



OBM

Ted Strickland
Governor

J. Pari Sabety
Director

May 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 April 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.

April showed net job gains with nonfarm payroll employment increasing 290,000 jobs in April following an increase of 230,000 jobs in March. Despite this news, the unemployment rate increased to 11%, as more workers streamed back into the economy, looking for jobs as hiring picks up. The job gains in April reflected positive employment news for the fourth month in a row and were accompanied by an upward revision of 121,000 in net job growth during February and March. Employment has increased by an average of 143,000 jobs per month so far this year. In general, the slow gains we are experiencing are in line with the slow recovery scenarios projected for the state's path out of the national recession.

April tax receipts showed mixed news. Tax sources reflective of current economic conditions, such as non-auto and auto sales tax and the withholding component of personal income tax performed above estimates by \$60.3 million or 10.4%. However, personal tax payments from calendar year 2009 individual income taxes were \$229 million or 16.3% under estimates. Continued positive economic indicators give assurance that this shortfall can be covered over the next 14 months by continuing better-than-expected performance of other tax sources, most notably the non-auto and auto sales and cigarette taxes, as well as continued underspending in Medicaid and other programs.

GRF spending continues under control and very close to estimate. Ongoing underspending in Medicaid in FY 2010 and the expected receipt of eFMAP on Medicare Part D in FY2010 and FY2011 totaling \$165 million will offset the income tax shortfall mentioned above.

On Friday, April 30, 2010, \$84 million in revenues were deposited into the State Treasury, but were not recognized in the State accounting system because of a server malfunction. The system servers were restored in the early hours of May 1, 2010, and the revenue was appropriately recorded in the books and records as received on April 30, 2010 through a journal entry on May 3, 2010, prior to month end closing.

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 \$3.6 billion has been received and \$3.5 billion has been expended.

**MONTHLY FINANCIAL REPORT
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ECONOMIC SUMMARY

Economic Performance Overview

- Real GDP increased 3.2% in the first quarter after a 5.6% increase in the fourth quarter. Analysts expect growth to continue at a rate of 3% in coming quarters.
- Employment posted the best increase in April since March 2006. The unemployment rate increased to 9.9% in April, still down from the high of 10.1% in October.
- Ohio employment increased in March and is up year-to-date, but the unemployment rate increased to a new high for the cycle of 11.0%.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio.

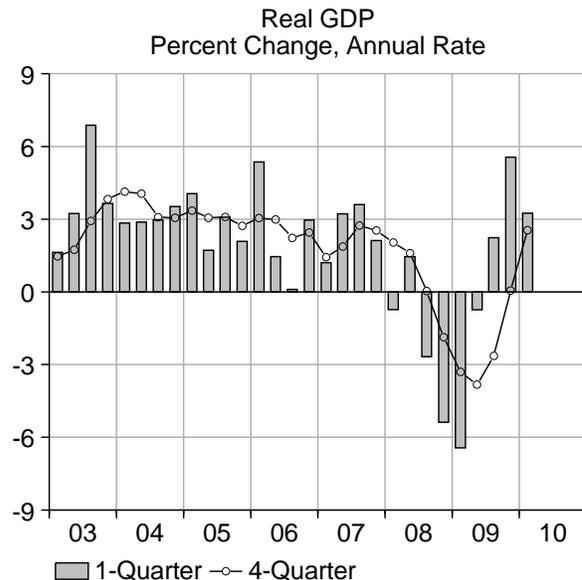
Economic Growth

The economy grew at a 3.2% annual rate in the first quarter, down from the 5.6% pace in the fourth quarter, but the third quarterly gain in a row. **Real GDP** was 2.5% above the year earlier quarter – the best year-over-year comparison since the third quarter of 2007. Personal consumption expenditures made the largest contribution, followed by the change in business inventories. Fixed business investment made a small contribution. Investment in residential structures, net exports and government spending subtracted from growth during the quarter.

Final sales of domestic product increased for the fourth quarter in a row, but only at a modest annual pace of 1.6%. Final sales have increased at an annual rate of 1.4% since reaching a trough in the first quarter of 2009, comparable to the initial 4-quarter recoveries following the last two recessions, but far weaker than in all recovery periods prior to the 1990s.

The consensus is for continued moderate growth through year end at a pace of approximately 3%. Leading indicators remain consistent with uninterrupted growth. The **ECRI Weekly Leading Index** posted the ninth straight increase on a 4-week moving average basis in the week ending April 30. The string of increases has followed five weekly declines from late January through February. The smoothed six-month rate of change was +12.7% – less than one-half the peak reached early last October.

The peak growth rate in the WLI has been highly correlated with the peak 4-quarter growth rate in real GDP during the first two years of previous economic recoveries. The current growth rate



of the WLI is consistent with a much stronger rate of growth in real GDP than was widely anticipated and than has unfolded so far.

The **Leading Economic Index** published by the Conference Board jumped by 1.4% in March – the twelfth consecutive monthly rise that matched the largest of the string. The 6-month smoothed percent change increased to 11.1% – the fastest of this cycle and the fastest since October 1983.

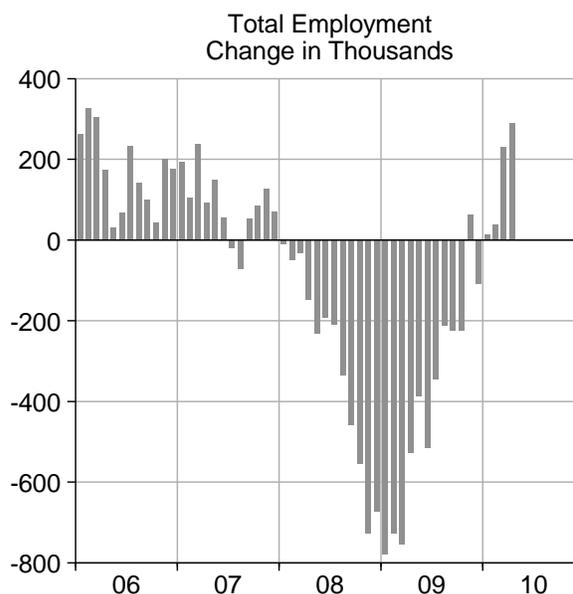
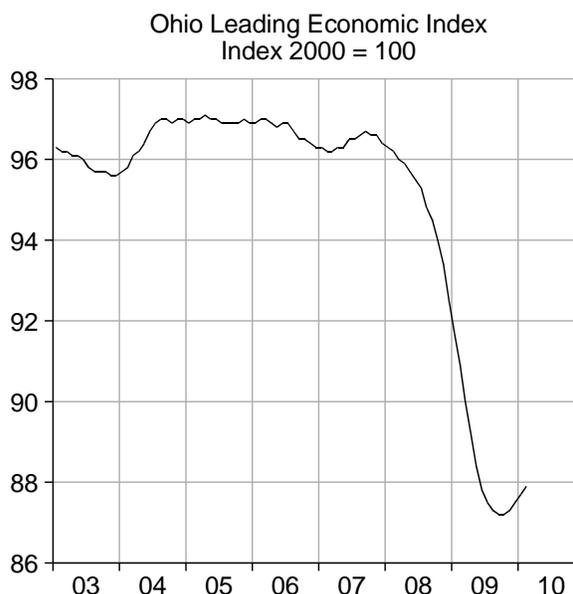
The Ratio of the Coincident to Lagging Economic Index was unchanged for the second straight month in March after ten consecutive increases. The ratio has reached its cyclical trough at approximately the same time that recessions have ended on many occasions in the past. The most recent low was reached in March 2009.

The **Ohio Leading Indicator** increased for the fifth straight month in March, lifted mainly by improvement in initial claims for unemployment insurance, the longer workweek in manufacturing and better residential real estate conditions. The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased for the sixth straight month in March, based on revised data. Although still negative, the year-over-year change has improved from a low for the cycle of -10.5% reached last July to -2.2% in March.

Employment

Hiring has finally overtaken firing, leading to the first substantial net job gains of this economic recovery in March and April. **Nonfarm payroll employment** increased 290,000 jobs in April following an increase of 230,000 jobs in March. The April increase was the fourth in a row and was accompanied by an upward revision of 121,000 in net job growth during February and March. Employment has increased by an average of 143,000 jobs per month so far this year.

Nonfarm payroll employment, which is estimated from a survey of employers, has increased by 573,000 jobs year-to-date. Alternatively, total employment has increased by 1.7 million workers, as measured by the



survey of households. The household survey can be a more accurate measure of employment over several-month periods near turning points because of the difficulty in estimating the number of net new employers, which is an important factor in calculating nonfarm payroll employment.

Manufacturing employment increased by 44,000 in April – the fourth increase in a row and the best of the string. Construction employment increased by 14,000 jobs – the second increase in a row, but the smaller of the two. Professional and business services added 80,000 jobs, while hotels and food service added 45,000 jobs and health care added 20,000 jobs. Temporary help services employment increased for the seventh straight month, as employers increase staff in response to stronger demand while retaining flexibility to adjust staffing downward.

