



December 10, 2010

MEMORANDUM TO: The Honorable Ted Strickland, Governor
The Honorable Lee Fisher, Lt. Governor

FROM: J. Pari Sabety, Director 

SUBJECT: Monthly Financial Report

This report contains information regarding Ohio's financial position through November 30, 2010 as well as highlights of regional and national economic indicators that are important to understanding the current state and direction of Ohio's economy.

November was another month of strong tax performance. Many sources came in above the monthly estimate and with good year-over-year growth. In October, Ohio's unemployment rate decreased to 9.9%, which is the seventh consecutive monthly decline and the first reading below 10.0% in a year and a half. Employment in Ohio increased by 8,400 jobs, with mixed results across sectors. Declines in employment have been the greatest in financial activities (-9,800) and government (-6,800), while the biggest increases were seen in professional and business services (+14,500) and manufacturing (+13,800).

Revised economic data indicated that the U.S. economy had expanded faster in the third quarter than originally thought, though the latest employment figures did not support that revision. In November, non-farm payroll employment increased by only 39,000 jobs, much less than expected for the month. The unemployment rate increased to 9.8 %, an increase of 0.2% over the previous month. Consumer confidence seems to be slightly improving, and retail sales increased by 1.2% in October.

During the month of November, Ohio's General Revenue Fund (GRF) tax receipts totaled \$1,282.4 million, \$65.7 million (5.4%) above the monthly estimate. General Revenue Fund tax receipts for the year-to-date total \$6,670.3 million and are \$127.5 million (11.0%) greater than the same point a year ago. Since the beginning of the fiscal year, Ohio has seen better-than-expected performance across most tax sources, and as a result, tax receipts for the year-to-date are \$214.7 million (3.3%) above estimate.

November fiscal year 2011 GRF spending totaled \$2,757.9 million and is \$575.8 million (26.4%) above estimate for the month. On a year-to-date basis, total GRF disbursements are \$687.5 million (5.3%) above estimate. This large variance is due primarily to a Medicaid managed care payment scheduled for December being paid in November due to timing issues.

ARRA Revenue and Disbursement Update. Attached to this report is an appendix detailing Ohio's monthly and cumulative receipts and expenditures of American Recovery and Reinvestment Act funds, including additional detail on State Fiscal Stabilization Funds (SFSF). Of the \$8.2 billion that the state is expected to receive during this three-year program, approximately \$5.83 billion has been received and \$5.77 billion has been expended.

MONTHLY FINANCIAL REPORT
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ECONOMIC SUMMARY

Economic Performance Overview

- Real GDP increased by 2.5% in the third quarter after a 1.7% increase in the second quarter and 3.7% in the first quarter. Consumer spending accelerated, but about half of the rise in GDP came from an accumulation of inventories. The consensus is for a similar pace of growth in the current quarter, followed by an increase to the trend rate of growth by the second half of next year.
- U.S. employment was weaker than widely expected in November, rising by only 39,000 jobs. The unemployment rate increased to 9.8%.
- Ohio employment increased by 8,400 jobs in October, following declines totaling 32,100 jobs in August and September. The unemployment rate decreased for the seventh month in a row to 9.9%.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio, but point to a slow rate of growth nationally.

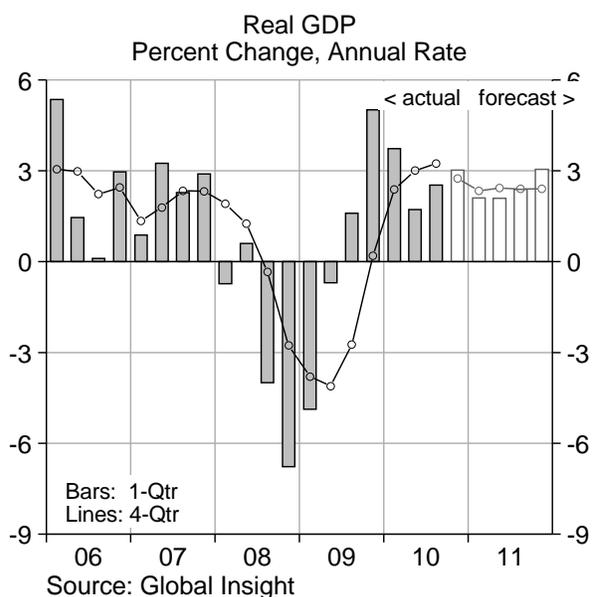
Economic Growth

Revised data show that the economy expanded somewhat faster than originally reported in the third quarter – though still below potential. Real GDP increased 2.5% in the quarter to 3.6% above the low point during the recession. During the past five quarters, the economy has returned to within 0.6% of the peak at the beginning of the recession.

The acceleration in real GDP growth from 1.7% in the second quarter reflected larger increases in personal consumption expenditures and inventory investment, which were partially offset by weaker residential fixed investment, nonresidential fixed investment and exports.

Personal consumption expenditures, inventory investment and nonresidential fixed investment made the largest contributions to growth during the quarter. Residential fixed investment subtracted from growth. The increase in inventories was among the largest on record, and accounted for more than half of the increase in real GDP. Real final sales managed growth of only 1.2% in the quarter and have increased at an annual rate of only 1.0% during the past year and half.

Investment in nonresidential structures posted a small decline for the second consecutive quarter after a long string of alarming declines. But a steep drop in investment in residential



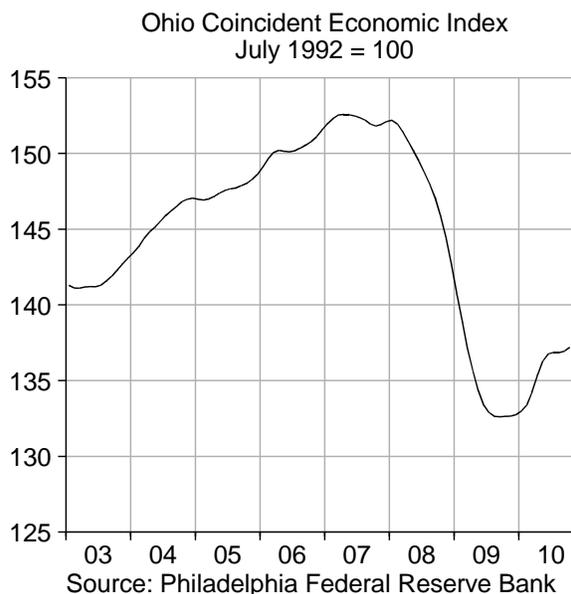
structures – probably related to the expiration of the tax credits for home purchase – more than offset a large increase in the previous quarter. Real investment in residential structures was the lowest since the second quarter of 1983.

Large increases in both defense and nondefense spending by the federal government magnified the second modest quarterly increase in a row in spending by state and local governments. Exports and imports both increased at a considerably slower pace than in the previous quarter.

The consensus among forecasters is that the economy will continue to muddle along at a sub-par pace, according to the *Blue Chip Economic Indicators* in early November. Real GDP is projected to increase by 2.2% in the fourth quarter and grow by less than 3% in the first half of 2011. Some forecasters have more recently revised estimates for the current quarter somewhat higher, based on the latest monthly economic reports. IHS Global Insight predicts real GDP will expand by 3.0% this quarter and slow to just over 2% in the first half of 2011 and approximately 2¾% in the second half.

The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.2% in October, and small declines in the previous two months were revised to flat in August and a small increase in September. Even so, the 6-month smoothed rate of change slipped for the fourth month in a row to 3.3% from the peak for this cycle of 4.6% reached in June.

The 4-week moving average of the ECRI **Weekly Leading Index (WLI)** increased for the fourth straight week during the week of November 26, lifting the rate of change to -2.4 – the best since late May. The weekly index is 4.2% above the cyclical low reached in mid-July.



The Conference Board **Leading Economic Index** increased 0.5% for the second month in a row in October. The 6-month smoothed percent change decreased to 4.7% – down from the peak for the cycle of 10.9% in March 2010. The index has traced out similar patterns following the initial burst of growth in the early years of past recoveries and is consistent with continuing growth at a slower pace.

The **Ratio of the Coincident to Lagging Economic Index** was unchanged in October after four monthly declines in a row. The 6-month smoothed rate of change fell to 0.4%, down from the peak for the cycle of 6.2% reached in December 2009 and the slowest rate of change since July 2009. The recent pattern of the ratio is consistent with below trend growth in the economy in the near term.

The **Ohio Leading Indicator** from the Labor Market Information Division also continued to trace out a pattern consistent with slow but continued growth in Ohio's economy. The index was unchanged for the second straight month in October after slowing earlier in the summer. The indicator has not declined since September 2009. The 6-month smoothed rate of change slipped to 1.8% from the peak for this cycle of 2.5% reached in August. A leading index for Ohio compiled by the Federal Reserve Bank of Philadelphia points to a similar future.

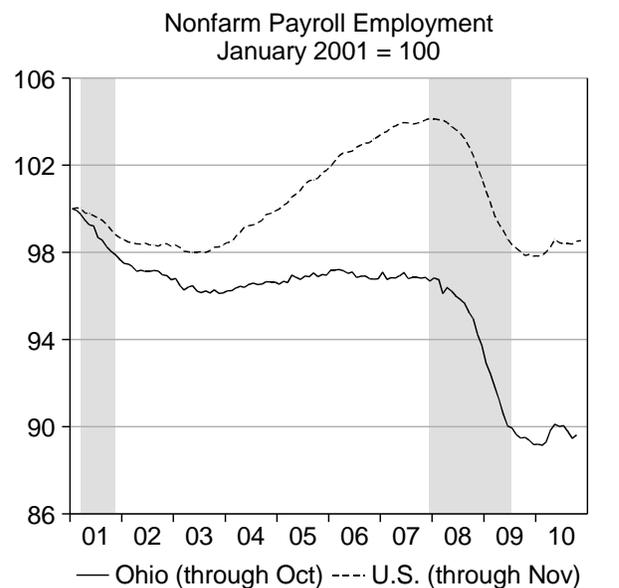


Congress appears to have agreed to tax code changes that will leave marginal rates at today's levels for two more years. The agreement removes what was a threat to continued economic recovery in the form of substantial increases in marginal tax rates beginning on January 1.

