



May 10, 2012

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

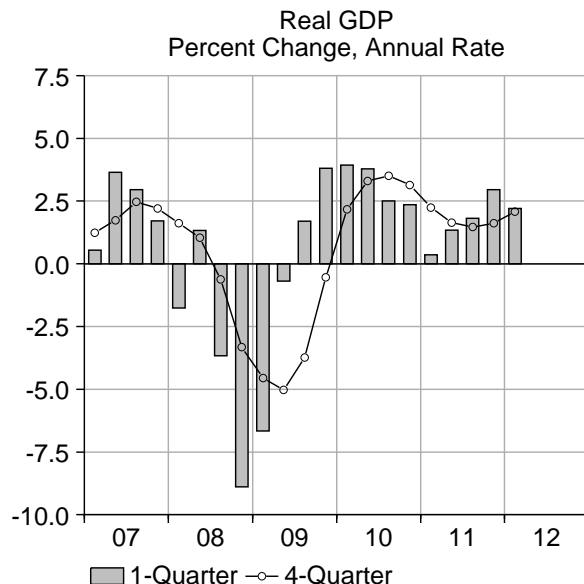
Economic Performance Overview

- Real GDP growth slowed to 2.2% in the first quarter of 2012 from 3.0% in the fourth quarter of 2011. Forecasters expect growth to improve but remain below 3.0% each quarter well into 2013.
- Job growth slowed further in April, in part due to unusual weather patterns. Growth in previous months was revised higher. The unemployment rate edged down further from 8.2% to 8.1%, but only because more job-seekers exited the labor force for the second month in a row.
- Ohio employment decreased by 9,500 jobs in March after increasing a total of 52,200 in January and February. The Ohio unemployment rate dropped to 7.5% in March, down from 9.0% in January 2011 and 10.6% in January 2010.
- Leading economic indicators have improved markedly since last fall, and are consistent with moderate activity both nationally and in Ohio.

Economic Growth

Economic growth slowed to 2.2% in the first quarter of 2012 from 3.0% in the fourth quarter of 2011 – nearly in line with expectations. The economy was 2.1% larger than in the first quarter of 2011. **Real GDP** increased at a compound annual rate of 2.4% during the first eleven quarters of the economic expansion that began in mid-2009 – the slowest pace by a slim margin at the eleven-quarter mark among all expansions during the post-war period.

The economy in and around Ohio grew at a modest pace in late winter/early spring, according to the Federal Reserve Bank of



Cleveland. Manufacturers reported a small increase in production. Construction activity reportedly picked up slightly, while shale gas mining activity expanded and freight transport volume increased moderately.

Real final sales at the national level expanded by 1.6% in the first quarter of 2012, up from 1.1% in the fourth quarter of 2011. During the last eleven quarters, real final sales have increased at an annual rate of only 1.7% – the slowest pace by a notable margin among expansions in the post-war period that have lasted for at least eleven quarters.

Although economic activity increased by a smaller amount in the first quarter than in the fourth quarter, the mix of activity was more promising. More than one-half of growth in the fourth quarter came from unsold goods that were added to inventories. In contrast, first-quarter growth was fueled by personal consumption expenditures, exports, additional inventory accumulation, and housing. By itself, consumer spending accounted for 2 percentage points of overall growth in the first quarter.

Government spending and nonresidential fixed investment subtracted from overall growth. Federal defense and non-defense spending declined during the first quarter, as did state and local government expenditures. In addition, investment in nonresidential structures posted a sharp decline of 12.0%, which was only marginally offset by a 1.7% increase in investment in equipment and software. Imports, which are automatically counted in spending by category and are therefore subtracted from the total, increased for the fifth consecutive quarter.

The slowdown from the fourth quarter to the first quarter primarily reflected the smaller increase in inventory accumulation and the larger decline in investment in nonresidential structures that were only partly offset by faster growth in consumer spending and exports.

The much milder than normal weather during the winter likely boosted activity in sectors ranging from consumer spending to housing construction – a factor that will not likely recur in the second quarter. In addition, the relatively early Easter probably added to consumer spending in the first quarter at the expense of the second quarter.

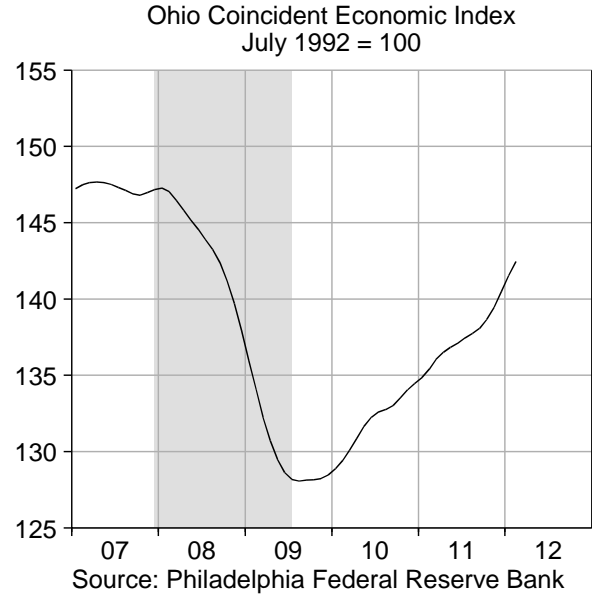
The consensus is that real GDP will continue to grow at a modest pace in the current quarter, picking up but remaining below 3.0% through 2013, according to the *Blue Chip Financial Forecasts*. Leading indicators are consistent with uninterrupted growth. After thirteen straight weekly increases, the 4-week moving average of the **Weekly Leading Index** decreased for the second week in a row in mid-April, but the 6-month smoothed rate of change stayed positive for the fifth week in a row.

The composite **Leading Economic Index** from the Conference Board increased 0.4% in March for the sixth consecutive increase. The ratio of the coincident index to lagging index – itself a leading indicator – was flat for the second month in a row and was down 1.7% from a year earlier.

The Ohio economy continues to make progress. The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.6% in March for the 31st

consecutive monthly increase. The 12-month rate of change was 5.7% in March – up from a recent low of 3.6% last July and the highest since February 1998. The index combines four state-level indicators to summarize current economic conditions. The four components are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and real wage and salary disbursements.

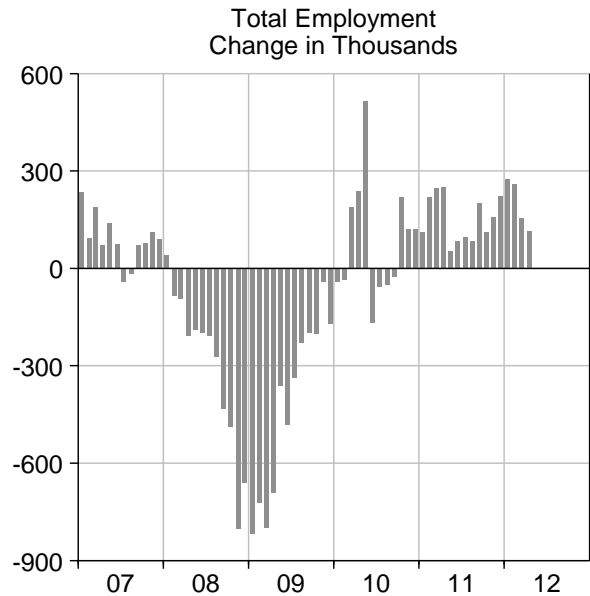
The companion **Ohio Leading Economic Index** slowed for a second month in March, but remained squarely in expansion territory. The index was 2.3%, down from 3.4% in February and 4.2% in January. The index, which is compiled by the Federal Reserve Bank of Philadelphia, is designed to predict the rate of increase in the coincident index during the next six months. The index has been below zero in all but one month since 1982 when the economy was in recession.



