



May 10, 2013

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

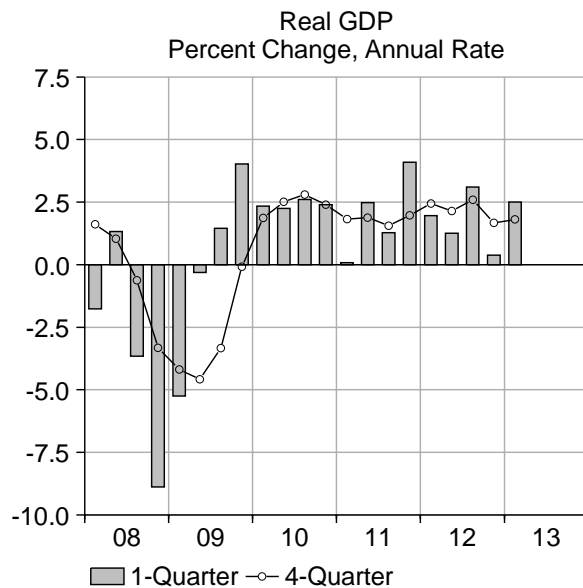
Economic Performance Overview

- Real GDP expanded 2.5% in the first quarter, following a 0.4% gain in the fourth quarter. Year-over-year growth remained subdued 1.8%.
- U.S. employment increased by 165,000 jobs in April, and the February and March increases were revised higher by a total of 114,000 jobs. The unemployment rate edged down to 7.5%.
- Ohio employment decreased by 20,400 jobs in March, reversing much of the 26,500 jobs gain during the previous three months. The Ohio unemployment rate was stable at 7.1% – 0.5 percentage points below the national rate in March.
- Leading economic indicators have weakened recently, but remain consistent with uninterrupted growth at a modest pace across the country and especially in Ohio.

Economic Growth

Another mediocre report on economic growth left the picture of the overall situation little changed. While there were no signs of a near-term recession, there were also no signs that the economy is breaking out of its slow growth path. **Real GDP** increased by 2.5% in the first quarter, up from 0.4% in the fourth quarter and closer to the 3.1% growth rate in the third quarter. Compared with a year ago, however, real GDP is higher by only 1.8% – about the same as the year-over-year pace during the last two years.

Since the expansion officially began in the second quarter of 2009, real GDP has advanced at an annual rate of 2.1% – the slowest pace during the first fifteen quarters of any



expansion that has lasted at least that long during the post-war period. In contrast, real GDP grew at a compound annual rate of 3.2% on average during the first fifteen quarters of the expansions following the 1990-91 and 2001 recessions.

Growth during the first quarter was driven largely by consumer spending and inventory accumulation. Business investment in equipment and software and housing construction also made positive contributions. Business investment in structures was essentially flat for two of the last three quarters, and government spending – primarily federal defense – subtracted from overall growth. In addition, net exports declined, as a larger share of domestic demand was satisfied by goods and services that were produced overseas.

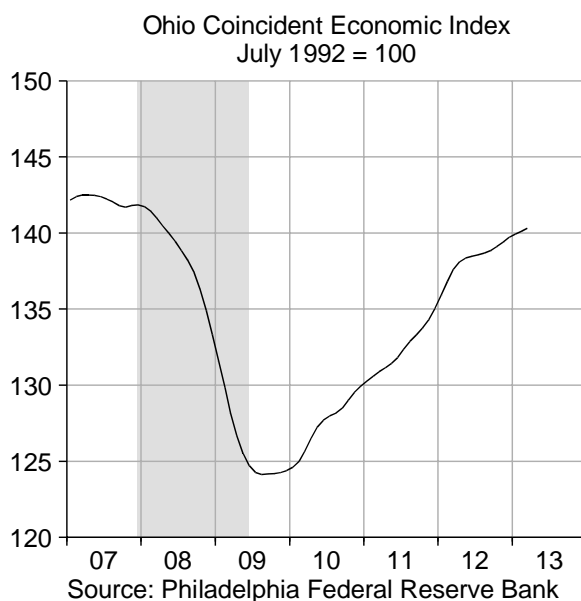
The acceleration in growth resulted from the increase in consumer spending (despite higher taxes that went into effect at the start of the year and seemingly widespread concern over automatic adjustments to federal government spending), the change in business inventories, which swung from a decline in the fourth quarter to an increase in the first quarter, and a smaller decline in federal defense spending than in the fourth quarter. Working against the acceleration in overall growth in the first quarter were slowdowns in business fixed investment (in both structures and equipment and software), a smaller increase in housing construction, and the return to rising imports after two quarterly declines.

Real final sales growth slowed for the second quarter in a row to 1.5% from 1.9% in the fourth quarter and 2.4% in the third quarter. Since the expansion officially began in the second quarter of 2009, real final sales has increased at an annual rate of only 1.6% – the slowest pace by a notable margin among expansions in the post-war period that have lasted for at least fifteen quarters.

The consensus among forecasters is that real GDP growth has remained moderate in the second quarter. After strong performances in February, retail sales and industrial production tapered off in March. Even so, forecasters project that the underlying rate of growth in real GDP is still about 2.0%, and that growth will increase modestly and not reach 3.0% until the fourth quarter of 2014, according to the March *Blue Chip Economic Indicators* consensus.

Leading indicators remain consistent with slow but uninterrupted growth through 2013. The 4-week moving average of the **Weekly Leading Index** increased in each of the four weeks ending April 26, lifting the 6-month smoothed rate of change to 7.2%. The growth rate remains below the recent peak of 8.8% at the end of January, but the index points toward continued growth immediately ahead.

The composite **Leading Economic Index** from the Conference Board slipped 0.1% in March,



following back-to-back gains of 0.5% in January and February. The decline was the first since August. Half of the ten components made negative contributions, led by a decline in factory orders and a decline in consumer sentiment about the future. The 6-month smoothed rate of change retreated to 2.6% from 3.1% the month before, but remained at the second fastest pace since March 2012. Despite the dip in March, the recent pattern in the index is consistent with uninterrupted economic growth at a moderate pace.

The Ohio economy continued to make progress through February, according to the **Ohio Coincident Economic Index** compiled by the Federal Reserve Bank of Philadelphia. The index increased 0.1% in February, following monthly gains of 0.2% during October-January. Compared with a year earlier, the index was higher by 2.4%, down from a recent high of 5.3% last May. The state coincident 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.

Across the 50 states, the Coincident Economic Index was higher than one month and three months earlier in 47 states. The diffusion of increases and decreases across states in the past has been a reliable indicator of changes in economic growth, and currently points to uninterrupted growth at a strengthening pace in the Ohio and national economies.



The companion **Ohio Leading Economic Index** increased to 1.2% in February from a downwardly revised 0.8% in January, but remained below 2.0% for the tenth month in a row (since May 2012). 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. Index values have been revised significantly on occasion, but as it stands, the recent pattern is consistent with ongoing expansion of the Ohio economy through the spring and summer but at a slower pace than early in 2012. The diffusion of positive readings has been fairly broad in recent months, with the index being greater than zero in at least 45 states in each month since last July.

