



May 10, 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

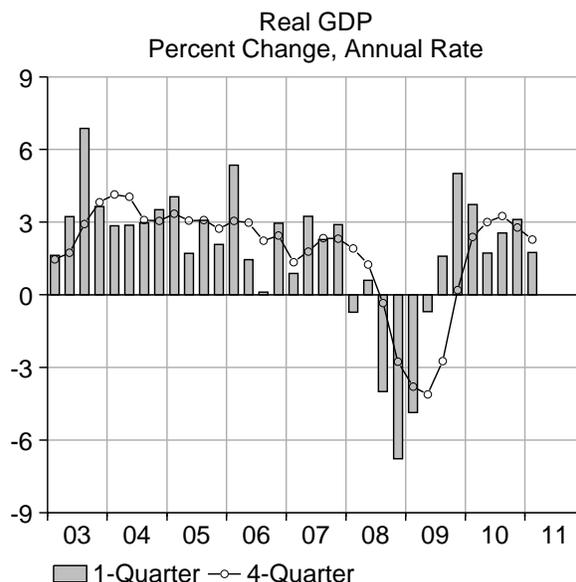
Economic Performance Overview

- Real GDP slowed to a 1.8% pace in the first quarter, down from 3.1% in the fourth quarter and 2.8% for all four quarters of 2010. Forecasters expect somewhat faster growth during the remainder of 2011.
- U.S. employment increased by 244,000 jobs in April, and the unemployment rate moved back up to 9.0 percent.
- Ohio employment increased by 2,200 in March after gains totaling 43,900 in January and February. The Ohio unemployment rate decreased for the thirteenth month in a row to 8.9% after peaking at 10.6% in February 2010.
- Leading economic indicators remain consistent with a continuing economic recovery both nationally and in Ohio, but suggest a moderate rate of growth.

Economic Growth

Economic activity slowed to 1.8% in the first quarter from the moderate pace of 3.1% during the fourth quarter. The first quarter gain was the seventh in a row, and lifted real GDP further above the pre-recession peak first breached in the fourth quarter. However, the rise since the trough in the second quarter of 2009 remains the second weakest in the post-war period. Compared with a year earlier, real GDP increased 2.3% – a slowdown from the peak of 3.2% in the third quarter last year. During the 30 years ending in the first quarter, real GDP grew at a compound annual rate of 2.7 percent.

First quarter growth primarily reflected



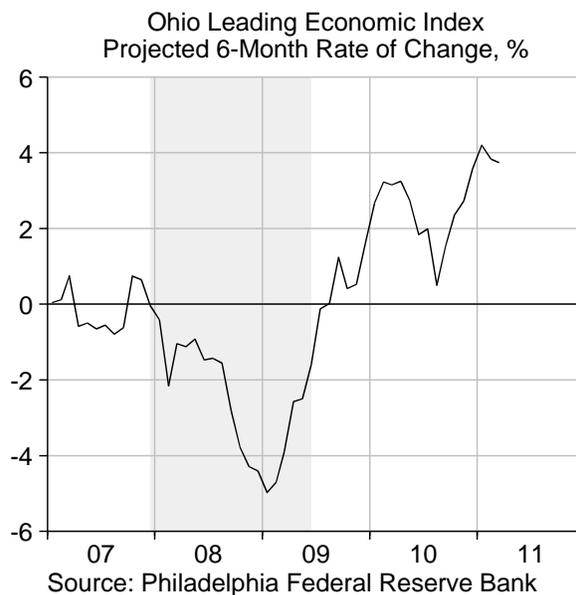
increases in personal consumption expenditures and inventory accumulation. Investment in equipment and software and exports also made positive contributions to the change in real GDP. Government spending at both the federal and state and local levels subtracted from growth, due in part to an unlikely-to-be-continued decline in defense outlays. Investment in both residential and nonresidential structures also subtracted from growth. Imports increased after a large decline in the fourth quarter, meaning that a greater share of domestic spending was for goods and services produced overseas. If not for the unusually large decline in government spending, real GDP would have increased 2.9% in the first quarter.

Forecasters expect growth to pick up during the remainder of the year, based on recent patterns in key indicators. **Industrial production** in manufacturing and **retail sales** both increased at a solid pace in each month of the first quarter, rising at annual rates of approximately 9% from December to March. **Purchasing managers** reported modestly less widespread, but still broad-based, increases in manufacturing activity during April. Reports during the most recent four months are the strongest since 2003-04 and before that 1983-84.

The **Leading Economic Index** increased for the ninth consecutive month in March, rising 5.1% compared with a year earlier. The ratio of coincident to lagging indexes – itself a leading indicator – has increased somewhat less forcefully in recent months, and decreased modestly in both February and March. The rate of change in the 4-week average of the **Weekly Leading Index**, however, remained in the 7% to 8% range in late April.

The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.6% in February for the nineteenth straight gain. The 12-month rate of change increased to 6.0% – the fastest since the late 1990s. The rebound in a **leading index for Ohio**, also compiled by the Philadelphia Fed continued in March, pointing to a steady expansion in the Ohio economy during the spring and summer.

Effects from tornadoes and flooding in the U.S. and the earthquake and tsunami in Japan are expected to hold back growth temporarily in the near term. Reports suggest that supply chain disruptions have begun to interfere with motor vehicle production. Rebuilding from storm damage is likely to temporarily add to GDP growth later in the year.



The **Federal Reserve** commented that economic activity has been a bit weaker than anticipated so far this year and that inflation has been a bit higher. The Fed plans to complete the second phase of Treasury bond purchases on schedule in June and expects the rise in inflation to be transitory. Fed Chairman Bernanke emphasized the Fed's intent to hold short-term interest rates at "exceptionally" low levels for an extended period, which is understood to include at least several meetings of the Federal Open Market Committee.

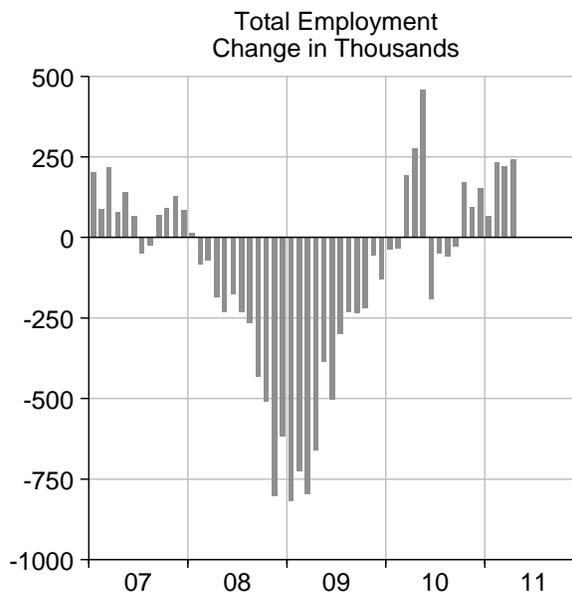
Employment

Nonfarm payroll employment increased by 244,000 jobs in April, and private sector employment increased by 268,000 jobs – the third solid gain in as many months. The **unemployment rate** edged up to 9.0% after four monthly declines in a row. The workweek was unchanged, and aggregate hours increased 0.2% to 2.1% above the year earlier level, down from a peak rate of change of 2.7% in February. Average hourly earnings increased 0.3% to 2.1% above the year earlier level – below the rate of change in the general level of consumer prices during the same period.