Employment

Growth in **nonfarm payroll employment** slowed further in April, but growth in previous months was revised upward. Employment increased by 115,000 jobs in April. The February and March gains were revised up from 240,000 to 259,000 and from 120,000 to 154,000, respectively.

The unemployment rate ticked down one more notch to 8.1% from 8.2%, and the broader U-6 unemployment rate was stable at 14.5%. For the second month in a row, however, the decline in the unemployment rate reflected a larger decline in the labor force than in a tandem measure of employment. The length of the workweek was unchanged, but aggregate hours worked inched higher due to growth in employment. Average hourly earnings increased 0.2% to 1.7% above the year earlier level.



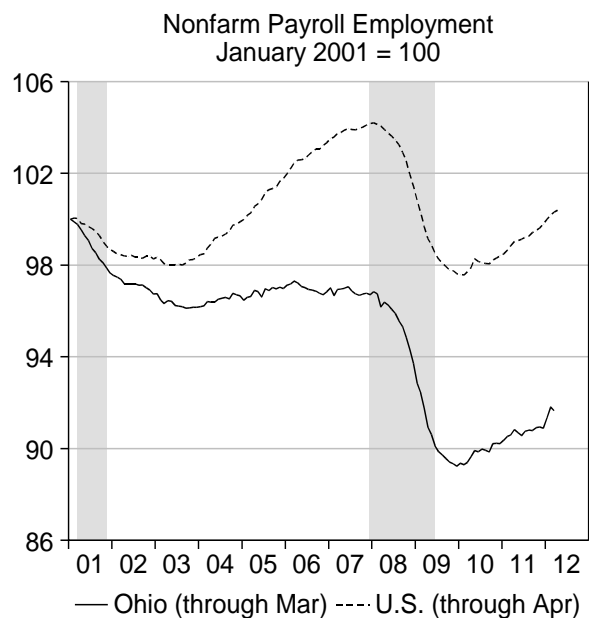
Weather is widely believed to have significantly influenced recent patterns in major economic indicators including labor market measures. Extremely mild weather boosted reports during the winter months at the expense of April. April activity across a broad range of indicators, including employment, was probably artificially depressed by unusually cold weather, higher gasoline prices, and the early Easter.

Job growth averaged approximately 150,000 jobs per month during the past twelve months and approximately 200,000 jobs per month during the past six months. The underlying trend is probably somewhere in between because the six-month average might be inflated somewhat by the weather-effects that might not have been fully offset through April.

Despite the decline in the unemployment rate in recent years, the circumstances of those remaining without jobs remain difficult. At 19.4 weeks, the median **duration of unemployment** is just now back to the elevated level of late 2009 after reaching a new all-time high of 25.0 weeks in June 2010. In addition, at 63.6% in April the labor force participation rate is at a 30-year low, indicating that a large share of the population is still either not working or not looking for work.

Employment gains were fairly widespread across all sectors, led by professional and business services (+62,000), education and health services (+23,000), trade, transportation and utilities (+22,000), manufacturing (+16,000), and leisure and hospitality (+12,000). The only major sectors with employment declines were government (-15,000) and construction (-2,000).

Ohio employment decreased by 9,500 jobs in March, and was up 59,600 jobs from a year earlier. The decrease followed two solid monthly gains totaling 52,200 jobs. The decreases during the month were broad-based, led by construction (-7,000), leisure and hospitality (-5,200), and educational and health services (-4,300). Employment increased only in manufacturing (+4,600) and financial activities (+500).



Hiring in and around Ohio remains at a low level and has been concentrated in manufacturing and freight transport sectors, according to the Federal Reserve Bank of Cleveland report. The number of job openings has increased, as reported by staff firms, especially in information technology and health care. Some manufacturers have reported difficulty hiring professional and high-skilled production workers.

During the last twelve months, employment gains were led by trade, transportation and utilities (+26,300), manufacturing (+19,300), educational and health services (+16,200), and professional and business services (+5,100). Employment declines were seen in leisure and hospitality (-6,300), government (-3,500), and financial activities (-1,500). Private sector employment increased by 63,100 jobs during the last twelve months.

Among the **contiguous states**, year-over-year employment growth was strongest in Kentucky (+1.9%), followed by Michigan (+1.4%), Indiana and West Virginia (+1.3%), Ohio (+1.2%), and Pennsylvania (+0.8%). For the Ohio and contiguous state region, employment increased 1.2% during the year ending in March, compared with 1.5% outside the region. Since the employment trough in February 2010, growth in regional employment has outpaced growth outside the region by 3.2% for the Ohio and contiguous states region to 2.7% for all other states.

Consumer Income and Consumption

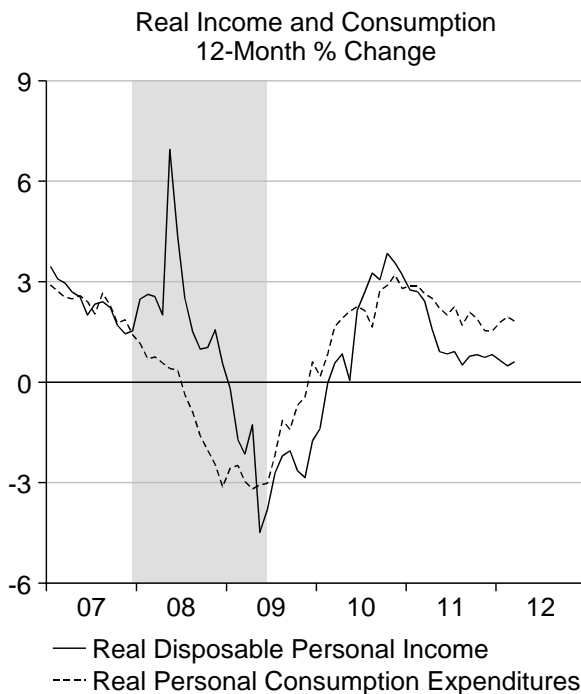
Personal income continued to grow in March, but year-over-year comparisons deteriorated further. Personal income increased 0.4% in March, and the February increase was revised up slightly to 0.3%. Compared with a year earlier, personal income was higher by 3.2%, down from a 6.0% increase in February 2011. The increase in wage and salary disbursements slowed to just 0.1% in March from 0.5% in February ending at 1.8% above the year earlier level. After adjustment for inflation, disposable personal income increased 0.2% following back-to-back declines of 0.1% each. Real disposable income was higher by only 0.6% from a year earlier.

Personal consumption expenditures increased 0.3% in March after a 0.9% gain in February, partly reflecting a slowdown in sales of motor vehicles to an annual pace of 14.6 million units from 15.4 million units in February. Continued mild weather and the early timing of Easter are believed to have supported spending in March at the expense of April.

Compared with a year earlier, consumption was up by 4.0%, which is the weakest year-over-year comparison since August 2010. Households have sustained growth in spending in part by reducing saving out of current income from approximately 5.0% a year ago to 3.8% in March. The year-over-year change in spending has outpaced income for the past year.

Retailers in the Cleveland Federal Reserve District reported that sales in late winter/early spring were ahead of estimates, but most attributed some of the recent strength to the favorable weather. In addition, some retailers report that spending by middle-income consumers is constrained by economic conditions. Consumers have reportedly renewed a focus on obtaining value and remain very sensitive to the price of gasoline.

Survey measures of **consumer confidence** held steady again in April after notable improvements through the winter. The Conference Board index of consumer confidence faded a bit, as expectations edged down and assessments of current conditions improved slightly. The



University of Michigan index of consumer sentiment showed the opposite pattern, but the composite index improved slightly to the highest level since February 2011.