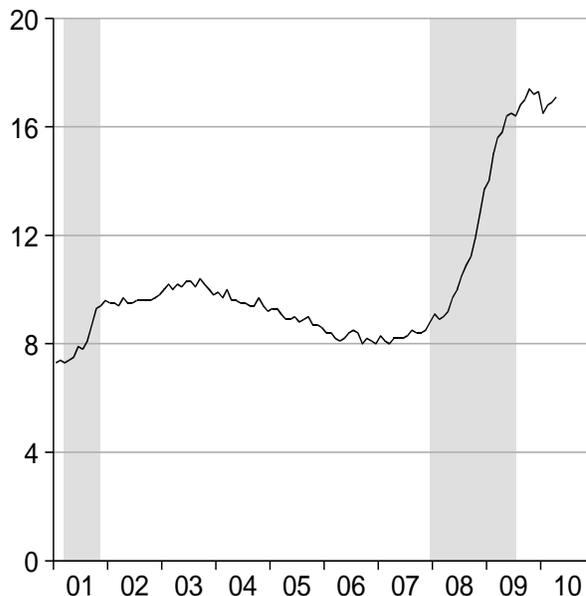
Government employment increased by 59,000 jobs, more than all of it accounted for by temporary federal Census positions. The Census jobs boosted net government hiring by 66,000 in April after a 48,000 increase in March. Census hiring has been slower than during the last census in 2000 even though more workers were expected to be hired this time.

The **length of the workweek** increased modestly again from 34.0 hours to 34.1 hours, including an increase from 39.9 hours to 40.1 hours in manufacturing. Overtime in manufacturing increased to 3.0 hours from 2.9 hours in March and 2.7 hours in February. Total hours worked in the private sector increased 0.4% from March to April, an annual rate of 5.4%. Total hours worked were up by 1.5% in April from the cyclical low reached last October.

The **unemployment rate** increased to 9.9% in April from 9.7% in March. The unemployment rate peaked at 10.1% last October. The increase came despite solid job growth, as 805,000 people entered the labor force to look for jobs. Although the influx of job-seekers might reflect perceptions of improved prospects, the number of unemployed people increased by 255,000 and the incidence of unemployment remained severe.

The median **duration of unemployment** increased to a new record high of 21.6 weeks, and the percentage of those unemployed who are not on temporary layoff remained above 50% for the fifteenth consecutive month. The broadest measure of unemployment increased to 17.1%, just below the all-time peak of 17.4% reached last October.

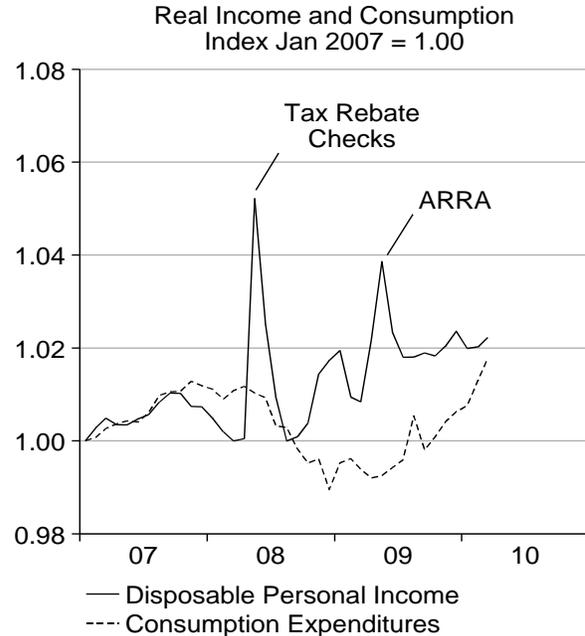
U-6 Unemployment Rate
Percent



The still-significant slack in labor markets maintained downward pressure on labor compensation. **Average hourly earnings** rebounded 0.3% in April from a 0.1% decrease in March, but were only 2.3% above the year earlier level. The year-over-year rate of change in average hourly earnings peaked at 4.2% in June 2007. Businesses have extended the workweek

and increased the rate of hiring relative to firing in response to stronger demand, but the large number of unemployed and underemployed workers continues to hold back compensation.

Ohio employment stabilized at least temporarily in the first quarter, as the 4,900 job increase in March brought the year-to-date gain to 3,100 jobs. Employment reached its low-point for this cycle in December at 5.0 million jobs, which was down from the peak in March 2006 by approximately 450,000 jobs. The unemployment rate inched up to a new high for the cycle of 11.0% in March from 10.9% in February – the twelfth consecutive month at or above 10.0%. The unemployment rate had reached a cyclical low of 5.3% in May 2006.



Employment changes were mixed across sectors during March. Employment increased in manufacturing (+2,900), trade, transportation and utilities (+2,800), other services (+1,600) and government (+1,400). Employment decreased in financial activities (-2,600) and leisure and hospitality (-1,500) and by small amounts in information (-100) and professional and business services (-100). Employment was unchanged in natural resources and mining, and educational and health services.

Of the eleven **Ohio Metropolitan Statistical Areas**, only Sandusky added jobs (+1,000) during the twelve months ended in March. Employment fell by the largest amounts in Cleveland (-26,400), Columbus (-22,500) and Cincinnati (-20,900). Employment also was notably lower in Akron (-12,800) and Dayton (-9,400).

Employment fell substantially in Ohio and each of the **contiguous states** during the year ending in March, but the year-over-year comparisons have improved markedly from the lows reached last summer. Employment fell 2.9% in Pennsylvania, 2.6% in Indiana, 1.9% in Ohio, 1.5% in West Virginia, 1.4% in Kentucky and 1.2% in Michigan. For the Ohio and contiguous state region, employment was down 2.0% during the same period, compared with a decline of 1.7% for all states outside the region combined.

Consumer Income and Consumption

Personal income increased 0.3% in March, and February was revised from flat to a 0.1% increase. Compared with a year earlier, personal income was higher by 3.0% – the third positive year-over-year comparison in a row. Excluding federal transfer payments, however, income has been weak.

Wage and salary disbursements increased 0.2% to only 1.1% above the year earlier level. Excluding personal transfer receipts, personal income has not declined in eight months, but

increased only 0.1% in March to just 1.4% above the year earlier level. Sustainable growth in personal consumption expenditures will require faster growth in earned income.

Despite sluggish growth in income excluding transfers, **personal consumption expenditures** increased 0.6% in March following a 0.5% increase in February to 4.5% above the year earlier level. Spending was financed in part by a draw-down in the saving rate to 2.7% from the peak of 6.4% last May – the lowest since the financial crisis erupted in September 2008.

Chain store sales increased 4.9% in the March-April period from the same period a year ago, according to the International Council of Shopping Centers. The two-month average smooths out the effect of the changing date of Easter, which significantly affects spending in the short-term.

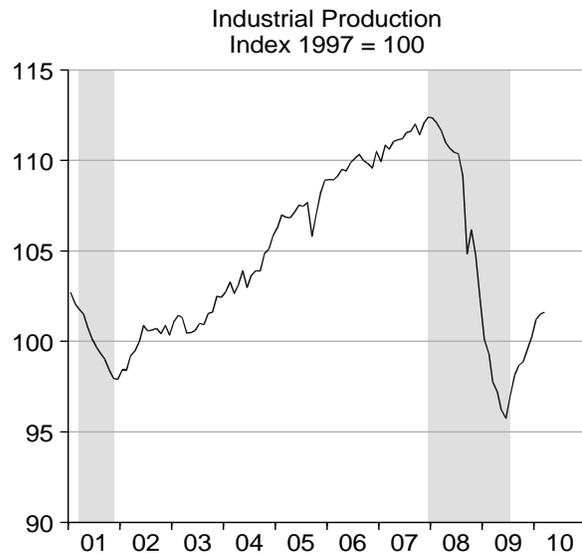
Sales of light motor vehicles dipped to 11.2 million units at an annual rate in April from 11.8 million units in March and an average of 10.9 million units during the previous six months. The March sales pace benefited somewhat from the return to more seasonable weather after a series of severe storms that cut into sales in February.

The increase in consumer spending is difficult to reconcile with the widespread expectations among consumers that their income will be lower in six months, according to the Conference Board. **Consumer attitudes** were stable-to-better in April. Expectations have improved notably from the lows reached in late 2008/early 2009, but remain near average historical recession levels. Assessments of current conditions remain depressed and near all-time lows, particularly according to the Conference Board survey.

Manufacturing

Industrial production increased 0.1% in March, as a 0.9% increase in manufacturing output was largely offset by a weather-related drop of 6.4% in utility output. Gains of 1.9% in high-tech production and 2.2% in motor vehicle and parts production lifted manufacturing output. Total industrial production increased at an annual rate of 8.2% from the low in June, but remains 9.6% below the pre-recession peak.

The increase in industrial production in March eliminates all remaining doubt about whether the recession ended in the May-July period last year. Production (which hit its low in June 2009) reached its trough within one month of the end of each of the previous ten recessions. The low point in production was one month early at the 1954 trough and one month late at the 1975 and 1982 business cycle troughs. The timing of the low point in production exactly matched the timing of the end of recession in the other seven cycles.



Midwest manufacturing output increased 1.2% in March to 4.5% above the year earlier level, according to the Federal Reserve Bank of Chicago. Production increased in all four sectors in March. Although Midwest manufacturing output remained 22.7% below the January 2008 peak, it has increased 10.2% from the cyclical low reached last June.

Reports from **purchasing managers** at manufacturing firms were robust in April and remained consistent with rising employment and production in the sector. The Purchasing Managers Index, which is a composite of several sub-indexes that measure different aspects of manufacturing activity, increased to 60.4 – the highest level since June 2004 – and is consistent with increases in manufacturing output in April and May.

Factory orders increased 1.3% in March and shipments jumped by 2.2%. Upward revisions to previous months painted a clear picture of building strength in manufacturing. The increase in orders was the seventh in a row and lifted the level to 14.7% above a year ago. Shipments have also increased for seven months in a row and are up 10.5% from a year earlier. Orders for non-defense capital goods excluding aircraft jumped 4.5% to 14.0% higher than a year earlier.

