferred obligations included not making the June 2011 Medicaid managed care payment as well as delaying the final fiscal year 2011 state share of instruction subsidy payment to the state's higher education institutions until fiscal year 2012.

To the extent that fiscal year 2011 revenues continue on pace, it is the intent of the administration to recognize and make the fiscal year 2011 payments in fiscal year 2011.

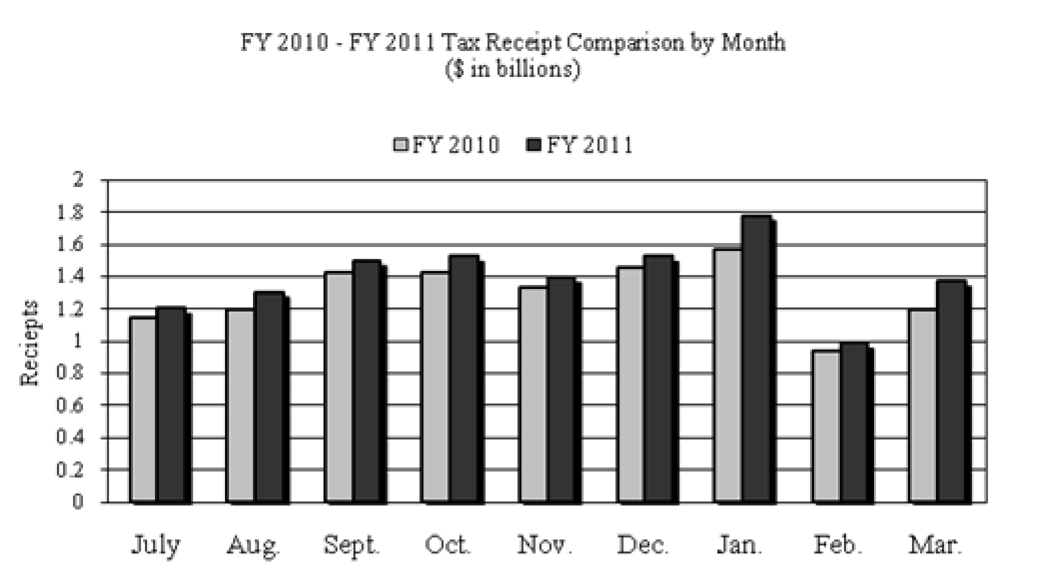
Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	$627.2 million	5.4%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	($114.4 million)	(1.6%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$58.5 million	7.7%
TOTAL REVENUE VARIANCE:		$571.3 million	2.9%

An eighth consecutive month of better-than-expected receipts across most tax sources resulted in a March performance that exceeded estimates by $157.1 million (13.0%). Tax receipts through the first three quarters of the fiscal year are now $627.2 million (5.4%) above the estimate. On a year-over-year basis, total tax receipts for March were $172.6 million (14.4%) greater than they were in March 2010. For the year-to-date, tax collections in fiscal year 2011 are $939.2 million (8.3%) higher than for the same period a year ago. The largest contributors to this year-over-year growth are the non-auto sales tax and personal income tax receipts. Personal income tax receipt growth has been driven by strong performance in both the withholding and the quarterly estimated payment components, which are $377.6 million (7.3%) and $101.0 million (15.7%) above those at the same point in fiscal year 2010.



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

Individual Sources Above Estimate		**Individual Sources Below Estimate**	
Non-Auto Sales Tax	$52.8	Foreign Insurance Tax	($19.4)
Auto Sales Tax	$16.3	Other Income	($3.9)
Personal Income Tax	$79.6	Liquor Transfers	($11.0)
Corporate Franchise Tax	$21.3	Other Sources Below Estimate	($1.8)
Domestic Insurance Tax	$4.3		
Cigarette Tax	$3.5		
Federal Grants	$363.7		
Licenses and Fees	$8.7		
Other Sources Above Estimate	$308.9		
Total above	**$859.1**	**Total below**	**($36.1)**



Non-Auto Sales and Use Tax

March was another positive month for the non-auto sales tax, as receipts totaled $492.4 million, which was $52.8 million (12.0%) above the estimate. Year-to-date receipts now total $4,943.8 million and are $181.1 million (3.8%) above the estimate. On a year-over-year basis, this tax was $58.1 million (13.4%) above collections for the same month a year ago. Year-to-date collections exceed those of fiscal year 2010 by $322.8 million (7.0%) with baseline growth of 6.1 percent.