Taken as a group, assessments of current and expected conditions from both surveys indicate that consumer sentiment has improved markedly during the last six months. In combination with much better than previously reported income trends in the second half of 2011, greater confidence appears likely to support current high levels of consumer spending through the spring and into the summer.

Chain-store sales decreased 0.3% from March to April, and were up 0.6% year-over-year, according to the International Council of Shopping Centers. The weakness of chain store sales in April reflects in part the mild weather and early Easter that boosted sales in March. The year-over-year comparison was down from 4.1% in both February and March.

Spending patterns have been influenced significantly by the milder-than-usual weather – including the warmest March on record – improving labor markets, the spike in gasoline prices, and faster inflation. The median CPI published by the Federal Reserve Bank of Cleveland accelerated to 2.4% year-over-year in recent months from 0.5% as recently as October 2010, undercutting consumers' real spending power.

Manufacturing

Industrial production was essentially unchanged for the second month in a row in March. Manufacturing output decreased 0.2%, but the February increase was revised higher by 0.4 percentage points. Utility output increased 1.5% and mining output increased 0.2%. Capacity utilization was essentially unchanged at 78.6%.

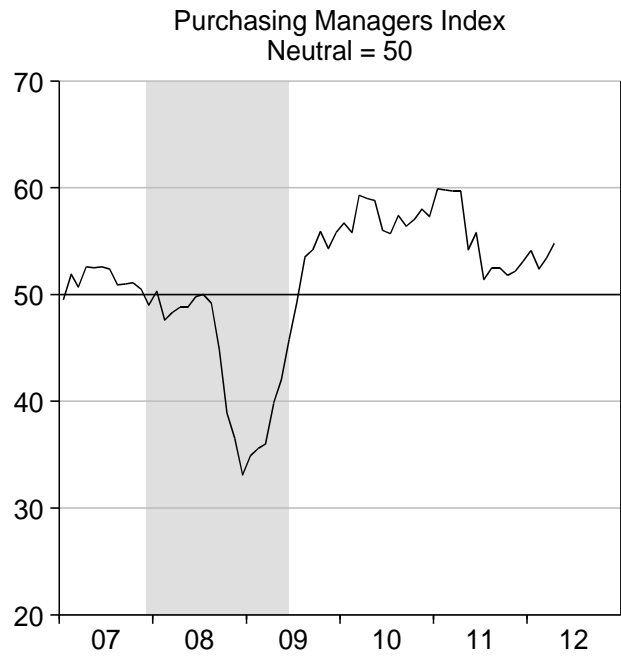
Compared with a year earlier, manufacturing production was up 4.8% to 18.0% above its recession low, but still 6.4% below its pre-recession peak. Total industrial production was 3.8% above the year earlier level and 15.7% above the recession low, but still 4.1% below the pre-recession peak.

Contributions from three sectors with a concentration of employment in Ohio were mixed during February. Primary metal production decreased 1.8% in March, but February was revised up from -1.2% to +0.7%. Output of fabricated metal products edged down by 0.1% after a 1.9% increase in February. Production of machinery increased 0.5% after a 0.9% rise in February. Compared with a year earlier, production in these sectors was up 6.6%, 9.1% and 7.8%, respectively, but still 3.5%, 9.1% and 1.7% below their respective pre-recession peaks.

Manufacturing output in and around Ohio increased by a small amount in late winter/early spring, according the Federal Reserve Bank of Cleveland. Some manufacturers in the Fed District said that new orders have leveled off, and they expressed concern about sales to customers in Europe. Steel producers reported increased shipments, reflecting stronger demand from auto, steel, and industrial equipment manufacturers. Drilling activity in the region appears to be an important factor behind rising steel production.

Midwest manufacturing output was flat in March, and three of the four sectors registered declines, according to the Federal Reserve Bank of Chicago. Production fell 0.2% in the auto and resource sectors and 0.1% in steel. Production of machinery increased 0.5%. Compared with a year earlier, Midwest manufacturing production was up by 8.6%, down from the peak growth rate so far for this cycle of 14.6% in June 2010. The level of Midwest production in January was 35.8% above the low in June 2009, but still 9.0% below the peak in January 2008. Manufacturing activity also slowed in the Northeast, according to surveys by the Federal Reserve Banks in New York and Philadelphia.

In contrast, reports from **purchasing managers** in manufacturing sectors across the country pointed to notably better conditions in April. The overall index increased to its highest level since June 2011 to 54.8 – the 33rd month above the neutral 50.0 level. The important new orders and production components also climbed to their highest levels since the beginning of 2011, with the production index topping 60.0.

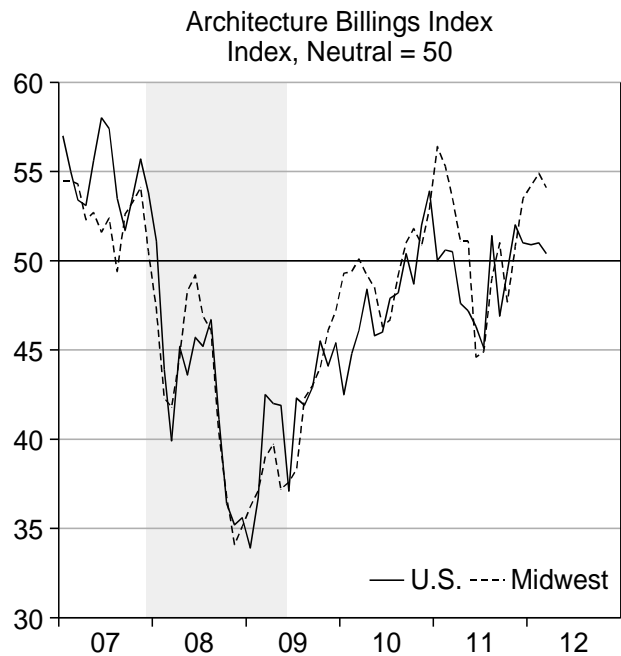


Construction

Total **construction put-in-place** increased modestly in March after two straight declines, despite favorable weather during the winter. Excluding the poorly estimated residential improvements segment, construction increased 0.4%. Private construction increased 0.7% overall and in both the residential and nonresidential sectors. Public construction decreased by 1.1%.

Total construction in March was still up 6.0% year-over-year and 6.0% from what looks with each passing month to have been the cycle low in March 2011, but remains 33.4% below its pre-recession peak.

Private nonresidential construction increased 0.7% in March. The February change was revised down slightly from -1.6% to -1.7%, but January was revised up sharply from -2.3% to -0.5%. Compared with a year earlier, private nonresidential construction was up 15.2%, having traced out a clear cyclical trough at the beginning of 2011.



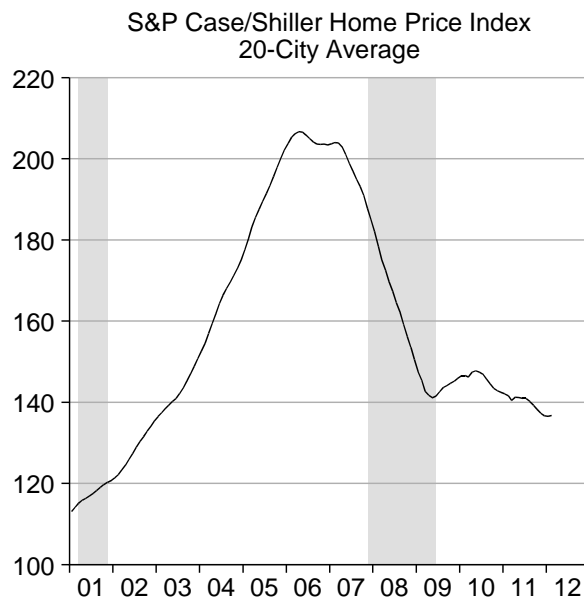
The **Architecture Billings Index** from the American Institute of Architects held its ground again in March after posting significant gains early last fall. The **Inquiries for New Work Index** however, fell to its lowest level since last September, although it remained above the neutral level of 50.0 for the 32nd consecutive month. The **Billings Index for the Midwest** fell slightly but remained well above 50.0.