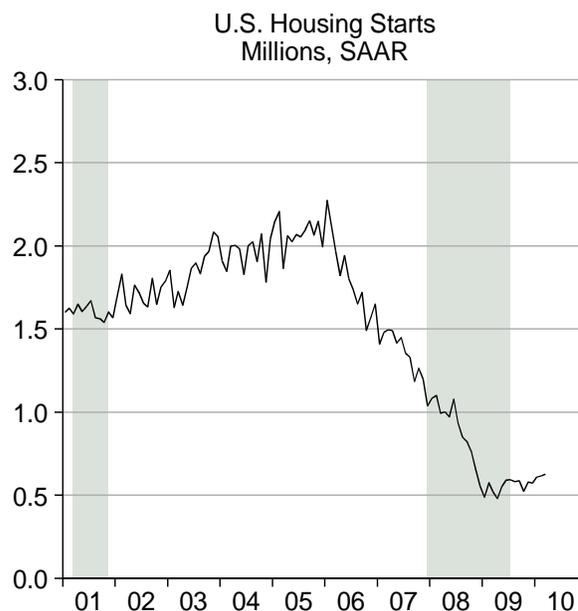
Construction

Total **construction put-in-place** increased 0.2% in March. Private residential and nonresidential activity both declined. Public sector construction increased 2.3%. The February decline in overall construction was revised lower from -1.3% to -2.1%, but the January change was revised up from -1.4% to -0.7%. Compared with a year earlier, construction put-in-place was down by 12.3%, only slightly better than the -15.8% year-over-year rate of change last September.

Within the residential category, construction of single-family homes increased 1.6%, while multi-family home construction fell 6.3%. Within private nonresidential, amusement and recreation (+9.1%) and manufacturing (+5.2%) posted the largest gains. Communication (-12.1%) and lodging (-4.6%) posted the largest declines.

Housing activity shows signs of tracing out a trough, but the trend remains somewhat obscured by changing expectations about federal transfers to home buyers. U.S. **housing starts** increased 2.9% on a 3-month moving average basis in March – the fastest pace since December 2008.

Existing **home sales** were essentially unchanged in March on a 3-month moving average basis, while new home sales increased moderately. Sales of both existing and new homes are higher than a year earlier on a 3-month moving average basis. The Mortgage Bankers Association index of **mortgage applications** to purchase homes suggests that sales improved in April and will



increase further in May. After hitting the lowest level since July 1997 on a 4-week moving average basis at the end of February, the index rebounded 19.2% in by the end of April. Inventories of unsold homes decrease in March relative to the current pace of sales, but remain well above the low reached last December.

The S&P Case/Shiller index of **home prices** in 20 metro markets decreased by 0.1% in February, following eight straight monthly increases. Compared with a year earlier, prices were up 0.7% – the first positive year-over-year comparison since December 2006. The composite index of home prices in ten large markets increased 0.1% in February.

Risks facing housing include that potential effect on prices of the shadow inventory of homes pending foreclosure that is not included in the homes for sale tallies but could be put on the market this year. In addition the current wave of adjustable mortgage rate resets could lift defaults, foreclosures and prices when unemployment is already high and a large percentage of mortgage balances exceed home values.

REVENUES

The monthly and fiscal year GRF revenue estimates contained in this report reflect the December passage of H.B. 318.

April GRF revenue totaled \$2,755.4 million which was \$282.2 million (9.3%) below estimate. This negative variance was the result of lower-than-expected income tax collections and non-tax revenue (federal grants and investment earnings). For the fiscal year-to-date, total GRF revenue is \$742.4 million (3.5%) below estimate. As shown in the following table (\$ in millions), this year-to-date underperformance is in large part due to lower-than-expected tax and Federal grant receipts resulting from lower year-to-date Medicaid spending.

Category	Description	\$ 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	(\$217.7)	(1.6%)
Non-tax receipts	Federal grants, investment earnings, licenses & fees, other income, intrastate transfers	(\$401.9)	(6.1%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	(\$122.8)	(12.8%)
TOTAL YTD REVENUE VARIANCE:		(\$742.4)	(3.5%)

With respect to April tax receipts, personal income tax collections fell \$229.1 million short of the estimate and combined with the public utility and kilowatt hour taxes to more than offset better than expected collections in the sales, corporate franchise, cigarette, and estate taxes. The April performance of the personal income tax is entirely attributable to weaker than expected annual returns which offset better than estimated performance in other components of the tax. As a result of the better than expected performance in the other tax sources mentioned, the negative variance for April tax receipts was reduced to \$158.4 million. On a year-over-year basis, tax receipts for the month were \$65.9 million (3.5%) higher than a year ago and for the year to date tax receipts are \$945.0 million (6.6%) below tax receipts collected through the same period a year ago.

Individual Sources Above Monthly Estimate		Individual Sources Below Monthly Estimate	
Non-Auto Sales Tax	\$39.8	Personal Income Tax	(\$229.1)
Auto Sales Tax	\$20.5	Public Utility Tax	(\$7.1)
Corporate Franchise Tax	\$7.0	Kilowatt Hour Tax	(\$7.5)
Cigarette Tax	\$11.4	Federal Grants	(\$107.2)
Estate Tax	\$4.5	Investment Earnings	(\$15.8)
Liquor Transfers	\$3.0	Other Income	(\$2.6)
Transfers In Other	\$8.0	Temporary Transfers In	(\$10.0)
Other Sources Above Estimate	\$3.0	Other Sources Below Estimate	(\$0.1)
Total above:	\$97.2	Total below:	(\$379.4)

Non-Auto Sales and Use Tax

While OBM expected non-auto sales receipts to rebound in April, the \$545.8 million in collections were better than anticipated as they exceeded the estimate by \$39.8 million (7.9%). The managed care company portion of the tax base contributed approximately \$17.9 million to April receipts, which was only slightly above the estimate of \$17.1 million. The April overage pushed collections above year-to-date estimates, ending the month \$10.7 million (0.2%) over projection. April receipts outpaced collections from the same month in FY09 by \$31.7 million (6.2%) but year-to-date receipts are slightly lagging FY09 by \$86.3 million (1.6%).

Auto Sales Tax

The strong performance of the auto sales tax continued in April as receipts of \$96.6 million exceeded estimates by \$20.5 million (27.0%). April revenues outpaced those from the same month last fiscal year by \$10.9 million (12.7%). Year-to-date receipts are ahead of estimates by \$63.3 million (9.6%), but flat compared to the same ten-month period last fiscal year.

Personal Income Tax

Personal income tax receipts in April totaled \$1,177.5 million, falling short of the monthly estimate by \$229.1 million (16.3%). Among the components of the tax, payments associated with annual returns were the primary source of the negative variance, accounting for \$270.0 million of the April shortfall. Positive variances in other components such as withholding (\$14.2 million), trust payments (\$8.9 million) and less-than estimated refunds (\$17.1 million) combined to reduce the overall negative impact. The cause of the shortfall in payments with annual returns is unclear at this time, other than non-wage income during tax year 2009 fell by more than was expected. The particular types of income that underperformed should become clearer over time as more data on sources of income become available.

Perhaps the best news from the income tax is that monthly withholding revenues both outperformed the estimate and showed year-over-year growth for the second straight month. The withholding results, when combined with the overages in the sales tax, show that tax revenues based on current activity are doing relatively well, in contrast with tax revenues that look back to 2009 (e.g. the income tax annual payments).

On a year-to-date basis, personal income tax receipts through April were below estimate by \$282.6 million (4.4%). This year-to-date underperformance was concentrated in the payments associated with annual returns and quarterly estimated payments. On a year-over-year basis, personal income tax receipts through April were \$461.5 million (7.1%) below receipts collected for the first ten months of FY 2009.

FY2010 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	APR	APR	APR	Y-T-D	Y-T-D	Y-T-D
Withholding	\$612.5	\$626.7	\$14.2	\$5,783.2	\$5,814.0	\$30.8
Quarterly Est.	\$146.7	\$143.9	(\$2.8)	\$894.1	\$785.1	(\$109.0)
Trust Payments	\$9.6	\$18.5	\$8.9	\$35.1	\$35.9	\$0.8
Annual Returns & 40 P	\$931.0	\$661.0	(\$270.0)	\$1,190.5	\$908.0	(\$282.5)
Other	\$3.9	\$9.9	\$6.0	\$57.7	\$81.2	\$23.5
Less: Refunds	(\$251.6)	(\$234.5)	\$17.1	(\$1,099.9)	(\$1,039.0)	\$60.9
Local Distr.	(\$45.5)	(\$48.0)	(\$2.5)	(\$503.1)	(\$510.2)	(\$7.1)
Net to GRF	\$1,406.6	\$1,177.5	(\$229.1)	\$6,357.6	\$6,075.0	(\$282.6)

Corporate Franchise Tax

Corporate franchise tax receipts for the month of April were almost \$17.0 million, against the estimate of \$10.0 million. Continued strong growth in financial institution net worth is considered the main cause for this positive variance in corporate franchise tax revenue. As fiscal year 2010 is the final year for completing the phase out of this tax for most taxpayers, comparing the performance on a year-over-year basis will not be meaningful.

Commercial Activity Tax

In FY 2010, 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. CAT receipts posted a positive variance in April with receipts of \$51.3 million, \$32.1 million (62.6%) above the estimate. As a large CAT payment is due by May 10, we cannot determine at this time the extent to which the positive April variance is attributable to payments submitted earlier than estimated.

For the year-to-date, the CAT has collected \$1,047.8 million in receipts, \$74.1 million less than estimated. As a result, temporary transfers into the GRF to reimburse it for funds advanced to make payments to school districts and local governments in August and September are also behind schedule. OBM and the Department of Taxation continue to closely analyze the performance of this tax to determine the extent to which this trend will continue over the remainder of the fiscal year.

