



December 10, 2014

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

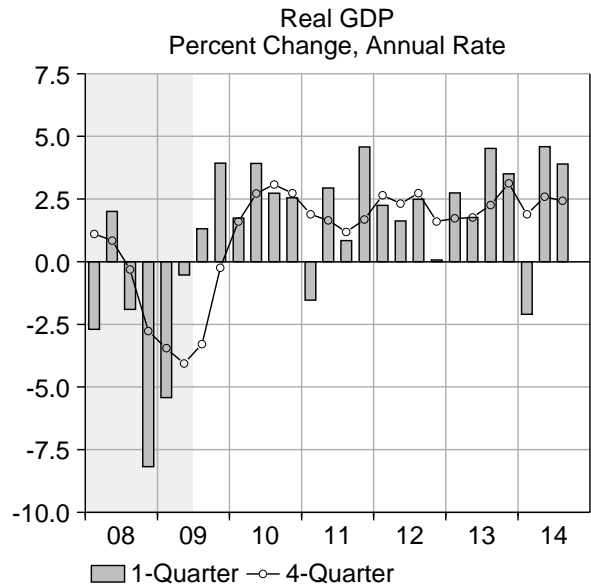
Economic Performance Overview

- The economy grew at a revised 3.9% annual pace in the third quarter, up from 1.2% during the first half.
- U.S. employment increased by 321,000 jobs in November and the gains in the two previous months were revised higher by a total of 44,000 jobs. The unemployment rate was unchanged at 5.8%.
- Ohio employment increased by 1,000 jobs in October, and the September level was revised upward by 2,900 jobs. The unemployment rate decreased 0.3 percentage points to 5.3%, down from 7.1% last December.
- Leading economic indicators have softened somewhat recently but remain consistent with uninterrupted growth at a moderate pace across the country and in Ohio.

Economic Growth

Real GDP growth in the third quarter was revised up to 3.9% from the original report of 3.5%. The economy increased by 4.6% in the second quarter after decreasing by 2.1% in the first quarter. Growth has matched or exceeded 3.5% in four of the last five quarters, but the year-over-year change in the third quarter was only 2.4% because of the decline in the first quarter. Growth averaged 1.2% in the first half of the year. The consensus forecast is for a pickup in real GDP growth next year to approximately 2.7% from an estimated 2.3% increase this year.

The increase in real GDP during the third quarter was very broad, with most sectors contributing. The largest positive contribution was from personal consumption expenditures. Government spending, exports, and nonresidential fixed investment also



were positive. Imported goods and services, which are included in the other categories and subtracted separately, decreased largely due to a reduction in the quantity of oil that was imported. A decline in business inventories was one of only two factors that subtracted from the increase in real GDP.

Consumer spending, which is the largest major category of spending, decelerated from 2.5% in the second quarter to 2.2% in the third quarter. A small acceleration in spending on services was insufficient to offset a large slowdown in spending on durable goods. A key factor behind the slower increase in spending on goods was the smaller increase in unit auto sales, which increased modestly from 16.5 million units at an annual rate in the second quarter to 16.7 million units in the third quarter. The second quarter sales pace, in contrast, had increased substantially from the pace in the first quarter. Consumer spending accounted for 1.51 percentage points of the overall 3.9% real GDP growth.

Government spending accelerated from 1.7% in the second quarter to 4.2% in the third quarter, primarily reflecting a 16.0% annualized increase in federal defense spending. State and local government spending slowed from 3.4% in the second quarter, but remained positive at 0.8%. Federal and state and local government spending combined to add 0.76 percentage points to overall GDP growth during the third quarter.

The rebound in **exports** from a 9.2% decrease in the first quarter continued over the summer but at a slower pace. After climbing 11.1% in the second quarter, export growth slowed to 4.9% in the third quarter, contributing 0.65 percentage points to overall GDP growth. Because of the large first-quarter decline, however, exports have grown at only 1.9% at an annual rate year-to-date, despite the increases in the second and third quarters. Exports are an important part of the Ohio economy. In 2013, Ohio merchandise exports were over \$50 billion, about 9% of Ohio's GDP. Export-related jobs in manufacturing are about 8% of Ohio's private-sector employment.

Fixed business investment growth was once again solid, if somewhat slower. Investment in structures and equipment posted smaller increases than in the second quarter. Investment in intellectual property increased by a larger amount. **Investment in residential structures** also increased in the third quarter, but at a much slower rate, perhaps reflecting the smaller increase in housing starts during the third quarter. **Businesses** drew down inventories in the third quarter, subtracting 0.12 percentage points from overall GDP.

The consensus is for somewhat slower growth overall in the fourth quarter, in part due to what is perceived as the one-time nature of much of the strength during the third quarter. In particular, the recent rise in the foreign exchange value of the dollar is expected to at some point restrain growth in exports, and the rate of increase in defense spending in the third quarter is not expected to continue. On the other hand, the sharp decline in oil and gasoline prices will provide a boost to the economy.

The recent pattern of **ECRI's Weekly Leading Index** is consistent with the outlook for somewhat slower growth in the fourth quarter. Before increasing in each of the two weeks ending in late November, the index declined in fourteen of the previous fifteen weeks. The recent weakness reduced the 6-month smoothed annual rate of change to -2.3% from a recent peak of 5.3% in late May.

In contrast, the composite **Leading Economic Index** from the Conference Board increased 0.9% in October, with nine of the ten components making positive contributions. The year-over-year rate of change was a solid 6.8% – well above the zero level that has presaged past recessions and moving in the opposite direction of recession.



According to the **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, the Ohio economy expanded through October. The coincident index was 4.7% higher in October than a year earlier, up from a 2.9% year-over-year increase of November 2013. The index has been much closer to or below zero around the times recessions have begun in the past.

The diffusion of changes in the Coincident Economic Index across the 50 states improved in October to the best level since the start of the year. The index increased from the prior month for 47 states and from three months prior for 48 states, pointing to a high likelihood of continued economic growth in the near-term.

The message of the companion **Ohio Leading Economic Index** also improved in October. The index increased to 2.3% and previous months were revised higher. The index, which also 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. It reached a recent low of 1.0% in June 2013. Index values have been revised significantly on occasion, but the recent pattern is consistent with ongoing expansion of the Ohio economy through the winter and into the spring.

The number of state leading indexes from the Philadelphia Fed with positive readings in September increased to 48 in October, up from a recent low of 44 states in August. The number was 50 in January and 48 as recently as July. The recent pattern remains consistent with continued economic expansion, considering that the number of positive state leading indexes fell to an average of 34 three months in advance of the most recent three recessions and to an average of 23 during the first month in advance of recession.

Employment

Labor markets across the country picked up strength in November, lifting **nonfarm payrolls** by 321,000 jobs. The gains in the two previous months were revised higher by a total of 44,000 jobs. Monthly job gains have averaged 251,000 during the most recent ten months – the best 10-month stretch since mid-2000.

The recent strengthening in labor markets is also evident in recent patterns in **initial claims** for unemployment compensation, **job openings** and the so-called **quits rate** – the rate at which workers quit their jobs. After falling to the lowest level since April 2000, initial claims increased modestly in November, but probably mainly due to the harsh weather. The number of job openings recorded by the Job Openings and Labor Turnover Survey (JOLTS) declined in September, but only modestly and from a 13-year high in August. Finally, the quits rate increased to the highest level since April 2008, indicating increased confidence among workers in finding a job.