Private residential construction-put-in-place increased 0.7% in March, but February was revised down sharply from no change to -1.9%. The 3-month moving average of housing starts decreased 1.3% in March after a string of increases that was broken in February. Midwest housing starts fell 17.5% in March on a 3-month average basis. Permits increased 3.7% in March on a 3-month average basis for the sixth gain in a row. Midwest permits increased 4.3% in March on top of the 4.8% increase in February.

Despite some recent gains, home building activity remains on a low plateau, held back by a variety of factors. Home financing is widely available at attractive interest rates, but on more stringent traditional terms. In addition, already problematic debt levels, large inventories of unoccupied houses in many markets, still-challenging labor market conditions, and expectations of little or no price appreciation are restraining building and sales activity.

Sales of existing homes increased 0.7% in the U.S. and 1.7% in the Midwest to 5.3% and 11.7% above year earlier levels, respectively, on a 3-month average basis. Despite the large fluctuations recently, the pace of existing home sales is little changed on balance during the past four years. **Sales of new homes** fell 1.3% on a 3-month average basis nationally, but were revised up in February from -0.9% to +3.1%. Sales fell 14.6% in the Midwest for the third decline in a row. Sales activity remains on a plateau that is far below peak levels of a few years ago.

The inventory of existing homes for sale was little changed again in March after a long string of declines that appears to have ended in December. The **inventory-to-sales ratio** stayed at 6.3 months, well below the extreme levels of recent years and close to the normal level of 4 to 5 months. The inventory of newly built homes fell to yet another all-time low in March. At 5.3 months, the inventory-to-sales ratio for newly built homes was also well below extremes reached in recent years and close to the historical norm.



Home prices ticked higher across the country in February, according to the S&P/Case-Shiller index. The 20-city composite home price index increased 0.2% for the first increase since May 2010. The index was still down 33.9% from the all-time peak reached in April 2006. The price index for Cleveland, the only Ohio city in the index, decreased in February 0.6% for the fifth month in a row. Prices in Cleveland are off 21.3% from the 2006 peak.

REVENUES

April 2012 GRF receipts totaled \$2,585.9 million and were \$66.7 million (2.6%) above estimate. Monthly tax receipts totaled \$2,152.4 million and were \$84.5 million (4.1%) above the estimate, while non-tax receipts and transfers totaled \$413.5 million and \$20.0 million and were \$37.8 million (8.4%) below and \$20.0 million above the respective estimates. Year-to-date variances by category are provided in the following table (\$ in millions).

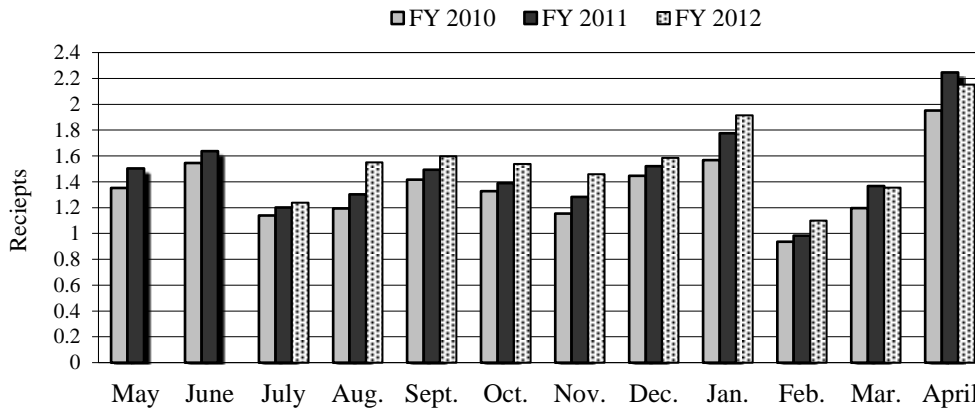
Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	\$349.9 million	2.3%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$719.8 million)	(10.2%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$242.1 million	302.3%
TOTAL REVENUE VARIANCE:		(\$127.9 million)	(0.6%)

April tax receipts were above estimate by \$84.5 million (4.1%). On a year-over-year basis, April 2012 tax receipts were \$94.3 million (4.2%) lower than they were in April 2011. For fiscal year 2012 year-to-date, total tax collections are \$926.5 million (6.4%) higher than at the same point in fiscal year 2011. The largest contributors to this year-over-year growth are the non-auto sales tax, personal income tax, and the commercial activities tax (CAT). The overage in personal income tax receipts relative to estimate was driven by lower-than-anticipated refunds and stronger-than-expected payments with returns.

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	\$27.5	Corporate Franchise Tax	(\$30.9)
Auto Sales Tax	\$7.5	Commercial Activity Tax	(\$1.7)
Personal Income Tax	\$80.9	Kilowatt Hour Tax	(\$3.1)
Cigarette Tax	\$7.0	MCF Tax	(\$0.7)
Liquor Gallonage Tax	\$0.3	Estate Tax	(\$1.0)
Liquor Transfers	\$20.0	Federal Grants	(\$26.0)
Other Sources Above Estimate	\$0.0	Earnings on Investments	(\$1.0)
		Licenses & Fees	(\$7.2)
		Other Income	(\$0.6)
		ISTV's	(\$3.0)
		Other Sources Below Estimate	(\$0.1)
Total above	\$143.1	Total below	(\$76.4)

Tax Revenue Comparison by Month
(\$ in billions)



Non-Auto Sales and Use Tax

The non-auto sales tax rebounded strongly from a small shortfall in March, as receipts totaled \$619.7 million and exceeded the estimate by \$27.5 million (4.6%). Year-to-date non-auto sales tax receipts total \$5,830.8 million and are \$91.7 million (1.6%) above the estimate. On a year-over-year basis, receipts were \$28.0 million (4.7%) above collections for April 2011, with collections through the first ten months of fiscal year 2012 exceeding those of the same period for fiscal year 2011 by \$295.3 million (5.3%).

Auto Sales Tax

Again driven by continued stronger-than-expected vehicle sales, the auto sales tax continued its better-than-expected performance in April, as receipts totaled \$104.3 million and were \$7.5 million (7.7%) above the monthly estimate. Year-to-date receipts through the first ten months of the fiscal year now total \$868.6 million, which is \$70.0 million (8.8%) above the estimate. On a year-over-year basis, auto sales tax receipts are \$7.4 million (7.7%) over receipts for the same month a year ago, while year-to-date collections are \$69.9 million (8.7%) higher than for the first ten months of fiscal year 2011.

Personal Income Tax

During the month of April, personal income tax receipts totaled \$1,293.2 million, and were \$80.9 million (6.7%) above the estimate. Refunds, which were \$103.4 million (28.3%) below estimate, were again the driving force behind the overage, more than compensating for the continued weakness in the withholding component of the tax and a timing-related shortfall in the quarterly estimated payment. Payments from annual returns were \$23.1 million (3.0%) over estimate and also contributed to the positive monthly variance.