Auto Sales Tax

March was also another strong month for the auto sales tax as receipts totaled $93.0 million, which was $16.3 million (21.3%) above the estimate. For the year-to-date, auto sales tax receipts now total $701.9 million and are $66.4 million (10.5%) above estimate. On a year-over-year basis, this tax source experienced an increase of $16.7 million (21.9%) over the receipts for the same month a year ago, while year-to-date collections exceed those of fiscal year 2010 by $75.2 million (12.0%). This growth is a result of continued higher-than-expected unit sales.

Personal Income Tax

Personal income tax receipts at $542.3 million in March exceeded the estimate by $79.6 million (17.2%). Withholding accounted for over half of this overage with a positive variance of $44.4 million (6.9%). However, some of the variance in the withholding component may be due to the pulling forward of some revenue into March from April. Thus, there may be a corresponding offset in April. Payments associated with annual returns totaled $104.0 million which also exceeded the estimate by $14.4 million (16.0%). Meanwhile, March refunds totaled $247.0 million, which was $19.6 million (7.4%) lower than the estimate.

On a year-over-year basis, personal income tax collections through the first three quarters of fiscal year 2011 were $476.8 million (9.7%) over the corresponding period in fiscal year 2010.

Employer withholding continued to be the largest contributor to this growth totaling $377.6 million. Quarterly estimated payments also continued its position as the next highest contributor to this growth with a $101.0 million (15.7%) increase over the previous year.

FY2011 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	$646.2	$690.6	$44.4	$5,355.5	$5,564.5	$209.0
Quarterly Est.	$16.0	$20.0	$4.0	$659.3	$742.2	$82.9
Trust Payments	$1.6	$1.0	($0.6)	$18.0	$18.5	$0.5
Annual Returns & 40 P	$89.6	$104.0	$14.4	$251.6	$251.2	($0.4)
Other	$16.9	$15.6	($1.3)	$75.7	$87.0	$11.3
Less: Refunds	($266.6)	($247.0)	$19.6	($818.4)	($790.9)	$27.5
Local Distr.	($41.0)	($41.9)	($0.9)	($478.7)	($498.2)	($19.5)
Net to GRF	**$462.7**	**$542.3**	**$79.6**	**$5,063.0**	**$5,374.3**	**$311.3**

Corporate Franchise Tax

Corporate franchise tax receipts for the month of March were above the estimate by $21.3 million (43.5%), with receipts of $70.3 million. As receipts in March exceeded the combined estimate for March and April together, it is likely that some amount of revenue estimated for April was received early and may be reflected in the April payment being lower than the estimate. For the year-to-date, total receipts are now $140.7 million and are $64.3 million (84.2%) over the estimate. Recent months' performance of this tax reflects more closely the current year collections from financial institutions and certain financial holding companies than was the case earlier.

Commercial Activity Tax

In fiscal year 2011, 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 March, CAT receipts totaled $6.5 million, an amount that was $4.3 million (39.8%) below the monthly estimate of $10.8 million. Contributing to this variance relative to estimate were more than $6.0 million in refunds. For the year to date, the CAT is still $52.1 million (5.0%) above the estimate of $1,035.0.

Foreign Insurance Tax

Following February in which foreign insurance tax receipts were $24.4 million over the estimate due to a larger number of payments being received earlier than estimated, the tax was short of the March estimate by $19.4 million (20.9%). Despite this monthly variance however, receipts for the two months combined exceeded the estimate by $4.0 million. For the year-to-date, total foreign insurance tax receipts are $267.0 million which is $4.5 million (1.7%) above the estimate.