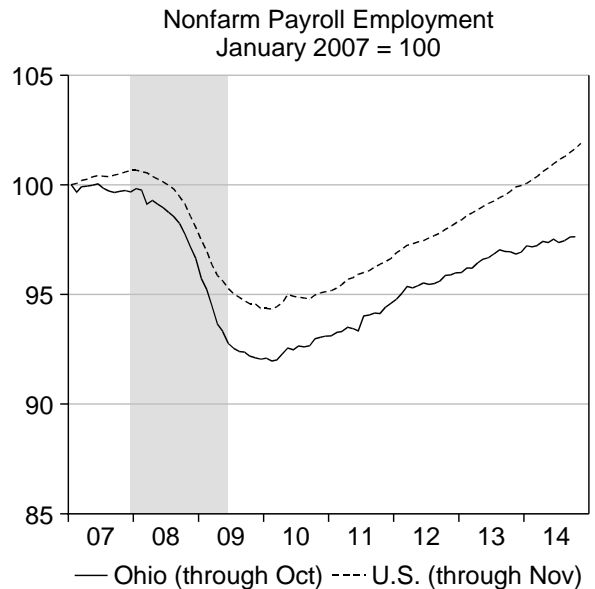
The **unemployment rate** was unchanged at 5.8%, which remains the lowest level since June 2008. The broadest measure of unemployment, which in part includes people who want to work but have stopped looking because of poor prospects, declined 0.1 percentage point to 11.4% – another new low for this expansion. Average hourly earnings increased 0.4% in November, and were up 2.1% from a year earlier. Aggregate hours worked increased 0.6% in November and 2.6% year-over-year.

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The gain in jobs was broad-based among major sectors, led by professional and business services (+86,000), retail trade (+50,000), education and health services (+38,000), and leisure and hospitality (+32,000). Other notable increases include manufacturing (+28,000) and construction (+20,000). Payrolls did not decrease in any major category in November, and three-quarters of all industries had higher payrolls than six months ago.

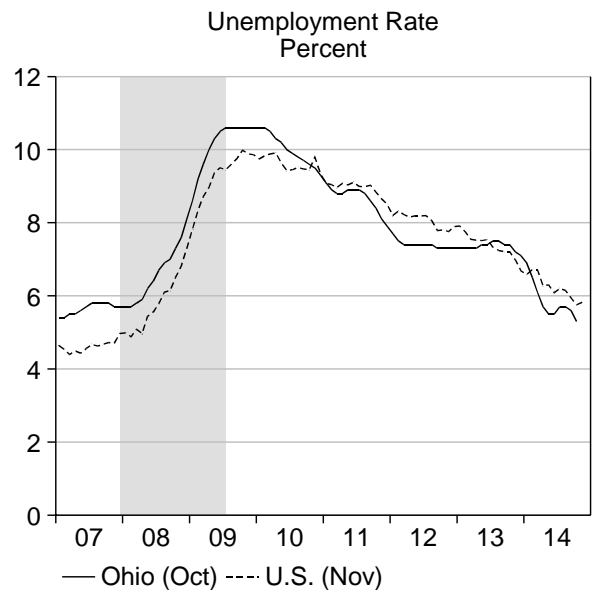
Ohio nonfarm payroll employment increased by 1,000 jobs in October, and the September level was revised upward by 2,900 jobs. Year-to-date, Ohio employment is higher by 38,400 jobs, with the increases concentrated in manufacturing (+10,500), professional and business services (+10,500), educational and health services (+8,600), and leisure and hospitality (+6,100). Employment is lower on the year in retail trade (-7,900), construction (-2,300), information (-1,600) and financial activities (-1,500).

The **Ohio unemployment rate** decreased to 5.3% in October, as the number of unemployed decreased by 13,400 people. The unemployment rate is down 1.8 percentage points from 7.1% last December and has declined by one-half since the peak of 10.6% reached in February 2010. Across the country, the unemployment rate in October decreased in 18 states, increased in 15 states, and was unchanged in 17 states.



Among the **contiguous states**, year-over-year employment growth was strongest in Kentucky (+2.1%), followed by increases in Indiana (+1.7%), West Virginia (+1.7%), Pennsylvania (+0.8%), Ohio (+0.7%), and Michigan (+0.7%). Year-over-year growth in manufacturing was 2.1% in Ohio. Among the contiguous states, manufacturing employment increased 4.9% in Indiana, 1.6% in West Virginia, 1.5% in Kentucky, 1.5% in Michigan, and decreased 0.3% in Pennsylvania.

According to a regular survey by the Cleveland Federal Reserve Bank, payrolls in and around Ohio showed a mild increase during the six weeks ending in November. Gains were concentrated in manufacturing, construction, and freight transportation. Staffing companies reported declines in the number of job openings and placements, but attributed those declines partly to seasonal factors.

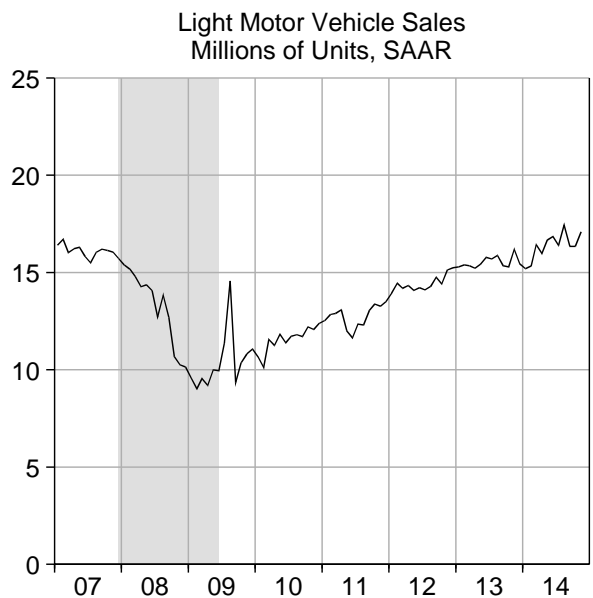


Consumer Income and Consumption

Personal income increased by 0.2% again in October and was 4.1% higher than a year earlier. **Wage and salary disbursements**, which account for more than one-half of personal income, were a bit stronger, rising 0.3%. Wage and salary disbursements were 4.4% higher than a year earlier. In comparison, consumer prices were up 1.7% year-over-year in October.

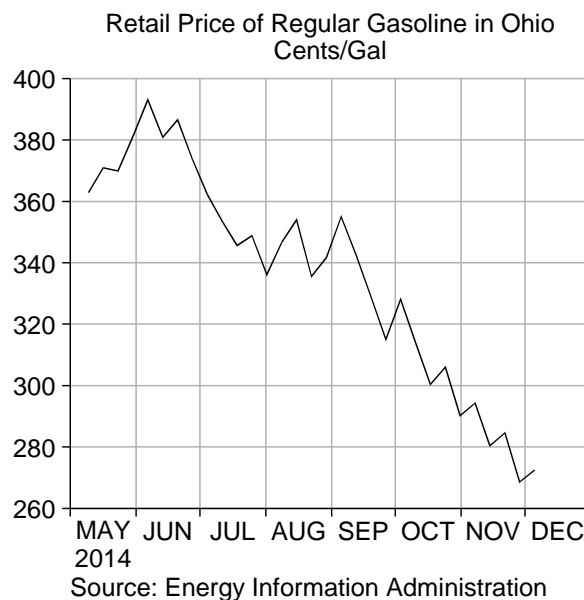
Personal consumption expenditures also increased 0.2% in October and the September number was revised up from a decrease of 0.2% to no change. The softness in September was essentially due to the 6.4% decline in unit sales of light motor vehicles from an unsustainably high rate of 17.4 million in August. Spending on durable goods decreased 0.2% in October after a 1.1% decline the month before. Spending increased on nondurable goods (+0.2%) and services (+0.3%).