Employment

Nonfarm payroll employment increased by 39,000 jobs in November, and the changes in the two previous months were revised higher by a total of 38,000 jobs. Private payrolls increased by 50,000 jobs, about in line with recent months but well below expectations that had been buoyed by a strong report of job gains by payroll administrator ADP and a recent drop in weekly initial jobless claims. Labor markets still have far to go to return to pre-recession conditions.

The **unemployment rate** increased by 0.2 percentage points to 9.8% after standing at 9.6% for three months. The rate has exceeded 9% for a post-war record nineteen months. The increase in the unemployment rate resulted from an increase in the labor force and a decrease in the measure of employment used in the calculation. The number of unemployed increased by 276,000 during the month and climbed back above 15 million, but remained below the peak of 15.6 million reached in October 2009.



The **workweek** edged down by 0.1 hours, despite a 0.1 hour increase in the manufacturing workweek. While very short by historical standards, the workweek is well off of the modern low reached in June 2009.

Average hourly earnings were unchanged, pulling the year-over-year change back down to the low for the cycle of 2.1 percent.

Private sector employment has increased in each of the eleven months so far this year, but by an average of only 106,000 jobs per month. That's the slowest pace of net job creation relative to the level of employment once employment started to rise on a sustained basis following all recessions since at least the early 1960s.

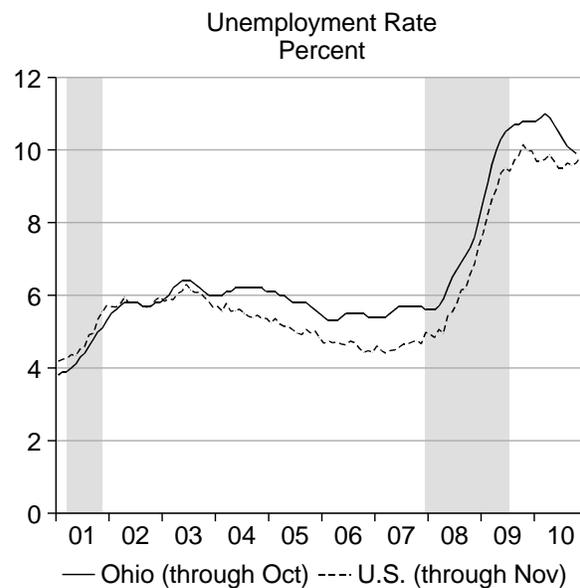
Ohio employment increased by 8,400 jobs in October, following decreases totaling 32,100 jobs in August and September. Ohio employment remains 430,400 jobs below the cyclical peak reached in March 2006. Ohio employment is still up by 24,500 jobs year-to-date, but much of the rise in employment early in the year was reversed in late summer.

Year-to-date changes in employment have been mixed across sectors. Declines in employment were concentrated in financial activities (-9,800), government (-6,800) and information (-3,600). The largest increases occurred in professional and business services (+14,500), manufacturing (+13,800) and leisure and hospitality (+8,700) and education and health services (+8,500). Private sector payrolls have increased by 31,300 jobs year-to-date.

The **Ohio unemployment rate** edged down again in September to 9.9% from the high for the cycle of 11.0% in March – the seventh consecutive monthly decline and the first reading below 10.0% in a year and a half. The unemployment rate had reached a cyclical low of 5.3% in April 2006.

The pattern of employment in nearby states this year has been similar to that in Ohio – some strength in the spring followed by weakness over the summer. During the twelve months ending in October, employment increased in each of the **contiguous states** to Ohio except for Michigan. On a year-over-year basis, employment increased 1.1% in Indiana, 0.9% in Pennsylvania, 0.8% in Kentucky, 0.7% in West Virginia and 0.1% in Ohio. Employment declined by 0.5% in Michigan.

For the Ohio and contiguous state region, employment increased 0.4% during the most recent twelve months, compared with a 0.7% increase for all states outside the region combined. The year-over-year change in employment in Ohio and the contiguous states was smaller than growth in the rest of the country for the first time since March. The last time employment in the region grew faster than in the rest of the nation for as long as six months was February 1993.



Consumer Income and Consumption

Personal income increased a solid 0.5% in October to 4.1% above the year earlier level. September was revised up from -0.1% to unchanged. Wage and salary disbursements, which comprise more than one half of total personal income, increased 0.6% to 3.4% above the year earlier level. After adjustment for inflation, personal income increased 0.3% in October to 2.8% above a year ago. Real wage and salary disbursements increased 0.4% to 2.1% above a year ago.

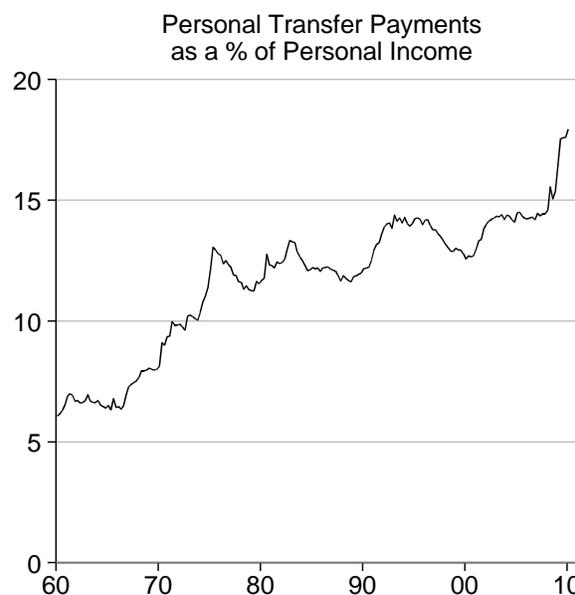
The gap between year-over-year growth in wage and salary disbursements and personal income reflects strong growth in **federal transfer payments** over the period. Personal transfers edged higher by 0.1% in October to 7.2 percent. Transfers have accounted for a record 18% of total personal income for the past year. The September decrease was revised up from -0.9% to -0.5 percent. The decline reflected the effects of unemployment compensation legislation, which reduced emergency unemployment insurance benefits in September after boosting benefits in August.

Ohio personal income increased 4.0% at an annual rate in the second quarter, following gains of 2.9% in the first quarter and 1.6% in the fourth quarter of 2009. Compared with a year earlier Ohio personal income was up 2.0%. Wage and salary disbursements advanced 3.6% at an annual rate in the second quarter – the strongest quarterly pace since the first quarter of 2008. Compared with a year earlier, Ohio wage and salary disbursements were higher by 0.6%.

Personal consumption expenditures increased by 0.4%, or 0.3% after inflation in October. Compared with a year earlier, consumption was up 3.6% in October, or 2.3% in real terms. **Retail sales** increased 1.2% in October in the strongest gain since March. Excluding purchases of cars and gas, retail sales increased 0.4 percent. Sales of light motor vehicles increased 4.3% to an annual rate of 12.2 million units. Unit vehicle sales continued at that pace in November.

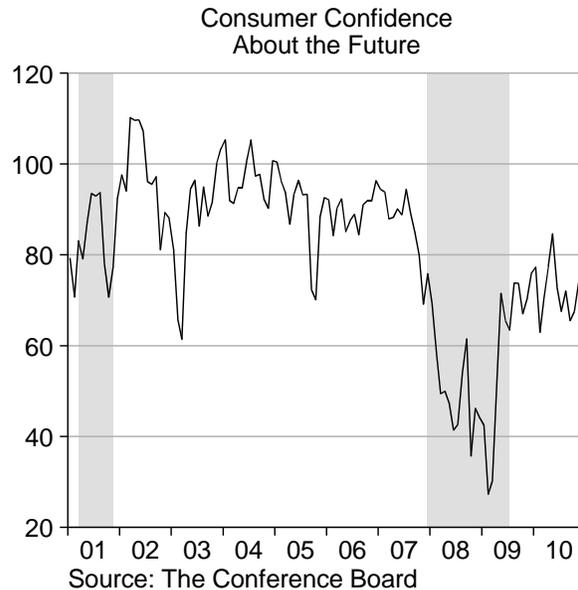
Retail sales in and around Ohio during the six weeks ending in late November were flat or down slightly compared with the previous 30-day period, according to a regular survey by the Federal Reserve Bank of Cleveland. Food retailing was an exception, as sales showed modest improvement. Expectations were for sales to improve somewhat through year end.

Chain store sales increased 0.6% from October to November, according to the International Council of Shopping Centers. Year-over-year, sales were higher by 5.8 percent. Early reports about the holiday shopping season were largely positive, reflecting in part earlier discounting by retailers.



The **saving rate**, moved slightly higher and remained above 5% in October for the 24th straight month, reflecting heightened concern by households about the outlook for the economy and related efforts to repair their balance sheets.

Consumer confidence improved moderately in November. Assessments of both current and expected conditions improved, according to surveys by both the Conference Board index and Reuters/University of Michigan. Despite the improvement, consumer confidence remains near or below average levels observed during recessions in the past.



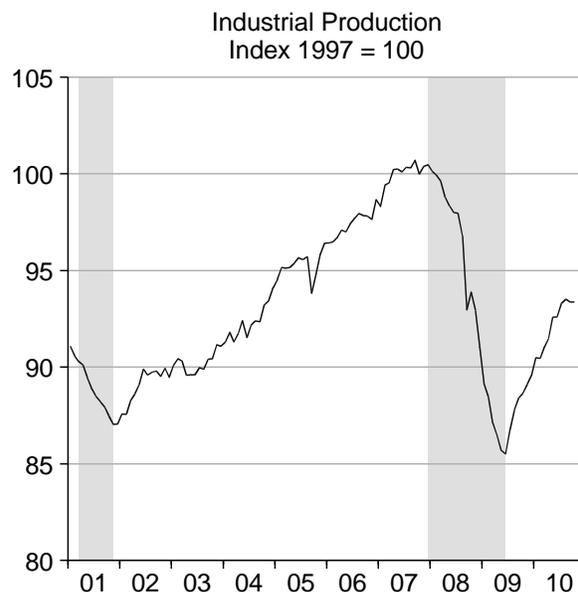
Manufacturing

Industrial production was unchanged in October after a decline of 0.2% in September. A 3.4% decline in utility production during October masked a 0.5% increase in manufacturing output. Production of primary metal, fabricated metal and machinery – three industries with special importance for Ohio – decreased 0.4% and increased 0.3% and 1.4%, respectively. Production of motor vehicles and parts increased 1.6%, as vehicle assemblies increased 2.4 percent.