Employment

Nonfarm payroll employment increased by 165,000 jobs in April. The changes in the two previous months were revised upward by a total of 114,000 jobs, bringing the 6-month average to 208,000 per month. Compared with a year earlier, employment was higher by 2.08 million jobs, or 1.6%. The **unemployment rate** decreased 0.1 point to 7.5% in April. Unlike in March, when the rate fell because many job seekers abandoned the search for a job, the rate fell in April because many job seekers found employment.

Even so, the report probably marked less of an improvement in labor markets than it appeared to on the surface. The average of monthly job gains was higher than in recent months, but not by much, despite the large upward revisions to the February and March increases. **Total hours worked** actually declined 0.4% during the month due to a decline in the **length of the workweek**, reducing average weekly earnings by 0.4%.

In addition, the **U-6 unemployment rate**, which includes people who are working part-time because they could not get a full-time job or have stopped looking for work, increased slightly for the first time since last July. Additionally, 306,000 people joined the ranks of the self-employed, according to the household survey – more than the total 293,000 overall gain. Some analysts pointed to the incentives created by recent changes in federal health care law for businesses to turn full-time jobs into part-time jobs.

All of the net increase in employment in April occurred in private service-producing sectors, as manufacturing employment was unchanged and mining employment and construction employment declined by 3,000 and 6,000 jobs, respectively. Government employment decreased by 11,000 jobs, with declines spread across federal, state and local levels.

Employment increases in April were led by professional and business services (+73,000), leisure and hospitality (+43,000) and trade, transportation and utilities (+37,000). The increase in professional and business services was boosted by a 30,800 job increase in temporary help services. Most of the increase in the leisure and hospitality sector was due to net hiring at restaurants and bars, with the remainder occurring in the lodging industry. The gain in trade, transportation and utilities was concentrated in the retail industry (and within that segment, at general merchandise stores) and in truck transportation.

Ohio employment decreased by 20,400 jobs in March, more than offsetting the 16,200 jobs gained in February. Nonetheless, Ohio employment remains up 1,900 jobs year-to-date. The Ohio unemployment rate was stable at 7.1% in March, up from 6.7% in December, but down from 7.4% in March a year ago and a peak for this cycle of 10.6% in February 2010. The Ohio unemployment rate was 0.5 percentage points below the national unemployment rate in March.

During the twelve months ending in March, increases in Ohio employment were led by educational and health services (+14,600), manufacturing (+7,200), professional and business services (+4,100) and financial activities (+2,800). Weakness was concentrated in the government sector, where employment decreased 14,200 jobs, and in construction, where employment was down 9,500 jobs year-over-year.

Among the contiguous states, year-over-year employment growth was strongest in Indiana (+1.6%), Kentucky (+1.3%), and Michigan (+1.2%), compared with a 0.6% increase in Ohio. Employment was also higher year-over-year in Pennsylvania (+0.3%) and West Virginia (+0.2%). Year-over-year growth in manufacturing was 1.3% in Ohio. Among the contiguous states, manufacturing employment increased 6.1% in Kentucky, 3.4% in Michigan, 3.1% in Indiana, and 0.4% in Pennsylvania, and decreased 2.2% in West Virginia. Also contributing to the lack of growth in total employment in West Virginia was a large decline in mining and logging employment.

Consumer Income and Consumption

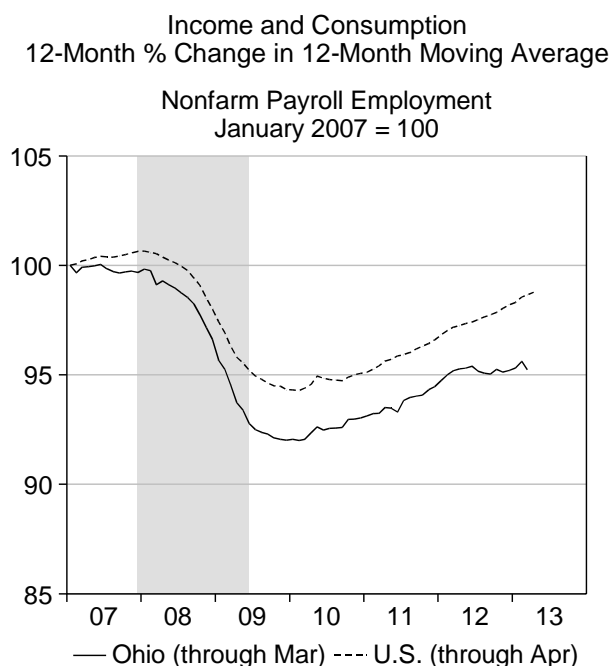
Patterns in income and consumption have essentially returned to normal after having been distorted by Hurricane Sandy and major tax law changes. **Wage and salary disbursements** increased 0.2% in March, pacing personal income to an increase of the same size. The moderate increases followed very large increases in February that adjusted for major decreases in January, which resulted from tax maneuvering around year end.

Hurricane Sandy disrupted income and spending in October and November. Reactions to expected tax law changes in January distorted incomes in November, December and January, as businesses accelerated bonuses and stock dividends into 2012 and, in some cases, paid special dividends.

On a smoothed basis that irons out month-to-month distortions, growth in **personal consumption expenditures** has slowed to match growth in **personal income**. The year-over-year change in the 12-month moving average was about 3.5% for both personal income and personal consumption expenditures in March – still well ahead of inflation but down from 4.2% and 4.8%, respectively, in March 2012. The smoothed growth rate in wage and salary distributions was a touch lower at 3.2%.

Despite the expiration of the payroll tax cut in January, increases in other tax rates, the imposition of new taxes at the federal level, and significant increases in gasoline prices in March real personal consumption increased 3.2% in the first quarter – the best showing since the fourth quarter of 2010. During the previous two quarters, which irons out fluctuations around year end, real consumption increased at an annual rate of 2.5% – the best since the first quarter of 2011.

Consumer spending presumably has benefited from the improvements in labor markets, which include a notable decline in the pace of layoffs, and wage gains that exceed inflation. In



addition, gains in net worth arising from increases in prices of houses and financial assets, such as stocks and bonds, has supported spending out of current income.

In contrast to the picture revealed by consumer spending, **consumer confidence** deteriorated on average in the first quarter. The Conference Board index averaged 62.8 in the first quarter, down 70.4 in the fourth quarter. The Reuters/University of Michigan index declined to 76.7 from 79.4. Finally, levels remain close to average levels observed during recessions in the past.

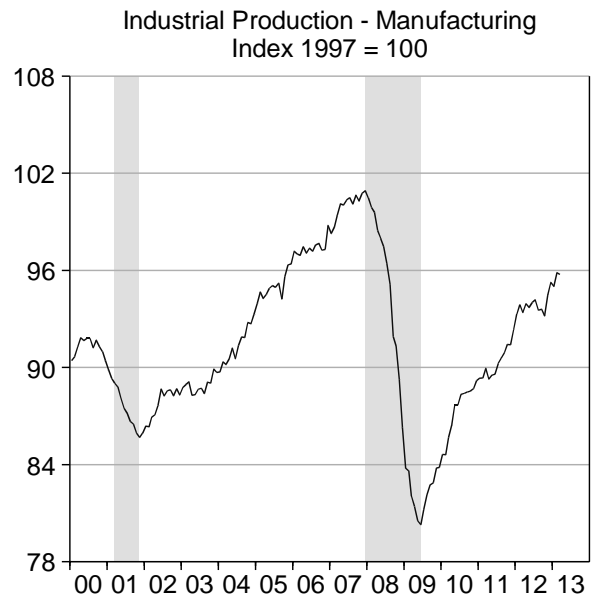
Manufacturing

The industrial sector continues to expand, but at a modest pace. **Industrial production** increased 0.4% in March, but the gain was due entirely to a temporary, weather-induced jump in utility output. Mining production declined 0.2% and manufacturing production edged down by 0.1% for the second decline in the last three months and the fourth decline in the last eight months. Compared with a year ago, industrial production was up by 3.5% and manufacturing production was up by just 2.5% – relatively subdued rates of growth during an economic expansion.

