



OBM

Ted Strickland
Governor

J. Pari Sabety
Director

June 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 May 31, 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.

The economy grew at a revised annual rate of 3.0% in the first quarter of 2010. This rate of growth is in line with consensus forecasts of continued growth in the coming quarters at an average pace of 3.25%. Non-farm employment increased by 431,000 jobs in May, but most of those new jobs were temporary census positions. The weaker-than-expected May employment figures do not necessarily mark a downturn in labor markets, however, as month-to-month volatility is to be expected and non-farm payroll jobs, excluding temporary census positions, have increased by nearly 600,000 in the first five months of 2010. Another positive sign for labor markets is the lengthening workweek as private sector hours worked in April and May reflect a 3.6% increase over hours worked in the first quarter. Ohio employment in April was very strong, increasing by 37,300 jobs – the best one-month gain since 1990.

May tax receipts came in \$39.8 million (2.9%) under estimate as shortfalls in the non-auto sales and domestic insurance taxes combined to offset the broader positive performance of most State taxes. On the plus side, these shortfalls were attributable to changes in the timing of payments relative to the estimate and were not indicative of underlying performance. Year-to-date, total tax receipts remain below estimate by \$257.5 million (1.7%) due predominantly to the performance of the backward looking components of the personal income tax. As noted last month, it is expected that continued positive tax performance combined with under-spending in Medicaid programs will mitigate the shortfall steadily over the next 13 months.

GRF spending for most program categories continues in line with estimates. Medicaid continues to be the only program category with significant deviations from estimates, with year-to-date spending coming in \$393.6 million (4.1%) under estimate. This ongoing under-spending in Medicaid and the expected receipt of eFMAP on Medicare Part D (totaling \$165 million in FY2010 and FY2011) will continue to provide positive balance to the state's budget.

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 \$3.90 billion has been received and \$3.85 billion has been expended.

MONTHLY FINANCIAL REPORT
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ECONOMIC SUMMARY

Economic Performance Overview

- Real GDP increased 3.0% in the first quarter after a 5.6% increase in the fourth quarter. Analysts expect growth in coming quarters to continue at a pace rate of 3.25%.
- Employment growth was slow, outside of temporary hiring of census workers, but positive trends remains in place. The unemployment rate fell back to 9.7% in May, down 0.4 points from the high of 10.1% in October.
- Ohio employment increased sharply in April and year-to-date, but the unemployment rate remained at 10.9% in April.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio, but point to a slowdown nationally.

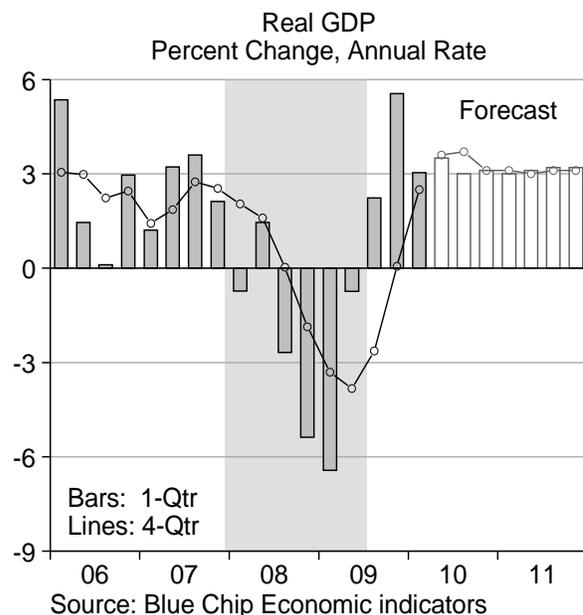
Economic Growth

The economy grew at a revised 3.0% annual rate in the first quarter, down from the originally reported 3.2% pace and well below the 5.6% pace in the fourth quarter. **Real GDP** has increased three quarters in a row to 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 to overall growth, followed by the change in business inventories. Fixed business investment made a small contribution, as an increase in investment in equipment and software more than offset a decline in investment in nonresidential structures. 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 1.4%. Final sales have increased at an annual rate of 1.3% 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 pre-1990s recovery periods.