Kilowatt Hour Tax

The kilowatt hour tax during the month of April posted receipts of \$12.8 million, or \$7.5 million (36.9%) below the estimate. As a result of another negative monthly variance, the tax is now \$17.7 million (11.3%) below the year-to-date estimate. As mentioned in previous monthly reports, this negative year-to-date variance is attributable largely to the relatively weak demand for electricity driven by reduced demand due to broader economic factors.

Public Utility Tax

The public utility tax during the month of April posted only minimal net receipts. Due to an incorrect assumption in the construction of the monthly estimates, a sizeable payment was assumed in April that will not occur until May. The tax was \$7.1 million (99.8%) below the estimate in April. As a result of this negative monthly variance, the tax is now \$37.5 million (29.6%) below the year-to-date estimate. While the receipt of the payment anticipated in April during the month of May is a positive, it is unlikely that it will be sufficient to prevent further slippage on this source as a result of continued low natural gas prices.

Cigarette Tax

As anticipated because of weak receipts at the end of March, the cigarette tax bounced back in April with receipts totaling \$77.2 million, which was \$11.4 million (17.3%) above the estimate. As a result of another positive month, cigarette tax receipts now exceed the year-to-date estimate by \$42.8 million (6.7%). Despite the relatively strong year-to-date performance versus the estimate, cigarette tax receipts are \$36.2 million (5.0%) below collections through the same month last fiscal year.

Estate Tax

Estate tax receipts for the month of April totaled \$18.0 million and were \$4.5 million (33.7%) above estimate for the month. While a portion of the \$18.0 million was from payments estimated to be received in May, the tax should hold steady and end the fiscal year very close to the estimate.

GRF non-tax receipts totaled \$779.6 million in April, which was \$124.8 million (13.8%) below the estimate. This negative performance relative to the estimate is primarily attributable to lower than estimated federal revenue Medicaid reimbursement and continued weakness in earnings on investments.

GRF transfers during the month of April totaled \$22.0 million and were \$1.0 million (4.6%) above the estimate. This positive variance in April is due to a delay in the transfer of payroll related savings in non-GRF funds that had been estimated to occur in March, but that did not begin to occur until April. The remainder of these transfers will occur in May and June.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2010 VS ESTIMATE FY 2010
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL APRIL	ESTIMATE APRIL	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	545,823	506,000	39,823	7.9%	5,166,879	5,156,153	10,726	0.2%
Auto Sales & Use	96,560	76,053	20,508	27.0%	723,256	659,965	63,291	9.6%
Subtotal Sales & Use	642,384	582,053	60,331	10.4%	5,890,135	5,816,118	74,017	1.3%
Personal Income	1,177,496	1,406,600	(229,104)	-16.3%	6,074,956	6,357,599	(282,643)	-4.4%
Corporate Franchise	16,961	10,000	6,961	69.6%	73,261	74,000	(739)	-1.0%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	15	7,082	(7,067)	-99.8%	89,140	126,599	(37,459)	-29.6%
Kilowatt Hour	12,808	20,300	(7,492)	-36.9%	138,656	156,402	(17,746)	-11.3%
Foreign Insurance	252	(7)	259	3689.1%	263,105	262,200	905	0.3%
Domestic Insurance	(148)	0	(148)	N/A	1,147	(929)	2,076	223.5%
Other Business & Property Tax	138	(692)	830	119.9%	418	(256)	674	263.5%
Cigarette	77,203	65,793	11,410	17.3%	681,238	638,422	42,816	6.7%
Alcoholic Beverage	5,722	4,836	885	18.3%	46,537	47,352	(815)	-1.7%
Liquor Gallonage	2,968	2,804	164	5.9%	30,388	29,973	415	1.4%
Estate	18,023	13,475	4,547	33.7%	45,033	44,234	799	1.8%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,953,821	2,112,244	(158,423)	-7.5%	13,334,014	13,551,715	(217,701)	-1.6%
NON-TAX RECEIPTS								
Federal Grants	765,143	872,299	(107,156)	-12.3%	5,911,363	6,268,604	(357,241)	-5.7%
Earnings on Investments	4,439	20,250	(15,811)	-78.1%	25,794	58,250	(32,456)	-55.7%
License & Fees	6,365	5,827	538	9.2%	64,811	59,231	5,579	9.4%
Other Income	1,351	4,000	(2,649)	-66.2%	155,010	168,801	(13,791)	-8.2%
ISTV'S	2,328	2,000	328	16.4%	9,316	13,351	(4,036)	-30.2%
Total Non-Tax Receipts	779,626	904,376	(124,750)	-13.8%	6,166,294	6,568,238	(401,945)	-6.1%
TOTAL REVENUES	2,733,447	3,016,620	(283,173)	-9.4%	19,500,308	20,119,953	(619,645)	-3.1%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	14,000	11,000	3,000	27.3%	138,000	121,000	17,000	14.0%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	7,956	0	7,956	N/A	28,910	92,664	(63,754)	-68.8%
Temporary Transfers In	0	10,000	(10,000)	-100.0%	669,866	745,900	(76,034)	-10.2%
Total Transfers	21,956	21,000	956	4.6%	836,776	959,564	(122,788)	-12.8%
TOTAL SOURCES	2,755,402	3,037,620	(282,218)	-9.3%	20,337,084	21,079,517	(742,433)	-3.5%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL - FY 2010 VERSUS FY 2009
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	APRIL	APRIL	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2010	FY 2009	VAR	VAR	FY 2010	FY 2009	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	545,823	514,110	31,714	6.2%	5,166,879	5,253,132	(86,253)	-1.6%
Auto Sales & Use	96,560	85,709	10,851	12.7%	723,256	723,262	(6)	0.0%
Subtotal Sales & Use	642,384	599,819	42,565	7.1%	5,890,135	5,976,393	(86,259)	-1.4%
Personal Income	1,177,496	1,129,374	48,122	4.3%	6,074,956	6,536,444	(461,488)	-7.1%
Corporate Franchise	16,961	39,929	(22,969)	-57.5%	73,261	408,632	(335,371)	-82.1%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	15	7,262	(7,247)	-99.8%	89,140	129,756	(40,616)	-31.3%
Kilowatt Hour	12,808	16,772	(3,964)	-23.6%	138,656	127,438	11,218	8.8%
Foreign Insurance	252	(7)	259	3731.8%	263,105	261,380	1,726	0.7%
Domestic Insurance	(148)	0	(148)	N/A	1,147	(865)	2,012	232.7%
Other Business & Property Tax	138	(725)	862	119.0%	418	(346)	764	220.9%
Cigarette	77,203	73,916	3,287	4.4%	681,238	717,397	(36,159)	-5.0%
Alcoholic Beverage	5,722	4,751	970	20.4%	46,537	46,590	(54)	-0.1%
Liquor Gallonage	2,968	2,798	169	6.1%	30,388	29,784	604	2.0%
Estate	18,023	14,078	3,945	28.0%	45,033	46,365	(1,332)	-2.9%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,953,821	1,887,969	65,852	3.5%	13,334,014	14,278,970	(944,956)	-6.6%
NON-TAX RECEIPTS								
Federal Grants	765,143	665,969	99,175	14.9%	5,911,363	5,830,799	80,564	1.4%
Earnings on Investments	4,439	23,885	(19,446)	-81.4%	25,794	121,296	(95,502)	-78.7%
License & Fee	6,365	6,178	188	3.0%	64,811	64,639	172	0.3%
Other Income	1,351	4,119	(2,768)	-67.2%	155,010	43,046	111,964	260.1%
ISTV'S	2,328	1	2,327	N/A	9,316	14,930	(5,614)	-37.6%
Total Non-Tax Receipts	779,626	700,150	79,476	11.4%	6,166,294	6,074,710	91,584	1.5%
TOTAL REVENUES	2,733,447	2,588,119	145,328	5.6%	19,500,308	20,353,679	(853,372)	-4.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	14,000	15,000	(1,000)	-6.7%	138,000	137,000	1,000	0.7%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	7,956	211,103	(203,147)	-96.2%	28,910	259,994	(231,084)	-88.9%
Temporary Transfers In	0	0	0	N/A	669,866	445,311	224,556	50.4%
Total Transfers	21,956	226,103	(204,147)	-90.3%	836,776	842,305	(5,528)	-0.7%
TOTAL SOURCES	2,755,402	2,814,222	(58,819)	-2.1%	20,337,084	21,195,984	(858,900)	-4.1%

DISBURSEMENTS

The monthly and fiscal year GRF spending estimates for elementary and secondary education reflect the passage in December of H.B. 318 which delayed the final installment of the personal income tax rate reduction from 2009 until 2011.

April 2010 GRF disbursements, across all fund uses, were \$1,942.0 million. This was \$559.4 million (22.4%) below estimate for the month. On a year-to-date basis, total GRF disbursements are \$21,741.4 million, which is \$709.6 million (3.2%) below 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)	\$20,714.5	(\$767.7)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$1,026.9	\$57.6
TOTAL GRF DISBURSEMENTS:		\$21,741.4	(\$709.6)

GRF disbursements are reported according to functional categories and 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. Expenditures in this category for the month of April totaled \$559.3 million which was \$252.6 million (31.1%) below the monthly estimate.

- April expenditures by the Department of Education totaled \$553.1 million and were \$252.5 million or 31.3% below estimate. Variances for the month can be attributed to Foundation Funding (ALIs 200550 and 200551), which was \$270.7 million below the estimate for the month. This is due to the timing of the first May payment, which was projected to post on the last day of April. However, it will be included in the May disbursements. Year-to-date expenditures are \$133.6 million or 2.3% below estimates.