Of particular importance to the Ohio economy, production of motor vehicles and parts increased 2.9% in March on top of a 2.0% increase in February, reflecting continued strong sales. Sales dipped to 14.9 million units in April from the average of 15.3 million during November-March.

Also important to Ohio, production of primary metal fell 2.7% in March, erasing more than all of the gains during the preceding three months. Production of fabricated metal fell 0.5% in March after a 2.0% rise in February. Also, production of machinery increased 0.3% after a 3.2% rise. Together, the four industries accounted for almost one-half of manufacturing jobs in Ohio and one out of every thirteen private sector jobs in the state in March, before seasonal adjustment.

Factory orders and **factory shipments** both declined in March, but orders for non-defense



capital goods, excluding aircraft, which often is a better gauge of the underlying trend in activity, increased. New orders decreased 4.0%, wiping out all of the gains since last September. Shipments fell 1.0%, erasing gains through last November. Shipments and orders of non-defense capital goods, excluding aircraft, both increased in March, but remained little changed from the year-earlier levels.

After a string of three impressive improvements during December-February, the assessment of **purchasing managers** in manufacturing deteriorated in March and again in April. The composite index edged down from 51.3 to 50.7 – still above the neutral level of 50, but a notable setback from the beginning of the year. The decline reflected deterioration in employment, new export orders, and inventories. On the positive front, the index for new orders, production and the backlog of orders all improved.

Construction

Total **construction put-in-place** decreased 1.7% in March. The decline followed an upwardly revised gain of 1.5% in February, but reduced the level almost all of the way back down to the level of last August. Excluding residential improvements, total construction also decreased 1.7%. From a year earlier, total construction increased 4.8%.

The mix of activity has shifted significantly away from non-residential toward residential since last March. After increasing by 8.5% in residential and 8.6% in non-residential during the year ending March 2012, construction put-in-place accelerated to 17.8% through February for residential and decelerated to -1.2% for non-residential, underscoring the resurgence in residential construction in recent months.

The **Architecture Billings Index** from the American Institute of Architects softened in March for the first time since December. Even so, the index remained above the neutral level of 50 for the eighth straight month. The **Inquiries for New Work Index** also softened in March, falling to 60.1, compared with a February level of 64.8 and a neutral level of 50. The **Billings Index for the Midwest** moved lower to 53.9, breaking a six month string of increases. Despite the softness in March, the recent patterns in the AIA indexes raise the likelihood of some strengthening in non-residential construction in coming months.

Housing construction continued to improve in some key respects in March. **Housing starts** across the country increased 1.9% in March on a 3-month moving average basis to 35.5% higher than a year earlier. Permits retreated a modest 0.3% in March after eight straight monthly increases, but were 27.1% above the year earlier level. In the Midwest, housing starts declined 9.1% on a 3-month moving average basis on top of large declines in the previous two months.

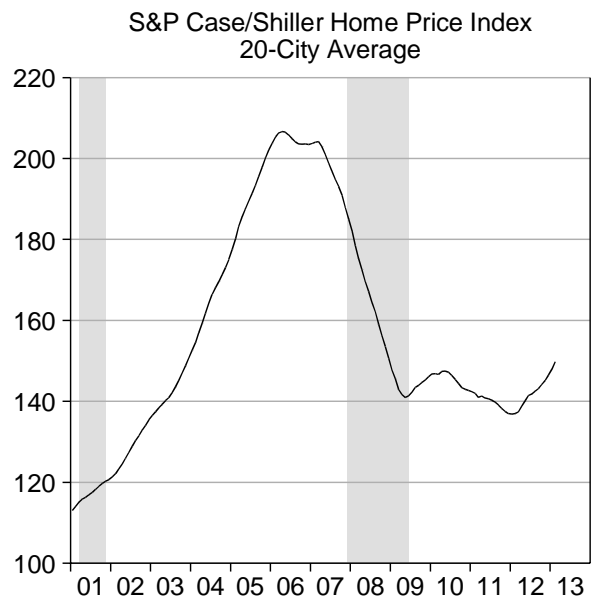
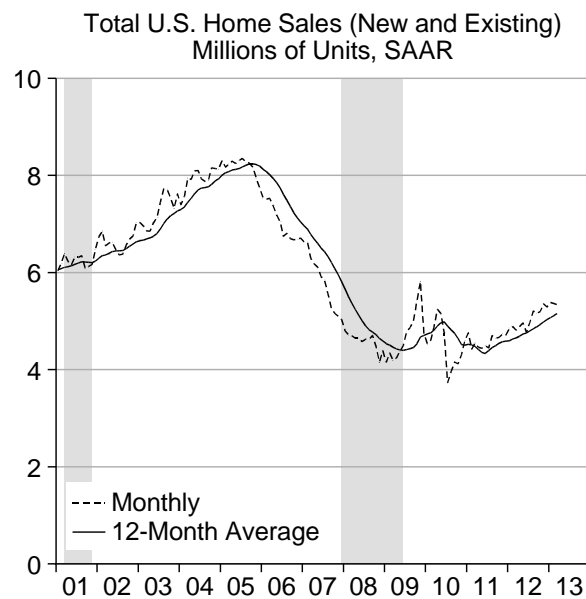


Midwest permits were little changed in March after declines during the three preceding months.

Sales of existing homes were little changed in both February and March on a 3-month moving average basis and were 9.8% above the year earlier level. In the Midwest, existing home sales increased 1.2%, more than reversing the 0.9% decrease in February and rising to 15.0% above the year earlier level.

Sales of newly built homes increased 2.2% in March on a 3-month moving average basis to a 20.4% year-over-year gain. In the Midwest, new home sales tacked a 2.5% increase in March onto a 10.3% increase the month before, rising to 21.5% above the year earlier level.

The **inventory of existing homes** increased slightly again in March. Relative to the pace of sales, the inventory of unsold homes increased to 4.7 months – still among the lowest since the recession and not far above the 1999-2005 average of 4.4 months. The **inventory of new homes** also inched higher in March in absolute terms but relative to the pace of sales was stable at 4.4 months – only slightly above the average during 1999-2005. The return of the inventory of homes on the market to normal levels is an important indication of the improvement in the housing sector.



Home prices posted the thirteenth straight monthly increase in February, according to the S&P/Case-Shiller 20-city composite home price index. The index increased 1.2% in February, lifting the total increase since the cyclical low point reached in January 2012 to 9.5%. The index was still down 27.5% from the all-time peak reached in April 2006. Home prices in Cleveland increased 0.3% in February. Cleveland home prices have increased for seven straight months and are 5.3% higher than a year earlier and 5.3% above the cyclical low point, but remain 16.9% below the peaked reached in January 2006.