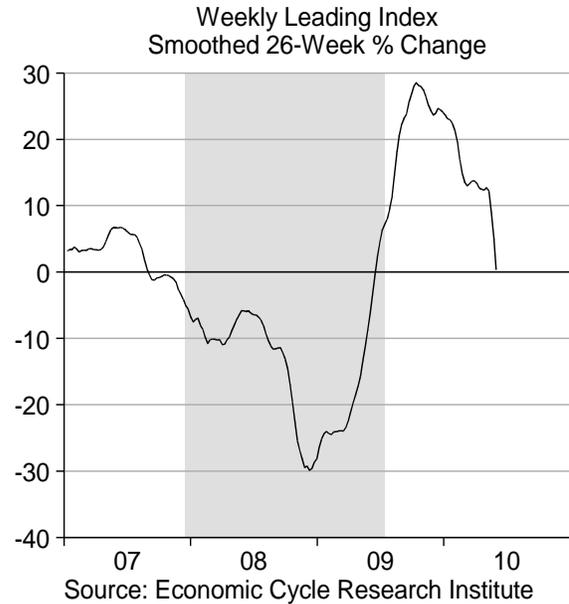
The consensus among forecasters is for continued moderate growth through year end at a pace of approximately 3.25%, according to *Blue Chip Economic Indicators*. Leading indicators remain consistent with uninterrupted growth at a moderate-to-slow pace. After rising for ten straight weeks, the **ECRI Weekly Leading Index** fell sharply in each of the last three weeks in May on a 4-week moving average basis. The smoothed six-month rate of



change was only +0.4% – down from the peak of 28.5% reached early last October.

The **Leading Economic Index** published by the Conference Board slipped 0.1% in April and the March increase was revised down slightly. The Ratio of the Coincident to Lagging Economic Index increased 0.2% after no change in March and a 0.1% decrease in February, reducing the 3-month annualized rate of change to 0.5% in April from a peak for the cycle of 8.9% in November.

The **Ohio Leading Indicator** increased for the sixth straight month in April, 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 seventh straight month in April, lifting the year-over-year comparison almost back to zero.

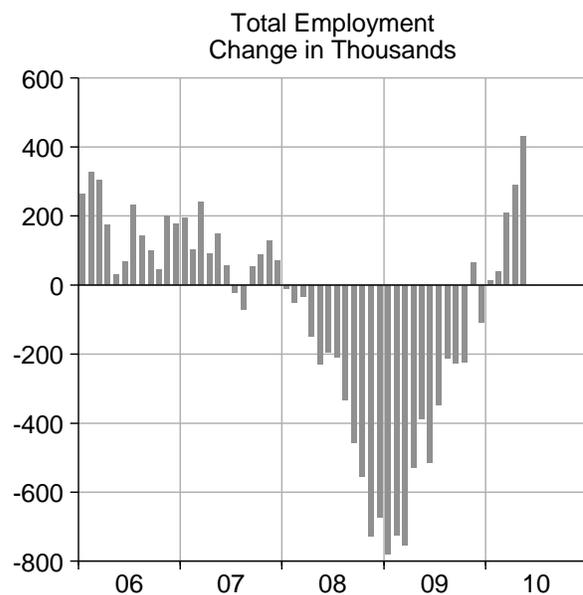


Employment

The May employment report fell short of expectations, but does not necessarily mark a renewed downturn in labor markets. **Nonfarm payroll employment** increased 431,000 jobs in May. The increase was well below projections and was primarily driven by the addition of 411,000 temporary census jobs. The number of census workers is expected to begin declining in June and subtract significantly from the change in jobs in July.