Auto sales probably added notably to consumer spending in November, as unit sales increased by 4.5% to 17.1 million units at a seasonally adjusted annual rate. The increase reflected sales promotions, positive credit conditions, and strengthening labor markets. Sales of light trucks were especially strong.



The large decrease in the **price of gasoline** has added to the discretionary spending power of consumers. The retail price of regular gasoline in Ohio declined by about 30% from the beginning of June to the beginning of December. Partly as a result, IHS Global Insight projects **holiday retail sales** will increase by 4.2% this year compared with 3.1% in each of the previous two years. Online holiday retail sales are expected to increase 9.4% from last year.

Consumer spending in and around Ohio increased somewhat during the recent 6-week period, according to the Fed survey. Reports from retailers indicate that consumers have emphasized spending on motor vehicles and experiences, such as travel and entertainment, instead of on goods. Auto dealers expect unit sales for all of 2014 to be 5% to 10% above the 2013 total, with sales incentives and the availability of leasing being key determinants. Retailers expect revenues for the holiday shopping season to be slightly higher than last year and reported offering more promotions than usual.



The steady improvement in labor markets, low inflation and the very large drop in the price of gasoline has boosted **consumer confidence** in recent months, although the Conference Board and Reuters/University of Michigan measures moved in opposite directions in November. The Conference Board index backtracked, as both the expectations and present conditions sub-indexes declined from long-time highs in October. In contrast, both the expectations and present conditions sub-indexes of the Reuters/University of Michigan survey increased to their highest levels since July 2007. After a very slow rise since the end of the recession, the current levels of consumer confidence measures now roughly match the averages observed during previous economic expansions.

Manufacturing

Industrial production decreased 0.1% in October and the September gain was revised down from 1.0% to 0.8%, yet manufacturing continued to grow. Utility output pulled back 0.7% due to weather patterns. Mining production fell 0.9% partly in response to the outsized 1.6% increase in September. Manufacturing production increased 0.2% for a second consecutive month, despite a third straight monthly decline in production of motor vehicles and parts. Compared with the same month a year earlier, industrial production was higher by 4.0% and manufacturing output was higher by 3.4%.

Production in industries of particular importance to Ohio was mixed during October. Production of **primary metal, fabricated metal, and machinery** decreased 0.2% and increased by 0.2% and 1.3%, respectively. Year-over-year increases in all three industries remained well ahead of the 3.4% year-over-year increase in total manufacturing production. Together with the motor

vehicle industry, these three industries account for almost one-half of manufacturing jobs in Ohio and approximately one out of every thirteen private sector jobs in the state.

Regional surveys indicate that manufacturing activity picked up in November, although possibly not by as much as the Philadelphia Federal Reserve survey suggests. Both the Philadelphia and New York Fed surveys revealed improvement in both orders and shipments during November. But the increases in the Philadelphia indexes were so large as to question whether they in fact represent a lasting improvement in the underlying trend in activity in the region.

Manufacturers in and around Ohio reported that demand was stable to modestly stronger during the most recent six weeks than in the previous period, according to the Cleveland Fed survey. Despite concerns about the higher foreign exchange value of the dollar and weaker demand abroad, manufacturers in and around Ohio expect moderate to strong growth during 2015.

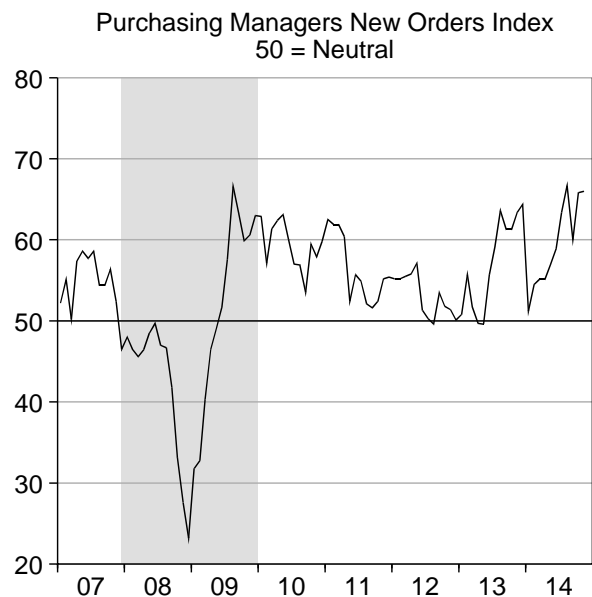
At the national level, **purchasing managers** at manufacturing firms reported relatively broad-based improvements in conditions across most measures. The overall index edged down in November, but essentially held near its October level, which was the highest since March 2011. Manufacturers reported broad-based increases in order backlogs, and increases in new export orders were more broad-based. The new orders and production indexes remained near the relatively high October levels.

Construction

Construction put-in-place picked up in October, rising 1.1% overall. Both residential (+1.3%) and nonresidential (+1.0%) increased from the prior month. The increases in nonresidential and the total were the largest since May. The increase in residential was the best since December 2013. Even so, the year-over-year rate of increase in construction activity has slowed markedly from 9.8% in January to 3.3% in October.

The slowdown in year-over-year comparisons since January has occurred in both residential (+14.5% to +1.7%) and nonresidential (+7.1% to +4.3%). Within residential the slowdown has occurred in both single-family and multi-family, but has been concentrated in single-family.

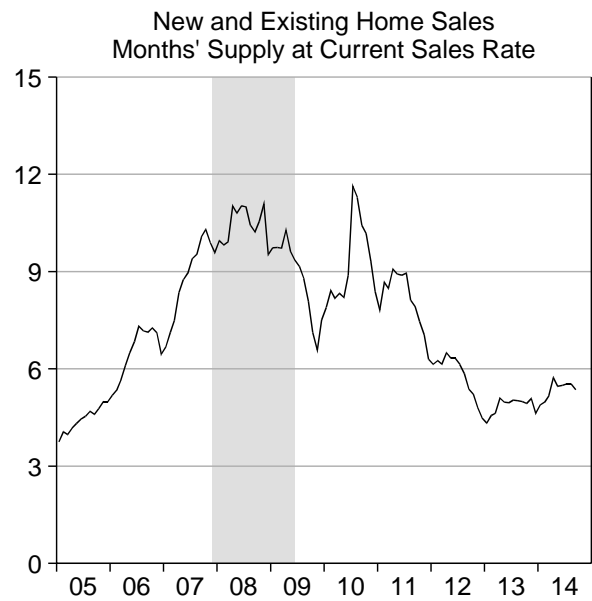
Housing starts decreased 3.6% across the country on a 3-month moving average basis in October. Single-family starts were up 2.2%, but multi-family starts fell 11.7%. Midwest housing starts decreased 3.5%, reflecting a 4.3% decline in single-family and a 0.8% rise in multi-family. Compared with a year earlier national starts were higher by 12.1% and Midwest starts were higher by 3.3%, all on a 3-month moving average basis. The more-forward-looking **housing permits** were up 1.1% in October on a 3-month moving average basis, reflecting modest gains in both single-family and multi-family starts.