REVENUES

NOTE: Estimates reflected in the revenue tables are based on July 2012 OBM revisions and do not include or reflect updated fiscal year 2013 annual estimates contained in the Executive Budget for fiscal years 2014-2015.

April **GRF receipts totaled \$3,234.7 million** and were \$225.8 million (7.5%) above the estimate. Monthly tax receipts totaled \$2,579.7 million and were \$259.7 million (11.2%) above the estimate, while non-tax receipts totaled \$654.9 million and were \$20.9 million (3.1%) below the estimate. Year-to-date variances by category are provided in the following table (\$ in millions).

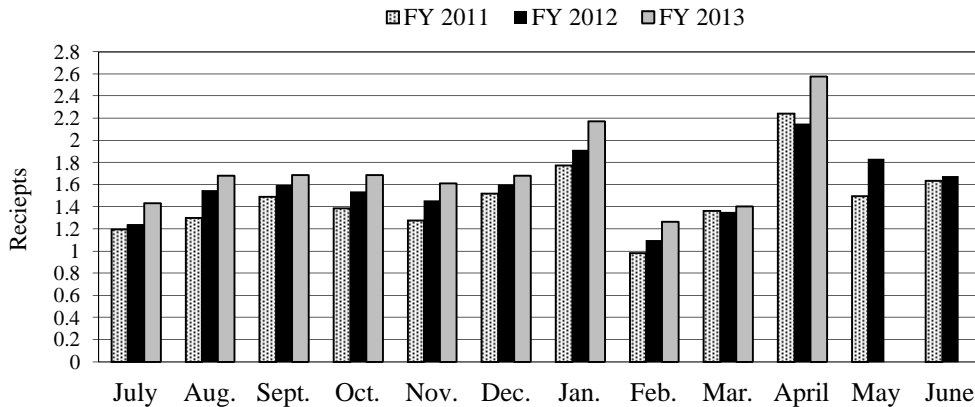
Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, commercial activity, MCF, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$570.6 million	3.4%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	\$487.5 million	7.0%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	(\$31.9 million)	(24.7%)
TOTAL REVENUE VARIANCE:		\$1,026.2 million	4.3%

Based on strength in annual income tax filings, April tax receipts exceeded the estimate by \$259.7 million (11.2%). On a year-over-year basis, monthly receipts were \$427.3 million (19.9%) higher than they were in April 2012, with the largest contribution to this year-over-year growth attributable to the personal income tax.

GRF Revenue Sources Relative to Monthly Estimates - April 2013
(\$ in millions)

Individual Sources Above Estimate		Individual Sources Below Estimate	
Auto Sales Tax	\$2.5	Non-Auto Sales Tax	(\$27.7)
Personal Income Tax	\$260.1	Commercial Activity Tax	(\$3.5)
Corporate Franchise Tax	\$1.1	Kilowatt Hour Tax	(\$1.1)
Other Business and Property Tax	\$28.8	Estate Tax	(\$2.0)
Cigarette Tax	\$2.4	Federal Grants	(\$20.7)
Earnings on Investments	\$1.4	ISTV'S	(\$1.8)
Other Sources Above Estimate	\$1.6	Liquor Transfers	(\$13.0)
		Other Sources Below Estimate	(\$2.3)
Total above	\$297.9	Total below	(\$72.1)

Tax Revenue Comparison by Month
(\$ in billions)



Non-Auto Sales and Use Tax

The non-auto sales tax continued its erratic performance in April as receipts totaled \$615.8 million and fell \$27.7 million (4.3%) short of the estimate. This reversed two consecutive months of better than expected performance and marked the fifth time in ten months that the non-auto sales tax fell short of the estimate. Year-to-date, this tax source is now \$49.9 million (0.8%) below the estimate. On a year-over-year basis, April 2013 receipts were \$3.9 million (0.6%) below those of April 2012 with fiscal year 2013 year-to-date receipts \$225.1 million (3.9%) higher than those at the same point in fiscal year 2012. Due to the relatively weak performance of this tax over the course of the fiscal year, OBM continues to closely monitor its performance to determine what factors are driving this erratic behavior.

Auto Sales Tax

Supported by continued strong unit sales, the auto sales tax exceeded expectations again in April as receipts totaled \$114.0 million and were \$2.5 million (2.3%) above the estimate. Year-to-date, auto tax receipts total \$897.1 million and are \$12.0 million (1.4%) above the estimate. On a year-over-year basis, April 2013 receipts were \$9.7 million (9.3%) above those of April 2012, while fiscal year 2013 year-to-date receipts are \$28.4 million (3.3%) higher than the same point in the previous fiscal year.

Personal Income Tax

April personal income tax receipts totaled \$1,647.2 million and were \$260.1 million (18.8%) above the estimate. The primary contributor to this strong performance was the payments associated with annual returns component of the tax that totaled \$1,085.6 million and was \$296.1 million (37.5%) above the estimate. Also contributing to the positive variance were the withholding and quarterly estimated payment components which totaled \$705.0 million and \$178.4 million respectively, and were \$22.2 million (3.2%) and \$11.6 million (7.0%) above the respective estimates.

While there have been significant overages in estimated payments and income tax filings in the January through April period, the over-performance should be viewed with caution. OBM and others hypothesize that the prospect of federal tax increases for tax year 2013 (some of which became law) caused businesses and taxpayers to change their behavior and accelerate income into tax year 2012, thus avoiding potential tax increases. Although the precise extent of the shift will never be known with certainty even as more data becomes available, there already has been supporting empirical and anecdotal evidence from sources monitored by OBM. Although this acceleration of income has provided higher-than-expected tax revenue for Ohio (and for other states and for the federal government) in FY 2013, there may be a price to be paid in terms of depressed non-wage income, and tax revenues from non-wage income, in FY 2014 and subsequent years.

Had it not been for the continuing trend of refunds exceeding the estimate, the April variance would have been higher. While OBM had attributed greater than estimated refunds in February and March to the delayed start of the IRS tax return filing season in January, which pushed refunds into later months, it appears that overall refunds will likely exceed the annual estimate. Refunds in April totaled \$316.2 million and exceeded the estimate by \$59.0 million (22.9%).

On a year-over-year basis, monthly personal income tax receipts were \$354.0 million (27.4%) above the April 2012 level. The major contributor to this growth was payments associated with annual returns, which ended \$289.1 million (36.3%) higher than for the same month in the previous fiscal year. The second major positive contribution to year-over-year growth came from the withholding component which was \$85.0 million (13.7%) higher than for the same month in the previous fiscal year.

Year-to-date through the first ten months of fiscal year 2013, personal income tax receipts are \$7,900.1 million which is \$431.2 million (5.8%) above estimate and \$941.8 million (13.5%) higher than the April 2012 level.