Weakness in the withholding component of the tax relative to estimate continued in April as receipts totaled \$620.0 million and were \$23.7 million (3.7%) below estimate. With April's performance, withholding has now met the estimate in only two of the first ten months of the fiscal year (October and January), increasing the year-to-date negative variance to \$111.5 million (1.7%). As for quarterly estimated payments, while April receipts were \$22.8 million (13.0%) below estimate, the entirety of this variance was due to a timing issue on the final day of the month that resulted in \$23.0 million of the quarterly estimated payment posting the first day of May. Factoring in this timing issue, receipts for the April quarterly estimated payment component of the tax would have been marginally above the estimate.

On a year-over-year basis, personal income tax receipts for April 2012 fell short of the April 2011 level by \$117.1 million (8.3%), with most of the shortfall being accounted by the payments associated with annual returns, that were \$100.3 million (11.2%) lower than in April 2011. This year-over-year decline is due to the income tax rate cut that became effective in January 2011. Quarterly estimated payments also contributed to this year-over-year drop in monthly receipts, as they were \$22.7 million (12.9%) lower than April 2011.

FY2012 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	\$643.7	\$620.0	(\$23.7)	\$6,538.0	\$6,426.5	(\$111.5)
Quarterly Est.	\$175.8	\$153.0	(\$22.8)	\$963.5	\$971.2	\$7.7
Trust Payments	\$15.0	\$13.2	(\$1.8)	\$35.7	\$35.8	\$0.1
Annual Returns & 40 P	\$773.4	\$796.5	\$23.1	\$1,012.1	\$1,046.4	\$34.3
Other	\$15.6	\$19.4	\$3.8	\$104.5	\$111.4	\$6.9
Less: Refunds	(\$365.6)	(\$262.2)	\$103.4	(\$1,444.4)	(\$1,154.3)	\$290.1
Local Distr.	(\$45.5)	(\$46.8)	(\$1.3)	(\$473.6)	(\$478.7)	(\$5.0)
Net to GRF	\$1,212.4	\$1,293.2	\$80.9	\$6,735.8	\$6,958.4	\$222.6

Corporate Franchise Tax

Corporate franchise tax receipts for the month of April totaled -\$2.1 million and were \$30.9 million (107.2%) below the estimate of \$28.8 million. As in previous months, the monthly variance is a result of larger-than-anticipated refunds which were comprised of refunds against the current tax base and more notably “legacy” refunds to former payers of the franchise tax. For the year-to-date, total receipts for this tax source are \$90.1 million, which is \$68.2 million (43.1%) below the estimate.

Commercial Activity Tax

April 2012 Commercial Activity Tax (CAT) receipts to the GRF totaled \$10.7 million and were \$1.9 million (15.1%) below the monthly estimate of \$12.6 million. All-funds CAT receipts for April totaled \$51.9 million and were \$1.4 million (2.8%) above the estimate of \$50.5 million. Through the first ten months of the fiscal year, total GRF CAT receipts are \$312.0 million, which is \$17.8 million (6.1%) above the estimate, while all-funds CAT receipts are \$1,269.9 million and \$93.3 million (7.9%) above the estimate.

Public Utility Tax

April was not a particularly notable month for the public utility tax as receipts totaled \$11,000 and were \$89,000 (88.6%) below the estimate. On a year-to-date basis, total public utility tax receipts are \$79.5 million and are \$9.1 million (10.3%) below the estimate. On a year-over-year basis, receipts were \$91,000 below April 2011 levels and \$2.7 million (3.2%) lower than at the same point in the previous fiscal year. The year-to-date underperformance relative to the estimate is believed to be primarily due to continued lower-than-expected prices for natural gas.

Kilowatt-Hour Tax

Kilowatt-hour tax receipts during the month of April totaled \$24.2 million and were \$3.1 million (11.3%) below the estimate. As stated in previous monthly reports, this variance is likely due to the milder weather throughout the year compared to previous years. Year-to-date receipts total \$262.2 million and are \$18.8 million (6.7%) below the estimate. On a year-over-year basis, receipts were \$9.8 million (67.6%) higher than the same month in the previous fiscal year. This significant year-over-year growth is largely the result of changes in distributions made in H.B. 153.

Cigarette Tax

Cigarette tax receipts exceeded the estimate again in April by \$7.0 million (10.9%). Year-to-date cigarette tax receipts total \$641.6 million and are \$21.2 million (3.4%) above estimate. On a year-over-year basis, cigarette tax receipts were \$4.2 million (6.2%) higher than for the same month a year ago, while fiscal year 2012 receipts to-date are \$7.3 million (1.1%) lower than at the same point in fiscal year 2011 – a decline that is slightly lower than the 3.0 percent historical decline we have seen with this tax source. OBM will continue to closely monitor the performance of the tax throughout the remainder of the year.

Estate Tax

Estate tax receipts in May totaled \$22.5 million and were \$12.1 million (116.8%) above the estimate. For the year-to-date, total receipts are \$70.4 million, which is \$10.5 million (17.5%) above the estimate. On a year-over-year basis, estate tax receipts are \$13.1 million (139.4%) higher than the same month in the previous fiscal year, while year-to-date collections are \$15.9 million (29.2%) higher than those for the first eleven months in fiscal year 2011.