Capacity utilization stayed at 74.8% in October, up from the record low of 68.2% in June 2009 but well below a level consistent with economic expansion. Even after the substantial recovery recently, capacity utilization is only 1.3 percentage points above the low reached in the 2001 recession and remains 3.9 percentage points below the low reached in the 1990-91 recession.

Reports from **purchasing managers** in manufacturing remained positive in November, albeit somewhat less upbeat. At 56.6, the composite index was down from 56.9 in October, but still well above the neutral level of 50. Two key components softened notably. The new orders index fell from 58.9 to 56.6, and the production index fell from 62.7 to 55.0.

Midwest manufacturing output increased 0.7% in October after an upwardly revised increase of 0.2% in September, according to the Chicago Federal Reserve Bank.



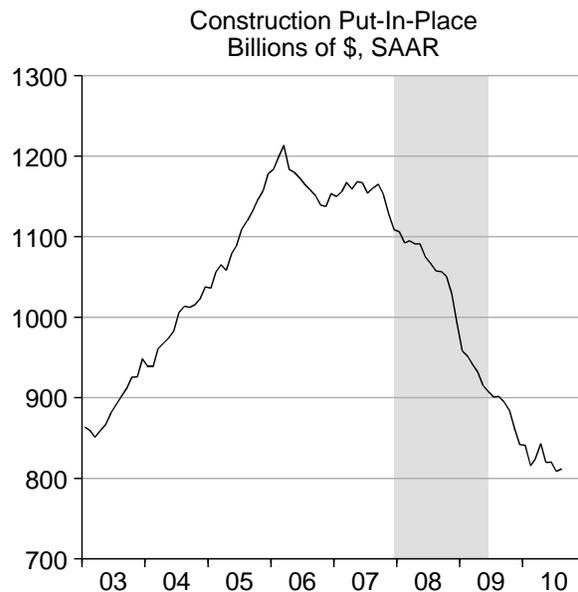
Production increased in each of the four sectors – 0.4% in autos, 0.8% in steel, 1.5% in machinery and 0.4% in resource. Compared with a year earlier, Midwest manufacturing production was up by 8.6%, compared with a peak so far for this cycle of 14.0% in May. The level of Midwest production in October was 15.4% above the low in June 2009 but still 19.6% below the peak in January 2008.

New orders and production at manufacturers in and around Ohio were either stable or up modestly during the six weeks ending in late November, according to the Cleveland Fed survey. Production was higher year-over-year, with many manufacturers reporting double-digit increases. Steel production was flat-to-higher, with shipments being driven by energy-related, auto and heavy equipment industries.

Construction

Total **construction put-in-place** increased 0.7% in October, and the September change was revised up from +0.5% to +0.7 percent. Residential construction put-in-place increased 2.5%, but the September change was revised from +1.8% down to +0.6 percent. Non-residential construction put-in-place decreased 0.7% after a 0.2% increase in September, which was originally reported as unchanged. Total construction was down by 9.3% from a year earlier and is off approximately one-third from its peak in March 2006.

Non-residential construction put-in-place was boosted by gains in power (+7.9%) and transportation (+2.7%). All other major categories posted declines, including amusement and recreation (-8.0%), office (-5.8%), manufacturing (-5.8%) and lodging (-5.2%). Contractors in and around Ohio generally reported having less work than a year ago, according to the Cleveland Fed. Infrastructure-related projects have accounted for the majority of new projects.



The **Architecture Billings Index** from the American Institute of Architects dipped in October after rising above 50 in September for the first time since January 2008. The setback leaves in place the uneven but substantial string of increases that began in February 2009. The **Inquiries for New Work Index** slipped slightly in October after reaching the highest mark since July 2007 in the prior month. The **Billings Index for the Midwest** posted the fourth increase in a row, lifting the index to its highest mark since May 2007.

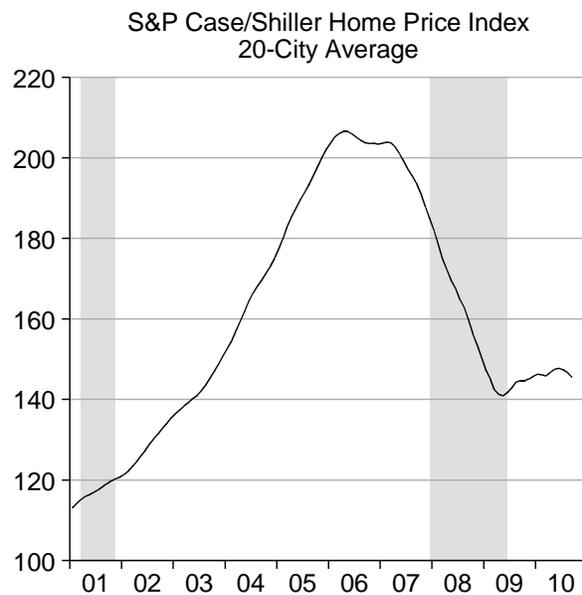
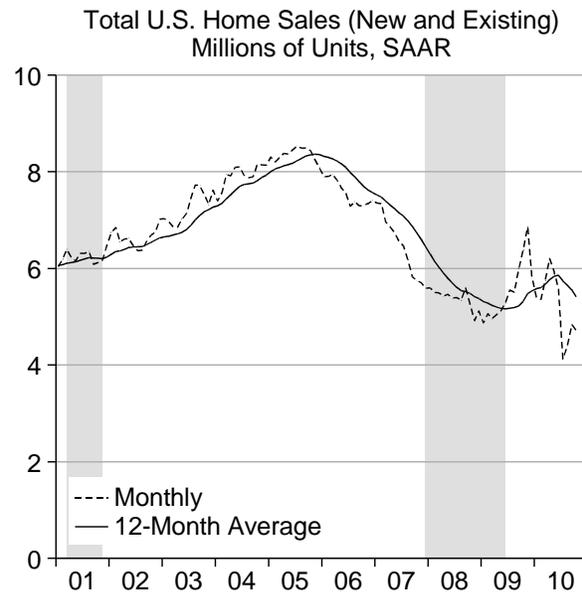
Residential real estate activity continues to exhibit the aftereffects of federal incentives for home purchase and the housing bubble. **Housing starts** and new and existing **home sales** all declined in October, and home prices fell for the third straight month. **Housing permits** edged higher, and **pending home sales** increased.

U.S. housing starts fell 11.7% in October for the second decline in a row, pulling the 3-month moving average down by 1.8% from the prior month. Multi-family starts accounted for most of the drop, as single-family starts were only modestly lower. Compared with a year earlier, the 3-month moving average was higher by 1.2%, indicating that the substantial slide in housing activity has flattened out. Midwest housing starts fell just 1.3% in October after an 11.6% drop in September.

New home sales fell 8.1% and existing home sales fell 2.2% in October, both after double-digit gains in September. Sales of both new and existing homes also fell across the Midwest in October. Several builders in and around Ohio reported no sales during the six weeks ending in late November, according to the Cleveland Fed. Most new home sales were reportedly occurring in the move-up buyer categories. Sales remain from one-quarter to one-third below year earlier levels in the U.S. and the Midwest.

Looking forward, housing permits edged higher across the country and increased sharply in the Midwest in October. Variations in the monthly data can be misleading, however, and on a 3-month moving average basis, both U.S. and Midwest permits fell to the low or near the low for the year in October. While pending home sales bounced 10.4% in the U.S. and 27.3% in the Midwest during October, the increases appear to reflect soft prices created by a new wave of foreclosure sales.

Home prices have turned lower in recent months after a modest bounce off of the cyclical trough reached in early 2009. Prices decreased for the third straight month in September, according to the S&P/Case-Shiller house price index for twenty large metro areas. And the rate of decrease has grown larger, from 0.3% in July to 0.5% in August to 0.8% in September. Prices have declined in five of the last eight months. This is a key risk to the outlook. A return to large, sustained declines in home prices would put renewed pressures on capital positions of financial institutions and already strained balance sheets of households.



REVENUES

During the month of November, **GRF receipts totaled \$2,267.7 million** which was \$57.5 million (2.6%) above the estimate. This positive performance relative to estimates was the result of higher-than-expected tax receipts and federal grants which together combined to offset a timing-related negative variance in transfers. For the month, tax receipts totaled \$1,282.4 million and were \$65.7 million (5.4%) above estimate, while non-tax receipts and transfers totaled \$749.3 million and \$236.0 million respectively and were \$60.8 million (8.8%) above and \$69.0 million (22.6%) below the respective estimates for these two categories.

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	\$214.7 million	3.3%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$84.3 million)	(2.1%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	(\$59.6 million)	(16.6%)
TOTAL REVENUE VARIANCE:		\$70.8 million	0.7%

A fourth consecutive month of better-than-expected receipts across most tax sources resulted in a November performance that exceeded estimates by \$65.7 million (5.4%). Combined with the positive August through October variances, tax receipts through the first five months of the fiscal year are now \$214.7 million (3.3%) above estimate. On a year-over-year basis, total tax receipts for November were \$127.5 million (11.0%) greater than they were in November 2009. For the year-to-date, tax collections in fiscal year 2011 are \$438.4 million (7.0%) higher than for the same period a year ago. The largest contributors to this year-over-year growth are the non-auto sales and personal income tax receipts which are \$215.6 million (8.6%) and \$147.3 million (5.3%) above those at the same point in fiscal year 2010.

<u>Individual Sources Above Estimate</u>	<u>Individual Sources Below Estimate</u>
Non-Auto Sales Tax \$9.6	Public Utility Tax (\$4.6)
Auto Sales Tax \$15.2	Kilowatt Hour Tax (\$5.1)
Personal Income Tax \$31.6	Estate Tax (\$3.9)
Corporate Franchise Tax \$21.7	Other Income (\$3.2)
Cigarette Tax \$1.7	ISTV's (\$1.3)
Federal Grants \$60.9	Liquor Transfers (\$12.0)
License and Fees \$4.4	Temporary Transfers In (\$57.0)
Other Sources Above Estimate \$0.2	Other Sources Below Estimate (\$0.7)
Total above \$145.3	Total below (\$87.8)

Non-Auto Sales and Use Tax

Following the positive performances in the months of August through October, non-auto sales tax receipts totaled \$539.2 million in November, exceeding the estimate by \$9.6 million (1.8%). On a year-over-year basis, this tax experienced an increase of \$5.5 million (1.0%) above collections for the same period a year ago. For the fiscal year, baseline growth in the tax has been approximately 5.3 percent. The remainder of the growth is due to the Medicaid Health Insurance Company (MHIC) base expansion. November marks the thirteenth month of collections with MHIC's in the base. Therefore, in November, there was no longer a year-over-year boost from the base expansion.