Various measures of the demand for labor have strengthened recently. Purchasing managers at non-manufacturing firms reported the most-widespread growth in employment during the most recent four months since 2006. Purchasing managers in manufacturing reported on average in the most recent four months the most-widespread growth in employment in 38 years. The demand for labor among small businesses remained positive in March, according to the **National Federation of Independent Business**, as plans to increase staffing have marginally exceeded plans to decrease staffing for six months in a row for the first time since the financial crisis hit in September 2008.

Gains in nonfarm payroll employment in April were again broad-based, with 71.5% of 269 private sector industries reporting higher employment than in January. Among 82 manufacturing industries, 71.6% reported higher payrolls than in January. Manufacturing employment increased by 29,000 jobs for a total of 167,000 net new jobs in the last six months. Among industries in the service sector, increases occurred in leisure and hospitality (+71,000), professional and business services (+51,000), and education and health services (+49,000). Government employment decreased by 24,000 jobs, with declines occurring across federal, state and local governments, but mostly at the local level.

Despite the recent strengthening in measures of demand for labor discussed above, the recent change in the pattern of **initial jobless claims** indicates that labor markets are softening. After falling early this year convincingly below the 450,000 per week average that had prevailed



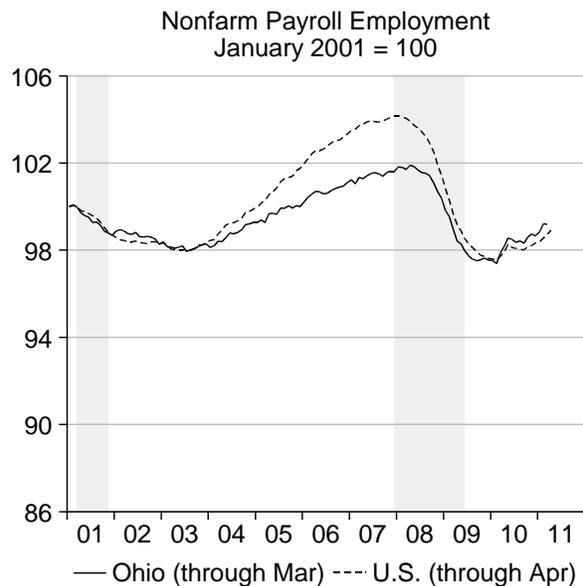
during most of 2010, initial claims in recent weeks have jumped well above the 400,000 level, possibly reflecting disruptions from the tornadoes and flooding in the U.S. and the earthquake and tsunami in Japan.

From its peak eighteen months ago in October 2009, the **unemployment rate** has decreased by 1.2 percentage points – a typical pattern at this stage in the business cycle during past half-century. During the current episode, however, an unusual decline in the labor force has accounted for one-third of the decline in the unemployment rate, with two-thirds resulting from an increase in employment. Every other instance of a decline in the unemployment of this size over an 18-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 remained in April near the record length reached in March. 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, ticked higher in April to 15.9 percent. In addition, the percentage of unemployed people who are not on temporary layoff was 50% in April, 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 2,200 jobs in March in addition to increases of 9,800 in February and 34,100 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 373,200 jobs below the pre-recession peak reached in March 2006.

Employment increased in almost all sectors during the twelve months ending in March. Declines in employment occurred only in government (-5,400), information (-1,900) and trade, transportation and utilities (-1,700). Increases occurred in all other sectors, led by education and health services (+22,600), professional business services (+19,400), and manufacturing (+14,000).



The **Ohio unemployment rate** fell again in March to 8.9% from the high for the cycle of 10.6% in March – the thirteenth consecutive monthly decline and the eighth 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 March, employment increased in each of the **contiguous states** to Ohio. On a year-over-year basis, employment increased 2.1% in Michigan, 2.0% in Kentucky, 1.4% in Pennsylvania, 1.3% in Ohio, and 0.8% and 0.7% in Indiana and West Virginia, respectively.

For the Ohio and contiguous state region, employment increased 1.4% 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 fifteen 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 fifteen months was February 1993.

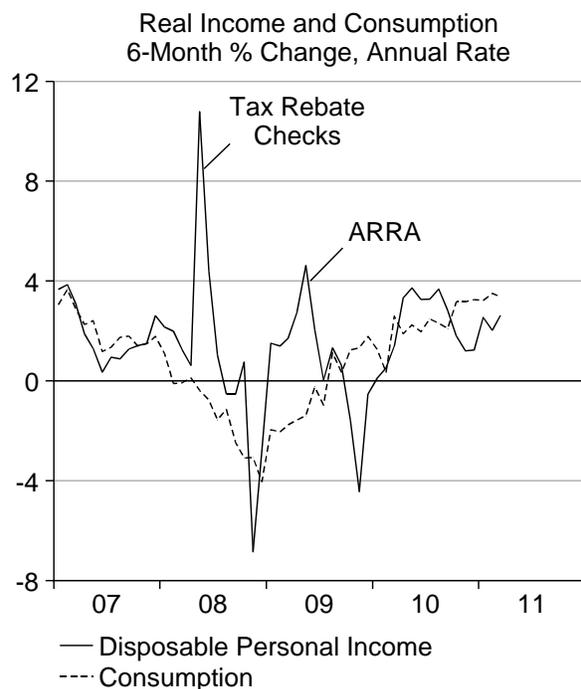
Consumer Income and Consumption

Consumer income and spending continued to climb through the first quarter. Fueled by a 1.1% rise in government transfer payments, personal income increased 0.5% in March to 5.3% above the year earlier level. Excluding transfers, income increased 0.4% in March to 5.4% above the year earlier level. Wage and salary disbursements, which account for more than one half of total personal income, increased 0.3% in March to 4.4% above the year earlier level.

Personal income increased at an annual rate of 8.3% during the quarter, due significantly to a reduction in payroll taxes. Excluding the effect of the payroll tax reduction, personal income would have increased at a 5.5% annual pace during the first quarter. Personal income also benefited from strong gains in interest and dividend income and in proprietors' income. Wage and salary disbursements increased 3.6% annualized during the quarter and disposable personal income increased 6.9% annualized. After adjustment for inflation, disposable personal income increased 2.9% annualized.

Personal consumption expenditures reflected the strong growth in income during the quarter, rising 6.6 percent. After adjustment for inflation, personal consumption expenditures increased 2.7%, in line with growth in real disposable personal income. At 5.7%, the saving rate was little changed in the quarter.