FY2013 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	\$682.8	\$705.0	\$22.2	\$6,728.6	\$6,804.0	\$75.4
Quarterly Est.	\$166.8	\$178.4	\$11.6	\$950.1	\$1,110.5	\$160.4
Trust Payments	\$13.2	\$14.8	\$1.6	\$35.9	\$69.7	\$33.8
Annual Returns & 40 P	\$789.5	\$1,085.6	\$296.1	\$1,039.4	\$1,315.1	\$275.7
Other	\$19.4	\$6.4	(\$13.0)	\$111.5	\$78.2	(\$33.3)
Less: Refunds	(\$257.2)	(\$316.2)	(\$59.0)	(\$1,119.2)	(\$1,196.0)	(\$76.8)
Local Distr.	(\$27.4)	(\$26.7)	\$0.6	(\$277.3)	(\$281.4)	(\$4.1)
Net to GRF	\$1,387.1	\$1,647.2	\$260.1	\$7,469.0	\$7,900.1	\$431.2

Corporate Franchise Tax

Corporate franchise tax receipts for the month of April totaled \$29.1 million and were \$1.1 million (3.8%) above the estimate. While OBM believed that the positive performance in March might have been at least in part the result of payments expected for April, this appears not to have been the case, but instead seems to have been attributable to better than expected performance of this tax.

Year-to-date corporate franchise tax receipts are \$231.5 million (122.6%) above the estimate and were \$141.5 million (157.1%) higher than those at the same point in fiscal year 2012. As noted in previous months' reports, refund activity for the year-to-date has not been as high as expected and that, combined with a number of unexpected one-time settlements, have driven the year-to-date performance higher both relative to estimate and relative to fiscal year 2012 performance.

Commercial Activity Tax

April commercial activity tax (CAT) receipts to the GRF totaled \$18.8 million and were \$3.5 million (15.7%) below the estimate. On a year-over-year basis, April 2013 GRF CAT receipts were \$8.1 million (76.2%) higher than those of April 2012, largely due to provisions contained in H.B. 153 of the 129th General Assembly that modified the distribution of CAT receipts, with the portion of total receipts being allocated to the GRF increasing from 25.0 percent in fiscal year 2012 to 50.0 percent in fiscal year 2013. The all-funds CAT receipts for April totaled \$39.1 million and were \$5.9 million below the \$45.0 million estimate. On a year-to-date basis, total GRF CAT receipts are \$629.1 million, which is \$23.0 million (3.5%) below the estimate, while all-funds CAT receipts are \$1,272.6 million and are \$42.6 million (3.2%) below the estimate of \$1,315.2 million.

Kilowatt-Hour Tax

April kilowatt hour receipts totaled \$25.7 million and were \$1.1 million (3.9%) below the estimate, bringing the year-to-date total to \$272.1 million, which is \$4.4 million (1.6%) below

the estimate. On a year-over-year basis, this tax source was \$1.5 million (6.3%) above the April 2012 level, while year-to-date fiscal year 2013 receipts are \$9.9 million (3.8%) above the level at the same point in the previous fiscal year.

Other Business and Property Tax

The other business and property tax had receipts of \$28.8 million in April, with the entirety of that amount exceeding the negligible estimate for the month. This variance is the result of the Department of Taxation taking over the collection responsibility for the primary component of this tax category, the Dealers in Intangibles Tax, from the Treasurer. This resulted in an acceleration of collections, which in the past have occurred in May and June, into April. As a result, OBM expects that the combined collections during the months of May and June should be under the estimate by a similar amount.

Cigarette Tax

Cigarette tax receipts for the month of April totaled \$71.7 million and were \$2.4 million (3.5%) above the estimate, bringing the year-to-date total to \$630.1 million, which is \$7.9 million (1.3%) above the estimate. On a year-over-year basis, April 2013 cigarette tax receipts were \$0.5 million (0.7%) higher than those of April 2012, while year-to-date fiscal year 2013 receipts are \$11.5 million (1.8%) lower than the same point in the previous fiscal year, a decline that is smaller than the 3.0 percent decline we have seen with this tax source in recent years.

GRF non-tax receipts totaled \$654.9 million in April and were \$20.9 million (3.1%) below the estimate, primarily due to lower than expected federal grants. Due to the completion of the JobsOhio liquor transaction, no liquor profits transfers occurred during the month of April. As a result, **GRF transfers** were \$13.0 million below estimate for the month and for the year-to-date total \$97.3 million, or \$31.9 million (24.7%) below the estimate.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
(\$ 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	615,794	643,500	(27,706)	-4.3%	6,055,958	6,105,900	(49,942)	-0.8%
Auto Sales & Use	114,015	111,500	2,515	2.3%	897,062	885,100	11,962	1.4%
Subtotal Sales & Use	729,809	755,000	(25,191)	-3.3%	6,953,020	6,991,000	(37,980)	-0.5%
Personal Income	1,647,242	1,387,122	260,120	18.8%	7,900,122	7,468,964	431,158	5.8%
Corporate Franchise	29,058	28,000	1,058	3.8%	231,540	104,000	127,540	122.6%
Commercial Activity Tax	18,798	22,300	(3,502)	-15.7%	629,047	652,000	(22,953)	-3.5%
Public Utility	0	100	(100)	N/A	68,501	75,000	(6,499)	-8.7%
Kilowatt Hour	25,747	26,800	(1,053)	-3.9%	272,135	276,500	(4,365)	-1.6%
MCF Tax	3,993	3,400	593	17.4%	27,932	34,600	(6,668)	-19.3%
Foreign Insurance	368	1,100	(732)	-66.5%	288,924	283,000	5,924	2.1%
Domestic Insurance	1	0	1	N/A	4,949	(200)	5,149	2574.7%
Other Business & Property	28,806	0	28,806	N/A	33,610	(1,100)	34,710	3155.5%
Cigarette	71,699	69,300	2,399	3.5%	630,118	622,200	7,918	1.3%
Alcoholic Beverage	4,380	5,100	(720)	-14.1%	45,347	48,100	(2,753)	-5.7%
Liquor Gallonage	3,407	3,400	7	0.2%	33,779	33,300	479	1.4%
Estate	16,433	18,400	(1,967)	-10.7%	92,432	53,500	38,932	72.8%
Total Tax Receipts	2,579,740	2,320,022	259,719	11.2%	17,211,459	16,640,864	570,595	3.4%
NON-TAX RECEIPTS								
Federal Grants	645,385	666,123	(20,738)	-3.1%	6,800,687	6,836,036	(35,349)	-0.5%
Earnings on Investments	2,878	1,500	1,378	91.9%	7,326	4,000	3,326	83.1%
License & Fees	5,203	4,234	969	22.9%	65,994	44,368	21,627	48.7%
Other Income	1,447	2,217	(770)	-34.7%	505,578	22,627	482,950	2134.4%
ISTV'S	1	1,750	(1,750)	N/A	24,342	9,370	14,972	159.8%
Total Non-Tax Receipts	654,913	675,824	(20,911)	-3.1%	7,403,926	6,916,401	487,525	7.0%
TOTAL REVENUES	3,234,653	2,995,846	238,808	8.0%	24,615,385	23,557,265	1,058,120	4.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	13,000	(13,000)	N/A	88,000	124,000	(36,000)	-29.0%
Transfers In - Other	0	0	0	N/A	9,251	5,166	4,085	79.1%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	0	13,000	(13,000)	N/A	97,251	129,166	(31,915)	-24.7%
TOTAL SOURCES	3,234,653	3,008,846	225,808	7.5%	24,712,636	23,686,431	1,026,205	4.3%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ACTUAL FY 2012
(\$ in thousands)