Auto Sales Tax

November auto sales tax receipts totaled \$73.4 million, which was \$15.2 million (26.2%) above the estimate. For the year-to-date, tax receipts now total \$409.5 million and are \$23.3 million (6.0%) above estimate. On a year-over-year basis, this tax source experienced an increase of \$19.5 million (36.3%) over the receipts for the same month a year ago. This growth is a result of higher-than-expected unit sales.

Personal Income Tax

Personal income tax receipts totaled \$556.2 million in November, exceeding the estimate by \$31.6 million or 6.0%. Withholding accounted for nearly all of the overage, with a positive variance of \$27.6 million (4.7%). Refunds meanwhile, totaled \$43.1 million and were \$6.8 million (15.8%) below the estimate, but were nearly offset by lower-than-estimated annual returns and higher-than-estimated local government fund distributions.

On a year-over-year basis, personal income tax collections through the first five months of fiscal year 2011 were \$147.3 million (5.3%) over the corresponding level in fiscal year 2010. Employer withholding accounts for nearly all of the growth at \$141.3 million (5.1%) during this period. Quarterly estimated payments also continue to show growth as they are \$10.0 million (3.8%) greater year-to-date than the previous year.

FY2011 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	\$589.8	\$617.4	\$27.6	\$2,853.6	\$2,920.0	\$66.4
Quarterly Est.	\$8.1	\$8.9	\$0.8	\$275.2	\$277.6	\$2.4
Trust Payments	\$0.2	\$0.7	\$0.5	\$9.3	\$6.7	(\$2.6)
Annual Returns & 40 P	\$15.9	\$11.8	(\$4.1)	\$113.8	\$103.7	(\$10.1)
Other	\$7.8	\$9.1	\$1.3	\$33.1	\$39.1	\$6.0
Less: Refunds	(\$43.1)	(\$36.3)	\$6.8	(\$172.9)	(\$161.2)	\$11.7
Local Distr.	(\$54.1)	(\$55.5)	(\$1.4)	(\$267.9)	(\$275.1)	(\$7.3)
Net to GRF	\$524.6	\$556.2	\$31.6	\$2,844.2	\$2,910.8	\$66.6

Corporate Franchise Tax

Corporate franchise tax receipts for the month of November were \$2.1 million, compared to the monthly estimate of -\$19.6 million. As was the case in October, actual refunds continue to be lower-than-estimated, and as a result, the year-to-date positive variance for this tax source has increased to \$37.8 million (100.7%).

Commercial Activity Tax

In fiscal year 2011, receipts from the commercial activity tax (CAT) will continue to be distributed to non-GRF funds to reimburse school districts and local governments for the phase-out of the tangible personal property tax. During the month of November, CAT receipts totaled \$309.9 million, an amount that was \$20.1 million above the monthly estimate of \$289.8 million. When combined with October's receipts, collections for the two month period totaled \$353.4 million and were \$12.8 million above the combined estimate. With November's collections, receipts through the first five months of the year totaled \$707.5 million and are \$33.8 million above estimate.

Public Utility Tax

Public utility tax receipts during the month of November totaled \$22.7 million, which was \$4.6 million (16.8%) below the monthly estimate. This weaker-than-expected performance is primarily due to continued historically low natural gas prices which OBM anticipates will continue throughout the remainder of this fiscal year.

Kilowatt Hour Tax

Kilowatt hour tax receipts during the month of November totaled \$6.9 million and were \$5.1 million (42.4%) below the estimate of \$12.0 million for the month. The majority of this variance (\$3.6 million) is driven by credits granted to certain tax payers that had overpaid this tax in previous years and thus were permitted to pay a reduced amount in November.

Cigarette Tax

Cigarette tax receipts during the month of November totaled \$66.6 million, which was \$1.6 million (2.5%) above the monthly estimate. As a result of this monthly positive variance, this tax is now \$16.1 million (5.5%) above estimate through the first five months of the fiscal year. On a year-over-year basis, cigarette tax receipts were \$2.5 million (3.6%) lower than the same month a year ago, while year-to-date collections have decreased by \$19.2 million (5.8%).

Estate Tax

Estate tax receipts for the month of November totaled \$8.1 million and were \$3.9 million (32.7%) below the estimate. For the year-to-date, total estate tax receipts were \$26.4 million, or \$4.2 million (18.7%) above the estimate. The negative variance for the month is the result of a correction of the receipt of payments earlier than expected in prior months, a correction that should continue in the months ahead.

GRF non-tax receipts totaled \$749.3 million in November, with the performance coming in \$60.8 million (8.8%) above estimate. Most of the variance is due to federal grants federal being greater than anticipated. **GRF transfers** during the month of November totaled \$236.0 million, but were \$69.0 million (22.6%) below the estimate as a result of a delay in the processing of a liquor profits transfer (\$12.0 million) and a temporary transfer back to the GRF from the local government property tax replacement fund (\$90.0 million). Due these processing delays, both of these transfers will be included in the December receipts.

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

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL	ESTIMATE	\$ VAR	% VAR	ACTUAL	ESTIMATE	\$ VAR	% VAR
	NOVEMBER	NOVEMBER			Y-T-D	Y-T-D		
TAX RECEIPTS								
Non-Auto Sales & Use	539,208	529,600	9,608	1.8%	2,712,959	2,626,800	86,159	3.3%
Auto Sales & Use	73,433	58,200	15,233	26.2%	409,520	386,200	23,320	6.0%
Subtotal Sales & Use	612,641	587,800	24,841	4.2%	3,122,479	3,013,000	109,479	3.6%
Personal Income	556,152	524,600	31,551	6.0%	2,910,773	2,844,200	66,573	2.3%
Corporate Franchise	2,076	(19,600)	21,676	110.6%	247	(37,600)	37,847	100.7%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	22,717	27,300	(4,583)	-16.8%	55,193	74,500	(19,307)	-25.9%
Kilowatt Hour	6,913	12,000	(5,086)	-42.4%	73,713	72,200	1,513	2.1%
Foreign Insurance	68	(100)	168	167.6%	132,192	132,650	(458)	-0.3%
Domestic Insurance	0	0	0	N/A	(1,038)	134	(1,172)	-874.3%
Other Business & Property Tax	(134)	0	(134)	N/A	(335)	126	(461)	-366.3%
Cigarette	66,649	65,000	1,649	2.5%	310,914	294,800	16,114	5.5%
Alcoholic Beverage	4,060	4,600	(540)	-11.7%	24,244	24,300	(56)	-0.2%
Liquor Gallonage	3,139	3,100	39	1.3%	15,604	15,100	504	3.3%
Estate	8,077	12,000	(3,923)	-32.7%	26,358	22,200	4,158	18.7%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,282,355	1,216,700	65,656	5.4%	6,670,345	6,455,610	214,735	3.3%
NON-TAX RECEIPTS								
Federal Grants	740,532	679,622	60,911	9.0%	3,885,880	3,936,666	(50,786)	-1.3%
Earnings on Investments	0	0	0	N/A	3,142	20,500	(17,358)	-84.7%
License & Fees	5,048	650	4,398	676.6%	15,284	22,011	(6,727)	-30.6%
Other Income	1,344	4,500	(3,156)	-70.1%	4,250	18,239	(13,989)	-76.7%
ISTVS	2,352	3,700	(1,348)	-36.4%	11,104	6,551	4,553	69.5%
Total Non-Tax Receipts	749,276	688,472	60,805	8.8%	3,919,659	4,003,967	(84,308)	-2.1%
TOTAL REVENUES	2,031,632	1,905,171	126,460	6.6%	10,590,004	10,459,576	130,428	1.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	12,000	(12,000)	-100.0%	51,000	60,000	(9,000)	-15.0%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	27	0	27	N/A	12,500	6,106	6,394	104.7%
Temporary Transfers In	236,000	293,000	(57,000)	-19.5%	236,000	293,000	(57,000)	-19.5%
Total Transfers	236,027	305,000	(68,973)	-22.6%	299,500	359,106	(59,606)	-16.6%
TOTAL SOURCES	2,267,659	2,210,171	57,488	2.6%	10,889,504	10,818,682	70,822	0.7%

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

REVENUE SOURCE	Month				Year-to-Date			
	NOVEMBER	NOVEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	539,208	533,685	5,522	1.0%	2,712,959	2,497,362	215,597	8.6%
Auto Sales & Use	73,433	53,893	19,540	36.3%	409,520	378,764	30,757	8.1%
Subtotal Sales & Use	612,641	587,578	25,062	4.3%	3,122,479	2,876,126	246,354	8.6%
Personal Income	556,152	493,589	62,563	12.7%	2,910,773	2,763,433	147,340	5.3%
Corporate Franchise	2,076	(45,517)	47,593	104.6%	247	(54,157)	54,404	100.5%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	22,717	20,737	1,980	9.5%	55,193	56,785	(1,592)	-2.8%
Kilowatt Hour	6,913	11,417	(4,504)	-39.4%	73,713	66,182	7,531	11.4%
Foreign Insurance	68	(112)	180	160.1%	132,192	132,704	(512)	-0.4%
Domestic Insurance	0	(269)	269	100.0%	(1,038)	1,133	(2,170)	-191.6%
Other Business & Property Tax	(134)	17	(151)	-889.3%	(335)	123	(458)	-373.0%
Cigarette	66,649	69,169	(2,521)	-3.6%	310,914	330,108	(19,194)	-5.8%
Alcoholic Beverage	4,060	4,330	(271)	-6.3%	24,244	23,943	301	1.3%
Liquor Gallonage	3,139	3,119	20	0.7%	15,604	15,296	309	2.0%
Estate	8,077	10,774	(2,697)	-25.0%	26,358	20,239	6,119	30.2%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,282,355	1,154,831	127,525	11.0%	6,670,345	6,231,912	438,433	7.0%
NON-TAX RECEIPTS								
Federal Grants	740,532	537,583	202,949	37.8%	3,885,880	3,262,708	623,172	19.1%
Earnings on Investments	0	0	0	N/A	3,142	11,536	(8,394)	-72.8%
License & Fee	5,048	395	4,652	1176.9%	15,284	19,904	(4,620)	-23.2%
Other Income	1,344	2,638	(1,294)	-49.1%	4,250	23,615	(19,365)	-82.0%
ISTVS	2,352	1	2,351	N/A	11,104	3,432	7,671	223.5%
Total Non-Tax Receipts	749,276	540,617	208,659	38.6%	3,919,659	3,321,195	598,464	18.0%
TOTAL REVENUES	2,031,632	1,695,448	336,184	19.8%	10,590,004	9,553,107	1,036,897	10.9%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	51,000	57,000	(6,000)	-10.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	27	0	27	N/A	12,500	19,946	(7,446)	-37.3%
Temporary Transfers In	236,000	321,755	(85,755)	-26.7%	236,000	321,755	(85,755)	-26.7%
Total Transfers	236,027	321,755	(85,727)	-26.6%	299,500	398,700	(99,200)	-24.9%
TOTAL SOURCES	2,267,659	2,017,203	250,456	12.4%	10,889,504	9,951,808	937,697	9.4%

DISBURSEMENTS

November 2010 GRF disbursements, across all fund uses, total \$2,757.9 million. This was \$575.8 million (26.4%) above estimate for the month. On a year-to-date basis, total GRF disbursements are \$13,722.1 million, which is \$687.5 million (5.3%) above estimate. Year-to-date disbursements by category are provided in the following table (\$ in millions).