The **unemployment rate** decreased to 9.7% in May from 9.9% in April. The unemployment rate, while still high, is down 0.4 percentage points from its peak of 10.1% reached last October. Every time in the past that the unemployment rate has declined 0.4 percentage points after the onset of recession, the economy has been in a durable recovery. The **U-6 unemployment rate**, which includes unemployed people who have given up looking for work and people working part-time because they cannot find full-time jobs, decreased to 16.6%, down from the peak of 17.4% last October. But the median **duration of unemployment** increased to a new record of 23.2 weeks.

Despite the disappointing pace of private sector



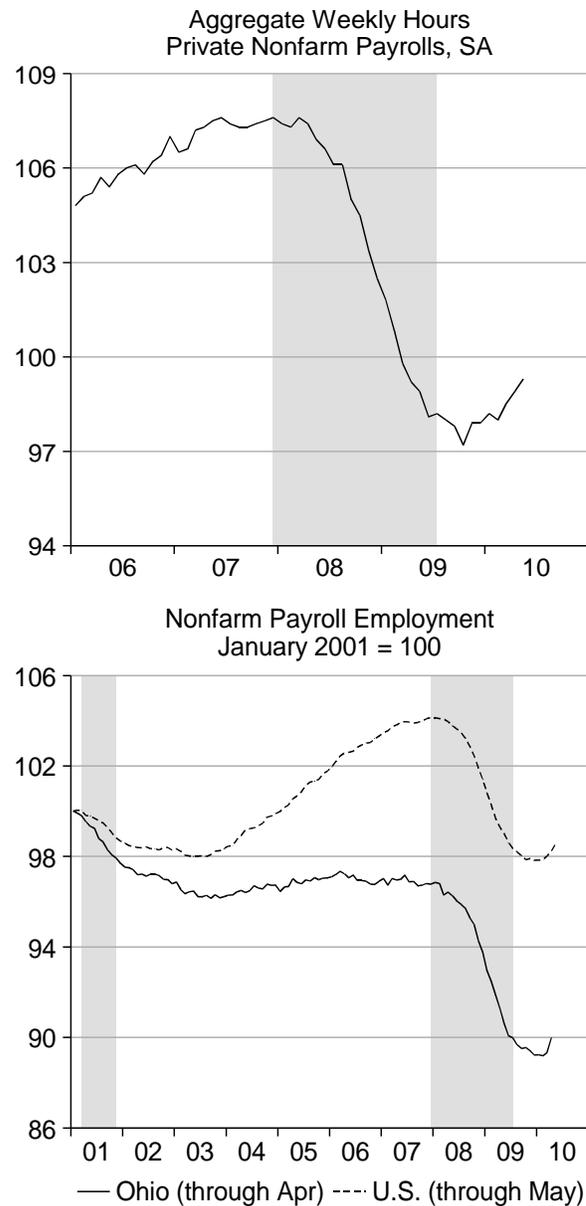
job creation, more than one half of all industries reported higher payrolls for the fourth month in a row. In addition, average job growth is marching steadily, if slowly, higher. The monthly change in private payrolls has averaged 99,000 for the year through May and has averaged 139,000 in the most recent three months. The number of job openings increased to a 16-month high in April, and the National Federation of Independent Business employment index increased to its highest level in 19 months in May, suggesting that employment growth will continue into the summer.

Another positive sign for labor markets is the ongoing lengthening in the private sector **workweek**, which increased for the third month in a row to the longest mark since October 2008. The workweek in manufacturing increased to the longest mark in ten years, while overtime hours also increased. Average total hours worked in April and May were 3.6% at an annual rate above hours worked in the first quarter. A lengthening in the workweek has been a reliable leading indicator of labor market conditions in past cycles.

Ohio employment increased by 37,300 jobs in April – the best one-month gain on record back to 1990 – reflecting strong increases in manufacturing (+12,300), professional and business services (+6,300), construction (+5,500) and leisure and hospitality (+5,200) jobs. Ohio employment has increased by 43,700 jobs year-to-date, with the strongest gains coming in professional and business services (+18,300) and manufacturing (+16,600).