Kilowatt-Hour Tax

Kilowatt-hour tax receipts during the month of March totaled $19.4 million and were $0.1 million (0.5%) above the estimate. Year-to-date receipts are $127.7 million and are $7.4 million (5.5%) below the estimate. On a year-over-year basis, receipts were $1.1 million (6.0%) higher than the same period in the prior fiscal year.

Cigarette Tax

Cigarette tax receipts continued to perform well during the month of March, as receipts totaled $65.5 million and were $3.5 million (5.6%) above the monthly estimate. For the fiscal year, cigarette tax receipts are $41.1 million (7.6%) above the estimate. On a year-over-year basis, cigarette tax receipts were $3.6 million (5.2%) lower than the same month a year ago, while year-to-date collections have decreased by $22.1 million (3.7%).

GRF non-tax receipts totaled $1,092.1 million in March, with the performance coming in $368.1 million (50.8%) above the estimate. Most of this variance is due federal grants being higher-than-estimated as a result of making Medicaid payments in March that was originally estimated for April. **GRF transfers** during the month of March totaled $319.0 million and were $297.7 million (1397.7%) above the monthly estimate due to a delay in the posting of a temporary transfer back to the GRF. As a result, $319.0 million that was estimated to post in late February actually posted in early March. Thus, February receipts in this category were below estimate by a similar amount.

Table 1

GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
($ in thousands)