Category	Description	YTD Disbursements	YTD Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	\$12,736.6	\$605.2
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$985.5	\$82.2
TOTAL GRF DISBURSEMENTS:		\$13,722.1	\$687.5

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

Primary, Secondary and Other Education

This category includes expenditures made by Department of Education, E-tech, the Ohio State School for the Blind, and the School for the Deaf. November disbursements for the Department of Education totaled \$588.0 million. This amount is \$4.4 million (0.8%) above the monthly estimate. Year-to-date disbursements totaled \$3,137.1 million, representing a variance of \$2.1 million (0.1%) below the estimate for the year.

Higher Education

November disbursements for Higher Education were \$264.3 million, representing a variance of \$4.2 million (1.6%) above the estimate for the month. Year-to-date disbursements were \$1,067.0 million, representing a variance totaling \$20.0 million (1.9%) above the estimate. The monthly variance is due to spending in the Ohio College Opportunity Grant program exceeding the monthly estimate by \$6.7 million. This variance is due to requests for payment being submitted to the Board of Regents earlier than anticipated.

Public Assistance and Medicaid

November expenditures in this category, which include all GRF expenditures by the Department of Job & Family Services (ODJFS), were \$1,472.3 million. Expenditures were \$549.4 million (59.5%) above estimate for the month. Year-to-date expenditures total \$5,796.4 million, which is \$591.4 million (11.4%) above estimates. This large variance is due primarily to a Medicaid managed care payment scheduled for December being paid in November due to timing issues. A more detailed explanation can be found below.

The following discussion of spending and variances to date addresses Public Assistance and Non-Medicaid programs separate from Medicaid.

Medicaid

This sub-category includes expenditures by the Department of Job and Family Services for Medicaid services contained primarily in the 600525 line item. Please note that administrative costs related to the ODJFS program are included in the previous sub-category.

Expenditures

GRF disbursements year-to-date for the Medicaid program are \$5,482.9 million, which is \$617.9 million (12.7%) above estimate, and \$1,148.9 million (26.5%) above the same point in time in the prior year. Disbursements for the month of November were \$1,407.2 million, which was \$549.5 million (64.1%) above estimate and \$673.7 million (91.8%) above the same period in the prior year.

All funds disbursements year-to-date are \$6,172.6 million, which is \$306.4 million (5.2%) above estimate, and \$804.6 million (13.0%) above disbursements for the same point in time in the prior year. Disbursements for November were \$1,632.6 million, which was \$376.9 million (30.0%) above projected expenditures and \$528.9 million (32.4%) above the same period in the prior year.

In terms of expenditure distribution between fund types, GRF spending was over projected expenditures, while Non-GRF spending was under estimates. This is due to three primary factors: the December managed care payment made in November; a delay in the collection of the hospital assessment revenue originally expected in November; and an delay in the collection of nursing facility franchise fees assumed in November. With these Non-GRF funds unavailable in November, GRF spending was needed to cover in their absence. Without these factors, GRF expenditures would have been \$31.8 million (3.8%) over projected expenditures for the month of November and \$95.2 million (2.0%) for the year. The hospital assessment and nursing facility franchise fees are expected to be collected and available in December.

Overall spending for the month of November was over projection due primarily to timing issues, as a managed care payment totaling \$395.9 million scheduled for December that was instead made in November. Had this payment been made in December as originally projected, total spending would have been \$19.0 million (1.5%) under projections for the month of November and \$89.5 million (1.5%) under projection for the year. December actuals are expected to be below estimate by a similar amount.

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

	November Estimate	November Actual	Variance	Variance %
GRF	\$ 857,642,827	\$ 1,407,174,552	\$ 549,531,725	64.1%
Non-GRF	\$ 398,034,975	\$ 225,384,636	\$ (172,650,340)	-43.4%
All Funds	\$ 1,255,677,802	\$ 1,632,559,187	\$ 376,881,385	30.0%

Specific variances across all funding sources include:

Inpatient Hospital – Disbursements for the month of November for the Inpatient Hospital category were \$112.6 million, which was \$7.1 million (6.7%) above projected expenditures. The primary cause of this was an issue with the installation of the 2011 inpatient diagnosis code program which caused inpatient hospital claims issued at the end of October to be rejected. This one time issue was corrected, and the claims were paid in November.

Managed Care – Disbursements for the combined CFC and ABD Managed Care category in November were \$814.4 million, which was \$409.2 million (100.0%) above estimate. As noted above, this was due primarily to a timing issue which caused the payment originally scheduled in December to be made in November.

Caseload

Total caseload for the month of October, the most recent month available, was 2.16 million covered persons, which was an increase of 3,654 persons over the month of September. This number, which includes select non-Medicaid programs such as the Medicare premium assistance programs, represents the 34th consecutive month of growth. The Covered Families and Children (CFC) category increased by 495 persons to an October total of 1.64 million persons. The Aged, Blind and Disabled (ABD) program increased by 1,778 people to an October total of 406.0 thousand covered lives. The Premium Assistance category increased by 1,225 persons to an October total of 98,002 covered lives.

Total enrollment for the same period last year was 2.02 million covered persons, including 1.53 million persons in the CFC program, 388.7 thousand people in the ABD category, and 88,279 in the Other Non-Medicaid program, including Premium Assistance. This represents total program growth over the last twelve months of 136.7 thousand covered lives.

CFC showed an increase of 495 persons to 1.64 million covered lives. Enrollment in this category was 12,397 (0.8%) over total projected enrollment. While the overall caseload increase was smaller than previous months, October did see a shift of persons from the Healthy Families Expansion category, which declined by 1,944 persons, into Healthy Families, the core eligibility group, which increased by 1,802 persons. The remainder of increases occurred in the State Children's Health Insurance Plan (SCHIP) categories.

The ABD program showed an increase of 3,002 people to a total of 406.0 thousand covered lives. Enrollment was 9,927 persons (2.5%) over total projected enrollment for this category.

Public Assistance and Non-Medicaid

JFS, non-Medicaid, General Revenue Fund (GRF) disbursements totaled \$65.1 million for the month of November. In the aggregate, GRF actual spending was \$0.5 million (1%) higher than the disbursement estimates for the month. Major variances within individual line items were attributable to the following:

- Early Care and Education, ALI 600535, disbursements were \$3.4 million higher than estimated spending mainly due to a \$3.1 million subsidy payment posted in November instead of December as originally anticipated.
- Administration – Local, ALI 600502, subsidy payments were \$1.4 million above original estimates due to higher than anticipated county subsidy payments within the line item.
- Computer Projects, ALI 600416, disbursements were \$1.1 million above agency estimates due to software/maintenance vendor invoice and Department of Administrative Services (DAS) network administration payments.
- Support Services, ALI 600321, expenditures were \$2.5 million lower than estimates due to lower than anticipated payroll, maintenance, and prior year invoice payments for the month.
- Child Care Match/Maintenance of Effort, ALI 600413, subsidy payments were \$1.7 million below agency projections due to lower than estimated childcare provider payments expended within the line item.
- Over/under spending across remaining GRF line items also contributed to the variance.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Aging, Mental Health, Developmental Disabilities, ODADAS, and Health. 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.

November expenditures in this category were \$73.9 million, which was \$5.5 million (8.0%) above estimate for the month. The year-to-date actual disbursements are \$518.4 million, which is \$10.2 million (1.9%) below the estimate. Notable items include:

- For the year-to-date, the Department of Health disbursements total \$42.8 million, which is under estimate by \$4.5 million (9.4%).
- November 2010 disbursements for the Department of Health totaled \$11.1 million. When compared to November 2010 estimates, in aggregate, actual disbursements were \$8.4 million (303.2%) above estimate. This is primarily attributable to the following:
 - The Immunizations line (440-418) was under estimate by \$0.4 million, due to fewer GRF funds being used than planned.
 - The AIDS Prevention and Treatment line (440-444) was \$0.4 million above estimate. This was due to a payment being made in November which was originally planned for December.
 - The Help Me Grow line (440-459) was over estimate by \$8.5 million. This was due to a payment being made in November which was originally planned for October.
- For the year, the Department of Aging disbursements total \$71.3 million, which is above estimate by \$1.3 million (1.9%).

- November 2010 disbursements for the Department of Aging totaled \$12.9 million. When compared to November 2010 estimates, in aggregate, actual disbursements were \$1.1 million (8.2%) above estimate. This is primarily attributable to the following:
 - The Senior Community Services line (490-411) was below estimate by \$0.4 million. This was due to subsidy payments being lower than planned in November; these will be paid in December.
 - The Long Term Care Budget – State line (490-423) was above estimate by \$1.8 million, due to fewer federal funds being used than planned.
- The Department of Mental Health disbursed \$22.9 million in the month of November, which is \$3.1 million (11.9%) below the estimate. The Department planned for three pay periods to occur in November, while only two pay periods were processed. Due to the timing of payroll, estimated spending exceeded actual spending by \$2.5 million in the Community and Hospital Mental Health Services (ALI 334408). Below estimate spending of \$0.5 million also occurred in the Local Mental Health Systems of Care (ALI 335505). Funding from this line item for early childhood mental health consultation is disbursed on an as-requested basis by the local mental health boards.
- The Department of Developmental Disabilities disbursed \$23.1 million in the month of November, which is \$0.5 million (2.3%) below the estimate. Due to the timing of the submission of Medicaid waiver claims, the Department was \$0.5 million under estimate in the Martin Waiver (ALI 322504).