GRF non-tax receipts totaled \$413.5 million in April and were \$37.8 million (8.4%) below the estimate. This is largely the result of lower-than-anticipated federal grants and other income. **GRF transfers** during the month of April were \$20.0 million above the estimate of zero due to continued unexpected liquor profits transfers to the GRF as a result in the delay in the JobsOhio liquor enterprise transfer.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2012 VS ESTIMATE FY 2012
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL APRIL	ESTIMATE APRIL	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	619,688	592,200	27,488	4.6%	5,830,837	5,739,100	91,737	1.6%
Auto Sales & Use	104,284	96,800	7,484	7.7%	868,633	798,600	70,033	8.8%
Subtotal Sales & Use	723,972	689,000	34,972	5.1%	6,699,471	6,537,700	161,770	2.5%
Personal Income	1,293,214	1,212,353	80,860	6.7%	6,958,354	6,735,754	222,599	3.3%
Corporate Franchise	(2,068)	28,800	(30,868)	-107.2%	90,073	158,301	(68,228)	-43.1%
Commercial Activity Tax	10,670	12,400	(1,729)	-13.9%	312,001	291,500	20,501	7.0%
Public Utility	11	100	(89)	-88.6%	79,515	88,600	(9,085)	-10.3%
Kilowatt Hour	24,213	27,300	(3,087)	-11.3%	262,193	281,000	(18,807)	-6.7%
MCF Tax	3,362	4,100	(738)	-18.0%	34,690	35,700	(1,010)	-2.8%
Foreign Insurance	481	1,600	(1,119)	-69.9%	279,316	264,299	15,017	5.7%
Domestic Insurance	13	(0)	13	N/A	150	3,800	(3,650)	-96.1%
Other Business & Property	5	0	5	N/A	(1,594)	(1,500)	(94)	-6.3%
Cigarette	71,206	64,200	7,006	10.9%	641,641	620,400	21,242	3.4%
Alcoholic Beverage	5,026	5,100	(74)	-1.5%	47,562	47,200	362	0.8%
Liquor Gallonage	3,369	3,100	269	8.7%	32,834	30,700	2,134	7.0%
Estate	18,937	19,900	(963)	-4.8%	56,320	49,200	7,120	14.5%
Total Tax Receipts	2,152,411	2,067,953	84,458	4.1%	15,492,526	15,142,654	349,872	2.3%
NON-TAX RECEIPTS								
Federal Grants	403,121	429,121	(26,000)	-6.1%	6,252,877	6,409,405	(156,528)	-2.4%
Earnings on Investments	1,272	2,250	(978)	-43.5%	3,983	5,150	(1,167)	-22.7%
License & Fees	4,774	11,994	(7,219)	-60.2%	58,564	60,685	(2,121)	-3.5%
Other Income	1,360	1,959	(599)	-30.6%	11,979	574,315	(562,336)	-97.9%
ISTV'S	3,002	5,962	(2,960)	-49.7%	16,069	13,747	2,322	16.9%
Total Non-Tax Receipts	413,529	451,286	(37,756)	-8.4%	6,343,471	7,063,302	(719,831)	-10.2%
TOTAL REVENUES	2,565,940	2,519,239	46,701	1.9%	21,835,997	22,205,956	(369,959)	-1.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	20,000	0	20,000	N/A	92,500	69,500	23,000	33.1%
Transfers In - Other	0	0	0	N/A	48,975	10,598	38,378	362.1%
Temporary Transfers In	0	0	0	N/A	180,718	0	180,718	N/A
Total Transfers	20,000	0	20,000	N/A	322,193	80,098	242,096	302.3%
TOTAL SOURCES	2,585,940	2,519,239	66,701	2.6%	22,158,190	22,286,054	(127,863)	-0.6%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2012 VS ACTUAL FY 2011
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	APRIL FY 2012	APRIL FY 2011	\$ VAR	% VAR	ACTUAL FY 2012	ACTUAL FY 2011	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	619,688	591,679	28,009	4.7%	5,830,837	5,535,499	295,338	5.3%
Auto Sales & Use	104,284	96,852	7,432	7.7%	868,633	798,777	69,857	8.7%
Subtotal Sales & Use	723,972	688,531	35,442	5.1%	6,699,471	6,334,276	365,195	5.8%
Personal Income	1,293,214	1,410,287	(117,073)	-8.3%	6,958,354	6,784,513	173,840	2.6%
Corporate Franchise	(2,068)	37,117	(39,184)	-105.6%	90,073	177,829	(87,756)	-49.3%
Commercial Activity Tax	10,670	0	10,670	N/A	312,001	0	312,001	N/A
Public Utility	11	103	(91)	-88.9%	79,515	82,167	(2,651)	-3.2%
Kilowatt Hour	24,213	14,450	9,762	67.6%	262,193	142,135	120,057	84.5%
MCF Tax	3,362	0	3,362	N/A	34,690	0	34,690	N/A
Foreign Insurance	481	1,679	(1,198)	-71.3%	279,316	268,650	10,666	4.0%
Domestic Insurance	13	14	(2)	-10.9%	150	3,308	(3,158)	-95.5%
Other Business & Property	5	0	4	N/A	(1,594)	(992)	(601)	-60.6%
Cigarette	71,206	67,043	4,162	6.2%	641,641	648,983	(7,341)	-1.1%
Alcoholic Beverage	5,026	4,987	39	0.8%	47,562	46,125	1,438	3.1%
Liquor Gallonage	3,369	3,115	254	8.1%	32,834	31,245	1,589	5.1%
Estate	18,937	19,339	(402)	-2.1%	56,320	47,831	8,490	17.7%
Total Tax Receipts	2,152,411	2,246,666	(94,255)	-4.2%	15,492,526	14,566,068	926,457	6.4%
NON-TAX RECEIPTS								
Federal Grants	403,121	349,229	53,893	15.4%	6,252,877	7,145,016	(892,139)	-12.5%
Earnings on Investments	1,272	639	633	N/A	3,983	5,303	(1,320)	-24.9%
License & Fee	4,774	9,792	(5,018)	-51.2%	58,564	58,013	550	0.9%
Other Income	1,360	574	786	136.8%	11,979	142,495	(130,517)	-91.6%
ISTV'S	3,002	10,311	(7,310)	-70.9%	16,069	23,776	(7,708)	-32.4%
Total Non-Tax Receipts	413,529	370,545	42,984	11.6%	6,343,471	7,374,604	(1,031,133)	-14.0%
TOTAL REVENUES	2,565,940	2,617,211	(51,271)	-2.0%	21,835,997	21,940,672	(104,675)	-0.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	20,000	28,000	(8,000)	-28.6%	92,500	126,000	(33,500)	-26.6%
Transfers In - Other	0	7,173	(7,173)	N/A	48,975	30,398	18,577	61.1%
Temporary Transfers In	0	39,668	(39,668)	N/A	180,718	741,668	(560,950)	-75.6%
Total Transfers	20,000	74,841	(54,841)	-73.3%	322,193	898,066	(575,873)	-64.1%
TOTAL SOURCES	2,585,940	2,692,053	(106,112)	-3.9%	22,158,190	22,838,738	(680,548)	-3.0%

DISBURSEMENTS

April 2012 GRF disbursements, across all fund uses, total \$2,114.0 million and were \$216.9 million (9.3%) below the estimate. Year-to-date disbursements by category are provided in the table below. While disbursements are under the estimate, it is important to note that the disbursement estimates only consider expected spending within the fiscal year. Agencies are permitted to encumber resources for FY 2012 obligations. These encumbrances reserve funds to pay for obligations in future years and will be reflected in the future as disbursements from prior year funds.

Category	Description	YTD Variance	% Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	(\$811.0 million)	(3.5%)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$223.1 million	57.2%
TOTAL DISBURSEMENTS VARIANCE:		(\$587.9 million)	(2.5%)

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, the eTech Ohio Commission, the Ohio State School for the Blind, and the Ohio School for the Deaf. April disbursements in this category totaled \$538.5 million and were \$20.2 million (3.9%) above the estimate.

Year-to-date expenditures for the Department of Education alone equal \$5,446.2 million and are \$3.7 million (0.1%) above the estimate. Disbursements for the month of April totaled \$533.8 million, which was \$22.7 million (4.4%) above the estimate. Expenditures for the school foundation program (ALI 200502 – Pupil Transportation and ALI 200550 – Foundation Funding) totaled \$476.8 million and were \$20.3 million (4.4%) above the estimate. The variance in the foundation funding line item is due to normal fluctuations between actual Average Daily Membership (ADM) and estimated ADM for the month. These fluctuations will continue through the close of the fiscal year. The pupil transportation variance can be attributed to a catch up payment that was higher than initially estimated. However, the year-to-date expenditures for this line are still below estimate.

Higher Education

April disbursements for Higher Education totaled \$161.5 million and are \$1.5 million (1.0%) below the estimate for the month. Year-to-date disbursements for higher education are \$1,764.7 million, which is \$18.7 million (1.1%) below the estimate as a result of lower than expected

disbursements in the Choose Ohio First Scholarship, National Guard Scholarship, Ohio College Opportunity Grant, Family Practice, and Primary Care Residencies line items.

Public Assistance and Medicaid

April disbursements in this category, which include all GRF expenditures by the Ohio Department of Job and Family Services (ODJFS), totaled \$855.6 million and were \$70.7 million (7.6%) below the monthly estimate. Year-to-date expenditures are \$10,654.8 million, which is \$437.0 million (3.9%) below estimate.