Builders in and around Ohio have reported what they believe is a more-than-seasonal weakness in home sales in recent weeks, according to the Fed survey. Sales of new homes were mainly in higher-priced categories, as first-time buyers still face difficulty qualifying for mortgage loans. Builders expect activity to remain near the recent level, but expressed concern about the potential for rising interest rates next year, the continuation of strict lending standards, and ongoing increases in development costs.

Existing home sales increased 0.8% in October on a 3-month moving average basis after similar-sized gains in each of the two previous months. Sales of existing homes in the Midwest increased 0.8% in October after edging down by 0.5% in September. **New home sales** were stronger again, rising 4.5% across the country and 6.6% in the Midwest. **Inventories of homes for sale** remained well in line with sales during October.

Home prices picked up in September after smaller gains in July and August, according to the Case-Shiller national home price index. Home prices appear to have resumed their uptrend after leveling off during March-June.



REVENUES

November **GRF receipts totaled \$2,430.2 million** and were \$4.4 million (0.2%) above the estimate. Monthly tax receipts totaled \$1,628.3 million and were \$34.9 million (2.1%) below estimate, while non-tax receipts totaled \$800.8 million and were \$38.3 million (5.0%) above estimate. Variances for the fiscal year-to-date by category are provided in the following table (\$ in millions).

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, MCF, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	\$182.8 million	2.2%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$224.8 million)	-5.1%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$5.8 million	96.4%
TOTAL REVENUE VARIANCE:		(\$36.2 million)	-0.3%

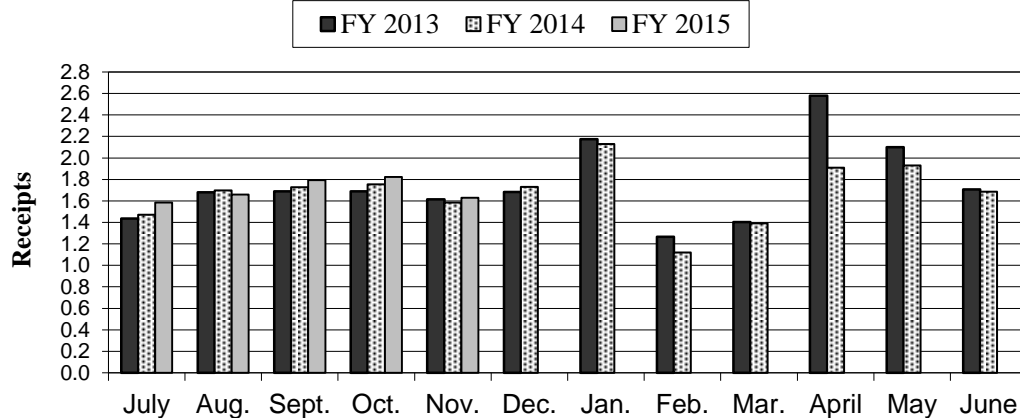
On a year-over-year basis, monthly receipts were \$159.4 million (7.0%) higher than in November of the previous fiscal year, mainly due to increases in federal grants (\$161.9 million, 25.6%). Tax revenues were also \$43.2 million, or 2.7% higher than in the same month of the previous year. Declines in transfers (\$38.9 million) and in ISTV'S (\$10.1 million) have tempered the overall growth. The net growth of \$43.2 million in tax receipts has resulted mainly from a combination of growth in receipts from the sales tax (\$60.1 million, 8.2%), the personal income tax (\$19.2 million, 3.3%), and the commercial activity tax (\$10.5, 6.4%). These gains have been partly offset by refund activities in the corporate franchise tax and the financial institution tax.

GRF Revenue Sources Relative to Monthly Estimates – November 2014
(\$ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Federal Grants	\$44.8	Corporate Franchise Tax	(\$31.9)
Non-Auto Sales Tax	\$15.5	Financial Institutions Tax	(\$20.5)
Commercial Activity Tax	\$11.6	ISTV'S	(\$9.4)
Earnings on Investment	\$5.1	Petroleum Activity Tax	(\$6.2)
Personal Income Tax	\$3.7	Auto Sales Tax	(\$5.9)
Alcoholic Beverage Tax	\$2.8	Cigarette and Other Tobacco Tax	(\$4.7)
Public Utility Tax	\$2.0	Other Income	(\$1.9)
Transfers In – Other	\$1.0	Kilowatt Hour Tax	(\$1.3)
Other Sources Above Estimate	\$0.9	Other Sources Below Estimate	(\$1.2)
Total above	\$87.4	Total below	(\$83.0)

(Note: Due to rounding of individual sources, the combined sum of sources above and below estimate may differ slightly from the total variance.)

Tax Revenue Comparison by Month
(\$ in billions)



Non-Auto Sales and Use Tax

November non-auto sales and use tax collections totaled \$718.0 million and were \$15.5 million (2.2%) above estimate, the third consecutive monthly overage. Year-to-date revenue collections are now \$56.6 million (1.6%) above the estimate and currently sit at \$3,579.0 million.

The strong performance of the non-auto sales tax may be a result of the continued improvement in the national and Ohio labor markets that were noted in the Economic Summary section of this report.

On a year-over-year basis, November 2014 receipts were \$57.4 million (8.5%) above collections in the same month of the previous fiscal year. November comparisons should be unaffected by the tax rate increase that happened last fiscal year, although year-to-date comparisons are still influenced by the rate increase because it affected July through September results.

Auto Sales Tax

November auto sales and use tax collections totaled \$77.8 million and were below estimate by \$5.9 million (7.0%). This result seems to be due more to the timing of the processing of revenue deposits than to underlying economic performance. National light-vehicle demand picked up again in November with sales reaching a seasonally adjusted annual rate (SAAR) of 17.1 million units – an improvement from the preceding two months. It seems likely that this strong unit sales performance will be reflected in December tax collections. Year-to-date receipts are currently above the estimate by \$27.5 million (5.3%), which lessens any concerns related to the weak November performance for this revenue source. Moreover, already strong national light-vehicle sales and dropping gasoline prices could translate into a bump up for tax collections in the following months.

On a year-over-year basis, monthly receipts managed to be above the amount collected in November of last year by \$2.7 million (3.6%). In terms of national light-vehicle sales, unit sales grew by 4.5% as compared to November of last year. In fact, the 1.3 million light vehicles sold was the highest November volume reading in 13 years.

Personal Income Tax

November personal income tax receipts totaled \$598.4 million and were \$3.7 million (0.6%) above the estimate. Once again lower-than-estimated refunds were the major contributing factor to the overall overage. Refunds totaled \$24.7 million, and were \$17.3 million less than the estimate of \$42.0 million. This overage in refunds more than compensated for the shortfalls in all the other components of the personal income tax.

Withholding collections totaled \$632.4 million, and were \$3.2 million (0.5%) below estimate for the month, but are still \$24.6 million (0.8%) above estimate for the year. The payments associated with annual returns and the miscellaneous category were the other two components with notable shortfalls, totaling \$4.2 million and \$3.4 million below estimate respectively. Disbursement to the local government fund exceeded the estimate by \$2.1 million (7.2%) in November, reducing the overall positive GRF variance.