<u>REVENUE SOURCE</u>	<u>MONTH</u>				<u>YEAR-TO-DATE</u>			
	<u>APRIL FY 2013</u>	<u>APRIL FY 2012</u>	<u>\$ VAR</u>	<u>% VAR</u>	<u>ACTUAL FY 2013</u>	<u>ACTUAL FY 2012</u>	<u>\$ VAR</u>	<u>% VAR</u>
TAX RECEIPTS								
Non-Auto Sales & Use	615,794	619,688	(3,894)	-0.6%	6,055,958	5,830,837	225,120	3.9%
Auto Sales & Use	114,015	104,284	9,731	9.3%	897,062	868,633	28,429	3.3%
Subtotal Sales & Use	<u>729,809</u>	<u>723,972</u>	<u>5,837</u>	<u>0.8%</u>	<u>6,953,020</u>	<u>6,699,471</u>	<u>253,550</u>	<u>3.8%</u>
Personal Income	1,647,242	1,293,214	354,028	27.4%	7,900,122	6,958,354	941,768	13.5%
Corporate Franchise	29,058	(2,068)	31,126	1505.4%	231,540	90,073	141,467	157.1%
Commercial Activity Tax	18,798	10,670	8,128	76.2%	629,047	312,001	317,047	101.6%
Public Utility	0	11	(11)	N/A	68,501	79,515	(11,014)	-13.9%
Kilowatt Hour	25,747	24,213	1,534	6.3%	272,135	262,193	9,943	3.8%
MCF Tax	3,993	3,362	630	18.8%	27,932	34,690	(6,758)	-19.5%
Foreign Insurance	368	481	(113)	-23.6%	288,924	279,316	9,607	3.4%
Domestic Insurance	1	13	(12)	-94.1%	4,949	150	4,800	3202.3%
Other Business & Property	28,806	5	28,801	N/A	33,610	(1,594)	35,204	2209.2%
Cigarette	71,699	71,206	494	0.7%	630,118	641,641	(11,523)	-1.8%
Alcoholic Beverage	4,380	5,026	(645)	-12.8%	45,347	47,562	(2,215)	-4.7%
Liquor Gallonage	3,407	3,369	38	1.1%	33,779	32,834	945	2.9%
Estate	16,433	18,937	(2,505)	-13.2%	92,432	56,320	36,112	64.1%
Total Tax Receipts	<u>2,579,740</u>	<u>2,152,411</u>	<u>427,329</u>	<u>19.9%</u>	<u>17,211,459</u>	<u>15,492,526</u>	<u>1,718,933</u>	<u>11.1%</u>
NON-TAX RECEIPTS								
Federal Grants	645,385	403,121	242,263	60.1%	6,800,687	6,252,877	547,810	8.8%
Earnings on Investments	2,878	1,272	1,606	126.2%	7,326	3,983	3,343	83.9%
License & Fee	5,203	4,774	429	9.0%	65,994	58,564	7,430	12.7%
Other Income	1,447	1,360	86	6.3%	505,578	11,979	493,599	4120.7%
ISTV'S	1	3,002	(3,001)	N/A	24,342	16,069	8,274	51.5%
Total Non-Tax Receipts	<u>654,913</u>	<u>413,529</u>	<u>241,384</u>	<u>58.4%</u>	<u>7,403,926</u>	<u>6,343,471</u>	<u>1,060,455</u>	<u>16.7%</u>
TOTAL REVENUES	3,234,653	2,565,940	668,713	26.1%	24,615,385	21,835,997	2,779,388	12.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	20,000	(20,000)	N/A	88,000	92,500	(4,500)	-4.9%
Transfers In - Other	0	0	0	N/A	9,251	48,975	(39,724)	-81.1%
Temporary Transfers In	0	0	0	N/A	0	180,718	(180,718)	N/A
Total Transfers	<u>0</u>	<u>20,000</u>	<u>(20,000)</u>	<u>N/A</u>	<u>97,251</u>	<u>322,193</u>	<u>(224,942)</u>	<u>-69.8%</u>
TOTAL SOURCES	3,234,653	2,585,940	648,713	25.1%	24,712,636	22,158,190	2,554,445	11.5%

DISBURSEMENTS

April 2013 GRF disbursements, across all fund uses, totaled \$2,683.8 million and were \$35.8 million (1.4%) above estimate. On a year-over-year basis, disbursements for April 2013 were \$569.8 million (27.0%) higher than those of April 2012, and this was primarily attributable to higher disbursements in the Public Assistance and Medicaid and in the Tax Relief and Other categories. Year-to-date variances by category are provided in the table below.

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)	(\$136.7 million)	(0.6%)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$2.2 million	(0.6%)
TOTAL DISBURSEMENTS VARIANCE:		(\$138.8 million)	(0.6%)

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, as well as disbursements made to libraries and arts organizations. April disbursements in this category totaled \$583.9 million and were \$17.7 million (3.1%) above the estimate.

April disbursements for the Department of Education alone totaled \$578.9 million and were \$19.2 million (3.4%) above the estimate. Expenditures for the school foundation program totaled \$500.0 million and were \$12.0 million (2.4%) above the estimate. The variance in the foundation funding line item is due to the Department of Education using fiscal year 2013 October Average Daily Membership (ADM) rather than estimated ADM to make payments to school districts, which results in some variability. Additionally, the Department disbursed payment in lieu of transportation funds to districts ahead of schedule, totaling approximately \$5.0 million. Finally, disbursements for student assessments were \$6.3 million (30.1%) above the estimate for April, which will reduce the amount of funds the Department will encumber at the end of the fiscal year for these assessments.

Higher Education

April disbursements for Higher Education totaled \$164.5 million and were \$1.2 million (0.7%) above the estimate. Year-to-date disbursements are \$1,768.6 million, which is \$10.0 million (0.6%) below the estimate. The monthly variance is primarily due to the Family Practice subsidy payment being made in April rather than in May, as was originally reflected in the agency disbursement estimates. On a year-over-year basis, disbursements in this category were

\$2.9 million (1.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures are nearly equal to those at the same point in fiscal year 2012.

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 \$1,238.4 million and were \$13.7 million (1.1%) above the monthly estimate. Fiscal year-to-date expenditures are \$11,614.3 million, which is \$27.8 million (0.2%) below estimate.

Public Assistance and Non-Medicaid

ODJFS, Non-Medicaid, General Revenue Fund (GRF) disbursements totaled \$87.9 million for the month of April and were \$1.3 million (1.4%) above the estimate. Major monthly variances were attributable to the following:

- TANF State/Maintenance of Effort subsidy disbursements were \$8.1 million (31.6%) above estimate as a result of all monthly Ohio Works First cash assistance payments being coded to this line item to ensure the annual federal TANF Maintenance of Effort was met.
- Early Care and Education subsidy disbursements were \$1.9 million (25.4%) below estimate due to lower-than-anticipated child care payments.
- Information Technology Projects disbursements were \$1.6 million (26.9%) below estimate due to a delay in the receipt of anticipated Department of Administrative Service Office of Information Technology invoices.
- Family Assistance – Local disbursements were \$1.4 million (34.1%) below estimate due to lower-than-anticipated county expenditures for the month.