REVENUE SOURCE	Month ACTUAL MARCH	ESTIMATE MARCH	$ VAR	% VAR	Year-to-Date ACTUAL Y-T-D	ESTIMATE Y-T-D	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	492,408	439,600	52,808	12.0%	4,943,820	4,762,700	181,120	3.8%
Auto Sales & Use	93,021	76,700	16,321	21.3%	701,925	635,500	66,425	10.5%
Subtotal Sales & Use	585,429	516,300	69,129	13.4%	5,645,745	5,398,200	247,545	4.6%
Personal Income	542,310	462,700	79,610	17.2%	5,374,227	5,063,000	311,227	6.1%
Corporate Franchise	70,323	49,000	21,323	43.5%	140,713	76,400	64,313	84.2%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	448	1,400	(953)	-68.0%	82,064	117,300	(35,236)	-30.0%
Kilowatt Hour	19,401	19,300	101	0.5%	127,685	135,101	(7,416)	-5.5%
Foreign Insurance	73,209	92,600	(19,391)	-20.9%	266,971	262,450	4,521	1.7%
Domestic Insurance	4,316	0	4,316	N/A	3,294	134	3,160	N/A
Other Business & Property Tax	0	0	0	N/A	(993)	126	(1,119)	-887.7%
Cigarette	65,459	62,000	3,459	5.6%	581,939	540,800	41,139	7.6%
Alcoholic Beverage	4,015	4,400	(385)	-8.7%	41,137	42,100	(963)	-2.3%
Liquor Gallonage	2,781	2,700	81	3.0%	28,130	27,000	1,130	4.2%
Estate	1,056	1,200	(144)	-12.0%	28,492	29,600	(1,108)	-3.7%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,368,747	1,211,600	157,147	13.0%	12,319,403	11,692,211	627,192	5.4%
NON-TAX RECEIPTS								
Federal Grants	1,074,933	710,503	364,430	51.3%	6,795,787	6,837,963	(42,176)	-0.6%
Earnings on Investments	0	0	0	N/A	4,664	41,500	(36,836)	-88.8%
License & Fees	16,932	8,250	8,682	105.2%	48,221	53,404	(5,183)	-9.7%
Other Income	994	4,940	(3,946)	-79.9%	141,921	173,559	(31,638)	-18.2%
ISTV'S	5	300	(295)	-98.5%	13,465	11,351	2,113	18.6%
Total Non-Tax Receipts	1,092,862	723,993	368,869	50.9%	7,004,058	7,117,777	(113,719)	-1.6%
TOTAL REVENUES	2,461,609	1,935,593	526,016	27.2%	19,323,461	18,809,988	513,473	2.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	11,000	(11,000)	-100.0%	98,000	105,300	(7,300)	-6.9%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	23,225	6,106	17,119	280.4%
Temporary Transfers In	319,000	10,300	308,700	N/A	702,000	653,300	48,700	7.5%
Total Transfers	319,000	21,300	297,700	1397.7%	823,225	764,706	58,519	7.7%
TOTAL SOURCES	2,780,609	1,956,893	823,716	42.1%	20,146,686	19,574,694	571,992	2.9%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL - FY 2011 VERSUS FY 2010
($ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	MARCH FY 2011	MARCH FY 2010	$ VAR	% VAR	ACTUAL FY 2011	ACTUAL FY 2010	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	492,408	434,309	58,099	13.4%	4,943,820	4,621,054	322,766	7.0%
Auto Sales & Use	93,021	76,289	16,732	21.9%	701,925	626,695	75,229	12.0%
Subtotal Sales & Use	585,429	510,598	74,831	14.7%	5,645,745	5,247,749	397,996	7.6%
Personal Income	542,310	442,764	99,546	22.5%	5,374,227	4,897,460	476,767	9.7%
Corporate Franchise	70,323	53,416	16,907	31.7%	140,713	56,300	84,412	149.9%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	448	1,056	(609)	-57.6%	82,064	89,125	(7,062)	-7.9%
Kilowatt Hour	19,401	18,301	1,100	6.0%	127,685	125,848	1,837	1.5%
Foreign Insurance	73,209	92,840	(19,631)	-21.1%	266,971	262,853	4,117	1.6%
Domestic Insurance	4,316	48	4,268	N/A	3,294	1,295	1,998	154.3%
Other Business & Property Tax	0	(2)	2	-100.0%	(993)	281	(1,273)	-453.6%
Cigarette	65,459	69,040	(3,581)	-5.2%	581,939	604,035	(22,095)	-3.7%
Alcoholic Beverage	4,015	4,229	(214)	-5.1%	41,137	40,815	322	0.8%
Liquor Gallonage	2,781	2,708	73	2.7%	28,130	27,420	709	2.6%
Estate	1,056	1,101	(45)	-4.1%	28,492	27,010	1,482	5.5%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,368,747	1,196,099	172,648	14.4%	12,319,403	11,380,192	939,211	8.3%
NON-TAX RECEIPTS								
Federal Grants	1,074,933	70,365	1,004,568	1427.6%	6,795,787	5,146,220	1,649,567	32.1%
Earnings on Investments	0	(3)	3	-100.0%	4,664	21,352	(16,688)	-78.2%
License & Fee	16,932	6,461	10,470	162.0%	48,221	58,445	(10,224)	-17.5%
Other Income	994	530	463	87.3%	141,921	153,661	(11,740)	-7.6%
ISTV'S	5	3	1	48.4%	13,465	6,991	6,474	92.6%
Total Non-Tax Receipts	1,092,862	77,357	1,015,505	1312.8%	7,004,058	5,386,669	1,617,389	30.0%
TOTAL REVENUES	2,461,609	1,273,456	1,188,153	93.3%	19,323,461	16,766,861	2,556,600	15.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	17,000	(17,000)	-100.0%	98,000	124,000	(26,000)	-21.0%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	3	(3)	-100.0%	23,225	20,954	2,271	10.8%
Temporary Transfers In	319,000	19,252	299,748	N/A	702,000	669,866	32,134	4.8%
Total Transfers	319,000	36,255	282,745	779.9%	823,225	814,821	8,404	1.0%
TOTAL SOURCES	2,780,609	1,309,711	1,470,899	112.3%	20,146,686	17,581,681	2,565,004	14.6%

DISBURSEMENTS

March 2011 GRF disbursements, across all fund uses, total $2,578.3 million. This was $508.0 million (24.5%) above the estimate for the month. On a year-to-date basis, total GRF disbursements are $21,659.7 million and are $443.5 million (2.1%) above the estimate. Year-to-date disbursements by category are provided in the following table ($ 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)	$20,643.0	$330.3
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$1,016.8	$113.2
TOTAL GRF DISBURSEMENTS:		$21,659.7	$443.5

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

Primary, Secondary and Other Education

This category includes expenditures made by the Department of Education, E-tech, the Ohio State School for the Blind, and the School for the Deaf. March disbursements in this category $596.2 million, and are $1.4 million or 0.2% above the estimate.