Despite the shortfalls in particular categories in November, all components of the income tax are above estimate for the year-to-date except for miscellaneous receipts, as illustrated in the table below. Refunds are the single largest contributor to the year-to-date overage in both dollar and percentage terms.

On a year-over-year basis, November personal income tax collections were \$19.2 million (3.3%) above the November 2013 level. The withholding component accounted for more than the

entirety of this growth, and was \$29.9 million (5.0%) above last November's level. Refunds also contributed to growth by falling \$4.2 million (14.6%) below last November. Overall the year-over-year increase was tempered to some extent by declines in payments associated with annual returns and miscellaneous receipts of \$6.3 million (56.7%) and \$3.8 million (32.7%) respectively.

FY2015 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	NOV	NOV	NOV	Y-T-D	Y-T-D	Y-T-D
Withholding	\$635.6	\$632.4	(\$3.2)	\$3,208.0	\$3,232.6	\$24.6
Quarterly Est.	\$9.5	\$9.2	(\$0.3)	\$263.2	\$284.5	\$21.3
Trust Payments	\$0.6	\$0.2	(\$0.4)	\$10.5	\$11.4	\$0.9
Annual Returns & 40 P	\$9.0	\$4.9	(\$4.1)	\$90.0	\$98.0	\$8.0
Other	\$11.2	\$7.8	(\$3.4)	\$42.1	\$35.5	(\$6.6)
Less: Refunds	(\$42.0)	(\$24.7)	\$17.3	(\$254.6)	(\$189.8)	\$64.8
Local Distr.	(\$29.2)	(\$31.3)	(\$2.1)	(\$144.1)	(\$146.8)	(\$2.7)
Net to GRF	\$594.7	\$598.4	\$3.7	\$3,215.1	\$3,325.4	\$110.3

Corporate Franchise Tax

As noted in previous months' reports, although corporate franchise tax has been eliminated, prior year settlement activity continues. This results in some amount of monthly activity for this tax, whether settlement payments or refunds, which by definition create variances, since the estimate for this tax is now zero. Although these monthly variances have generally been small, November was an exception, as corporate franchise tax receipts totaled -\$31.9 million compared to the estimate of zero. This was a larger negative amount than the -\$11.2 million figure from last November.

Financial Institutions Tax

November financial institutions tax receipts totaled -\$20.5 million against the estimate of zero. This is a new tax which posted its first collections in January of 2014. For the first six months of this year (FY 2014) financial institutions (FIs) made estimated payments of the new tax. The first tax returns were due in October, and with those returns FIs claimed tax credits and deductions that were not reflected in their estimated payments. As a result, the reconciliations between estimated payments and reported tax liability have resulted in substantial refunds against the FY 2014 payments.

Commercial Activity Tax

November commercial activity tax (CAT) receipts continued their fiscal year 2015 rebound as the GRF share of the tax totaled \$176.2 million and was \$11.6 million (7.0%) above the estimate. Year-to-date, GRF CAT receipts totaled \$416.0 million and were \$46.4 million (12.5%) above estimate. Year-over-year growth in GRF CAT receipts through the first five months of the fiscal year was \$31.9 million (8.3%).

All-funds November CAT receipts, meanwhile (net of refunds, attorney general fees, and deposits to the motor fuel fund) totaled \$355.4 million and were \$26.2 million (7.3%) above the \$329.1 million estimate. Year-to-date, all funds receipts total \$839.1 million and were \$99.9 million (13.5%) above estimate. Year-over-year growth in all funds CAT receipts through the first five months of the fiscal year was \$31.1 million (3.8%) above the same period in fiscal year 2014.

Public Utility Tax

November public utility tax collections totaled \$21.2 million and were \$2.0 million (10.6%) above the estimate. Year-to-date collections remain under estimate by \$13.1 million (26.8%), due entirely to a public utility tax refund issued in September against several prior years of collections. On a year-over-year basis, November receipts were above the same month in the previous fiscal year by \$1.1 million (5.5%).

Kilowatt-Hour Tax

November kilowatt hour tax receipts totaled \$19.4 million and were \$1.3 million (6.1%) below the estimate. Year-to-date collections are \$8.7 million (6.5%) below estimate.

Natural Gas Distribution Tax (MCF Tax)

November natural gas distribution tax receipts totaled \$4.7 million and were \$0.4 million (9.6%) above the estimate. Year-to-date receipts remain above estimate, now by \$2.1 million (13.0%), showing good performance for the year thus far. Year-to-date collections are just slightly behind last year, having declined by \$0.3 million (1.4%).

Cigarette and Other Tobacco Tax

Cigarette and other tobacco tax receipts for November totaled \$54.9 million and were \$5.0 million (8.3%) below the estimate of \$59.9 million. On a year-over-year basis, November 2014 cigarette tax receipts were \$5.0 million (8.3%) below the level for the same month of the previous fiscal year. On the other hand, year-to-date receipts remain \$0.9 million (0.3%) above the estimate, albeit \$8.3 million (2.8%) below the collections in the first five months of fiscal year 2014.