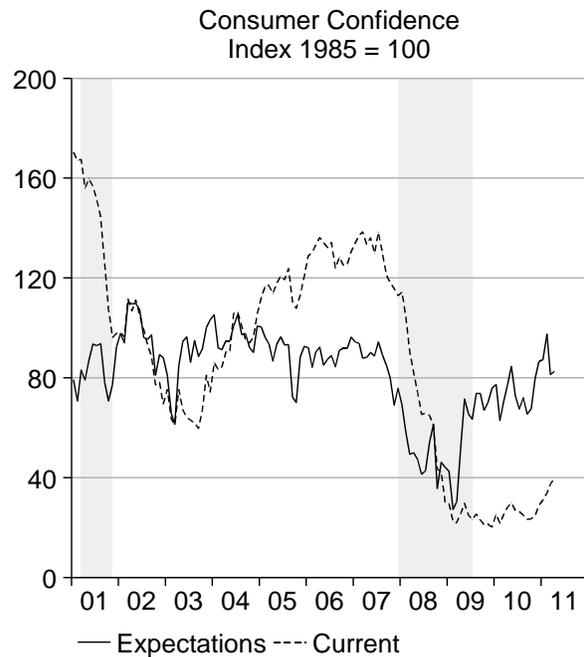
Retail sales matched the strength in overall consumer spending, rising 0.4% in March after a 1.1% increase in February and a 0.8% gain in January. Compared with a year earlier, retail sales were higher by 7.1%. Excluding purchases of cars and gas, retail sales increased 0.6% in the tenth consecutive gain to 5.1% above the year ago level. Sales of light motor vehicles slipped from 13.4 million units in February to 13.1 million units



in March and stayed at that level in April. Sales topped 13.0 million on average during February-April for the first time since August 2008.

Chain store sales increased 0.3% from March to April to 8.5% above the year earlier level, according to the International Council of Shopping Centers. Sales at apparel outlets, department stores and wholesale clubs all increased faster than average during the past year. Sales at luxury stores lagged overall sales. Sales gains have moderated recently as the price of gasoline topped \$4 per gallon.

Consumer Confidence improved marginally in April, yet many measures remained near levels observed during recessions in the past. In April the Conference Board assessment of current conditions continued the impressive rise from the low reached last September. The measure of expectations increased slightly, but remained well below the level reached in February. Presumably, rising food and energy costs continue to worry consumers and cloud the outlook.



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** in manufacturing posted the fourth solid monthly gain in a row in March, rising 0.8%. Manufacturing output increased 8.6% annualized from December to March. Capacity utilization in manufacturing increased to 75.3% in March, up from the cyclical low of 64.4% in June 2009, but still below the cyclical peak of 79.7% in April 2007.

Compared with a year earlier, manufacturing production was up by 6.6%, but remained 9.9% below its July 2007 peak. Production in three industries with particular importance for Ohio – primary metal, fabricated metal and machinery – was mixed during March, but higher by 6.7%, 13.6% and 18.4%, respectively, year-over-year. Production levels remained well below the corresponding pre-recession peaks. Production of motor vehicles and parts increased 3.0% in February to 16.3% above the year earlier level.

Midwest manufacturing output increased 1.9% in March, according to the Chicago Federal Reserve Bank. Production increased in all four sectors: auto (4.7%), steel (2.2%), machinery (1.6%) and resource (0.9%). Compared with a year earlier, Midwest manufacturing production was up by 12.6%, compared with a peak growth rate so far for this cycle of 14.6% in June. The level of Midwest production in December was 24.3% above the low in June 2009 but still 16.3% below the peak in January 2008.

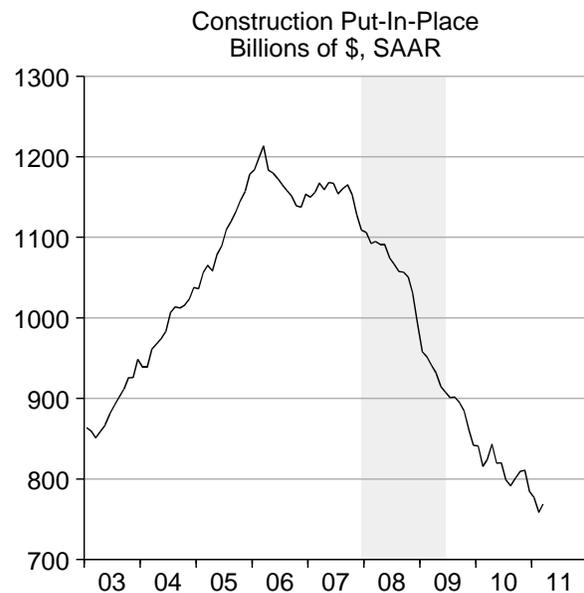
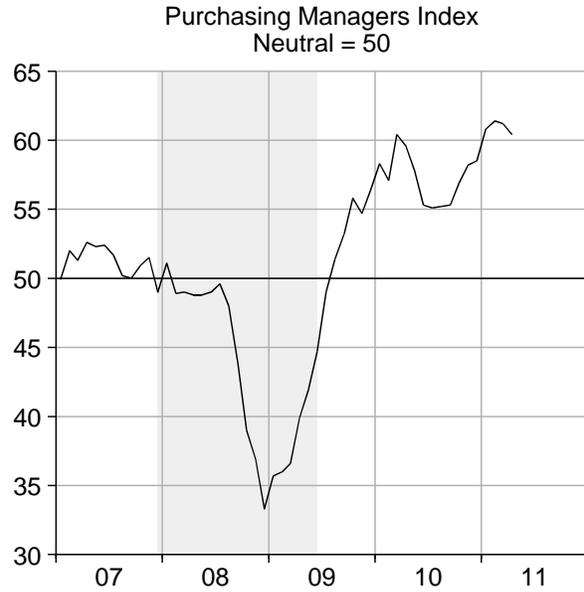
Reports from **purchasing managers** in manufacturing were very positive again in April, albeit a bit less robust by most measures than in March. The composite index slipped another notch, but remained high at 60.4, marking the fourth consecutive month with a reading above 60.0. A reading of 50.0 is considered neutral. The new orders index backed off from 63.3 to 61.7, but remained above 60.0 for the fifth straight month. Similarly, the production component, fell from 69.0 to 63.8, but also was above 60.0 for the fifth month.

Manufacturing activity is expected to be affected by supply chain disruptions in the auto industry stemming from the earthquake and tsunami in Japan and possibly by severe flooding and tornadoes in the U.S. However, the underlying upward trend in activity is likely to remain in place.

Construction

Total **construction put-in-place** increased 1.4% in March, although the February change was revised down from -1.4% to -2.4 percent. Excluding the unreliably estimated residential improvements component, construction increased 0.5 percent. Private construction rose 2.2%, with residential and nonresidential construction up 2.6% and 1.8%, respectively. 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.