Disbursements for the Department of Education alone totaled $592.7 million. This amount is $0.9 million (0.16%) above the monthly estimate. Year-to-date disbursements totaled $5,361.4 million, representing a variance of $16.4 million (0.3%) above the estimate for the year. The year-to-date variance will diminish between now and the end of the fiscal year as a result of the foundation's payment reconciliation process.

Higher Education

March disbursements for Higher Education were $189.6 million, representing a variance of $4.9 million (2.5%) below the estimate for the month. Year-to-date disbursements were $1,844.8 million, representing a variance totaling $3.4 million (0.2%) above the estimate. The monthly variance is due to spending in the Adult Career Technical Education program below the monthly estimate by $3.8 million.

Public Assistance and Medicaid

March expenditures in this category, which include all GRF expenditures by the Department of Job and Family Services (ODJFS), were $1,338.3 million. Expenditures were $434.6 million (48.1%) above estimates for the month. Year-to-date expenditures total $9,357.3 million, which is $294.0 million (3.2%) above 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 $8,769.5 million, which is $366.2 million (4.4%) above estimate, and $1,730.0 million (24.6%) above the same point in the previous fiscal year. Disbursements for the month of March were $1,287.0 million, which was $460.4 million (55.7%) above estimate and $845.6 million (191.5%) above the same point in the previous fiscal year.

All funds disbursements year-to-date are $10,896.0 million, which is $242.5 million (2.3%) above estimate, and $1,223.4 million (11.2%) above disbursements for the same point in the previous fiscal year. Disbursements for March were $1,625.0 million, which was $460.4 million (39.5%) above projected expenditures and $469.1 million (28.9%) above the same period in the prior fiscal year.

The variance in both GRF and All funds disbursements described above is due to the decision to disburse managed care, ICF/MR and certain prescription drug payments originally scheduled for April in the month of March. This was done in order to take advantage of a higher enhanced federal medical assistance percentage (eFMAP) rate, which will decrease in April from the third quarter rate of 70.88% to 69.0 percent. By making this payment in March, the state was able to collect an additional $8.9 million in federal reimbursement over what would have been received had the payments been made in April. Managed care disbursements were $423.6 million, the ICF/MR payment was $46.4 million, and the prescription drug payment was $30.0 million, for a total amount of $500.0 million moved into the month of March. Without these factors, GRF expenditures would have been $39.6 million (4.8%) under projected expenditures for the month of March and $133.8 million (1.6%) for the year. All funds expenditures would have been $39.7 million (3.4%) under projected expenditures for the period and $257.4 million (2.4%) under estimate for the year-to-date. A similar offsetting variance is expected in April.

The chart below shows the current month's disbursement variance by funding source:

	March Projection	March Actual	Variance	Variance %
GRF	$ 826,586,586	$ 1,287,035,656	$ 460,449,070	55.7%
Non-GRF	$ 338,058,524	$ 337,959,688	$ (98,835)	0.0%
All Funds	$ 1,164,645,110	$ 1,624,995,344	$ 460,350,235	39.5%

The major categorical variances for the month of March were in Managed Care, ICF/MR and Drugs, which are due primarily to the timing issue discussed above. Other variances across all funding sources include:

Nursing Facility – Disbursements for the month of March for the Nursing Facility category were $199.6 million, which was $7.6 million (3.7%) below projected expenditures. As in previous months, this is primarily due to lower than projected bed days.

ODJFS Waivers– Disbursements for the ODJFS Waivers category in March were $24.8 million, which was $4.3 million (14.9%) below estimate. This is due primarily to lower than projected enrollment.

Caseload

Total caseload for the month of February, the most recent month available, was 2.16 million covered persons, which was an increase of 3,778 persons over the month of January. This number includes select non-Medicaid programs such as the Medicare premium assistance programs. Total Medicaid caseload for the month as of the month of February was 30,010 (1.4%) covered lives over projection.