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). November expenditures in the Corrections category totaled \$120.1 million in the month November, which was \$50.7 million (29.7%) less than the \$170.9 million estimate for the month and include:

- The Department of Rehabilitation and Correction (DRC) disbursed \$92.6 million in the month of November, which was \$38.2 million (29.2%) less than the \$130.9 million estimate for the month. This variance is primarily the result of DRC planning for three pay periods in the month, when only two occurred.
- The Department of Youth Services (DYS) disbursed \$11.6 million in the month of November, which was \$5.9 million (33.7%) less than the \$17.7 million estimate for the month. This variance is primarily the result of DYS planning for three pay periods in the month, when only two occurred.

General Government

For November, General Government disbursements were \$16.6 million which was \$4.0 million (19.6%) below the monthly estimate of \$20.7 million. Year-to-date actual expenditures are \$134.8 million, which is \$10.3 million (7.1%) below the estimate. Notables include:

- The Department of Natural Resources (DNR) disbursed \$18.9 million from its Division of Parks and Recreation ALI (730321) through the month of November, or \$1.9 million (11.4%) above estimate for the fiscal year. The increase in spending can primarily be attributed to higher customer demand in the state's parks for the fall due to favorable

weather. Greater attendance necessitated increased staffing, which resulted in higher payroll costs. Increased maintenance costs have also contributed to the overspending.

Community and Economic Development

For the month of November, disbursements in this category were \$6.1 million which was \$2.2 million (26.8%) below the estimate. Year-to-date, community and economic development related general revenue fund disbursements total \$48.5 million, which is \$7.3 million (13.1%) below the estimate.

- For the month of November, the Department of Development disbursed \$4.85 million in GRF, which is \$1.78 million (27%) below estimated. This amount was distributed fairly evenly over their GRF lines. The lower than anticipated disbursements were due to the nature of The Department's grants, which are reimbursement-based. Therefore, grantees must incur costs, and pay those costs, before seeking reimbursement under their respective grants. Because grantees operate on their own schedules, disbursements are difficult to accurately project.

Tax Relief and Other

November disbursements for the tax relief totaled \$201.8 million and were \$70.7 million (54.0%) below the \$131.1 million monthly estimate. For the year to date, total tax relief payments have totaled \$841.5 million and are \$46.1 million (5.8%) above the year-to-date estimate. These payments are made to local governments and school districts to reimburse for revenues foregone as a result of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	NOVEMBER	NOVEMBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	587,998	583,590	4,408	0.8%	3,137,146	3,139,221	(2,074)	-0.1%
Higher Education	264,308	260,065	4,243	1.6%	1,067,009	1,046,963	20,046	1.9%
Public Assistance and Medicaid	1,472,316	922,905	549,411	59.5%	5,796,360	5,204,950	591,410	11.4%
Health and Human Services	73,893	68,422	5,471	8.0%	518,371	528,597	(10,226)	-1.9%
Justice and Public Protection	120,149	170,879	(50,730)	-29.7%	876,276	897,587	(21,311)	-2.4%
Environmental Protection and Natural Resources	14,463	15,790	(1,327)	-8.4%	40,995	38,986	2,009	5.2%
Transportation	325	391	(66)	-16.8%	8,147	7,985	162	2.0%
General Government	16,617	20,663	(4,046)	-19.6%	134,782	145,078	(10,296)	-7.1%
Community and Economic Development	6,098	8,324	(2,227)	-26.8%	48,504	55,837	(7,333)	-13.1%
Tax Relief and Other	201,773	131,060	70,713	54.0%	841,486	795,396	46,090	5.8%
Capital Outlay	0	43	(43)	N/A	24	128	(104)	-81.3%
Debt Service	0	0	0	N/A	267,518	270,649	(3,131)	-1.2%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,757,939	2,182,132	575,807	26.4%	12,736,618	12,131,378	605,240	5.0%
Transfers Out:								
OPER TRF OUT-OTH	0	0	0	N/A	39,802	27,300	12,501	45.8%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	876,000	69,711	8.0%
Total Transfers (Out)	0	0	0	N/A	985,513	903,300	82,212	9.1%
Total Fund Uses	2,757,939	2,182,132	575,807	26.4%	13,722,131	13,034,678	687,453	5.3%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	NOVEMBER	NOVEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
Primary, Secondary and Other Education	587,998	594,409	(6,411)	-1.1%	3,137,146	3,324,664	(187,518)	-5.6%
Higher Education	264,308	281,093	(16,785)	-6.0%	1,067,009	1,051,479	15,530	1.5%
Public Assistance and Medicaid	1,472,316	832,305	640,011	76.9%	5,796,360	4,668,173	1,128,188	24.2%
Health and Human Services	73,893	71,874	2,019	2.8%	518,371	487,748	30,624	6.3%
Justice and Public Protection	120,149	165,264	(45,116)	-27.3%	876,276	898,936	(22,661)	-2.5%
Environmental Protection and Natural Resources	14,463	19,336	(4,873)	-25.2%	40,995	47,751	(6,756)	-14.1%
Transportation	325	2,128	(1,803)	-84.7%	8,147	8,471	(324)	-3.8%
General Government	16,617	23,021	(6,404)	-27.8%	134,782	140,453	(5,672)	-4.0%
Community and Economic Development	6,098	8,240	(2,142)	-26.0%	48,504	48,651	(147)	-0.3%
Tax Relief and Other	201,773	227,994	(26,221)	-11.5%	841,486	878,728	(37,243)	-4.2%
Capital Outlay	0	0	0	N/A	24	255	(231)	-90.6%
Debt Service	0	0	0	N/A	267,518	188,625	78,892	41.8%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,757,939	2,225,663	532,277	23.9%	12,736,618	11,743,935	992,683	8.5%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	0	118	(118)	-100.0%	39,802	49,989	(10,188)	-20.4%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	971,337	(25,626)	-2.6%
Total Transfers (Out)	0	118	(118)	-100.0%	985,513	1,021,326	(35,814)	-3.5%
Total Fund Uses	2,757,939	2,225,781	532,158	23.9%	13,722,131	12,765,262	956,869	7.5%

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2011. Based on the estimated revenue for FY 2011 and the estimated FY 2011 disbursements, transfers, and encumbrances, the current GRF ending fund balance for FY 2011 is an estimated \$153.9 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2011 nor should it be considered as equivalent to the FY 2011 surplus calculation as defined in Section 131.44 of the Ohio Revised Code. There are a number of known risks to achieving this ending GRF balance, including the outcome of litigation involving the disposition of tobacco settlement proceeds and the performance of the economy.

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

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

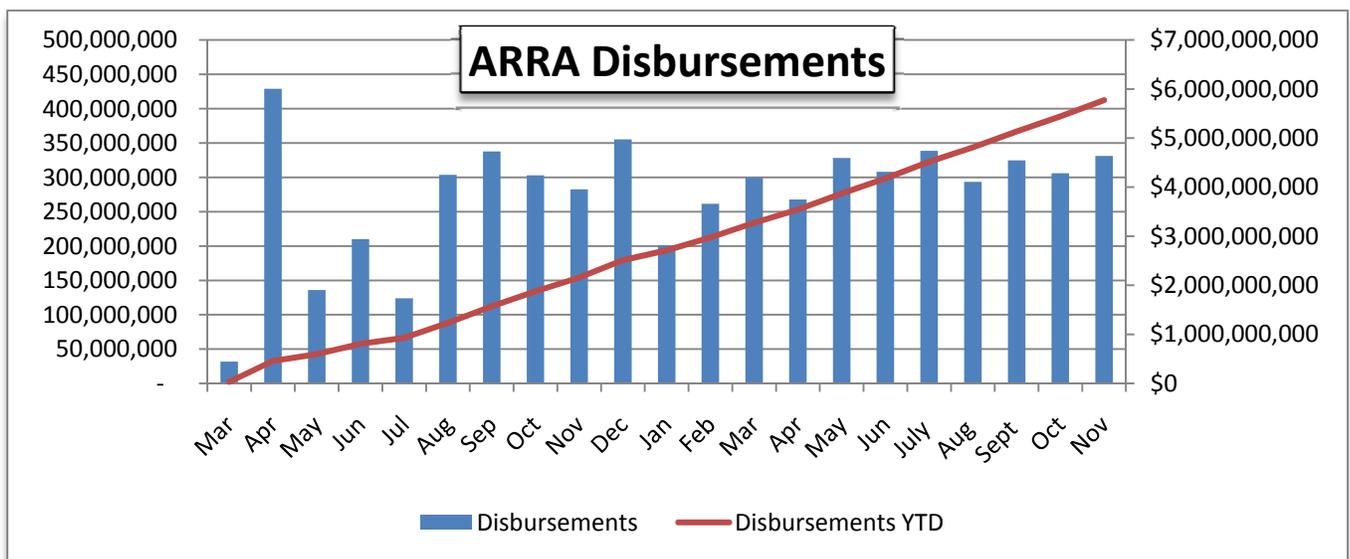
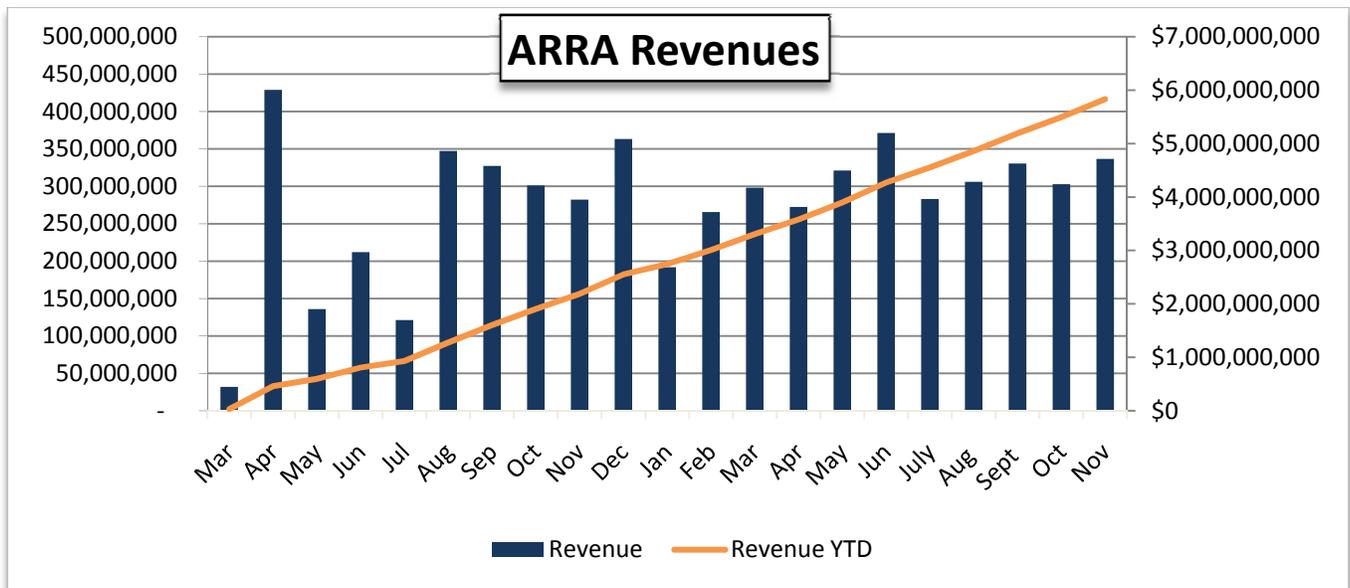
July 1, 2010 Beginning Cash Balance	\$ 510,401
Plus FY 2011 Estimated Revenues	17,090,500
Plus FY 2011 Estimated Federal Revenues	8,370,930
Plus FY 2011 Estimated Transfers to GRF	1,372,840
Total Sources Available for Expenditure & Transfer	27,344,671
Less FY 2011 Estimated Disbursements	25,997,497
Less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