GRF non-tax receipts totaled \$800.8 million in November and were \$38.3 million (5.0%) above the estimate. The majority of this overage was due to a \$44.7 million (6.0%) positive variance in federal grants. Partially offsetting this overage were the shortfalls in ISTVs and other income that were \$9.4 million and \$1.9 million respectively. November transfers in totaled \$1.2 million and were above the estimate of \$1.0 million.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2015 VS ESTIMATE FY 2015
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL NOVEMBER	ESTIMATE NOVEMBER	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	717,988	702,500	15,488	2.2%	3,578,982	3,522,400	56,582	1.6%
Auto Sales & Use	77,823	83,700	(5,877)	-7.0%	545,232	517,700	27,532	5.3%
Subtotal Sales & Use	795,811	786,200	9,611	1.2%	4,124,214	4,040,100	84,114	2.1%
Personal Income	598,441	594,700	3,741	0.6%	3,325,376	3,215,100	110,276	3.4%
Corporate Franchise	(31,929)	0	(31,929)	N/A	(27,272)	0	(27,272)	N/A
Financial Institutions Tax	(20,468)	0	(20,468)	N/A	(22,492)	0	(22,492)	N/A
Commercial Activity Tax	176,170	164,600	11,570	7.0%	415,961	369,600	46,361	12.5%
Petroleum Activity Tax	0	6,200	(6,200)	N/A	0	6,600	(6,600)	N/A
Public Utility	21,234	19,200	2,034	10.6%	35,885	49,000	(13,115)	-26.8%
Kilowatt Hour	19,435	20,700	(1,265)	-6.1%	123,837	132,500	(8,663)	-6.5%
Natural Gas Distribution	4,711	4,300	411	9.6%	18,425	16,300	2,125	13.0%
Foreign Insurance	(156)	800	(956)	-119.5%	154,539	148,200	6,339	4.3%
Domestic Insurance	(70)	0	(70)	N/A	7,638	1,800	5,838	324.3%
Other Business & Property	0	0	0	N/A	20	0	20	N/A
Cigarette and Other Tobacco	54,922	59,600	(4,678)	-7.8%	287,602	286,700	902	0.3%
Alcoholic Beverage	6,406	3,600	2,806	77.9%	24,521	22,800	1,721	7.5%
Liquor Gallonage	3,708	3,300	408	12.4%	18,049	16,900	1,149	6.8%
Estate	53	0	53	N/A	2,091	0	2,091	N/A
Total Tax Receipts	1,628,268	1,663,200	(34,932)	-2.1%	8,488,394	8,305,600	182,794	2.2%
NON-TAX RECEIPTS								
Federal Grants	794,684	749,931	44,752	6.0%	4,120,302	4,343,579	(223,277)	-5.1%
Earnings on Investments	5,053	0	5,053	N/A	5,053	4,500	553	12.3%
License & Fees	372	527	(155)	-29.4%	8,748	11,366	(2,618)	-23.0%
Other Income	435	2,383	(1,947)	-81.7%	19,251	9,371	9,880	105.4%
ISTV'S	214	9,604	(9,390)	-97.8%	265	9,618	(9,353)	-97.2%
Total Non-Tax Receipts	800,758	762,445	38,313	5.0%	4,153,618	4,378,433	(224,815)	-5.1%
TOTAL REVENUES	2,429,026	2,425,645	3,381	0.1%	12,642,012	12,684,033	(42,021)	-0.3%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,200	200	1,000	500.0%	11,785	6,000	5,785	96.4%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	1,200	200	1,000	500.0%	11,785	6,000	5,785	96.4%
TOTAL SOURCES	2,430,226	2,425,845	4,381	0.2%	12,653,798	12,690,033	(36,236)	-0.3%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2015 VS ACTUAL FY 2014
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	NOVEMBER FY 2015	NOVEMBER FY 2014	\$ VAR	% VAR	ACTUAL FY 2015	ACTUAL FY 2014	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	717,988	660,575	57,414	8.7%	3,578,982	3,186,184	392,799	12.3%
Auto Sales & Use	77,823	75,145	2,677	3.6%	545,232	492,086	53,146	10.8%
Subtotal Sales & Use	795,811	735,720	60,091	8.2%	4,124,214	3,678,270	445,944	12.1%
Personal Income	598,441	579,233	19,209	3.3%	3,325,376	3,480,924	(155,548)	-4.5%
Corporate Franchise	(31,929)	(11,173)	(20,756)	-185.8%	(27,272)	(10,447)	(16,824)	-161.0%
Financial Institutions Tax	(20,468)	0	(20,468)	N/A	(22,492)	0	(22,492)	N/A
Commercial Activity Tax	176,170	165,638	10,532	6.4%	415,961	384,091	31,869	8.3%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	21,234	20,125	1,109	5.5%	35,885	48,085	(12,200)	-25.4%
Kilowatt Hour	19,435	21,140	(1,705)	-8.1%	123,837	127,083	(3,246)	-2.6%
Natural Gas Distribution	4,711	4,643	68	1.5%	18,425	18,694	(269)	-1.4%
Foreign Insurance	(156)	171	(327)	-191.5%	154,539	147,076	7,463	5.1%
Domestic Insurance	(70)	1	(71)	-7907.2%	7,638	103	7,535	7284.4%
Other Business & Property	0	414	(414)	N/A	20	455	(435)	-95.6%
Cigarette and Other Tobacco	54,922	59,881	(4,959)	-8.3%	287,602	295,900	(8,298)	-2.8%
Alcoholic Beverage	6,406	2,279	4,127	181.1%	24,521	21,423	3,098	14.5%
Liquor Gallonage	3,708	3,441	267	7.8%	18,049	17,349	700	4.0%
Estate	53	3,575	(3,522)	-98.5%	2,091	27,589	(25,499)	-92.4%
Total Tax Receipts	1,628,268	1,585,087	43,181	2.7%	8,488,394	8,236,594	251,800	3.1%
NON-TAX RECEIPTS								
Federal Grants	794,684	632,779	161,905	25.6%	4,120,302	3,905,038	215,264	5.5%
Earnings on Investments	5,053	0	5,053	N/A	5,053	3,745	1,308	34.9%
License & Fee	372	516	(144)	-27.9%	8,748	10,401	(1,653)	-15.9%
Other Income	435	2,066	(1,631)	-78.9%	19,251	7,991	11,260	140.9%
ISTV'S	214	10,294	(10,080)	-97.9%	265	7,865	(7,600)	-96.6%
Total Non-Tax Receipts	800,758	645,655	155,102	24.0%	4,153,618	3,935,040	218,578	5.6%
TOTAL REVENUES	2,429,026	2,230,743	198,283	8.9%	12,642,012	12,171,634	470,378	3.9%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,200	34,616	(33,416)	-96.5%	11,785	47,215	(35,430)	-75.0%
Temporary Transfers In	0	5,516	(5,516)	N/A	0	5,516	(5,516)	N/A
Total Transfers	1,200	40,131	(38,931)	N/A	11,785	52,730	(40,945)	-77.7%
TOTAL SOURCES	2,430,226	2,270,874	159,352	7.0%	12,653,798	12,224,365	429,433	3.5%

DISBURSEMENTS

November GRF disbursements, across all uses, totaled \$2,384.4 million and were \$308.0 million (11.4%) below estimate. This was primarily attributable to lower than estimated disbursements in the Property Tax Reimbursements, Primary and Secondary Education, and Medicaid categories. On a year-over-year basis, November total uses were \$531.7 million (18.2%) lower than those of the same month in the previous fiscal year, with the Primary and Secondary Education and Property Tax Reimbursements categories responsible for the decrease. 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)	(\$442.5 million)	-3.0%
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$9.4 million	1.6%
TOTAL DISBURSEMENTS VARIANCE:		(\$433.1 million)	-2.8%

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

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education, minus property tax reimbursements. November disbursements for this category totaled \$516.8 million and were \$101.9 million (16.5%) below the estimate. Expenditures for the school foundation program totaled \$476.3 million and were \$107.8 million (18.4%) below the estimate. This variation was primarily attributable to the early processing of a community school payment and a scholarship payment in October, rather than in November as originally estimated. As a result, November disbursements were lower by a proportional amount.

Year-to-date disbursements were \$3,384.5 million, which was \$29.3 million (0.9%) above the estimate. On a year-over-year basis, disbursements in this category were \$456.1 million (46.9%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$89.3 million (2.7%) higher than at the same point in fiscal year 2014.

Higher Education

November disbursements for the Higher Education category, which includes non-debt service GRF spending by the Board of Regents, totaled \$181.8 million and were \$0.8 million (0.4%) below the estimate for the month. The majority of the monthly variance was due to spending in the Ohio College Opportunity Grant Scholarship Program being below the monthly estimate by \$0.7 million as a result of lower than expected requests for reimbursement from higher education institutions.

Year-to-date disbursements were \$900.8 million, which was \$1.3 million (0.1%) above the estimate. On a year-over-year basis, disbursements in this category were \$4.1 million (2.3%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$58.7 million (7.0%) higher than at the same point in fiscal year 2014.

Other Education

This category includes non-debt service expenditures made by the Broadcast Education Media Commission, the Ohio Facilities Construction Commission, the Ohio State School for the Blind, the Ohio School for the Deaf, as well as disbursements made to libraries, cultural, and arts organizations.

November disbursements in this category totaled \$3.6 million and were \$0.4 million (13.8%) above estimate. Year-to-date disbursements were \$28.9 million, which was \$1.8 million (6.0%) below the estimate. On a year-over-year basis, disbursements in this category were \$0.8 million (26.5%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$4.2 million (16.8%) higher than at the same point in fiscal year 2014.