Public Assistance and Non-Medicaid

ODJFS, Non-Medicaid, GRF disbursements totaled \$88.4 million for the month of April, which was \$6.8 million (7.1%) below the estimate. Major variances within individual line items were attributable to the following:

- TANF State subsidy disbursements (ALI 600410) were \$4.6 million (10.2%) below estimate due to lower-than-expected Ohio Works First payments funded within this line item than were originally expected for the month.
- Early Care and Education subsidy disbursements (ALI 600535) were \$3.4 million (36.7%) below estimate due to a higher percentage of child care provider payments being funded from federal Child Care and Development Fund and Temporary Assistance for Needy Families (TANF) block grants than estimated for the month.
- Computer Projects disbursements (ALI 600416) were \$2.7 million (42.2%) below estimate. This was primarily due to unexpected line item vendor encumbrances and invoice delays. Also, the department did not receive Department of Administrative Services Office of Information Technology invoices as expected during the month.
- Support Services disbursements (ALI 600321) were \$1.6 million (56.0%) below estimate due to agency central administration expenses being lower-than-anticipated for the month.
- Children and Families Services subsidy disbursements (ALI 600523) were \$1.1million (9.2%) below estimate due to lower county subsidy expenses made from the line item.
- Child Care Match/Maintenance of Effort disbursements (ALI 600413) were \$7.9 million (538.8%) above estimate in order to assist the department in meeting the annual Child Care and Development Fund matching federal requirement.

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 \$9,970.0 million, which is \$395.5 million (3.8%) below the estimate, and \$882.1 million (9.7%) above the same point in the previous fiscal year. Disbursements for the month of April totaled \$764.6 million and were

\$66.5 million (8.0%) below the estimate and \$446.3 million (140.2%) above the same month in the previous fiscal year.

All funds disbursements year-to-date are \$12,325.5 million, which is \$495.7 million (3.9%) below the estimate and \$762.4 (6.2%) above disbursements for the same point in the previous fiscal year. Disbursements for the month of April totaled \$1,303.1 million and were \$41.7 million (3.1%) below the estimate and \$636.0 million (95.3%) above the same month in the previous fiscal year. It should be noted that in order to leverage a higher FMAP rate, payments budgeted for April 2011 were made in March 2011. This accounts for much of the year-over-year variance.

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

	April Projection	April Actual	Variance	Variance %
GRF	\$ 831,118,808	\$ 764,598,664	\$ (66,520,144)	-8.0%
Non-GRF	\$ 513,667,477	\$ 538,518,114	\$ 24,850,637	4.8%
All Funds	\$ 1,344,786,285	\$ 1,303,116,778	\$ (41,669,507)	-3.1%

Categorical Variances

Year-to-date, payments across nearly all categories of service have been below initial estimates. Following the implementation of MITS in August 2011, it is difficult to assess what portion of the variance is due to the timing of claims submission and payment as a result of this change, or other factors. It is unclear at this time what portion of this variance will be offset by increased payments in future months. The April variance was primarily driven by lower-than-expected managed care rates.

Managed Care ABD and CFC – The variance within managed care accounts for \$26.9 million of the \$41.7 million underspend for the month. The variance was driven primarily by lower-than-expected managed care rates that went into effect for calendar year 2012.

Medicare Part B – Within the Medicare Buy-In category, under spending totaled to \$8.7 million in April. This is primarily attributable to reductions in Medicare Part B rates that went into effect in January.

Caseload

As noted in previous reports, caseload data had not been available consistently following the implementation of MITS. Below is a discussion of the caseload information now available. It is important to note that the data below is subject to change and updates. In addition, data from August forward uses MITS as the original data source, while the older budget estimates and actuals were generated from, or based upon, the previous MMIS. As there is more than one data source, the differences between actuals and projections as well as changes in caseload totals

before and after August 1, 2011 will be partially driven by differences in the source data. For instance, data was cleaned up during the conversion process from MMIS to MITS.

The Covered Families and Children (CFC) category increased by 1,645 persons to an April total of 1.68 million persons. The Aged, Blind and Disabled (ABD) program increased by 659 people to an April total of 406.8 thousand covered lives.

Total enrollment for the same month last year was 2.17 million covered persons, including 1.65 million persons in the CFC program and 406.2 thousand people in the ABD category. This represents a total program increase over the last twelve months of 73,284 covered lives. As previously noted, this comparison is being made using data from two different sources.

Until this month, caseload information more recent than November 2011 had not been available. The following table shows the data for the subsequent months. As mentioned, this data is subject to change upon further validation.

	December	January	February	March	April
CFC	1,660,479	1,665,363	1,670,290	1,673,664	1,675,309
ABD	402,489	404,128	405,038	406,171	406,830
All Other	116,817	123,748	135,261	148,738	164,826
Total Medicaid	2,179,785	2,193,239	2,210,589	2,228,573	2,246,965

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 disbursements in this category totaled \$85.0 million and were \$13.6 million (13.8%) below the estimate for the month. Year-to-date disbursements are \$854.3 million, which is \$13.0 million (1.5%) below the estimate.

Department of Health

Year-to-date disbursements for the Department of Health are \$59.8 million, which is \$2.4 million (4.2%) above estimate. April disbursements totaled \$6.4 million and were \$1.3 million (16.8%) below estimate. This is primarily attributable to lower-than-anticipated spending in the Immunizations line that were disbursed in previous months, offset by above estimate spending in the Ohio Health Care Policy & Data line which was originally intended to be disbursed in later months.

Department of Aging

Year-to-date disbursements for the Department of Aging are \$11.7 million, which is \$0.3 million (2.7%) below estimate. April disbursements totaled \$1.7 million and were \$0.1 million (9.6%) above estimate. This is primarily attributable to timing of payments in the Alzheimer's Respite line item that were expected to be made earlier in the year.

Department of Mental Health

Year-to-date Department of Mental Health disbursements total \$432.5 million, which is \$21.2 million (4.7%) below estimate. Disbursements totaled \$35.1 million during the month of April and were \$11.7 million (25.0%) below estimate. The variance is primarily attributable to the timing of Medicaid disbursements, which were \$13.2 million (100%) below estimate. As noted in previous months, the department disbursed additional funds in January to the county boards to cover delays in the collection of federal funds and ensure full payment of Medicaid claims. This had the effect of pulling forward disbursements planned for future months, including April. Additionally, the Hospital Services line was \$1.9 million (9.6%) over estimate. This is due to the purchase of some pharmaceuticals originally intended to be made in March being delayed until April.

Department of Alcohol and Drug Addiction Services

Year-to-date Department of Alcohol and Drug Addiction Services disbursements total \$36.2 million, which is \$2.6 million (7.8%) above estimate. Disbursements totaled \$2.9 million in the month of April and were \$1.3 million (29.8%) below estimate. The variance is primarily attributable to below-estimate spending in the Medicaid Match line item, which was \$1.2 million (100%) under estimate. In October, the department disbursed \$7.4 million to local boards to fund Medicaid expenditures, which was earlier than originally planned. The department expects to meet the estimate for the fiscal year.

Department of Developmental Disabilities

Year-to-date Department of Developmental Disabilities disbursements total \$260.7 million, which is \$0.7 million (0.3%) below estimate. April disbursements totaled \$34.6 million and were \$0.4 million (1.2%) below estimate. The variance is primarily attributable to expenditures within the Medicaid State Match line item, which were approximately \$0.4 million (2.1%) below estimate due to developmental center payroll costs being below projection during the month.

Justice and Public Protection

Disbursements in the Justice and Public Protection category for the year-to-date are \$1,594.1 million, which is \$103.4 million (6.1%) below the estimate. In the month of April, disbursements totaled \$185.7 million and were \$29.2 million (13.6%) below the estimate.

Department of Rehabilitation and Correction

Department of Rehabilitation and Correction disbursements totaled \$148.9 million in the month of April and were \$27.2 million (15.4%) below the \$176.0 million estimate. This variance was largely caused by lower payroll costs resulting from an agency-wide hiring freeze.

Department of Youth Services

Department of Youth Services disbursements totaled \$16.7 million in the month of April and were \$1.7 million (9.2%) less than the \$18.4 million estimate. This variance was largely caused by payments to community correctional facilities anticipated in April that posted in May.