Employment reached its low-point for this cycle in February at 5.0 million jobs, which was down from the peak in March 2006 by approximately 450,000 jobs. The unemployment rate edged down to 10.9% in April from the high for the cycle of 11.0% in March – the thirteenth consecutive month at or above 10.0%. The unemployment rate had reached a cyclical low of 5.3% in May 2006.

Of the eleven **Ohio Metropolitan Statistical Areas**, only Mansfield (+900) and Sandusky (+300) added jobs during the twelve months ended in April. Employment fell by the largest amounts in Cincinnati (-14,700), Cleveland (-14,300) and Columbus (-14,000). Employment also was notably lower in Akron (-9,900). Year-over-year comparisons continued to improve.



Employment fell in Ohio and each of the **contiguous states** during the year ending in April, but the year-over-year comparisons have improved markedly from the lows reached last summer. Employment fell 1.9% in Michigan, 1.4% in Ohio, 1.2% in West Virginia, 0.5% in Pennsylvania, 0.3% in Kentucky and 0.1% in Indiana.

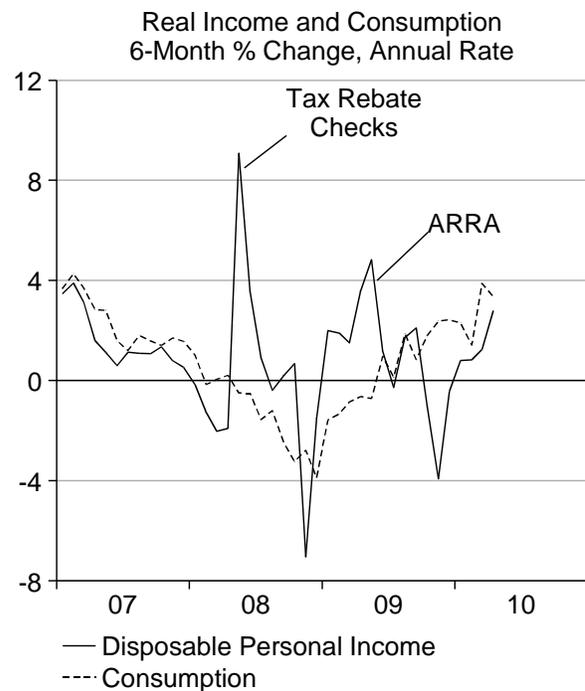
For the Ohio and contiguous state region, employment was down 1.0% during the same period, compared with a decline of 1.1% for all states outside the region combined. April was the first month since November 2002 in which year-over-year growth in Ohio and contiguous state employment was greater than growth in the rest of the country.

Consumer Income and Consumption

Personal income increased 0.4% in April, and the March change was revised up to 0.4%. Compared with a year earlier, personal income was higher by 2.5% – the fourth positive year-over-year comparison in a row, but down from 2.8% in March, which was revised down from 3.0%. Excluding federal transfer payments, personal income jumped by 0.6% in April, but was only 1.3% higher than a year earlier. Wage and salary disbursements increased 0.4% to only 0.3% above the year earlier level.

Personal consumption expenditures were essentially unchanged in April after a string of six solid increases. Purchases of light motor vehicles increased by 3.6% to 11.6 million units from 11.2 million units in March. Compared with a year earlier, consumer spending was higher by 4.6%. The saving rate remained in the 3.0% to 4.0% range where it has been since last October.

Chain store sales increased 2.6% in May from a year ago, according to the International Council of Shopping Centers. The rise was in line with expectations. Drug stores was the only segment to post a year-over-year decline in sales. Wholesale clubs and luxury dealers posted the strongest gains. The report indicates that recent growth in retail sales and consumer spending more broadly carried over into May.