Higher Education

April disbursements for Higher Education were \$180.4 million, representing a variance of \$7.4 million (4.0%) below the estimate for the month. Year-to-date disbursements are \$2,039.0 million, representing a variance of \$6.0 million (0.3%) above the estimate.

Public Assistance and Medicaid

April expenditures in this category, which include all GRF expenditures by the Department of Job & Family Services (ODJFS), were \$582.6 million. Expenditures were \$43.9 million (7.0%) below estimate for the month. Year-to-date expenditures total \$8,279.2 million, which is \$367.2

million (4.2%) below estimates. The following discussion of spending and variances to date addresses Public Assistance and Non-Medicaid programs separate from Medicaid.

Medicaid

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

Expenditures

GRF disbursements year-to-date for the Medicaid program are \$7,546.0 million, which is \$331.2 million (4.2%) below estimate, and \$1,276.5 million (14.5%) below the same point in time in the prior year. Disbursements for the month of April were \$506.5 million, which was \$46.6 million (8.4%) below estimate and \$248.4 million (32.9%) below the same period in the prior year.

The large variances in GRF disbursements over the prior year are partly due to the planned increased use of Non-GRF resources in the Medicaid program as part of the FY10 budget.

All funds disbursements year-to-date are \$10,361.2 million, which is \$401.2 million (3.7%) below estimate, and \$179.8 million (1.7%) above disbursements for the same point in time in the prior year. Disbursements for April were \$688.6 million, which was \$68.4 million (9.0%) below projected expenditures and \$305.8 million (44.4%) below the same period in the prior year.

The Medicaid program continues to show underspending through SFY10. While this has been caused in part due to external situations, such as the application of enhanced FMAP to the Medicare Part D payments, the main reason has been that caseload, though steadily increasing for the 27th consecutive month, has still been under projected enrollment. As noted below, March enrollment (the most recent data available) shows actual enrollment higher than projections for the first time in SFY10. Even if this continues the remainder of the fiscal year, it is not expected to have significant impact on the annual underspending.

The variance between current and prior year disbursements is due to the change to a retroactive payment cycle to the Medicaid managed care plans that took effect in the month of April. Please see the managed care discussion below for greater detail.

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

	April Projection	April Actual	Variance	Variance %
GRF	\$ 553,083,285	\$ 506,487,289	\$ (46,595,996)	-8.4%
Non-GRF	\$ 203,864,810	\$ 182,082,230	\$ (21,782,581)	-10.7%
All Funds	\$ 756,948,095	\$ 688,569,518	\$ (68,378,577)	-9.0%

Specific variances across all funding sources include:

Managed Care – Disbursements for the month of April for the managed care plans (both CFC and ABD) were \$20.0 million, which was \$5.4 million (21.4%) below projected estimates. Further, April disbursements were \$372.4 (94.9%) below prior year actuals. This is due to a change in policy concerning the payment of managed care capitation rates from a prospective methodology to a retrospective cycle. Previously, the payment made in a given month was for services that would be rendered in that month. As part of the FY10 budget, this was moved to a retrospective system, effectively meaning that for one month, payment would not be made to the plans. This switch occurred in April 2010, accounting for the both the year-over-year variance and the lower total disbursement in April compared to the rest of the FY10 as well.

Medicare Part D – Disbursement for the month of April was \$0, which was \$22.1 million (100%) below the projected expenditure. As noted in the previous month's report, a change in CMS policy allowed for application of the enhanced Federal Medical Assistance Percentage (eFMAP) found in the American Recovery and Reinvestment Act (ARRA) to Medicare Part D payments, retroactive to October 2008, resulting in a credit for Ohio and other states. Payments for this program are not required until that credit is expended.

Caseload

Total caseload for the month of March, the most recent month available, was 2.09 million covered persons, which was an increase of 18,015 persons over the month of February. This number includes the State Fund Only programs, including the Breast and Cervical Cancer program, and represents the 27th consecutive month of growth. The Covered Families and Children (CFC) program increased by 15,102 persons, for a March total of 1.60 million persons. The Aged, Blind and Disabled (ABD) program increased by 3,022 persons, for a March total of 485.4 thousand covered lives. The Medicaid program as a whole was 3,529 persons over projection for the month of March; marking the first time in SFY10 that actual monthly enrollment exceeded projected caseload.

Total enrollment for the same period last year was 1.92 million covered persons, including 1.45 million persons in the CFC program and 465.2 thousand people in the ABD category. This represents total Medicaid growth over the last twelve months of 166.7 thousand covered lives.

CFC showed an increase of 15,102 persons to 1.60 million covered lives, and continues to be the main driver of caseload in the Medicaid program. Enrollment in this category was 1,161 (.07%) under total projected enrollment. The Healthy Families and the Healthy Families expansion categories, the core eligibility groups of the Medicaid program, continue to be the major factor in caseload increases, accounting for nearly all of the total increase.

The ABD program showed an increase of 3,022 persons to a total of 485.4 thousand covered lives. This was 4,690 persons (0.98%) over total projected enrollment for this category. As has been the case in previous months, much of the increase is accounted for by higher enrollment in the Special Low-Income Medicare Beneficiary (SLMB) premium assistance programs.

Public Assistance and Non-Medicaid

ODJFS, non-Medicaid, General Revenue Fund disbursements totaled \$76.2 million for the month of April. In the aggregate, GRF spending was \$2.7 million (3.71%) higher than disbursement estimates for the month. Major variances within individual line items were attributable to the following:

- Early Care and Education, ALI 600535, subsidy spending was \$27.4 million higher than original estimates. This was attributable to unplanned line item child care spending and large county requests made in preparation for the new state child care payment transition.
- Entitlement Administration, ALI 600521, disbursements were \$6.3 million higher than agency estimates. The original estimate to fully expend the funds by January 2010 did not occur due to previous lower than anticipated county spending within the line item. Counties will continue to expend funds throughout the remainder of the fiscal year.
- Children, Family, and Adult Community & Protective Services, ALI 600533, spending was \$1.2 million above estimates for the month. Due to overall lower than expected spending throughout the fiscal year-to-date, county draws will likely increase toward the end of the fiscal year as other funds are exhausted.
- Child Care Match/Maintenance of Effort, ALI 600413, subsidy disbursements were \$25.1 million below agency estimates. This was attributable to higher than anticipated spending earlier in the fiscal year, resulting in a funding shift for child care payments to other sources.
- Support Services, ALI 600321, spending was \$2.3 million below monthly estimates due to lower than expected payroll and personal service expenditures.
- Computer Projects, ALI 600416, expenditures were \$2.1 million lower than original disbursement estimates due to lower than anticipated IT invoice payments as well as employee cost pool changes.

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.

April expenditures in this category were \$132.9 million, which was \$4.8 million (3.5%) below estimate for the month. The year-to-date actual disbursements are \$913.9 million, which is \$22.2 million (2.4%) below the estimate.

- For the year-to-date, the Department of Health disbursements total \$79.1 million, which is under estimate by \$3.1 million (3.7%).

- April 2010 disbursements for the Department of Health totaled \$13.4 million. When compared to April 2010 estimates, in aggregate, actual disbursements were \$0.2 million (1.6%) below estimate. This is primarily attributable to the following: The Immunizations line (ALI 440418) was below estimate by \$1.0 million. This was due to payments being made in March which were originally scheduled in April; the AIDS Prevention and Treatment line (ALI 440444) was under estimate by \$0.4 million due to the Ryan White grant being revised, and more federal funds being used for subsidy (as opposed to GRF being used in previous months); the Federally Qualified Health Centers line (ALI 440465) was under estimate by \$0.6 million due to payments being made in March which were originally scheduled in April; the Medically Handicapped Children line (ALI 440505) was above estimate by \$1.95 million. This was due to higher than anticipated program activities, increases in the populations served, and payments being made in April which were originally scheduled for June. For the year, the Department of Aging disbursements total \$99.3 million, which is below estimate by \$1.5 million (1.5%).
- April 2010 disbursements for the Department of Aging totaled \$10.9 million. When compared to April 2010 estimates, in aggregate, actual disbursements were \$0.5 million (4.5%) above estimate. There were no significant line item variances.
- The Department of Mental Health disbursed \$60.9 million in the month of April, which is \$5.6 million, or 8.5% under the estimate. \$3.7 million of under estimate spending is in the 335505 line item, Local Mental Health Systems of Care. In an effort to assist county boards meet Medicaid match obligations, the Department made a policy decision to disburse \$6.0 million in subsidy in December. The Department originally planned to disburse these funds during the fourth quarter of the fiscal year. \$2.0 million in under estimate spending in the 334408 line item, Community and Hospital Mental Health Services, is attributable to cost savings days and other human resource savings.
- The Department of Developmental Disabilities disbursed \$37.8 million in the month of April, which is \$1.0 million, or 2.6% above the estimate. The department paid \$1.8 million in ICF/MR franchise fees in April that were originally estimated for May.

Justice and Public Protection

April expenditures in the Justice and Public Protection category were \$182.2 million, which was \$6.3 million (3.3%) below estimate for the month. The year-to-date disbursements are \$1,674.9 million, which is \$59.2 million (3.4%) below the estimate.

- Disbursements in the Corrections category totaled \$165.6 million in the month of April, which was \$6.5 million (3.8%) below the estimate of \$172.1 million for the month.
- The Department of Rehabilitation and Correction disbursed \$150.2 million in the month of April, which was \$4.5 million (2.9%) less than the \$154.7 million estimate for the month.
- The Department of Youth Services disbursed \$15.4 million in the month of April, which was \$2.0 million (11.7%) less than the \$17.4 million estimate for the month. This variance can primarily be attributed to the timing of subsidy payments.