Nonresidential construction increased for the second month in a row, increasing 1.8% but

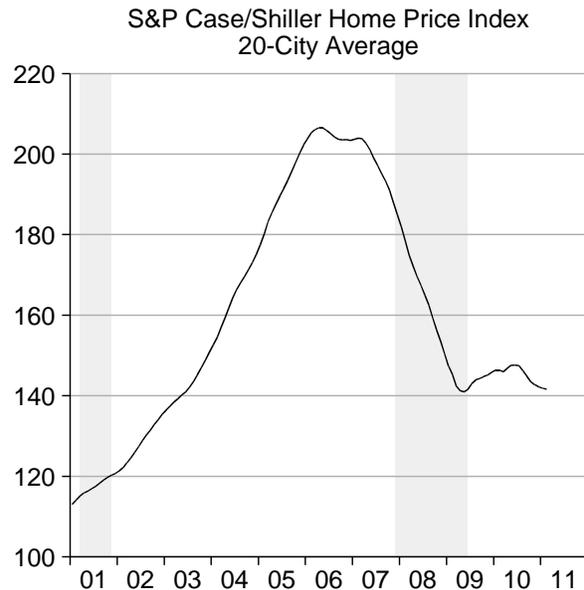
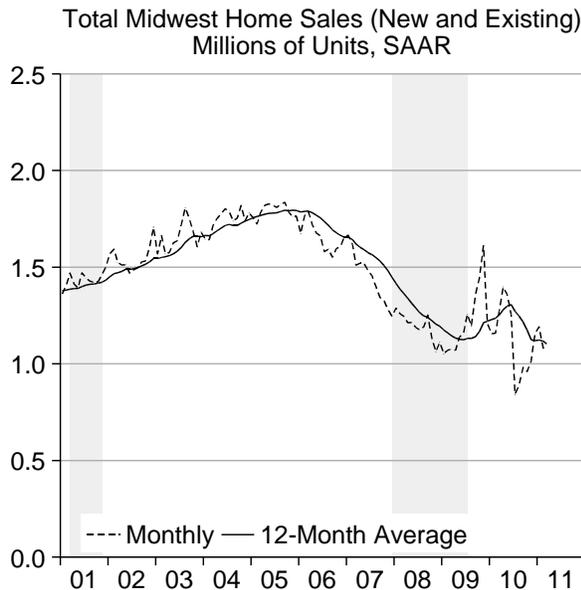
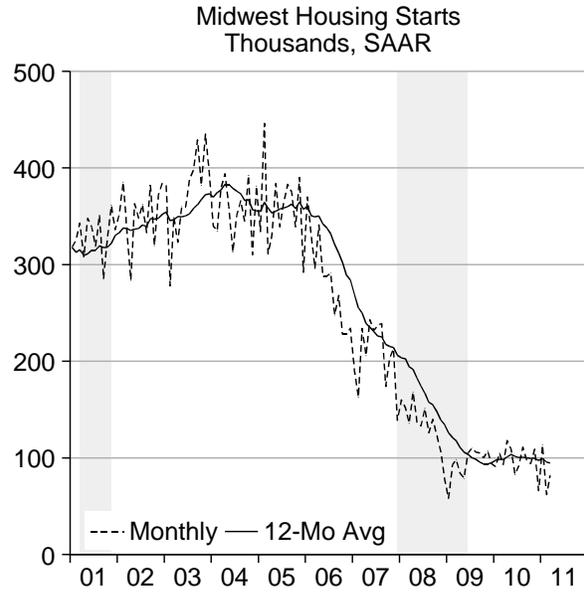


remaining 10.2% below the year earlier level. In addition, the January and February levels and rates of change were revised higher. The increases in February and March at least in part compensate for the large weather-related slump in January. Nonetheless, prices of commercial properties have stabilized, according to the Moody's/REAL Commercial Property Price Index. Vacancy rates and rents stabilized in the fourth quarter, according to the Mortgage Bankers Association.

The **Architecture Billings Index** from the American Institute of Architects was little changed at 50.5 in March – the fifth month in a row above the neutral 50.0 mark. The **Inquiries for New Work Index** moved higher to 58.7. The **Billings Index for the Midwest** slipped from 54.8 to 53.5, but remained above 50.0 for the seventh month in a row.

Residential construction-put-in-place increased 2.6% in March, but excluding improvements was down 1.1%, reflecting declines in both single-family and multi-family categories. Housing starts and sales of both new and existing homes increased in March, but activity remained at a depressed level.

Inventories remain high, and prices continued to fall through February. According to the S&P/Case-Shiller **home price** index, a composite of prices in twenty large cities across the country fell 0.2% in February – the eighth monthly decline in a row. The price index for Cleveland – the only Ohio city in the index – increased 1.2% in February for the third increase in a row following a string of seven declines.



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 April, **GRF receipts totaled \$2,692.1 million** which was \$141.8 million (5.0%) below the estimate. For the month, tax receipts totaled \$2,246.7 million and were \$213.8 million (10.5%) above the estimate, while non-tax receipts totaled \$370.5 million and were \$316.4 million (46.1%) below the estimate. Transfers totaled \$74.8 million and were \$39.2 million (34.3%) below the estimate.

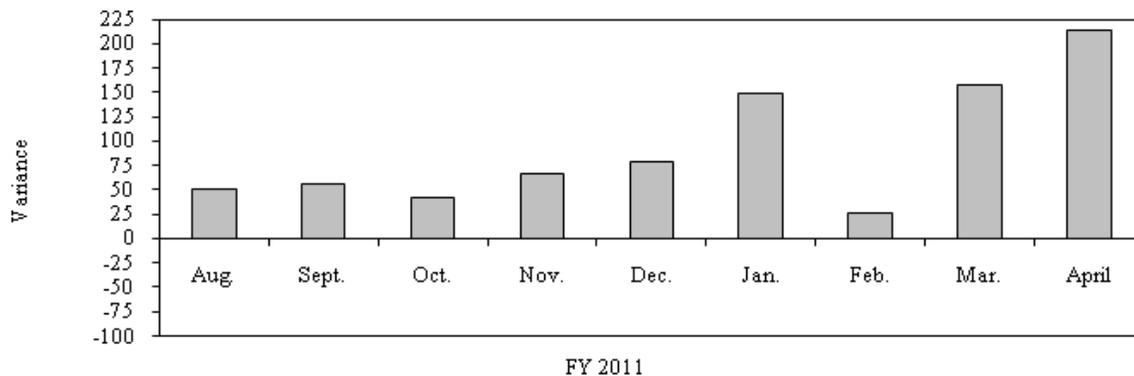
As readers of the monthly report are aware, through the first ten months of fiscal year 2011, tax revenues have met or exceeded the estimate in every single month, resulting in a performance that is now \$841.0 million above the estimate. However, due to assumptions contained in the budget framework 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	\$841.0 million	6.1%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$430.1 million)	(5.5%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$19.4 million	2.2%
TOTAL REVENUE VARIANCE:		\$430.2 million	1.9%

A ninth consecutive month of better-than-expected receipts across most tax sources resulted in an April performance that exceeded estimates by \$213.8 million (10.5%). Year-to-date tax receipts are now \$841.0 million (6.1%) above the estimate. On a year-over-year basis, total tax receipts for April were \$292.8 million (15.0%) greater than they were in April 2010. For the year-to-date, tax collections in fiscal year 2011 are \$1,232.1 million (9.2%) 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 withholding, quarterly estimated payment components, and payments associated with annual returns.