The Covered Families and Children (CFC) category increased by 1,931 persons to a February total of 1.64 million persons. The Aged, Blind and Disabled (ABD) program increased by 720 people to a February total of 408.8 thousand covered lives. The Premium Assistance category increased by 545 persons to a February total of 101.6 thousand covered lives.

Total enrollment for the same period last year was 2.06 million covered persons, including 1.57 million persons in the CFC program, 393.3 thousand people in the ABD category, and 91,230 in the Other Non-Medicaid program, including Premium Assistance. This represents total program growth over the last twelve months of 100.6 thousand covered lives.

As noted above, CFC increased 1,931 persons to 1.64 million covered lives. Enrollment in this category was 7,178 (0.4%) above total projected enrollment. The increase was seen primarily in the Healthy Families Expansion group.

The ABD program showed an increase of 720 people to a total of 408.8 thousand covered lives. Enrollment was 10,231 persons (2.6%) over total projected enrollment for this category.

Public Assistance and Non-Medicaid

ODJFS, non-Medicaid, General Revenue Fund (GRF) disbursements totaled $51.2 million for the month of March. Actual GRF spending was $25.8 million (33.5%) lower than the estimates for the month. Major variances within individual line items were attributable to the following:

- TANF State (600410) subsidy expenses were $23.3 million below agency estimates. This was mainly attributable to Ohio Works First (OWF) payments being funding from the federal TANF Block Grant instead of ALI 600410 as originally planned for the month. The OWF payments will be funded by ALI 600410 for the month of April.
- Entitlement Administration – Local (600521) subsidy disbursements were $3.0 million lower than original estimates due to lower than anticipated county payments made within the line item.

- Disability Financial Assistance (600511) subsidy disbursements were $2.7 million below original estimates due to expenditure transaction miscoding within the agency Bureau of County Finance & Technical Assistance.
- Child Care Match/Maintenance of Effort (600413) disbursements was $1.6 million above agency estimates in order to meet the Child Care and Development Fund (CCDF) federal maintenance of effort requirement during the month.
- Early Care and Education (600535) subsidy spending was $1.3 million above agency estimates due to child care provider payments being higher than originally projected during the month.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Health, Aging, Mental Health, Developmental Disabilities, and ODADAS. 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 $53.6 million, which was $2.7 million (4.8%) below the estimate for the month. Year-to-date actual disbursements total $825.9 million and are $21.2 million (2.5%) below the estimate. Notable items include:

<u>Department of Health</u>
The Department of Health has disbursed a total of $61.7 million year to date, which is $11.0 million (15.1%) below the estimate. March disbursements for the Department of Health totaled $3.9 million and were $2.4 million (38.4%) below the estimate. This is primarily attributable to the following:

- The Immunization line (440418) was below estimate by $4.0 million and was due to a March planned encumbrance for vaccines not being made until April.
- The AIDS Prevention and Treatment line (440444) was below estimate by $0.4 million due to payments for drugs and case management services being made in March that were scheduled for earlier in the fiscal year.
- The Federally Qualified Health Centers line (440465) was above estimate by $1.3 million due to payments being made in March that were scheduled for earlier in the fiscal year.

<u>Department of Aging</u>
The Department of Aging has disbursed $117.2 million year to date, which was $0.2 million (0.2%) above the estimate. March disbursements for the Department of Aging totaled $12.2 million and were $0.5 million (4.0%) above the estimate. This is primarily attributable to the following:

- The Residential State Supplement line (490412) was below estimate by $0.4 million. This was due to a planned March payment being moved to April.
- The Alzheimer's Respite line (490414) was above estimate by $1.0 million due to a subsidy payment schedule for April being made in March.

Department of Mental Health

The Department of Mental Health disbursed a total of $16.8 million during the month of March. This is $2.4 million (12.3%) below the monthly estimate. The variance is primarily attributable to the shifting of some information technology costs off of the GRF Central Administration line (333321) and the Community and Hospital Mental Health Services line (334408) and onto non-GRF resources.