ARRA Monthly Revenue and Disbursements Report

ARRA Revenue and Disbursements by State Fiscal Year

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act into law. Ohio began receiving funds in March 2009 and has since received \$5.831 billion in federal revenue and disbursed \$5.773 billion as of November 30, 2010.

	Revenue (\$)	Disbursements (\$)
FY 2009	808,753,636	806,882,970
FY 2010	3,463,056,888	3,372,015,092
FY 2011	1,559,120,129	1,593,775,339
TOTAL	5,830,930,652	5,772,673,401



ARRA Revenue and Disbursements, November 2010

Revenue	Disbursements
\$336,661,929	\$331,163,693

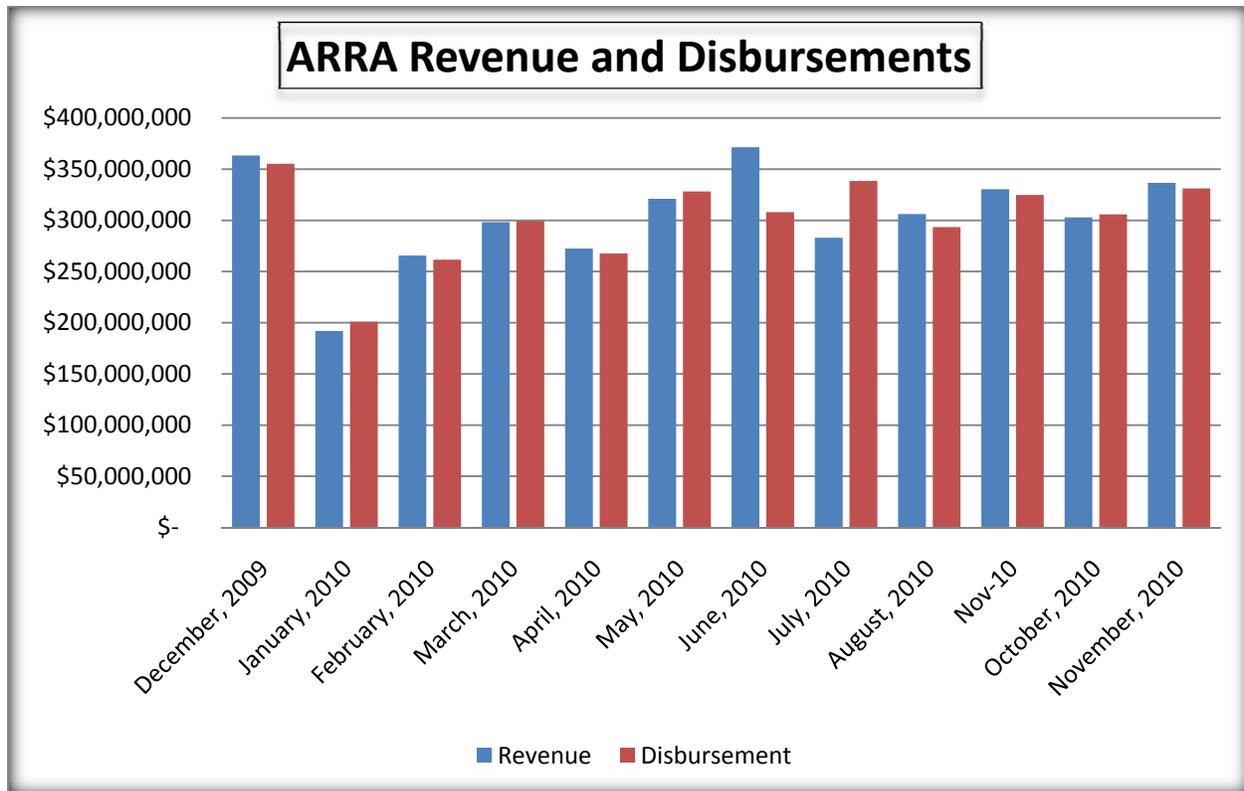
November – Fiscal Year 2011

ARRA Revenue

November 2010 Federal ARRA revenue received by all state agencies was \$336.7 million. This was an increase of \$33.7 million or 11% from the month of October.

ARRA Disbursements

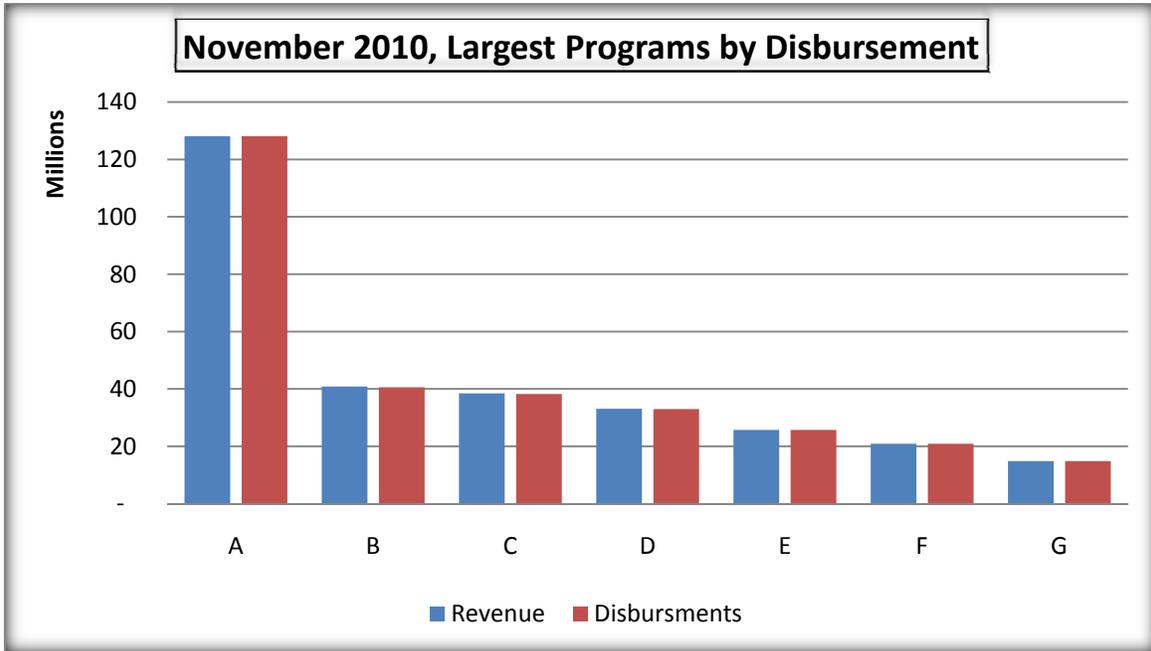
November 2010 Federal ARRA disbursements for all state agencies were \$331.2 million. This was an increase of \$25.3 million or 8% from the month of October. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agencies.



	Dec	Jan	Feb	Mar	Apr	May
Revenue	363,341,536	191,882,605	265,621,851	298,249,769	272,408,432	321,110,146
Disbursements	355,229,309	201,038,310	261,516,518	299,542,701	267,704,305	328,255,930
	June	July	Aug	Sept	Oct	Nov
Revenue	371,389,127	283,020,180	306,139,038	330,418,066	302,880,915	336,661,929
Disbursements	308,031,106	338,563,323	293,357,338	324,787,116	305,903,869	331,163,693