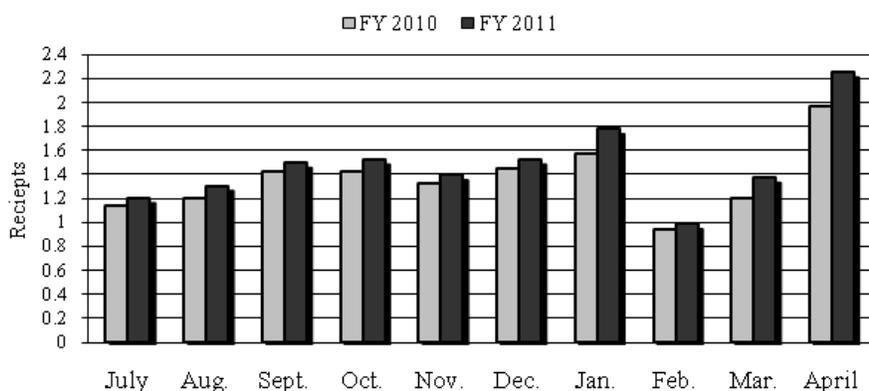
GRF - Variance of Tax Sources by Month
(\$ in millions)



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

<u>Individual Sources Above Estimate</u>		<u>Individual Sources Below Estimate</u>	
Non-Auto Sales Tax	\$39.3	Cigarette Tax	(\$2.1)
Auto Sales Tax	\$3.8	Federal Grants	(\$303.5)
Personal Income Tax	\$150.3	Earnings on Investments	(\$21.4)
Corporate Franchise Tax	\$21.1	Transfers In - Other	(\$42.8)
Foreign Insurance Tax	\$1.5	Temporary Transfers In	(\$13.3)
Licenses and Fees	\$4.0	Other Income	(\$3.9)
ISTV's	\$8.3	Other Sources Below Estimate	(\$1.4)
Liquor Transfers	\$17.0		
Other Sources Above Estimate	\$1.2		
Total above	\$246.5	Total below	(\$388.4)

FY 2010 - FY 2011 Tax Revenue Comparison by Month
(\$ in billions)



Non-Auto Sales and Use Tax

April was another positive month for the non-auto sales tax, as receipts totaled \$591.7 million, and were \$39.3 million (7.1%) above the estimate. Most of this monthly overage was due to the pull-forward of Medicaid managed care and prescription drug payments from April to March, which resulted in an acceleration of non-auto tax receipts totaling approximately \$29.0 million. As a result of this acceleration and the accompanying non-auto sales tax revenue in April however, this component of the May non-auto receipts should be under the estimate by the same amount as the April overage. The acceleration and the accompanying non-auto sales tax revenue changes during April and May will not affect the annual revenue balance. Year-to-date receipts now total \$5,535.5 million and are \$220.4 million (4.1%) above the estimate. On a year-over-year basis, this tax was \$45.9 million (8.4%) above collections for the same month a year ago, with baseline growth in the tax increasing by approximately 3.5 percent. Year-to-date collections exceed those of fiscal year 2010 by \$368.6 million (7.1%).

Auto Sales Tax

April was also another strong month for the auto sales tax as receipts totaled \$96.9 million and were \$3.8 million (4.0%) above the estimate. For the year-to-date, auto sales tax receipts now total \$798.8 million and are \$70.2 million (9.6%) above estimate. On a year-over-year basis, this tax source experienced an increase of \$0.2 million (0.3%) over the receipts for the same month a year ago, while year-to-date collections exceed those of fiscal year 2010 by \$75.5 million (10.4%). This flat year over year performance is the result of one less collection day in April 2011 than in April 2010.

Personal Income Tax

Personal income tax receipts totaled \$1,410.3 million in April and exceeded the estimate by \$150.3 million (11.9%). Payments associated with annual returns were the main driver of this strong performance, exceeding the estimate by \$168.9 million (23.2%), likely reflecting the growth in non-wage income. The withholdings component in April fell short of the estimate by \$33.2 million (5.2%) appearing to validate OBM's suspicions that a portion of the over-

performance in this component in March was the result of some receipts estimated for April actually being received in March. Taking March and April withholding together, the combined two-month variance was positive at \$10.6 million (0.8%). April refunds exceeded the estimate by \$7.4 million (3.1%), possibly on account of higher-than-anticipated share of electronic filing and thus faster processing of tax returns.

On a year-over-year basis, personal income tax collections through ten months of fiscal year 2011 were \$709.6 million (11.7%) higher than for the corresponding period in fiscal year 2010. Employer withholding continued to be the highest contributor to this growth with an increase of \$361.3 million (6.2%) during this period, and payments associated with annual returns were the second largest contributor to this growth at \$240.0 million (26.4%) over previous year.

FY2011 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	APR	APR	APR	Y-T-D	Y-T-D	Y-T-D
Withholding	\$640.9	\$607.7	(\$33.2)	\$5,996.4	\$6,172.2	\$175.8
Quarterly Est.	\$149.7	\$175.8	\$26.1	\$809.0	\$917.9	\$108.9
Trust Payments	\$19.1	\$14.5	(\$4.6)	\$37.1	\$33.0	(\$4.1)
Annual Returns & 40 P	\$727.9	\$896.8	\$168.9	\$979.5	\$1,148.0	\$168.5
Other	\$9.9	\$15.6	\$5.7	\$85.6	\$102.6	\$17.0
Less: Refunds	(\$238.0)	(\$245.4)	(\$7.4)	(\$1,056.4)	(\$1,036.3)	\$20.1
Local Distr.	(\$49.5)	(\$54.8)	(\$5.3)	(\$528.2)	(\$552.9)	(\$24.7)
Net to GRF	\$1,260.0	\$1,410.2	\$150.2	\$6,323.0	\$6,784.5	\$461.5

Corporate Franchise Tax

Corporate franchise tax receipts for the month of April were above the estimate by \$21.1 million (132.0%), with receipts of \$37.1 million. This overage was mainly due to a large settlement received during the month of April. Had it not been for this settlement, receipts would have been under estimate by \$5 to \$6 million. For the year-to-date, total receipts are now \$177.8 million and are \$85.4 million (92.5%) over the estimate.

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 April, CAT receipts totaled \$48.3 million, an amount that was \$4.8 million (9.0%) below the monthly estimate of \$53.1 million. For the year-to-date, the CAT is still \$47.3 million (4.3%) above the estimate of \$1,088.1 million. As a significant portion of the April estimate is based on the assumption of a certain level of payments due May 10th being received early, OBM will need to examine the combined

April and May receipts to determine the extent to which April CAT receipts falling short of the estimate are tied to the timing of payments.

Foreign Insurance Tax

Foreign insurance tax receipts totaled \$1.7 million and were \$1.5 million (739.7%) above the estimate. For the year-to-date, total foreign insurance tax receipts are \$268.7 million and are \$6.0 million (2.3%) above the estimate.

Kilowatt-Hour Tax

Kilowatt-hour tax receipts during the month of April totaled \$14.5 million and were \$1.0 million (7.0%) above the estimate. Year-to-date receipts are \$142.1 million and are \$6.5 million (4.4%) below the estimate. On a year-over-year basis, receipts were \$1.6 million (12.8%) higher than the same month in the previous fiscal year, while year-to-date collections increased by \$3.5 million (2.5%).

Cigarette Tax

Cigarette tax receipts totaled \$67.0 million during the month of April and were \$2.1 million (3.0%) below the estimate. Despite the April shortfall, year-to-date receipts are still \$39.1 million (6.4%) above the estimate. On a year-over-year basis, cigarette tax receipts were \$10.2 million (13.2%) lower than the same month a year ago, while year-to-date collections have decreased by \$32.3 million (4.7%).