Department of Developmental Disabilities

The Department of Developmental Disabilities disbursed $16.7 million in the month of March, which was $1.0 million (6.2%) above the estimate. This is primarily attributable to the following:

- Above estimate spending of $1.6 million occurred in the Developmental Center Operations line (323321). Funding for the developmental centers primarily comes from the GRF line (323321) and from federal Medicaid reimbursement. In March, the department shifted less funding off the GRF and onto federal funding than was estimated at the beginning of the fiscal year.
- Partially offsetting above-estimate spending, below-estimate spending occurred in the Martin Settlement line (322504). Due to the enhanced Medicaid reimbursement rate made available through the American Recovery and Reinvestment Act, the department was able to shift additional funding for the Martin waivers off of the GRF and onto federal resources.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). March disbursements in this category totaled $152.9 million and were $1.7 million (1.1%) below the estimate for the month. Notable items include:

- The Department of Rehabilitation & Corrections disbursed $116.2 million in the month of March, which was equal to the estimate for the month.
- The Department of Youth Services disbursed $18.6 million during the month of March and was $0.2 million (1.1%) above the monthly estimate.

General Government

For March, General Government disbursements totaled $37.3 million and were $0.9 million (2.2%) below the estimate for the month. Year-to-date actual expenditures are $224.2 million, which is $19.2 million (7.9%) below the estimate.

Tax Relief and Other

March disbursements for the tax relief totaled $109.1 million and were $64.4 million (144.0%) above the monthly estimate of $44.7 million. For the year-to-date, total tax relief payments total $955.8 million and are $109.6 million (13.0%) above the year to date estimate of $846.2 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. Based on current expenditure trends, the line item appropriation for this purpose is likely insufficient, so there could be a need to rely on temporary law which authorizes automatic increases in appropriation necessary to cover reimbursement costs.

Debt Service

Debt service spending in March totaled $58.5 million and was $2.6 million (4.2%) below the estimate as a result of continued low interest rates on the state's variable rate debt. Year-to-date, debt service spending is $414.2 million, which is $8.6 million (2.0%) below the estimate.

American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund (SFSF)

The State of Ohio has been awarded approximately $1,789.4 million in SFSF. Of this amount, approximately $1,463.7 million is from the Education Stabilization Fund (ESF) and approximately $325.7 million is from the Government Services Fund (GSF). March SFSF disbursements were $63.5 million ($37.8 million from the Department of Education (ESF) and $25.7 million from the Board of Regents (ESF)). For the program to date, the state has disbursed a total of $1,446.7 million in SFSF (80.8% of the total award amount). Approximately $776.2 million has been disbursed from the Department of Education (ESF), $512.6 million from the Board of Regents (GSF/ESF) and $157.8 million from the Department of Rehabilitation and Correction (GSF).

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
($ 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	596,231	594,855	1,376	0.2%	5,403,079	5,388,244	14,835	0.3%
Higher Education	189,618	194,547	(4,929)	-2.5%	1,844,780	1,841,337	3,443	0.2%
Public Assistance and Medicaid	1,338,276	903,630	434,645	48.1%	9,357,326	9,063,364	293,962	3.2%
Health and Human Services	53,611	56,313	(2,701)	-4.8%	825,947	847,160	(21,213)	-2.5%
Justice and Public Protection	152,902	154,638	(1,735)	-1.1%	1,468,123	1,498,155	(30,032)	-2.0%
Environmental Protection and Natural Resources	3,366	3,664	(298)	-8.1%	55,332	56,523	(1,191)	-2.1%
Transportation	470	646	(175)	-27.1%	11,200	10,886	313	2.9%
General Government	37,325	38,181	(856)	-2.2%	224,230	243,387	(19,157)	-7.9%
Community and Economic Development	17,494	18,033	(538)	-3.0%	82,934	94,250	(11,316)	-12.0%
Tax Relief and Other	109,101	44,710	64,391	144.0%	955,786	846,165	109,622	13.0%
Capital Outlay	0	43	(43)	N/A	24	298	(274)	-92.0%
Debt Service	58,471	61,042	(2,571)	-4.2%	414,191	422,841	(8,650)	-2.0%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**2,556,867**	**2,070,300**	**486,566**	**23.5%**	**20,642,951**	**20,312,609**	**330,343**	**1.6%**
Transfers Out:								
OPER TRF OUT-OTH	21,426	0	21,426	N/A	71,047	27,600	43,447	157.4%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	876,000	69,711	8.0%
Total Transfers (Out)	**21,426**	**0**	**21,426**	**N/A**	**1,016,758**	**903,600**	**113,158**	**12.5%**
Total Fund Uses	**2,578,292**	**2,070,300**	**507,992**	**24.5%**	**21,659,710**	**21,216,209**	**443,501**	**2.1%**