Largest Amount of Activity by Program

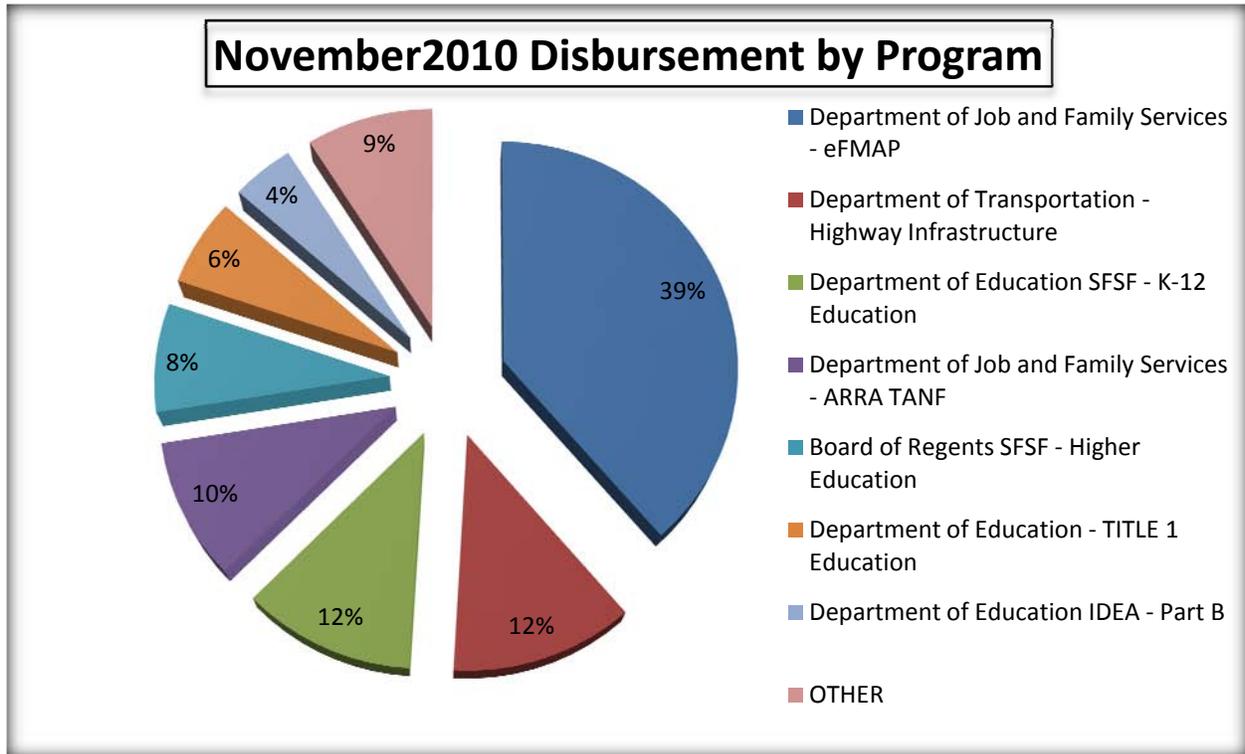
During the month of November, there were more than 70 active federal stimulus grants in the State of Ohio. Of those programs, the seven highlighted below accounted for over 90% of the funds disbursed.



	Program	Revenue	Disbursements
A	Department of Job and Family Services – eFMAP	128,074,602	128,074,602
B	Department of Transportation, Hightway	40,878,902	40,593,584
C	Department of Education SFSF - K-12 Education	38,460,592	38,267,068
D	Department of Job and Family Services - ARRA	33,107,427	32,965,931
E	Board of Regents SFSF - Higher Education	25,733,527	25,733,527
F	Department of Education - TITLE 1 Education	20,863,923	20,863,923
G	Department of Education IDEA - Part B	14,826,029	14,823,722

Breakdown of Largest Amount of Activity by Program

During the month of November, the Department of Job and Family Services disbursed 39% of ARRA funds through eFMAP. The Department of Transportation disbursed 12% of the ARRA funds for Highway Infrastructure projects, and the Department of Education disbursed 12% of ARRA funds for K-12 SFSF Education Programs, and the Department of Job and Family Services disbursed 10% of ARRA funds for TANF.



State Fiscal Stabilization Fund Overview

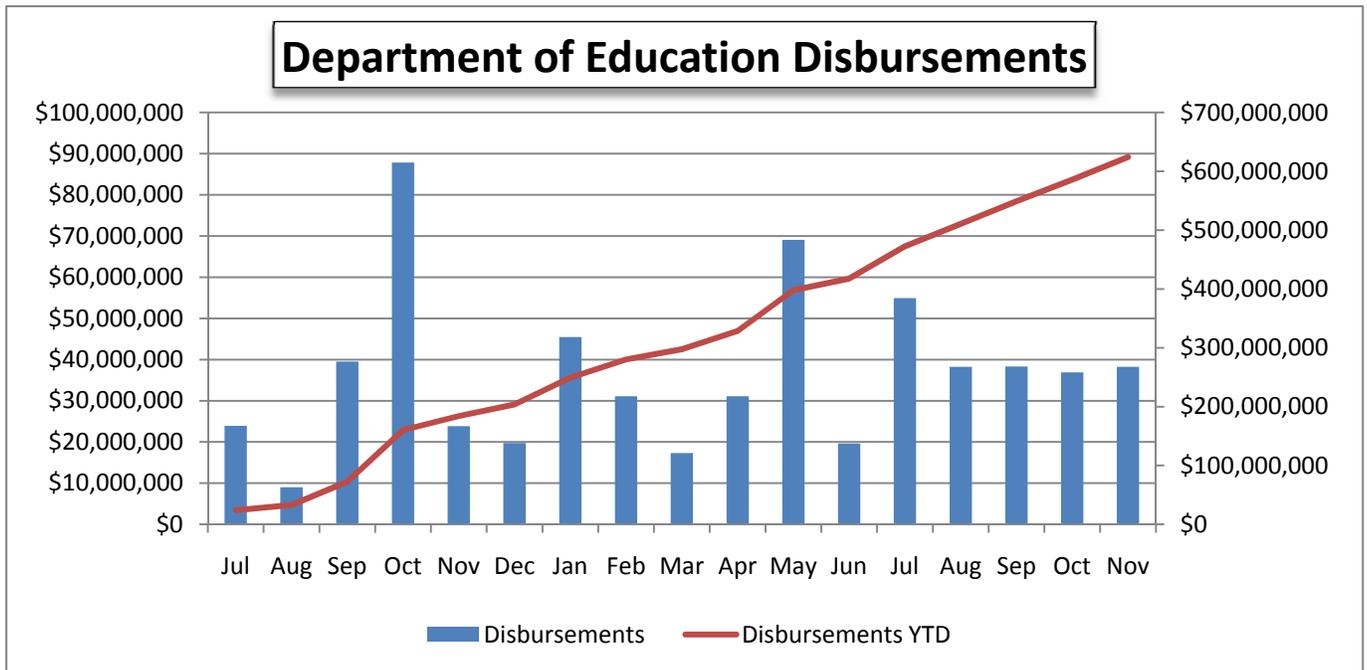
The State of Ohio has been awarded \$1,789,376,483 in State Fiscal Stabilization Funds (SFSF) through ARRA. Of this amount, \$1,463,709,963 is from the Education Stabilization Fund (ESF) and \$325,666,520 is from the Government Services Fund (GSF). The ESF is to be used by the state to restore support for elementary and secondary education and public higher education. The GSF is intended to be used to support public safety and other government services, which can include support for education.

H.B. 1, the state's FY 2010-2011 operating budget, originally included appropriations for the SFSF. Controlling Board request #OBM0100041, which was approved on April 19, 2010, modified the allocations for each agency to ensure the state would meet the Maintenance of Effort (MOE) and Use of Funds provisions of ARRA for FY10 that are a condition of using the portion of federal funds that relate to education. The modifications did not result in an overall change to the SFSF appropriations for the state as a whole.

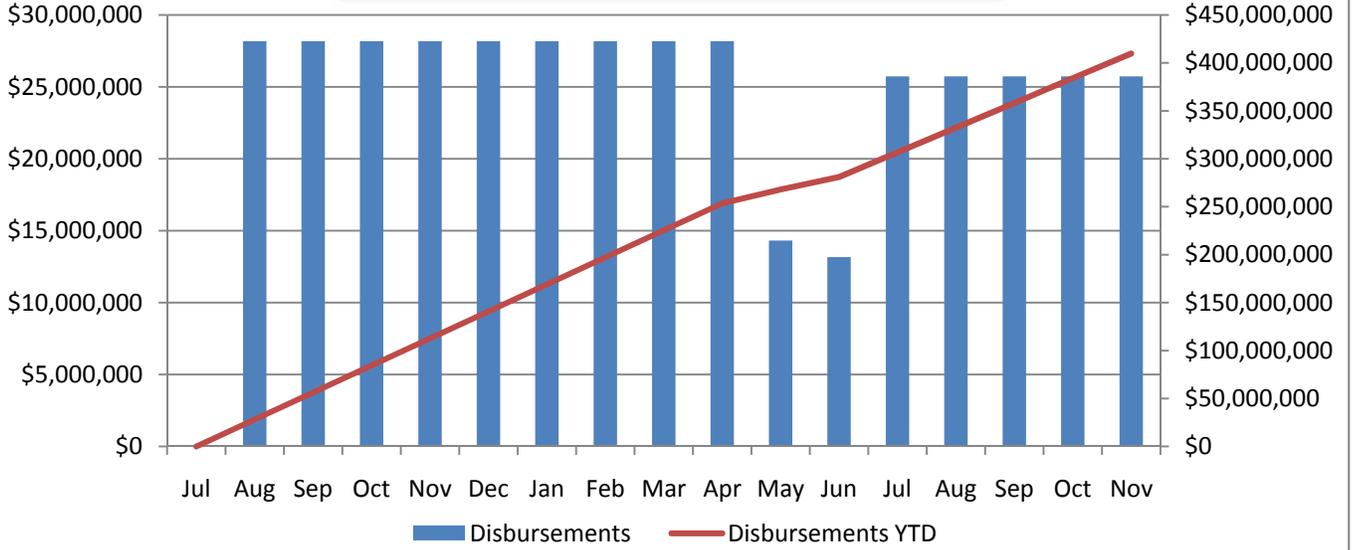
Agency	ALI	FY 2010	FY 2011	Total
Department of Education (ESF)	200551	\$417,583,913	\$457,449,362	\$875,033,275
Board of Regents (ESF/GSF)	235644	\$281,022,236	\$308,802,662	\$589,824,898
Department of Rehabilitation and Correction (GSF)	501620	\$110,029,321	\$214,488,988	\$324,518,309

The appropriation for the Department of Education is being used to distribute ESF funds to local education agencies (LEAs) through the state’s elementary and secondary education funding formula, the Ohio Evidence-Based Model (OEBM). The Board of Regents’ appropriation is being used to distribute ESF funds to public institutions of higher education (IHEs) through the higher education funding formula, the State Share of Instruction (SSI). Finally, the Department of Rehabilitation and Correction’s appropriation is being used to support payroll with the GSF.

Through November 2010, the state has disbursed \$1,144.0 million in SFSF (\$624.3 million from the Department of Education (ESF), \$409.7 million from the Board of Regents (GSF/ESF) and \$110.0 million from the Department of Rehabilitation and Correction (GSF)).



Board of Regents Disbursements



Dept. of Rehab. & Correction Disbursements