General Government

For April 2010, General Government disbursements were \$16.5 million which was only \$0.3 million (1.6%) below the monthly estimate of \$16.7 million. Year-to-date actual expenditures are now \$255.0 million, which is \$12.0 million below the estimate (4.5%).

Community and Economic Development

For the month of April, disbursements in this category were \$9.9 million which was \$7.7 million (43.6%) below the estimate. Year-to-date, community and economic development related general revenue fund disbursements total \$97.2 million, which is \$7.9 million (8.8%) above the estimate. Most of the monthly and year-to-date variance is in the Cultural Facilities Commission lease-rental line item which made a payment in March that had been assumed for April.

- As mentioned in last month's report, the Cultural Facilities Commission (AFC) disbursed \$11.6 million in March in its lease-rental payments line item that was supposed to be disbursed in April. As a result, April disbursements for AFC were \$11.6 million below the estimate as a result of this correction.
- For the month of April the Department of Development disbursed \$8.8 million in GRF, which is \$2.1 million above the estimate, with greater than expected disbursements in the Rapid Outreach Grants (ALI 195412) offsetting lower than estimated disbursements Small Business Development (ALI 195404), Governor's Office of Appalachia (ALI 195416), and the Ohio Investment in Training Program (ALI 195434) line items.

Tax Relief and Other

April disbursements for the tax relief and other category totaled \$238.0 million and were \$192.0 million (44.7%) below the estimate of \$430.0 million, with the entirety of both the estimates and disbursements comprised of tax relief payments. For the year to date, total tax relief payments have totaled \$1,181.2 million, which is \$123.0 million below the year to date estimate of \$1,314.2 million. 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 rollbacks, as well as the homestead exemption.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2010 VS ESTIMATE FY 2010
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	APRIL	APRIL	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	559,292	811,866	(252,574)	-31.1%	5,800,437	5,936,173	(135,735)	-2.3%
Higher Education	180,397	187,817	(7,420)	-4.0%	2,039,030	2,033,036	5,994	0.3%
Public Assistance and Medicaid	582,640	626,513	(43,872)	-7.0%	8,279,193	8,646,367	(367,174)	-4.2%
Health and Human Services	132,869	137,656	(4,787)	-3.5%	913,873	936,069	(22,196)	-2.4%
Justice and Public Protection	183,232	189,575	(6,342)	-3.3%	1,671,917	1,731,140	(59,223)	-3.4%
Environmental Protection and Natural Resources	3,518	3,977	(459)	-11.6%	71,702	69,407	2,295	3.3%
Transportation	1,555	2,324	(769)	-33.1%	15,359	14,675	683	4.7%
General Government	16,455	16,716	(261)	-1.6%	255,022	267,063	(12,041)	-4.5%
Community and Economic Development	9,919	17,585	(7,666)	-43.6%	97,159	89,284	7,875	8.8%
Tax Relief and Other	237,996	430,017	(192,021)	-44.7%	1,202,034	1,325,124	(123,090)	-9.3%
Capital Outlay	0	0	0	N/A	330	0	330	N/A
Debt Service	34,137	77,407	(43,269)	-55.9%	368,438	433,368	(64,930)	-15.0%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,942,012	2,501,454	(559,442)	-22.4%	20,714,493	21,481,705	(767,212)	-3.6%
Transfers Out:								
OPER TRF OUT-OTH	596	0	596	N/A	55,604	30,477	25,127	82.4%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	938,866	32,471	3.5%
Total Transfers (Out)	596	0	596	N/A	1,026,941	969,343	57,598	5.9%
Total Fund Uses	1,942,608	2,501,454	(558,846)	-22.3%	21,741,434	22,451,048	(709,614)	-3.2%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2010 VS ACTUAL FY 2009
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	APRIL FY 2010	APRIL FY 2009	\$ VAR	% VAR	ACTUAL FY 2010	ACTUAL FY 2009	\$ VAR	% VAR
Primary, Secondary and Other Education	559,292	459,821	99,471	21.6%	5,800,437	5,937,669	(137,232)	-2.3%
Higher Education	180,397	183,557	(3,160)	-1.7%	2,039,030	2,184,471	(145,440)	-6.7%
Public Assistance and Medicaid	582,640	850,708	(268,067)	-31.5%	8,279,193	9,593,961	(1,314,769)	-13.7%
Health and Human Services	132,869	148,969	(16,100)	-10.8%	913,873	1,076,746	(162,873)	-15.1%
Justice and Public Protection	183,232	150,831	32,402	21.5%	1,671,917	1,816,747	(144,830)	-8.0%
Environmental Protection and Natural Resources	3,518	5,381	(1,863)	-34.6%	71,702	83,211	(11,509)	-13.8%
Transportation	1,555	1,889	(334)	-17.7%	15,359	18,034	(2,675)	-14.8%
General Government	16,455	18,148	(1,693)	-9.3%	255,022	325,586	(70,564)	-21.7%
Community and Economic Development	9,919	9,707	212	2.2%	97,159	128,887	(31,729)	-24.6%
Tax Relief and Other	237,996	374,251	(136,254)	-36.4%	1,202,034	1,216,883	(14,849)	-1.2%
Capital Outlay	0	0	0	N/A	330	288	42	14.8%
Debt Service	34,137	69,241	(35,104)	-50.7%	368,438	588,275	(219,838)	-37.4%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	1,942,012	2,272,501	(330,489)	-14.5%	20,714,493	22,970,758	(2,256,265)	-9.8%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	596	173	423	245.1%	55,604	243,471	(187,868)	-77.2%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	604,470	366,868	60.7%
Total Transfers (Out)	596	173	423	245.1%	1,026,941	847,941	179,000	21.1%
Total Fund Uses	1,942,608	2,272,673	(330,065)	-14.5%	21,741,434	23,818,699	(2,077,265)	-8.7%

FUND BALANCE

The monthly and fiscal year GRF spending estimates for elementary and secondary education reflect the passage in December of H.B. 318.

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2010. Based on the estimated revenue for FY 2010 and the estimated FY 2010 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2010 is an estimated \$192.0 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2010 nor should it be considered as equivalent to the FY 2010 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

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

FUND BALANCE
GENERAL REVENUE FUND
FY 2010
(\$ in thousands)

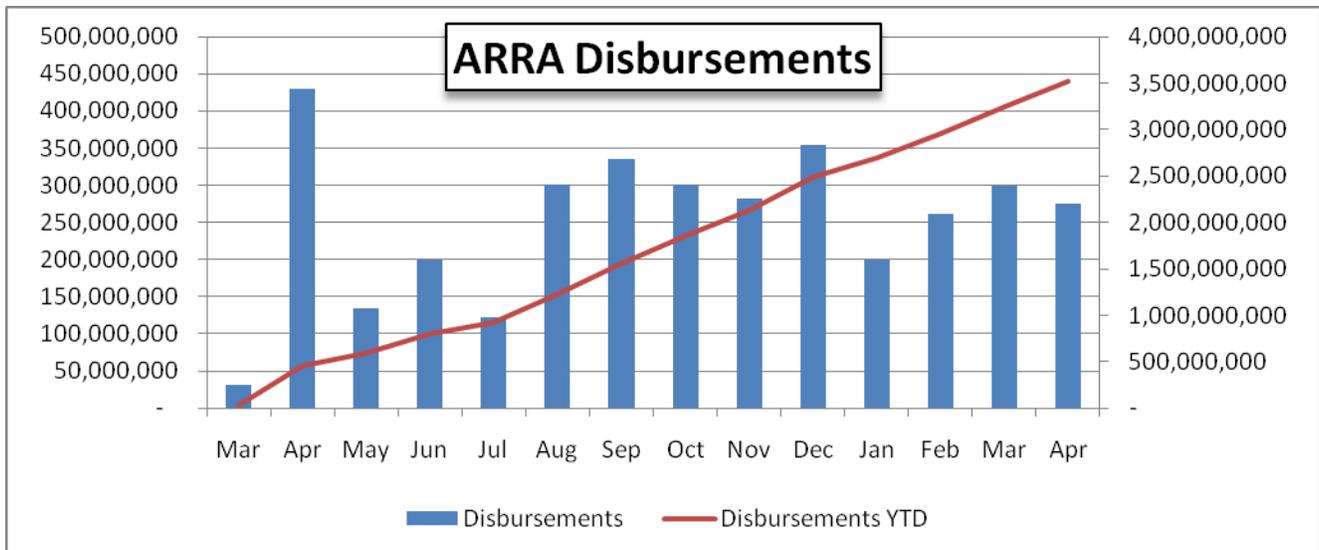
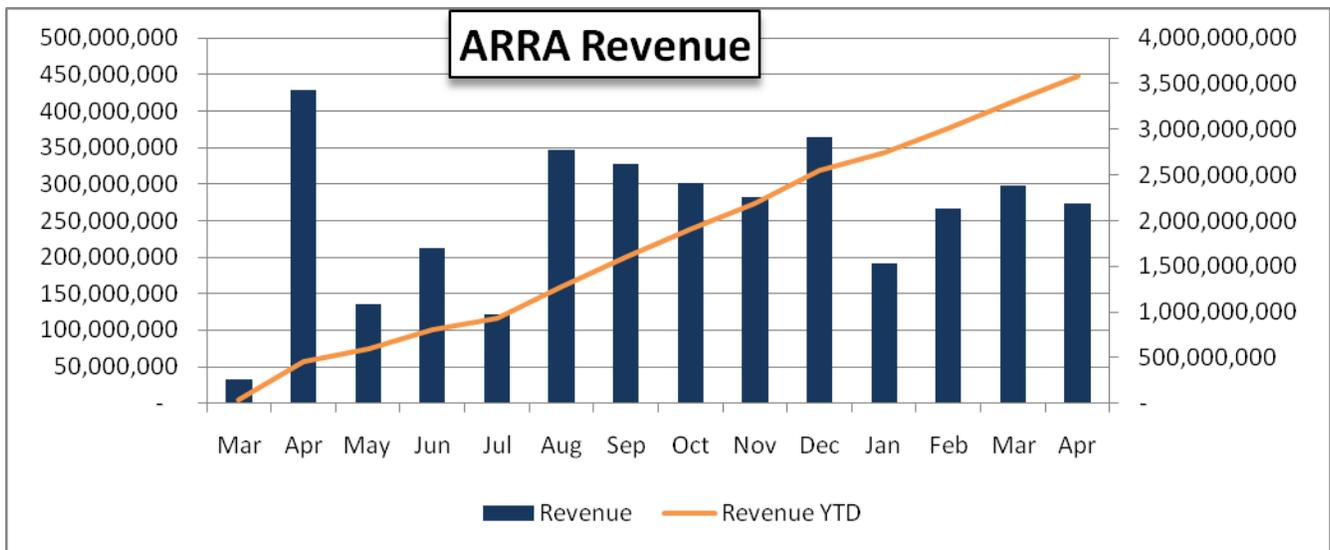
July 1, 2009 Beginning Cash Balance	\$ 734,526
Plus FY 2010 Estimated Revenues	16,819,704
Plus FY 2010 Estimated Federal Revenues	7,184,127
Plus FY 2010 Estimated Transfers to GRF	1,567,706
Total Sources Available for Expenditure & Transfer	26,306,063
Less FY 2010 Estimated Disbursements	24,746,286
Less FY 2010 Estimated Total Encumbrances as of June 30, 2009	293,454
Less FY 2010 Estimated Transfers Out	1,074,343
Total Estimated Uses	26,114,084
FY 2010 ENDING FUND BALANCE	191,980