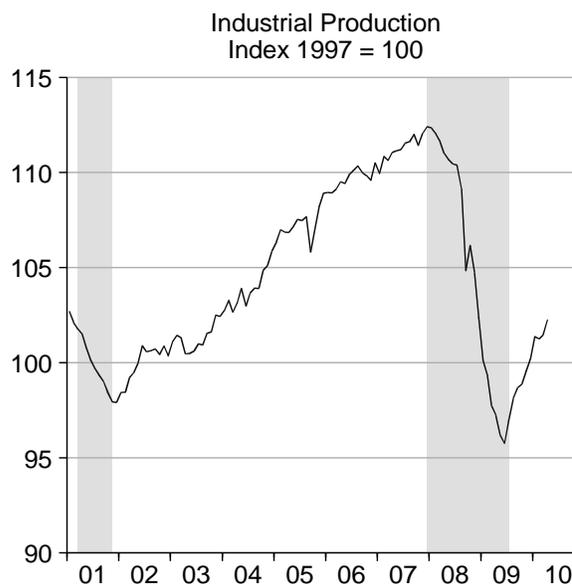
Consumer confidence generally improved during May. Both the Conference Board and Reuters/University of Michigan measures increased, driven mostly but not entirely by brighter expectations. Although the increases in consumer confidence measures from the extreme lows slightly more than a year ago are notable, the measures remain near levels observed in past recessions.

Manufacturing

Industrial production increased 0.8% in April, as a 1.0% increase in manufacturing offset a 1.3% decline in utility output. High-tech production increased 0.9% to 13.0% above the year earlier level. The increase in industrial production followed a 0.2% increase in March and lifted the index to 5.2% above the year earlier level – the best year-over-year comparison since mid-1997.

Capacity utilization in manufacturing increased to 70.6% from 70.0%, up significantly from the low of 65.1% reached last June, but still below the troughs in all previous post-war recession, except for the 1981-81 downturn.

Production gains were broad-based in April, with only aerospace and motor vehicles posting declines on the month. Production of motor vehicles and parts decreased 2.2%, as assemblies fell from 7.56 million units to 7.19 million units, with nearly all of the decline occurring in the light truck category. Compared with a year ago, assemblies were higher by 21.4%.



Of special significance for Ohio, production of primary metals, fabricated metals and machinery increased by 2.4%, 1.7% and 2.6%, respectively in April. Together, these three industries account for just under one-third of manufacturing employment in Ohio.

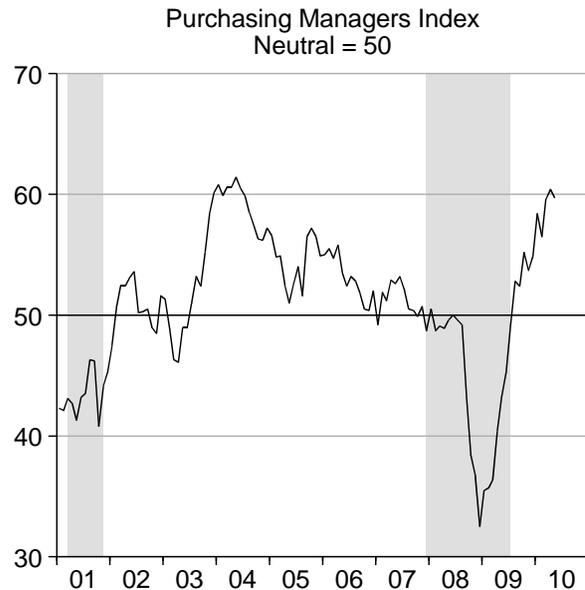
Other key measures of industrial activity have strengthened significantly in the past year. Truck tonnage is up 7.5%. Container traffic out of Long Beach is up 19%. And railway loadings are up 14%. Much of this growth has been driven by exports, which were up 20% from a year ago in March.

Manufacturing capacity has been trimmed by the largest amount on record, having decreased 1.7% through April from the peak reached in November 2008. The only previous decrease in capacity was a modest decline associated with the technology bust and the 2001 recession. Rebuilding of capacity in response to continued increases in output could support capital spending in the near future.