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 ODJFS portion of the Medicaid Program are \$10,945.8 million, which is \$23.6 million (0.2%) over the estimate and \$975.8 million (9.8%) above the same point in the previous fiscal year. Disbursements in April totaled \$1,150.5 million and were \$12.4 million (1.1%) above the estimate and \$385.9 million (50.5%) above disbursements in April 2012. Due to a delay in the collection of certain assessments, payments normally made from non-GRF funds were instead paid by the GRF. An opposite effect is expected in future months when the assessments are collected.

All funds year-to-date disbursements equal \$12,573.9 million and are \$694.4 million (5.2%) below the estimate and \$248.4 million (2.0%) above the same point in the previous fiscal year. All funds disbursements for the month of April totaled \$1,323.8 million and were \$134.0 million (9.2%) below the estimate and \$20.6 (1.6%) above disbursements in April 2012.

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

	April Projection	April Actual	Variance	Variance %
GRF	\$ 1,138,081,731	\$ 1,150,503,283	\$ 12,421,552	1.1%
Non-GRF	\$ 319,640,263	\$ 173,259,301	\$ (146,380,962)	-45.8%
All Funds	\$ 1,457,721,994	\$ 1,323,762,584	\$ (133,959,410)	-9.2%

Categorical Variances

Managed Care ABD and CFC – The \$90.1 million negative variance within managed care accounts for much of the total monthly underspend. The below estimate spending in this category is driven by lower-than-anticipated capitation payments, delivery payments, and caseload. The ABD category saw a lower caseload than expected which led to lower spending. In addition, amounts were included in the disbursement estimates for expenditures related to the Affordable Care Act's physician fee schedule increase; however, information regarding the implementation of the policy was updated after disbursement estimates were finalized.

Department of Aging Waivers – Another negative variance was observed in the Aging Waivers category, primarily due to lower-than-expected caseload volume. In addition, the service cost per consumer enrolled in PASSORT/Choices was lower than projected, which contributed \$15.1 million to the overall negative variance.

Caseload

Total April enrollment across all categories was 2.38 million. The most significant components are the Covered Families and Children (CFC) category, which increased by 66 persons to an April total of 1.69 million persons, and the Aged, Blind and Disabled (ABD) category, which increased by 3,797 people to an April total of 399.7 thousand covered lives.

Total enrollment across all categories for the same period last year was 2.37 million covered persons, including 1.68 million persons in the CFC category and 406.0 thousand people in the ABD category. Please note that these data are subject to revision.

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 \$86.4 million and were \$12.6 million (12.7%) below the estimate. On a year-over-year basis, this category was \$1.4 million (1.7%) higher than the

same month in the previous fiscal year. Year-to-date disbursements are \$834.0 million, which is \$32.4 million (3.7%) below the estimate.

Department of Health

April disbursements for the Department of Health totaled \$10.9 million and were \$3.2 million (42.3%) above estimate. Year-to-date expenditures are \$68.7 million, which is \$8.3 million (10.8%) below the estimate. Major monthly variances within individual line items are attributable to the following:

- Help Me Grow disbursements were \$1.4 million above estimate due to adjustment payments made to vendors who have consistently under-billed for services throughout the year. As more outreach and training takes place to produce more accurate billing in the new fee-for-service model, disbursements will increase in the last quarter to prevent any lapses in spending for the year.
- AIDS Prevention and Treatment disbursements were \$1.3 million over estimate due to the completion of large drug purchases that were planned for prior months.

Department of Aging

April disbursements for the Department of Aging totaled \$2.1 million and were \$0.2 million (13.2%) above estimate for the month. The variance is found mostly within the Senior Community Services program and is attributable to the timing of the Title III – Nutrition Services federal award. Area Agencies on Aging (AAAs) are relying more heavily on state funding until federal awards are issued, leading to higher disbursements in the last quarter of the fiscal year. Year-to-date expenditures are \$12.6 million, which is \$0.5 million (4.1%) below estimate.

Department of Mental Health

April disbursements for the Department of Mental Health totaled \$12.9 million and were \$18.5 million (58.9%) below estimate. Year-to-date expenditures are \$247.2 million, which is \$27.3 million (9.9%) below estimate. Major monthly variances within individual line items were attributable to the following:

- Local Mental Health System of Care disbursements were \$14.8 million (100%) below estimate due to a delay in voucher processing at Shared Services. Additionally, Forensic Services disbursements were \$0.8 million (100%) below estimate due to this delay.
- Disbursements within the Hospital Services line item were \$2.3 million (15.3%) below estimate due to the timing of the posting of payroll. As mentioned in last month's report, payroll posting that was anticipated for April instead was posted in March.

Department of Developmental Disabilities

April disbursements for the Department of Developmental Disabilities totaled \$53.5 million and were \$1.0 million (1.8%) above the estimate. The variance is a result of higher-than-anticipated spending in the Medicaid State Match line item, which was \$1.0 million (2.8%) above the estimate. The discrepancy is attributable to higher-than-expected payments to ICFs/IID. Medicaid State Match line item disbursements are \$0.3 million (0.1%) below estimate for the year. Year-to-date expenditures for the department as a whole are \$450.3 million, which is \$2.0 million (0.4%) below estimate.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Correction and the Department of Youth Services. April disbursements in this category totaled \$158.4 million and were \$11.8 million (6.9%) below the estimate. On a year-over-year basis, this category was \$27.3 million (14.7%) lower than the same month in the previous fiscal year. Year-to-date disbursements are \$1,666.4 million, which is \$71.3 million (4.1%) below the estimate.

Department of Rehabilitation and Correction

Department of Rehabilitation and Correction disbursements totaled \$129.7 million in April and were \$8.0 million (5.8%) below the estimate. This variance was largely in the Institutional Services and Medical Services lines, due to an overall decrease in personnel and cost savings initiatives in medical services.

Department of Youth Services

Department of Youth Services disbursements totaled \$11.7 million in April and were \$1.3 million (9.9%) below the estimate. This variance was largely in the RECLAIM Ohio line, due to lower-than-anticipated spending in personnel and supplies.

Environmental Protection and Natural Resources

April disbursements for the Environmental Protection and Natural Resources category totaled \$4.8 million and were \$0.5 million (10.5%) above the estimate. On a year-over-year basis, this category was \$0.7 million (12.2%) below the same month in the previous fiscal year. Year-to-date disbursements are \$59.6 million, which is \$1.8 million (2.9%) below the estimate.

Transportation

April disbursements for the Transportation category totaled \$0.8 million and were \$0.1 million (12.5%) below the estimate. On a year-over-year basis, this category was \$0.2 million (28.0%) above the same month in the previous fiscal year. Year-to-date disbursements are \$8.3 million, which is \$0.6 million (6.9%) below the estimate.

General Government

April disbursements for the General Government category totaled \$14.4 million and were \$1.6 million (10.0%) below the estimate. On a year-over-year basis, this category was \$4.0 million (21.7%) below the same month in the previous fiscal year. Year-to-date disbursements are \$281.3 million, which is \$26.6 million (8.6%) below the estimate.

Community and Economic Development

April disbursements for the Community and Economic Development category totaled \$3.7 million and were \$2.2 million (37.2%) below the estimate. The monthly variance is primarily due to the following factors:

- Development Services Agency disbursements were \$1.4 million (33.0%) below estimate due to a lower than anticipated number of grant reimbursements being paid in April.
- Expositions Commission disbursements were \$0.5 million (100%) below estimate due to the timing of Construction Planning payments.
- Department of Agriculture disbursements were \$0.2 million (21.3%) below estimate due to a higher than projected number of unfilled positions.