GRF non-tax receipts totaled \$370.5 million in April, with the performance coming in \$316.4 million (46.1%) below the estimate. Most of this variance is due the Medicaid managed care payment scheduled for April being made in March. Earnings on investments were also lower-than-estimated, coming in \$21.4 million (97.1%) below the estimate due to continued historically low interest rates. Liquor transfers meanwhile, were \$17.0 million higher than estimated due to the March transfer not being posted until early April. **GRF transfers** during the month of April totaled \$74.8 million and were \$39.2 million (34.3%) below the monthly estimate as the transfer from non-GRF funds for cost savings days and other payroll-related savings for the first three quarters of the fiscal year were originally estimated to occur in April. Instead, these transfers have been spread across several months, and as was the situation in fiscal year 2010, are well below the amounts estimated at the time the current budget was enacted.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL	ESTIMATE	\$ VAR	% VAR	ACTUAL	ESTIMATE	\$ VAR	% VAR
	APRIL	APRIL			Y-T-D	Y-T-D		
TAX RECEIPTS								
Non-Auto Sales & Use	591,679	552,400	39,279	7.1%	5,535,499	5,315,100	220,399	4.1%
Auto Sales & Use	96,852	93,100	3,752	4.0%	798,777	728,600	70,177	9.6%
Subtotal Sales & Use	688,531	645,500	43,031	6.7%	6,334,276	6,043,700	290,576	4.8%
Personal Income	1,410,287	1,260,000	150,286	11.9%	6,784,513	6,323,000	461,513	7.3%
Corporate Franchise	37,117	16,000	21,117	132.0%	177,829	92,400	85,429	92.5%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	103	0	103	N/A	82,167	117,300	(35,133)	-30.0%
Kilowatt Hour	14,450	13,500	950	7.0%	142,135	148,601	(6,465)	-4.4%
Foreign Insurance	1,679	200	1,479	739.7%	268,650	262,650	6,000	2.3%
Domestic Insurance	14	0	14	N/A	3,308	134	3,174	2368.5%
Other Business & Property Tax	0	0	0	N/A	(992)	126	(1,118)	-887.7%
Cigarette	67,043	69,100	(2,057)	-3.0%	648,983	609,900	39,083	6.4%
Alcoholic Beverage	4,987	5,800	(813)	-14.0%	46,125	47,900	(1,775)	-3.7%
Liquor Gallonage	3,115	2,900	215	7.4%	31,245	29,900	1,345	4.5%
Estate	19,339	19,900	(561)	-2.8%	47,831	49,500	(1,669)	-3.4%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,246,666	2,032,900	213,766	10.5%	14,566,068	13,725,111	840,958	6.1%
NON-TAX RECEIPTS								
Federal Grants	349,229	652,679	(303,451)	-46.5%	7,145,016	7,490,643	(345,627)	-4.6%
Earnings on Investments	639	22,000	(21,361)	-97.1%	5,303	63,500	(58,197)	-91.6%
License & Fees	9,792	5,827	3,965	68.0%	58,013	59,231	(1,218)	-2.1%
Other Income	574	4,440	(3,866)	-87.1%	142,495	177,999	(35,504)	-19.9%
ISTV'S	10,311	2,000	8,311	415.6%	23,776	13,351	10,425	78.1%
Total Non-Tax Receipts	370,545	686,947	(316,401)	-46.1%	7,374,604	7,804,724	(430,120)	-5.5%
TOTAL REVENUES	2,617,211	2,719,847	(102,635)	-3.8%	21,940,672	21,529,835	410,837	1.9%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	28,000	11,000	17,000	154.5%	126,000	116,300	9,700	8.3%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	7,173	50,000	(42,827)	-85.7%	30,398	56,106	(25,708)	-45.8%
Temporary Transfers In	39,668	53,000	(13,332)	-25.2%	741,668	706,300	35,368	5.0%
Total Transfers	74,841	114,000	(39,159)	-34.3%	898,066	878,706	19,360	2.2%
TOTAL SOURCES	2,692,053	2,833,847	(141,794)	-5.0%	22,838,738	22,408,541	430,198	1.9%

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

REVENUE SOURCE	Month				Year-to-Date			
	APRIL	APRIL	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	591,679	545,823	45,856	8.4%	5,535,499	5,166,877	368,622	7.1%
Auto Sales & Use	96,852	96,560	292	0.3%	798,777	723,256	75,521	10.4%
Subtotal Sales & Use	688,531	642,384	46,147	7.2%	6,334,276	5,890,133	444,143	7.5%
Personal Income	1,410,287	1,177,496	232,791	19.8%	6,784,513	6,074,956	709,557	11.7%
Corporate Franchise	37,117	16,961	20,156	118.8%	177,829	73,261	104,568	142.7%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	103	15	88	587.6%	82,167	89,140	(6,974)	-7.8%
Kilowatt Hour	14,450	12,808	1,642	12.8%	142,135	138,656	3,480	2.5%
Foreign Insurance	1,679	252	1,427	566.5%	268,650	263,105	5,545	2.1%
Domestic Insurance	14	(148)	162	109.6%	3,308	1,147	2,161	188.3%
Other Business & Property Tax	0	138	(137)	-99.9%	(992)	418	(1,411)	-337.3%
Cigarette	67,043	77,203	(10,160)	-13.2%	648,983	681,238	(32,255)	-4.7%
Alcoholic Beverage	4,987	5,722	(734)	-12.8%	46,125	46,537	(412)	-0.9%
Liquor Gallonage	3,115	2,968	147	5.0%	31,245	30,388	857	2.8%
Estate	19,339	18,023	1,316	7.3%	47,831	45,033	2,798	6.2%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	2,246,666	1,953,821	292,845	15.0%	14,566,068	13,334,012	1,232,056	9.2%
NON-TAX RECEIPTS								
Federal Grants	349,229	765,143	(415,915)	-54.4%	7,145,016	5,911,363	1,233,653	20.9%
Earnings on Investments	639	4,439	(3,800)	-85.6%	5,303	25,791	(20,488)	-79.4%
License & Fee	9,792	6,365	3,427	53.8%	58,013	64,811	(6,797)	-10.5%
Other Income	574	1,351	(776)	-57.5%	142,495	155,012	(12,517)	-8.1%
ISTVS	10,311	2,328	7,984	343.0%	23,776	9,319	14,457	155.1%
Total Non-Tax Receipts	370,545	779,626	(409,081)	-52.5%	7,374,604	6,166,295	1,208,308	19.6%
TOTAL REVENUES	2,617,211	2,733,447	(116,236)	-4.3%	21,940,672	19,500,308	2,440,365	12.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	28,000	14,000	14,000	100.0%	126,000	138,000	(12,000)	-8.7%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	7,173	7,956	(782)	-9.8%	30,398	28,910	1,488	5.1%
Temporary Transfers In	39,668	0	39,668	N/A	741,668	669,866	71,802	10.7%
Total Transfers	74,841	21,956	52,886	240.9%	898,066	836,776	61,290	7.3%
TOTAL SOURCES	2,692,053	2,755,402	(63,350)	-2.3%	22,838,738	20,337,084	2,501,655	12.3%

DISBURSEMENTS

April 2011 GRF disbursements, across all fund uses, total \$1,787.2 million. This was \$721.9 million (28.8%) below the estimate for the month. On a year-to-date basis, total GRF disbursements are \$23,447.0 million and are \$278.4 million (1.2%) below 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)	\$22,430.1	(\$391.7)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$1,016.8	\$113.3
TOTAL GRF DISBURSEMENTS:		\$23,447.0	(\$278.4)

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. April disbursements in this category were \$546.4 million, which was \$32.1 million (5.6%) below the projection.