Medicaid

This category includes all Medicaid disbursements from the H.B. 59-created “650 series” Medicaid line items. Therefore, this category includes all Medicaid spending on services and program support by the following six agencies: the Department of Medicaid (651 prefix), the Department of Mental Health and Addiction Services (652), the Department of Developmental Disabilities (653), the Department of Health (654), the Department of Job and Family Services (655), and the Department of Aging (656).

Please note that the total GRF disbursement estimates in fiscal year 2015 are lower than the original appropriations by \$845.6 million. Budgeted transfers and other projected lapses account for \$148.7 million. The remaining \$697.0 million is due to an adjustment for lower than expected caseload. While enrollment steadily increased each month in fiscal year 2014, the rate of growth was lower than initially expected and was a key driver of the lower than expected spending. This spending trend is expected to continue in fiscal year 2015, and the disbursement estimates have been adjusted accordingly.

Expenditures

November GRF disbursements for the Medicaid Program totaled \$1,216.9 million and were \$48.3 million (3.8%) below the estimate, and \$150.4 million (14.1%) above the same point in the previous fiscal year. Year-to-date GRF disbursements for the Medicaid Program totaled \$6,634.9 million and were \$403.3 million (5.7%) below the estimate, and \$451.6 million (7.3%) above the same point in the previous fiscal year.

November all-funds disbursements totaled \$1,885.3 million and were \$76.7 million (3.9%) below the estimate, and \$253.2 million (15.5%) above disbursements in the same month of the previous fiscal year. Year-to-date all-funds disbursements totaled \$9,508.1 million and were

\$260.7 million (2.7%) below the estimate, and \$1,489.1 million (18.6%) above disbursements in the same month of the previous fiscal year.

The November variance was due to lower than anticipated costs across fee for service categories, including hospitals, physician, and drugs, and to lower enrollment in the MyCare managed care program. The lower enrollment in the MyCare program does contribute to greater fee for service costs for this population as their claims have not yet shifted to managed care plans, but not enough to off-set the savings in fee for service for other groups, most notably, nursing facility spending which was over the estimate in November. However, this general, temporary shift toward fee for service is not enough to offset the savings in fee for service for other groups which is primarily due to below estimate caseload. The year-to-date variance includes these and a managed care payment reconciliation that occurred in July that drove under spending in that month.

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

(in millions, totals may not add due to rounding)

	Nov. Projection	Nov. Actual	Variance	Variance %
GRF	\$ 1,265.2	\$ 1,216.9	\$ (48.3)	-3.8%
Non-GRF	\$ 696.7	\$ 668.4	\$ (28.3)	-4.1%
All Funds	\$ 1,962.0	\$ 1,885.3	\$ (76.7)	-3.9%

Enrollment

Total November enrollment across all categories was 2.91 million. The most significant components are the Covered Families and Children (CFC) category, which increased by 32,861 persons to an November total of 2.27 million persons, and the Aged, Blind and Disabled (ABD) category, which decreased by 2,054 people to an November total of 172,817 covered lives. Individuals covered under Medicaid extension (eligibility group VIII) are included as part of the larger CFC category.

Total enrollment across all categories for the same period last year was 2.38 million covered persons, including 1.67 million persons in the CFC category and 184,049 people in the ABD category.

Please note that these data are subject to revision.

Health and Human Services

This category includes non-debt service GRF expenditures for the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. Examples of expenditures in this category include: child care, TANF, 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 the previous category.

November disbursements in this category totaled \$107.5 million and were \$11.4 million (11.9%) above estimate for the month. Year-to-date disbursements were \$589.5 million, which was \$48.5 million (7.6%) below the estimate. On a year-over-year basis, disbursements in this category were \$26.2 million (19.6%) lower than for the same month in the previous fiscal year while year-to-date expenditures were \$33.8 million (6.1%) higher than at the same point in fiscal year 2014.

Department of Job and Family Services

November disbursements for the Department of Job and Family Services totaled \$62.0 million and were \$2.9 million (5.0%) above estimate. This variance was primarily attributable to several lines. First, Program Support disbursements were \$2.8 million (128.1%) above estimate due primarily to higher than estimated transfers. Second, Information Technology Projects disbursements were \$1.5 million (30.1%) above estimate due to invoices anticipated for October being paid in November instead. Third, TANF State/Maintenance of Effort disbursements were \$1.7 million (13.0%) below estimate due to lower than estimated cash assistance payments. Fourth, Child Care State/Maintenance of Effort disbursements were \$5.7 million (87.9%) above estimate due to a change in the disbursement schedule as more child care services were paid for with both the Child Care and Development Fund matching grant and maintenance of effort requirement. Fifth, Early Care and Education disbursements were \$2.2 million (15.9%) below estimate due to lower than estimated disbursements. Finally, Family Assistance-Local disbursements were \$1.4 million (24.4%) below estimate due to subsidies to larger counties not being made during the month as they had in previous fiscal years.

Department of Mental Health and Addiction Services

November disbursements for the Department of Mental Health and Addiction Services totaled \$35.2 million and were \$12.1 million (52.4%) above estimate. This variance was attributable to several lines. First, Community Behavioral Health was \$9.1 million (192.1%) above estimate due to the timing of county draws on block grant supplement funds. Second, Hospital Services was \$1.7 million (11.5%) above estimate due to payments expected in October being made in November instead. Finally, Continuum of Care Services was \$1.5 million above an estimate of \$0 due to subsidy payments for county collaborative projects occurring in November instead of October as originally planned.

Department of Health

November disbursements for the Department of Health totaled \$4.3 million and were \$4.2 million (49.6%) below estimate. This variance was primarily attributable to Help Me Grow program disbursements being \$3.3 million (66.0%) below estimate, as subsidy payments originally projected for November will instead occur in future months.

Justice and Public Protection

This category includes non-debt service GRF expenditures by the Department of Rehabilitation & Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities.

November disbursements in this category totaled \$139.1 million and were \$6.5 million (4.9%) above estimate for the month. Year-to-date disbursements were \$801.5 million, which was \$35.1 million (4.2%) below estimate. On a year-over-year basis, disbursements in this category were \$7.6 million (5.8%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$2.1 million (0.3%) lower than at the same point in fiscal year 2014.

Department of Rehabilitation and Correction

November disbursements for the Department of Rehabilitation and Correction totaled \$107.4 million, and were \$7.3 million (7.3%) above estimate. This variance was primarily attributable to timing factors that resulted in greater than estimated disbursements for Institutional Operations and Community Nonresidential Programs. These variances were partially offset by lower than estimated disbursements for Institution Medical Services, and a reversal of a payment for Halfway House services due to payment error. Department disbursements year-to-date were \$608.9 million, which was \$24.1 million (3.8%) below estimate.

General Government

This category includes non-debt service GRF expenditures by the Department of Natural Resources, Development Services Agency, Department of Agriculture, Department of Taxation, Office of Budget and Management, non-judicial statewide elected officials, legislative agencies, and others.

November disbursements in this category totaled \$28.1 million and were \$0.3 million (1.1%) below the estimate. Year-to-date disbursements were \$153.0 million, which was \$9.7 million (5.9%) below the estimate. On a year-over-year basis, disbursements in this category were \$0.1 million (0.4%) higher than for the same month in the previous fiscal year while year-to-date expenditures were \$2.6 million (1.7%) lower than at the same point in fiscal year 2014.