General Government

April disbursements for the General Government category totaled \$18.4 million and were \$1.2 million (6.2%) below the estimate. Year-to-date expenditures are \$240.0 million, which is \$24.9 million (9.4%) below the estimate.

Department of Natural Resources

Year-to-date Department of Natural Resources disbursements total \$64.0 million, which is \$2.1 million (3.4%) above estimate. April disbursements totaled \$5.4 million and were \$1.6 million (43.4%) above estimate. This is primarily attributable to the following:

- The Division of Parks and Recreation line was above estimate by \$1.6 million. This was due to seasonal help being hired earlier than planned, along with payroll timing.
- The Division of Soil and Water line was above estimate by \$0.3 million due to the timing of the final April payroll.
- The Wildlife Central Support line was below estimate by \$0.5 million due to a payment scheduled for April being moved into May.

Department of Administrative Services

Department of Administrative Services disbursements totaled \$1.8 million during the month of April and were \$1.1 million (156.1%) above estimate. This occurred because the department billed a GRF line item that pays rent for GRF-supported agencies, veterans' organizations, and vacant space in April for fourth quarter rent, rather than in March as originally estimated.

Tax Relief and Other

Payments from the tax relief category 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. April disbursements for tax relief totaled \$199.3 million and were \$113.4 million (36.3%) below the \$312.7 million monthly estimate. Year-to-date, tax relief payments are \$1,084.8 million, which is \$153.3 million (12.4%) below the year-to-date estimate. Despite the monthly and year-to-date variances, OBM still anticipates that final disbursements will be very close to the estimate as payments estimated to occur in April will occur in May and June. As discussed in previous monthly reports, since disbursements had been running above estimate through the first half of the year, OBM continues to closely monitor these disbursements.

Debt Service

Debt service disbursements in April totaled \$21.3 million and were \$14.9 million (41.2%) below estimate. The monthly variance is due to the impact of higher education refunding bonds, low current interest rates, and net premium that combined to lower the April interest payment. For

the fiscal year, debt service spending is \$339.3 million, which is \$45.6 million (11.8%) below estimate. This variance is a result of continued low interest rates on the state's variable rate debt.

Operating Transfers Out

April operating transfers out totaled \$38.4 million and were \$5.2 million (15.7%) above the estimate of \$33.2 million. This monthly variance was due to a transfer of \$6.9 million from the GRF to the OAKS Support Organization fund that was not originally planned for April. Despite the April variance, year-to-date operating transfers out are still \$14.3 million (3.7%) below estimate.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2012 VS ESTIMATE FY 2012
(\$ 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	538,496	518,278	20,217	3.9%	5,489,075	5,487,328	1,747	0.0%
Higher Education	161,544	160,017	1,526	1.0%	1,764,730	1,783,466	(18,736)	-1.1%
Public Assistance and Medicaid	855,603	926,254	(70,651)	-7.6%	10,654,766	11,091,745	(436,979)	-3.9%
Health and Human Services	84,959	98,539	(13,580)	-13.8%	854,254	867,256	(13,003)	-1.5%
Justice and Public Protection	185,748	214,988	(29,240)	-13.6%	1,594,054	1,697,479	(103,425)	-6.1%
Environmental Protection and Natural Resource	5,418	3,789	1,629	43.0%	59,671	57,649	2,021	3.5%
Transportation	647	1,216	(569)	-46.8%	8,144	11,038	(2,894)	-26.2%
General Government	18,446	19,655	(1,210)	-6.2%	240,046	264,948	(24,903)	-9.4%
Community and Economic Development	4,164	6,134	(1,971)	-32.1%	76,932	93,010	(16,078)	-17.3%
Tax Relief and Other	199,301	312,652	(113,351)	-36.3%	1,084,763	1,238,078	(153,315)	-12.4%
Capital Outlay	0	0	0	N/A	120	0	120	N/A
Debt Service	21,261	36,183	(14,923)	-41.2%	339,327	384,906	(45,579)	-11.8%
Total Expenditures & ISTV's	2,075,586	2,297,706	(222,121)	-9.7%	22,165,881	22,976,902	(811,021)	-3.5%
Transfers Out:								
Operating Transfer Out	38,435	33,232	5,204	15.7%	375,482	389,754	(14,271)	-3.7%
Temporary Transfer Out	0	0	0	N/A	237,356	0	237,356	N/A
Total Transfers Out	38,435	33,232	5,204	15.7%	612,838	389,754	223,084	57.2%
Total Fund Uses	2,114,021	2,330,938	(216,917)	-9.3%	22,778,719	23,366,656	(587,937)	-2.5%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2012 VS ACTUAL FY 2011
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL	APRIL	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2012	FY 2011	VAR	VAR	FY 2012	FY 2011	VAR	VAR
Primary, Secondary and Other Education	538,496	546,422	(7,926)	-1.5%	5,489,075	5,949,501	(460,426)	-7.7%
Higher Education	161,544	195,446	(33,903)	-17.3%	1,764,730	2,040,227	(275,497)	-13.5%
Public Assistance and Medicaid	855,603	415,821	439,782	105.8%	10,654,766	9,773,147	881,619	9.0%
Health and Human Services	84,959	134,953	(49,994)	-37.0%	854,254	960,900	(106,647)	-11.1%
Justice and Public Protection	185,748	172,660	13,088	7.6%	1,594,054	1,640,783	(46,729)	-2.8%
Environmental Protection and Natural Resource	5,418	4,388	1,030	23.5%	59,671	59,720	(49)	-0.1%
Transportation	647	818	(170)	-20.9%	8,144	12,017	(3,873)	-32.2%
General Government	18,446	15,273	3,173	20.8%	240,046	239,502	543	0.2%
Community and Economic Development	4,164	5,739	(1,575)	-27.5%	76,932	88,673	(11,741)	-13.2%
Tax Relief and Other	199,301	259,419	(60,118)	-23.2%	1,084,763	1,215,206	(130,443)	-10.7%
Capital Outlay	0	0	0	N/A	120	24	96	402.1%
Debt Service	21,261	36,176	(14,916)	-41.2%	339,327	450,367	(111,041)	-24.7%
Total Expenditures & ISTV's	2,075,586	1,787,116	288,470	16.1%	22,165,881	22,430,068	(264,186)	-1.2%
Transfers Out:								
Operating Transfer Out	38,435	127	38,309	N/A	375,482	71,174	304,308	427.6%
Temporary Transfer Out	0	0	0	N/A	237,356	945,711	(708,356)	-74.9%
Total Transfers Out	38,435	127	38,309	302	612,838	1,016,885	(404,047)	-39.7%
Total Fund Uses	2,114,021	1,787,243	326,778	18.3%	22,778,719	23,446,953	(668,234)	-2.8%

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) ending fund balance for FY 2012. Based on the estimated revenue sources for FY 2012 and the estimated FY 2012 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2012 is an estimated \$152.5 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2012 nor should it be considered as equivalent to the FY 2012 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

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

FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2012
(\$ in thousands)

July 1, 2011 Beginning Cash Balance	\$ 844,467
Plus FY 2012 Estimated Revenues	19,419,100
Plus FY 2012 Estimated Federal Revenues	7,602,748
Plus FY 2012 Estimated Transfers to GRF	151,432
Total Sources Available for Expenditure & Transfer	28,017,747
Less FY 2012 Estimated Disbursements	27,204,170
Less FY 2012 Estimated Total Encumbrances as of June 30, 2012	253,608
Less FY 2012 Estimated Transfers Out	407,475
Total Estimated Uses	27,865,253
FY 2012 ENDING FUND BALANCE	152,494

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

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