Disbursements for the Department of Education alone totaled \$543.2 million. This amount is \$29.6 million (5.2%) below the monthly estimate. The variance is attributable to lower than projected monthly spending for the foundation program (ALIs 200502, 200550, 200551). The foundation payment reconciliation process causes lower than projected monthly expenditures in the latter half of the year. Year-to-date disbursements totaled \$5,904.7 million, representing a variance of \$13.2 million (0.2%) below the estimate for the year.

Higher Education

April disbursements for Higher Education were \$195.4 million, which was \$15.4 million (8.6%) above the estimate for the month. Year-to-date disbursements were \$2,040.2 million, which are \$18.8 million (0.9%) above the estimate. The monthly variance is due to State Share of Instruction campus subsidy payments above the monthly estimate by approximately \$14.0 million.

Public Assistance and Medicaid

April expenditures in this category, which include all GRF expenditures by the Department of Job and Family Services (ODJFS), were \$415.8 million. Expenditures were \$550.7 million (57.0%) below estimates for the month. Year-to-date expenditures total \$9,773.1 million, which is \$256.8 million (2.6%) 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 \$9,087.8 million, which is \$183.9 million (2.0%) above estimate, and \$1,541.8 million (20.4%) above the same point in time in the previous fiscal year. Disbursements for the month of April were \$318.3 million, which was \$550.1 million (63.3%) below estimate and \$188.2 million (37.2%) below the same period in the previous fiscal year.

All funds disbursements year-to-date are \$11,563.1 million, which is \$294.7 million (2.5%) below estimate, and \$1,201.9 million (10.4%) above disbursements for the same point in time in the previous fiscal year. Disbursements for April were \$667.1 million, which was \$537.3 million (44.6%) below projected expenditures and \$21.5 million (3.2%) below the same period in the previous 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 March. This was done in order to take advantage of a higher enhanced federal medical assistance percentage (eFMAP) rate, which decreased from the third quarter rate of 70.88% to 69.0% in the fourth quarter, beginning in April. 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. The 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 \$50.0 million (5.8%) under projected expenditures for the month of April, and all funds expenditures would have been \$37.3 million (3.1%) under projected expenditures for the period.

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

	April Projection	April Actual	Variance	Variance %
GRF	\$ 868,366,458	\$ 318,311,464	\$ (550,054,994)	-63.3%
Non-GRF	\$ 336,038,348	\$ 348,775,901	\$ 12,737,553	3.8%
All Funds	\$ 1,204,404,806	\$ 667,087,365	\$ (537,317,441)	-44.6%

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

ODJFS Waivers– Disbursements for the ODJFS Waivers category in April were \$25.3 million, which was \$4.8 million (15.9%) below estimate. This is due primarily to lower than projected enrollment.

Inpatient Hospital– Disbursements for the month of April for the Inpatient Hospital category were \$83.6 million, which was \$5.9 million (6.6%) below projected expenditures. As in previous months, this is primarily due to lower-than-projected member months.

Caseload

Total caseload for the month of March, the most recent month available, was 2.17 million covered persons, which was an increase of 13,661 persons over the month of February. 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 39,127 (1.83%) covered lives over projection.

The Covered Families and Children (CFC) category increased by 9,628 persons to a February total of 1.65 million persons. The Aged, Blind and Disabled (ABD) program increased by 2,805 people to a March total of 412.0 thousand covered lives. The Premium Assistance category increased by 692 persons to a March total of 101.3 thousand covered lives.

Total enrollment for the same period last year was 2.08 million covered persons, including 1.58 million persons in the CFC program, 396.9 thousand people in the ABD category, and 91,290 in the Other Non-Medicaid program, including Premium Assistance. This represents total program growth over the last twelve months of 93.9 thousand covered lives.

As noted above, CFC increased 9,628 persons to 1.65 million covered lives. Enrollment in this category was 13,989 (0.9%) above total projected enrollment. The increase was seen primarily in the Healthy Families and Healthy Families Expansion categories.

The ABD program showed an increase of 2,805 people to a total of 412.0 thousand covered lives. Enrollment was 12,454 persons (3.1%) over total projected enrollment for this category.

Public Assistance and Non-Medicaid

ODJFS, non-Medicaid, General Revenue Fund (GRF) disbursements totaled \$97.5 million for the month of April. Actual GRF spending was \$0.7 million (0.7%) lower than the estimates for the month. Major variances within individual line items were attributable to the following:

- TANF State (600410) subsidy payments were \$17.9 million above estimates for the month. Ohio Works First (OWF) payments were paid from the federal TANF Block Grant in March and funded by ALI 600410 during April, as mentioned in the March Monthly Financial Report.
- Child Care Match/Maintenance of Effort (600413) disbursements was \$6.5 million below agency estimates due to lower-than-estimated child care payments made within the line item.

- Children and Families Services (600523) subsidy disbursements were \$4.1 million below estimates primarily due to lower-than-expected state child protective allocations and Feisel review line item expenditures.
- Early Care and Education (600535) subsidy spending was \$2.9 million below agency estimates due to child care provider payments being lower than originally projected during the month.
- Computer Projects (600416) expenses were \$1.3 million below the estimate due to the Electronic Benefits Transfer (EBT) contract and Department of Administrative Services (DAS) Office of Information Technology invoices not received and paid as anticipated.
- Entitlement Administration – Local (600521) subsidy disbursements were \$1.3 million below the estimate due to lower-than-anticipated county payments made within the line item.
- Child, Family, and Adult Community & Protective Services (600533) expenditures were \$1.1 million below the estimate due to lower-than-anticipated county allocation expenses.
- Support Services (600321) expenditures were \$1.1 million below the estimate due to lower-than-anticipated payroll, personal service, and maintenance expenditures for the month.
- Over/under spending across remaining GRF line items also contributed to the monthly variance.

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.

April expenditures in this category were \$135.0 million, which was \$9.5 million (6.6%) below the estimate for the month. Year-to-date actual disbursements total \$960.9 million and are \$30.7 million (3.1%) below the estimate. Notable items include:

Department of Health

For the year-to-date, the Department of Health has disbursed a total of \$64.8 million, which is \$20.5 million (24.0%) below the estimate. April disbursements for the Department of Health totaled \$3.1 million and were \$9.5 million (75.3%) below the estimate. This is primarily attributable to the following:

- The Mothers’ and Children Safety Net line (440416) was under estimate by \$0.65 million due to payments scheduled for April being moved to May and June.
- The Immunizations line (440418) was below estimate by \$0.3 million. This was due to payments scheduled for March and April being moved into May and June.
- The Help Me Grow line (440459) was below estimate by \$8.6 million and was due to payments scheduled for April being moved into May and June.