Department of Natural Resources

November disbursements for the Department of Natural Resources totaled \$3.8 million and were \$1.2 million (24.5%) below estimate. This variance was primarily attributable to Soil and Water District disbursements being \$0.7 million below estimate due to a payment scheduled in November instead being made in October, and Parks and Recreation disbursements being \$0.7 million below estimate due to the use of more non-GRF funds instead of GRF. Year-to-date disbursements were \$25.0 million, which was \$0.6 million (2.3%) below the estimate.

Department of Administrative Services

The Department of Administrative Services (DAS) disbursements totaled \$6.2 million during the month of November and were \$2.1 million (51.2%) above the estimate. This occurred primarily because DAS made rent payments estimated for December from its GRF appropriations that pay rent for GRF-supported state agencies and vacant space in state buildings managed by DAS.

Department of Taxation

November disbursements for Operating Expenses at the Department of Taxation totaled \$4.0 million and were \$1.0 million (20.5%) below estimate. Year-to-date, disbursements totaled \$24.9 million and were \$2.2 million (8.2%) below the estimate. The monthly and yearly under spending reflects payroll savings resulting from attrition and planned efficiencies.

Property Tax Reimbursements

Payments from the property tax reimbursement 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. November disbursements of property tax reimbursements totaled \$145.9 million and were \$194.8 million (57.2%) below the estimate for the month. Year-to-date disbursements are \$906.9 million and are \$28.0 million (3.2%) above estimate. The year-to-date variance is the result of reimbursement requests being received from counties in a different pattern than anticipated. The heaviest months for these payments in the first half of the fiscal year tend to be September through November with smaller amounts usually being disbursed in July, August, and December. As of the end of November, all payments for the first half of the fiscal year have been processed and OBM expects that by the end of December, year-to-date disbursements should be slightly below the estimate.

Debt Service

November payments for debt service totaled \$25.0 million and were equal to the estimate. Major November debt service disbursements were comprised of payments on Mental Health/Developmental Disabilities and Natural Resources lease-rental bonds. Year-to-date, debt service payments totaled \$845.0 million and were \$2.7 million (0.3%) below estimate.

Transfers Out

November transfers out totaled \$19.8 million against an estimate of \$0. The monthly variance was, in part, the result of a \$10 million transfer of sales tax from the GRF to the TourismOhio Administration Fund, which pays for the operating costs and other expenditures of the office of TourismOhio. As discussed in last month's report, this transfer was anticipated for October, but occurred in November. The other portion of this variance was due to a \$9.8 million GRF transfer to the Managed Care Performance Fund. This transfer was originally estimated at \$7.8 million and anticipated to occur in December rather than November. As a result, December transfers out should be below estimate by a similar amount.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2015 VS ESTIMATE FY 2015
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL NOVEMBER	ESTIMATED NOVEMBER	\$ VAR	% VAR	YTD ACTUAL	YTD ESTIMATE	\$ VAR	% VAR
Primary and Secondary Education	516,809	618,700	(101,891)	-16.5%	3,384,474	3,355,192	29,282	0.9%
Higher Education	181,753	182,526	(773)	-0.4%	900,779	899,516	1,263	0.1%
Other Education	3,589	3,155	434	13.8%	28,858	30,694	(1,836)	-6.0%
Medicaid	1,216,875	1,265,213	(48,337)	-3.8%	6,634,932	7,038,213	(403,282)	-5.7%
Health and Human Services	107,495	96,086	11,409	11.9%	589,483	637,987	(48,504)	-7.6%
Justice and Public Protection	139,063	132,557	6,506	4.9%	801,498	836,554	(35,056)	-4.2%
General Government	28,108	28,421	(313)	-1.1%	152,966	162,635	(9,669)	-5.9%
Property Tax Reimbursements	145,930	340,730	(194,799)	-57.2%	906,908	878,940	27,968	3.2%
Capital Outlay	0	0	0	N/A	0	0	0	N/A
Debt Service	24,962	24,962	(0)	0.0%	845,032	847,694	(2,662)	-0.3%
Total Expenditures & ISTV's	2,364,585	2,692,349	(327,764)	-12.2%	14,244,930	14,687,426	(442,495)	-3.0%
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	19,802	0	19,802	N/A	582,809	573,388	9,421	1.6%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	19,802	0	19,802	N/A	582,809	573,388	9,421	1.6%
Total Fund Uses	2,384,387	2,692,349	(307,962)	-11.4%	14,827,739	15,260,813	(433,074)	-2.8%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2015 VS ACTUAL FY 2014
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	NOVEMBER FY 2015	NOVEMBER FY 2014	\$ VAR	% VAR	ACTUAL FY 2015	ACTUAL FY 2014	\$ VAR	% VAR
Primary and Secondary Education	516,809	972,872	(456,063)	-46.9%	3,384,474	3,295,194	89,280	2.7%
Higher Education	181,753	177,665	4,088	2.3%	900,779	842,063	58,716	7.0%
Other Education	3,589	2,837	752	26.5%	28,858	24,707	4,152	16.8%
Medicaid	1,216,875	1,066,496	150,379	14.1%	6,634,932	6,183,375	451,557	7.3%
Health and Human Services	107,495	133,703	(26,209)	-19.6%	589,483	555,649	33,834	6.1%
Justice and Public Protection	139,063	131,478	7,585	5.8%	801,498	803,599	(2,101)	-0.3%
General Government	28,108	27,990	118	0.4%	152,966	155,579	(2,613)	-1.7%
Property Tax Reimbursements	145,930	371,784	(225,854)	-60.7%	906,908	890,880	16,028	1.8%
Capital Outlay	0	0	0	N/A	0	0	0	N/A
Debt Service	24,962	25,753	(790)	-3.1%	845,032	771,897	73,134	9.5%
Total Expenditures & ISTV's	2,364,585	2,910,578	(545,993)	-18.8%	14,244,930	13,522,943	721,987	5.3%
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	995,930	(995,930)	N/A
Operating Transfer Out	19,802	0	19,802	N/A	582,809	206,998	375,811	181.6%
Temporary Transfer Out	0	5,516	(5,516)	N/A	0	5,516	(5,516)	N/A
Total Transfers Out	19,802	5,516	14,286	N/A	582,809	1,208,444	(625,635)	-51.8%
Total Fund Uses	2,384,387	2,916,094	(531,707)	-18.2%	14,827,739	14,731,387	96,351	0.7%

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) unencumbered ending fund balance for FY 2015. Based on the estimated revenue sources for FY 2015 and the estimated FY 2015 disbursements, transfers, and encumbrances, the GRF unencumbered ending fund balance for FY 2015 is an estimated \$631.6 million.

The GRF unencumbered ending fund balance should not be considered as a balance available for expenditure in FY 2015 nor should it be considered as equivalent to the FY 2015 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF unencumbered 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.

Table 5
 FUND BALANCE
 GENERAL REVENUE FUND
 FISCAL YEAR 2015
 (\$ in thousands)

July 1, 2014 Beginning Cash Balance	\$ 1,700,065
Plus FY 2015 Estimated Revenues	21,139,610
Plus FY 2015 Estimated Federal Revenues	8,990,764
Plus FY 2015 Estimated Transfers to GRF	648,386
 Total Sources Available for Expenditure & Transfer	 32,478,825
Less FY 2015 Estimated Disbursements	30,912,413
Less FY 2015 Estimated Total Encumbrances as of June 30, 2015	328,448
Less FY 2015 Estimated Transfers Out	606,390
 Total Estimated Uses	 31,847,251
 FY 2015 UNENCUMBERED ENDING FUND BALANCE	 631,575

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