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 \$3.579 billion in federal revenue and disbursed \$3.540 billion as of April 30, 2010.

	Revenue	Disbursements
FY 2009	\$808,753,636	\$795,630,983
FY 2010	\$2,770,913,408	\$2,745,261,817
Total	\$3,579,667,044	\$3,540,892,800



**ARRA Revenue and Disbursements
for the month of April**

Revenue	Disbursements
\$272,668,887	\$274,914,450

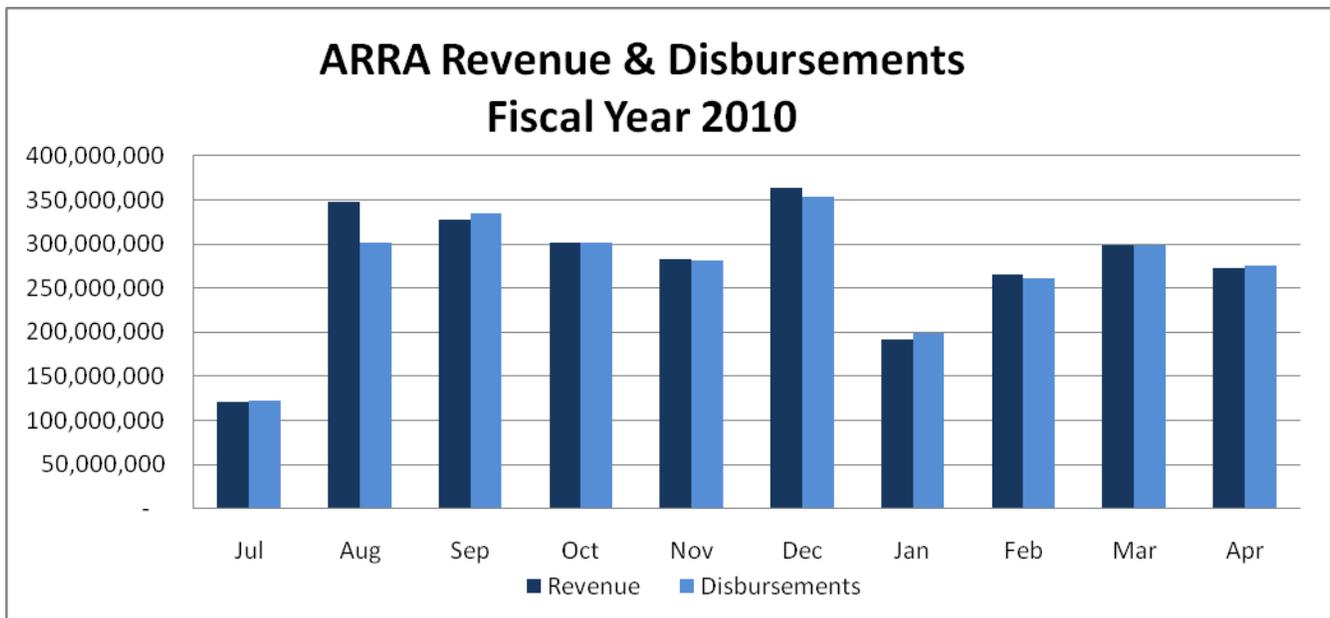
April – Fiscal Year 2010

ARRA Revenue

April 2010 Federal ARRA revenue received by all state agencies was \$272.7 million. This was a decrease of \$25.6 million or 9% from the month of March.

ARRA Disbursements

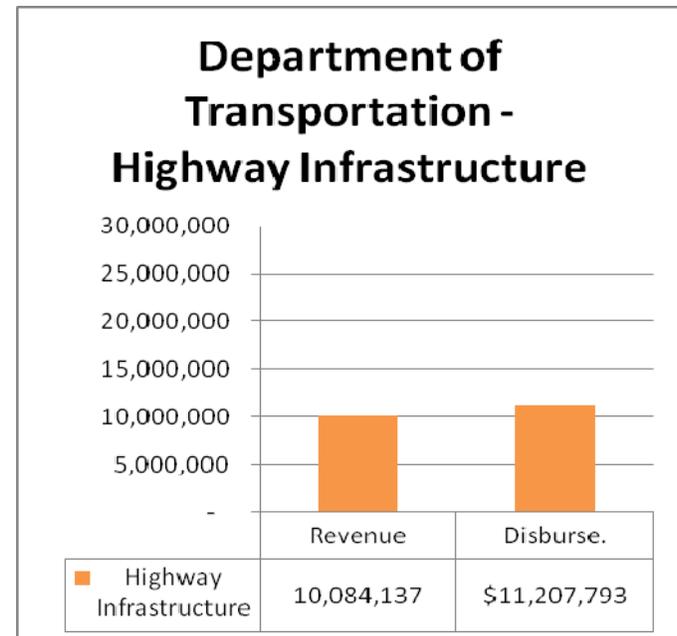
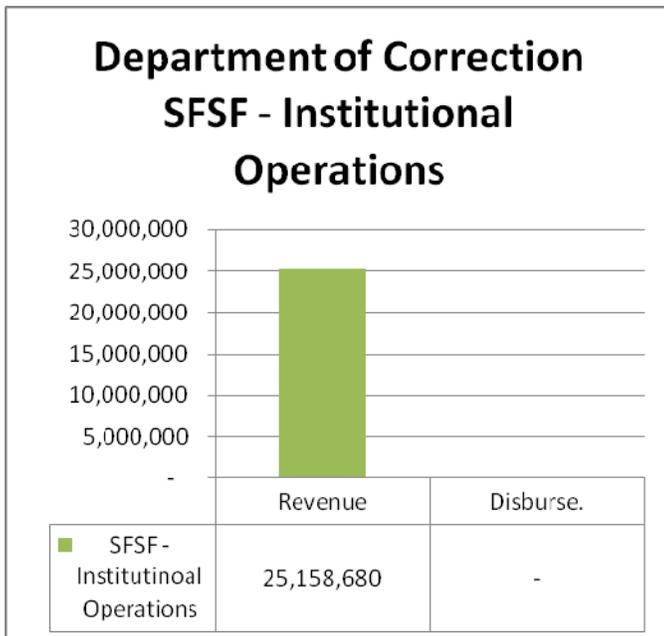
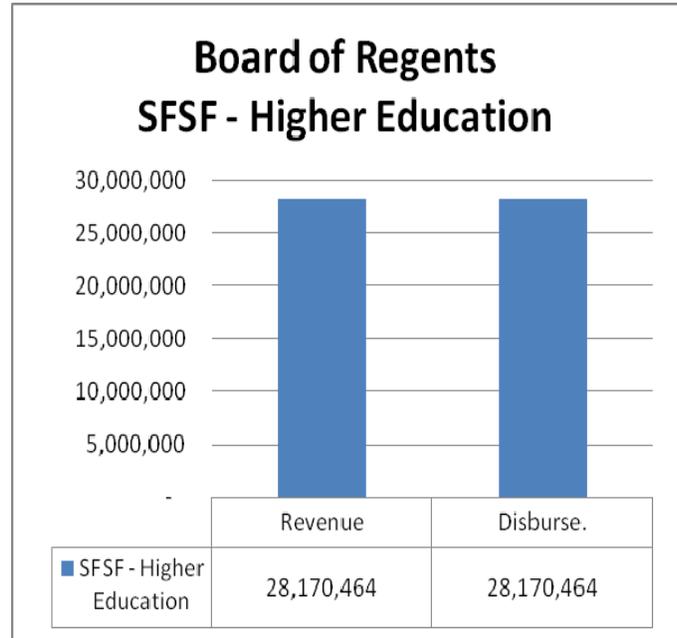
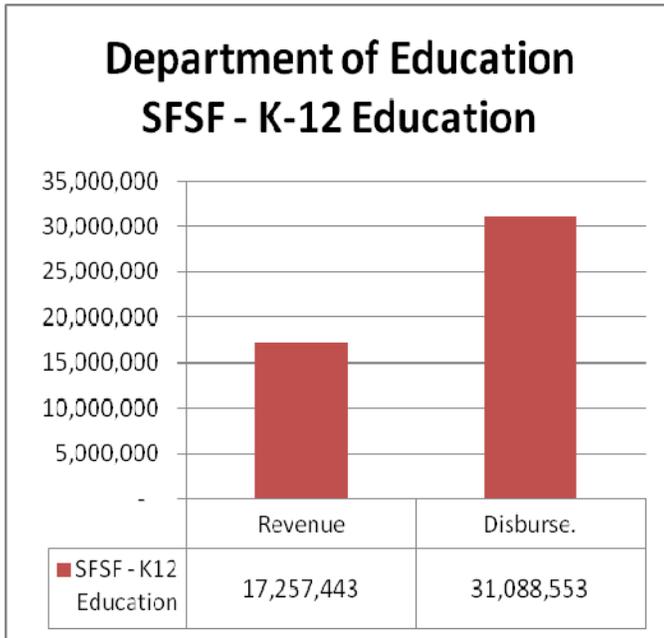
April 2010 Federal ARRA disbursements for all state agencies were \$274.9 million. This was a decrease of \$24.2 million or 9% from the month of March. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agencies.