On a year-over-year basis, disbursements for this category were \$0.5 million (11.3%) below the same month in the previous fiscal year, while year-to-date disbursements are \$70.9 million, which is \$14.5 million (16.9%) below the estimate. The year-to-date variance is primarily the result of lower than anticipated lease-rental debt payments by the Cultural Facilities Commission.

Tax Relief and Other

April disbursements for the Tax Relief and Other category totaled \$360.6 million and were \$42.7 million (13.4%) above estimate. Payments made under this category are comprised of death benefits subsidy payments made by the Treasurer of State to the Ohio Police and Fire Retirement System and property tax relief payments made to local governments and school districts. Year-to-date disbursements are \$1,275.9 million, which is \$59.6 million (4.9%) above the estimate. On a year-over-year basis, this category was \$161.3 million (80.9%) above the same month in the previous fiscal year and for the year-to-date, disbursements are \$191.2 million (17.6%) higher than they were a year earlier.

Payments from the tax relief category are made to local governments and school districts to reimburse these entities 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 were \$355.6 million and were \$42.8 million (13.7%) above the monthly estimate of \$312.8 million. For the year-to-date, tax relief payments total \$1,255.3 million and are \$59.8 million (5.0%) above estimate. Both the monthly and year-to-date variance are the result of a number of counties submitting requests for reimbursement earlier than anticipated, which should result in lower than estimated disbursements in May and June as OBM expects total disbursements to end the fiscal year near the estimate.

Debt Service

April disbursements for the Debt Service category totaled \$67.8 million and were \$1.7 million (2.5%) below the estimate. Year-to-date disbursements are \$765.7 million, which is \$17.6 million (2.2%) below the estimate. On a year-over-year basis, this category was \$46.5 million (218.7%) above the same month in the previous fiscal year and for the year-to-date, disbursements are \$426.3 million (125.6%) higher than they were a year earlier. The year-over-year growth is the result of an end to debt restructuring beginning in fiscal year 2013.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
(\$ 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	583,877	566,157	17,720	3.1%	5,572,862	5,566,897	5,966	0.1%
Higher Education	164,463	163,278	1,186	0.7%	1,768,603	1,778,560	(9,958)	-0.6%
Public Assistance and Medicaid	1,238,356	1,224,682	13,674	1.1%	11,614,253	11,642,022	(27,769)	-0.2%
Health and Human Services	86,388	98,966	(12,578)	-12.7%	833,959	866,315	(32,356)	-3.7%
Justice and Public Protection	158,427	170,249	(11,822)	-6.9%	1,666,443	1,737,732	(71,288)	-4.1%
Environmental Protection and Natural Resources	4,759	4,307	452	10.5%	59,552	61,314	(1,761)	-2.9%
Transportation	829	947	(118)	-12.5%	8,296	8,908	(612)	-6.9%
General Government	14,446	16,050	(1,604)	-10.0%	281,331	307,943	(26,612)	-8.6%
Community and Economic Development	3,691	5,880	(2,188)	-37.2%	70,869	85,329	(14,460)	-16.9%
Tax Relief and Other	360,566	317,820	42,746	13.4%	1,275,914	1,216,265	59,649	4.9%
Capital Outlay	0	0	0	N/A	137	0	137	N/A
Debt Service	67,764	69,489	(1,725)	-2.5%	765,671	783,260	(17,589)	-2.2%
Total Expenditures & ISTV's	2,683,567	2,637,824	45,743	1.7%	23,917,891	24,054,544	(136,653)	-0.6%
Transfers Out:								
Operating Transfer Out	277	10,236	(9,959)	N/A	345,978	348,167	(2,189)	-0.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	277	10,236	(9,959)	-97.3%	345,978	348,167	(2,189)	-0.6%
Total Fund Uses	2,683,844	2,648,060	35,784	1.4%	24,263,869	24,402,711	(138,842)	-0.6%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ACTUAL FY 2012
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL FY 2013	APRIL FY 2012	\$ VAR	% VAR	ACTUAL FY 2013	ACTUAL FY 2012	\$ VAR	% VAR
Primary, Secondary and Other Education	583,877	538,496	45,381	8.4%	5,572,862	5,489,075	83,787	1.5%
Higher Education	164,463	161,544	2,919	1.8%	1,768,603	1,764,730	3,873	0.2%
Public Assistance and Medicaid	1,238,356	855,603	382,753	44.7%	11,614,253	10,654,766	959,487	9.0%
Health and Human Services	86,388	84,959	1,429	1.7%	833,959	854,254	(20,295)	-2.4%
Justice and Public Protection	158,427	185,748	(27,321)	-14.7%	1,666,443	1,594,054	72,389	4.5%
Environmental Protection and Natural Resources	4,759	5,418	(659)	-12.2%	59,552	59,671	(118)	-0.2%
Transportation	829	647	181	28.0%	8,296	8,144	152	1.9%
General Government	14,446	18,446	(3,999)	-21.7%	281,331	240,046	41,285	17.2%
Community and Economic Development	3,691	4,164	(472)	-11.3%	70,869	76,932	(6,063)	-7.9%
Tax Relief and Other	360,566	199,301	161,265	80.9%	1,275,914	1,084,763	191,151	17.6%
Capital Outlay	0	0	0	N/A	137	120	17	14.4%
Debt Service	67,764	21,261	46,503	218.7%	765,671	339,327	426,344	125.6%
Total Expenditures & ISTV's	2,683,567	2,075,586	607,981	29.3%	23,917,891	22,165,881	1,752,010	7.9%
Transfers Out:								
Operating Transfer Out	277	38,435	(38,158)	-99.3%	345,978	375,482	(29,504)	-7.9%
Temporary Transfer Out	0	0	0	N/A	0	237,356	(237,356)	N/A
Total Transfers Out	277	38,435	(38,158)	-99.3%	345,978	612,838	(266,860)	-43.5%
Total Fund Uses	2,683,844	2,114,021	569,823	27.0%	24,263,869	22,778,719	1,485,150	6.5%

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) ending fund balance for FY 2013. Based on the estimated revenue sources for FY 2013 and the estimated FY 2012 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2013 is an estimated \$552.0 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2013 nor should it be considered as equivalent to the FY 2013 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 fiscal year 2013 estimates prepared in July 2012 and does not include or reflect fiscal year 2013 annual updates contained in the Executive Budget for fiscal years 2014-2015.

FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2013
(\$ in thousands)

July 1, 2012 Beginning Cash Balance	\$ 973,446
Plus FY 2013 Actual Revenues	20,443,500
Plus FY 2013 Actual Federal Revenues	8,151,329
Plus FY 2013 Actual Transfers to GRF	187,500
Total Sources Available for Expenditure & Transfer	29,755,775
Less FY 2013 Actual Disbursements	28,574,011
Less FY 2013 Actual Total Encumbrances as of June 30, 2013	236,790
Less FY 2013 Actual Transfers Out	392,981
Total Actual Uses	29,203,782
FY 2013 UNENCUMBERED ENDING FUND BALANCE*	551,993

*Note: Targeted one half of one percent year-end carryover balance is \$143.9 million

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