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2011 VS ACTUAL FY 2010
($ in thousands)

Functional Reporting Categories Description	MONTH MARCH FY 2011	MONTH MARCH FY 2010	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2011	YEAR-TO-DATE ACTUAL FY 2010	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary, Secondary and Other Education	596,231	350,253	245,979	70.2%	5,403,079	5,241,146	161,933	3.1%
Higher Education	189,618	191,876	(2,259)	-1.2%	1,844,780	1,858,633	(13,853)	-0.7%
Public Assistance and Medicaid	1,338,276	529,762	808,514	152.6%	9,357,326	7,696,552	1,660,773	21.6%
Health and Human Services	53,611	47,907	5,704	11.9%	825,947	781,004	44,943	5.8%
Justice and Public Protection	152,902	147,781	5,122	3.5%	1,468,123	1,488,684	(20,562)	-1.4%
Environmental Protection and Natural Resources	3,366	4,267	(901)	-21.1%	55,332	68,184	(12,852)	-18.8%
Transportation	470	1,022	(551)	-54.0%	11,200	13,804	(2,604)	-18.9%
General Government	37,325	42,216	(4,891)	-11.6%	224,230	238,567	(14,337)	-6.0%
Community and Economic Development	17,494	17,474	20	0.1%	82,934	87,240	(4,306)	-4.9%
Tax Relief and Other	109,101	71,522	37,579	52.5%	955,786	964,038	(8,251)	-0.9%
Capital Outlay	0	0	0	N/A	24	330	(306)	-92.8%
Debt Service	58,471	56,953	1,518	2.7%	414,191	334,300	79,891	23.9%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**2,556,867**	**1,461,032**	**1,095,834**	**75.0%**	**20,642,951**	**18,772,481**	**1,870,470**	**10.0%**
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	21,426	1,218	20,208	1659.4%	71,047	55,008	16,039	29.2%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	971,337	(25,626)	-2.6%
Total Transfers (Out)	**21,426**	**1,218**	**20,208**	**1659.4%**	**1,016,758**	**1,026,345**	**(9,587)**	**-0.9%**
Total Fund Uses	**2,578,292**	**1,462,250**	**1,116,042**	**76.3%**	**21,659,710**	**19,798,827**	**1,860,883**	**9.4%**

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2011 and is based on the estimated revenue for FY 2011 and the estimated FY 2011 disbursements, transfers, and encumbrances at the beginning of the fiscal year.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2011 nor should it be considered as equivalent to the FY 2011 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.

Note: The Fund Balance is based on the original fiscal year 2011 estimates and does not include or reflect fiscal year 2011 annual updates contained in the Executive Budget.

FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2011
($ in thousands)

July 1, 2010 Beginning Cash Balance	**$ 510,401**
Plus FY 2011 Estimated Revenues	17,090,500
Plus FY 2011 Estimated Federal Revenues	8,370,930
Plus FY 2011 Estimated Transfers to GRF	1,372,840
Total Sources Available for Expenditure & Transfer	**27,344,671**
Less FY 2011 Estimated Disbursements	25,997,497
Less FY 2011 Estimated Total Encumbrances as of June 30, 2011	278,465
Less FY 2011 Estimated Transfers Out	914,800
Total Estimated Uses	**27,190,763**
FY 2011 ENDING FUND BALANCE	**153,908**

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

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