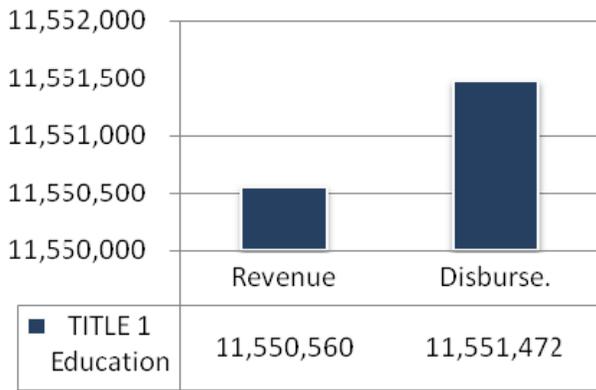
	Jul	Aug	Sep	Oct	Nov	Dec
Revenue	121,147,508	347,228,832	327,301,022	301,200,043	282,192,521	363,345,331
Disbursements	121,842,461	301,490,365	335,516,284	301,140,027	281,274,771	353,650,774
	Jan	Feb	Mar	Apr		
Revenue	191,912,355	265,629,638	298,287,270	272,668,887		
Disbursements	199,545,729	260,936,055	299,072,619	274,914,450		

Largest Amount of Activity by Program

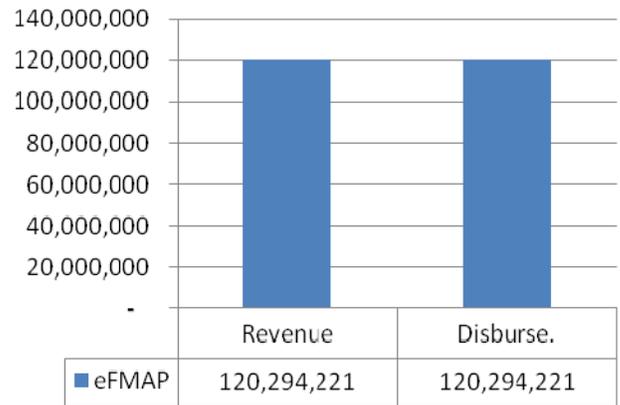
During the month of April, there were more than 70 active federal stimulus grants in the State of Ohio. Of those programs, the seven highlighted below accounted for 86% of the revenue received and 91% of the funds disbursed.



Department of Education TITLE 1 Education



Department of Job and Family Services - eFMAP



The data in the charts above represent program activity for the month of April 2010.

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.

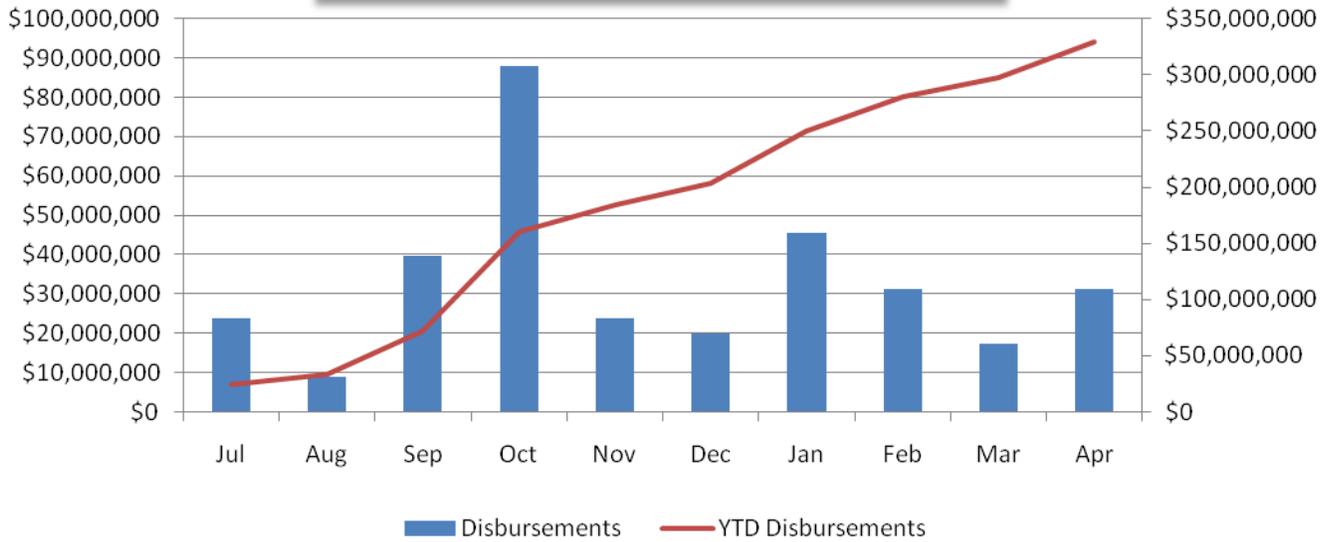
H.B. 1, the state's FY 2010-2011 operating budget, originally included appropriations for the SFSF. Controlling Board request #OBM0100041, which was approved on April 19, 2010, modified the allocations for each agency to ensure the state would meet the maintenance of effort (MOE) and Use of Funds provisions of ARRA for FY10. 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	\$845,033,275
Board of Regents (ESF)	235644	\$281,022,236	\$308,802,662	\$618,676,688
Department of Rehabilitation and Correction (GSF)	501620	\$110,029,321	\$214,488,988	\$325,666,519

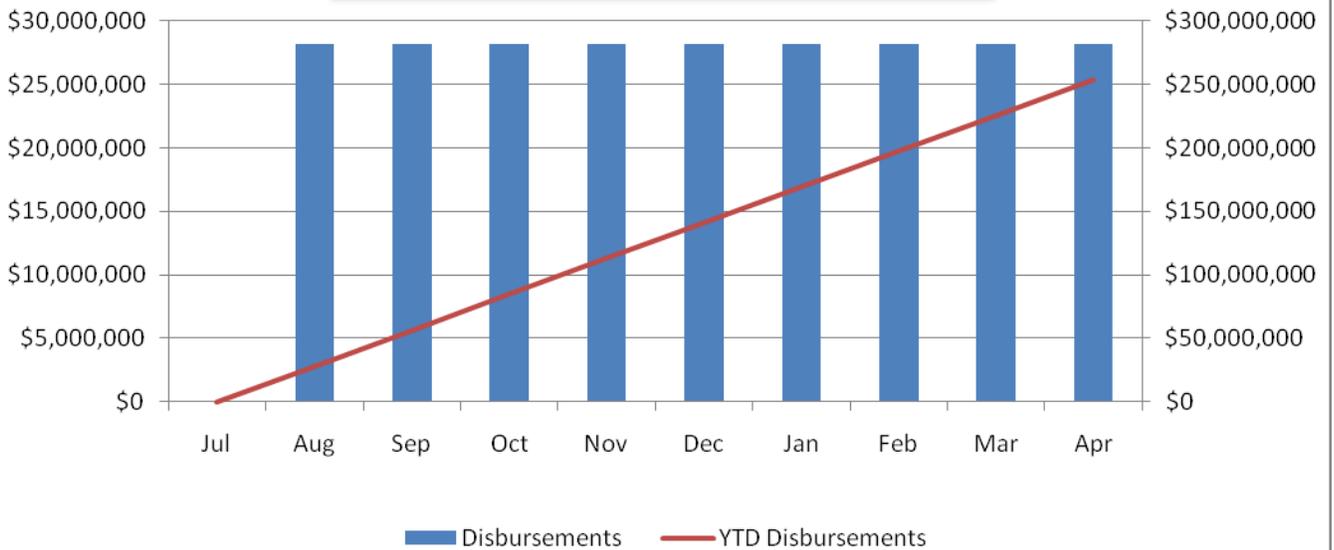
The appropriation for the Department of Education is being used to distribute ESF funds to local education agencies (LEAs) through the state's elementary and secondary education funding formula, the Ohio Evidence-Based Model (OEBM). The Board of Regents' appropriation is being used to distribute ESF 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 April 2010, the state has disbursed \$658.9 million in SFSF (\$328.9 million from the Department of Education (ESF), \$253.5 million from the Board of Regents (ESF) and \$76.5 from the GSF).

Dept. of Education Disbursements



Board of Regents Disbursements



Dept. of Rehab. & Correction Disbursements