Department of Aging

For the year-to-date, the Department of Aging has disbursed \$134.1 million, which was \$4.3 million (3.2%) above the estimate. April disbursements for the Department of Aging totaled \$16.8 million and were \$4.1 million (24.3%) above the estimate. This is primarily attributable to the following:

- The Residential State Supplement line (490412) was above estimate by \$0.4 million. This was due to a planned March payment being moved to April.
- The Alzheimer's Respite line (490414) was below estimate by \$1.2 million due to a subsidy payment schedule being made in March that was scheduled for April.
- The Long-Term Care Budget – State line (440423) was above the estimate by \$4.9 million. This was due to fewer federal funds being used in lieu of GRF funds. This will be offset in May.

Department of Mental Health

The Department of Mental Health disbursed a total of \$67.5 million during the month of April. This is \$1.7 million (2.5%) below the monthly estimate. Variances of less than \$1.0 million across multiple line items account for the difference between estimated and actual spending.

Department of Developmental Disabilities

The Department of Developmental Disabilities disbursed \$37.3 million in the month of April, which was \$9.0 million (2.4%) below the estimate.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). April disbursements in this category totaled \$172.7 million and were \$16.7 million (8.8%) below the estimate for the month. This is primarily attributable to the following:

- The Department of Rehabilitation & Corrections disbursed \$138.1 million in the month of April, which was \$18.3 million (11.7%) below the estimate for the month. This is due to a lower-than-anticipated transfer to the Services and Agricultural Fund.
- The Department of Youth Services disbursed \$12.3 million during the month of April and was \$4.4 million (26.3%) below the monthly estimate. This is due to a community correction facilities disbursement occurring in May rather than in April.

General Government

For April, General Government disbursements totaled \$15.3 million and were \$0.04 million (0.3%) below the estimate for the month. Year-to-date actual expenditures are \$239.5 million, which is \$19.2 million (7.4%) below the estimate.

Tax Relief and Other

April disbursements for tax relief totaled \$259.4 million and were \$123.7 million (32.3%) below the monthly estimate of \$378.1 million. For the year-to-date, total tax relief payments have totaled \$1,215.2 million and are \$14.1 million (1.1%) below the year-to-date estimate of

\$1,208.5 million. These payments are made to local governments and school districts to reimburse for revenues foregone as a result of the 10.0 percent and 2.5 percent rollback, as well as the homestead exemption. Based on current expenditure trends, the line item appropriations for this purpose are 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 April totaled \$36.2 million and was \$2.8 million (7.2%) 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 \$450.4 million, which is \$11.5 million (2.5%) 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). April SFSF disbursements were \$153.1 million (\$86.4 million from the Department of Education (ESF), \$18.7 million from the Board of Regents (GSF/ESF), and \$47.9 million from the Department of Rehabilitation and Correction (GSF)). For the program to date, the state has disbursed a total of \$1,599.8 million in SFSF (89.4% of the total award amount), of which \$862.7 million has been disbursed from the Department of Education (ESF), \$531.4 million from the Board of Regents (GSF/ESF), and \$205.8 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				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	APRIL	APRIL	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	546,422	578,563	(32,141)	-5.6%	5,949,501	5,966,807	(17,306)	-0.3%
Higher Education	195,446	180,052	15,394	8.6%	2,040,227	2,021,389	18,838	0.9%
Public Assistance and Medicaid	415,821	966,542	(550,721)	-57.0%	9,773,147	10,029,906	(256,759)	-2.6%
Health and Human Services	134,953	144,459	(9,506)	-6.6%	960,900	991,619	(30,718)	-3.1%
Justice and Public Protection	172,660	189,377	(16,717)	-8.8%	1,640,783	1,687,532	(46,749)	-2.8%
Environmental Protection and Natural Resources	4,388	4,593	(206)	-4.5%	59,720	61,116	(1,396)	-2.3%
Transportation	818	608	209	34.4%	12,017	11,495	523	4.5%
General Government	15,273	15,315	(42)	-0.3%	239,502	258,701	(19,199)	-7.4%
Community and Economic Development	5,739	7,473	(1,734)	-23.2%	88,673	101,723	(13,050)	-12.8%
Tax Relief and Other	259,419	383,119	(123,699)	-32.3%	1,215,206	1,229,284	(14,078)	-1.1%
Capital Outlay	0	43	(43)	N/A	24	341	(317)	-93.0%
Debt Service	36,176	38,998	(2,822)	-7.2%	450,367	461,838	(11,471)	-2.5%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,787,116	2,509,141	(722,025)	-28.8%	22,430,068	22,821,750	(391,683)	-1.7%
Transfers Out:								
OPER TRF OUT-OTH	127	0	127	N/A	71,174	27,600	43,574	157.9%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	876,000	69,711	8.0%
Total Transfers (Out)	127	0	127	N/A	1,016,885	903,600	113,285	12.5%
Total Fund Uses	1,787,243	2,509,141	(721,899)	-28.8%	23,446,953	23,725,350	(278,398)	-1.2%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL FY 2011	APRIL FY 2010	\$ VAR	% VAR	ACTUAL FY 2011	ACTUAL FY 2010	\$ VAR	% VAR
Primary, Secondary and Other Education	546,422	559,292	(12,870)	-2.3%	5,949,501	5,800,437	149,063	2.6%
Higher Education	195,446	180,397	15,049	8.3%	2,040,227	2,039,030	1,196	0.1%
Public Assistance and Medicaid	415,821	582,640	(166,819)	-28.6%	9,773,147	8,279,193	1,493,954	18.0%
Health and Human Services	134,953	132,869	2,084	1.6%	960,900	913,873	47,027	5.1%
Justice and Public Protection	172,660	183,232	(10,572)	-5.8%	1,640,783	1,671,917	(31,134)	-1.9%
Environmental Protection and Natural Resources	4,388	3,518	870	24.7%	59,720	71,702	(11,982)	-16.7%
Transportation	818	1,555	(737)	-47.4%	12,017	15,359	(3,341)	-21.8%
General Government	15,273	16,455	(1,183)	-7.2%	239,502	255,022	(15,520)	-6.1%
Community and Economic Development	5,739	9,919	(4,180)	-42.1%	88,673	97,159	(8,486)	-8.7%
Tax Relief and Other	259,419	237,996	21,423	9.0%	1,215,206	1,202,034	13,171	1.1%
Capital Outlay	0	0	0	N/A	24	330	(306)	-92.8%
Debt Service	36,176	34,137	2,039	6.0%	450,367	368,438	81,930	22.2%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,787,116	1,942,012	(154,896)	-8.0%	22,430,068	20,714,493	1,715,574	8.3%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	127	596	(469)	-78.7%	71,174	55,604	15,570	28.0%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	971,337	(25,626)	-2.6%
Total Transfers (Out)	127	596	(469)	-78.7%	1,016,885	1,026,941	(10,056)	-1.0%
Total Fund Uses	1,787,243	1,942,608	(155,365)	-8.0%	23,446,953	21,741,434	1,705,519	7.8%

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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