The increase in industrial production in April further underscores the sustainability of the economic recovery observed during the past 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 April and the March gain was revised up from 1.2% to 1.6%, according to the Federal Reserve Bank of Chicago. The year-over-year change in production increased from 4.7% in March to 7.4% in April. Production increased in three of the four sectors in April and was unchanged in the other. Although Midwest manufacturing output remained 21.7% below the January 2008 peak, it has increased 11.7% from the cyclical low reached last June.

Reports from **purchasing managers** at manufacturing firms were a bit less robust in May, but remained solid and consistent with rising employment and production in the sector. **Factory orders** increased 1.2% in April – higher for the twelfth month out of the last thirteen – although the increase was concentrated in commercial aircraft. Overall shipments increased 0.6%.

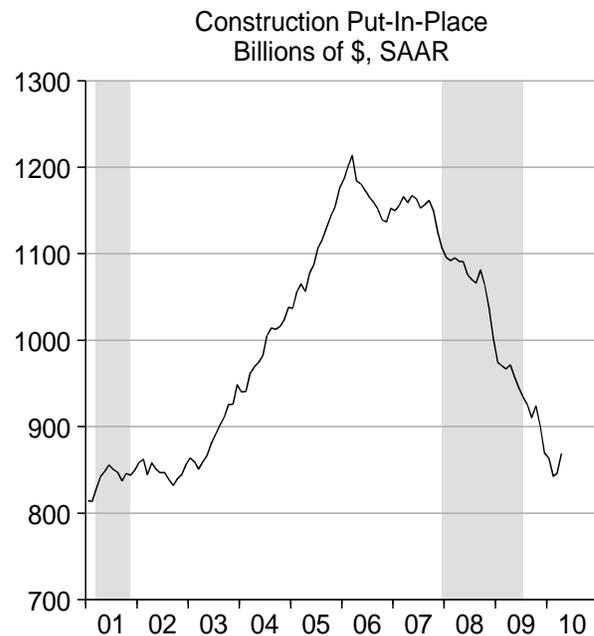


Construction

Total **construction put-in-place** increased a very strong 2.7% in April – the largest percentage gain since August 2000. Even excluding the residential improvements segment, which are often revised significantly, construction increased 2.2%. Private and public construction increased 2.9% and 2.4%, respectively. Private nonresidential construction grew 1.7%. Single-family housing construction increased 3.4%, and multi-family housing construction increased 1.9%.

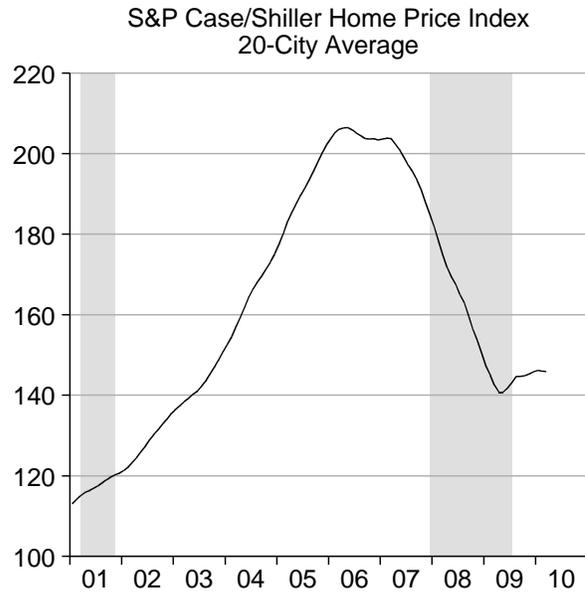
Housing activity shows signs of tracing out a trough, but the trend remains somewhat obscured by changing expectations about federal transfers to home buyers. U.S. **housing starts** increased 3.2% on a 3-month moving average basis in April – the fastest pace (other than the 3.3% reading the month before) since December 2008.

Existing **home sales** were up 4.7% in April and new home sales jumped 13.8%, both on a 3-month moving average basis. The Mortgage Bankers Association index of **mortgage applications** to purchase homes fell sharply during May to the lowest level on a 4-week moving average basis since June 1997, suggesting that recent strength in activity will give way to weaker sales in June and July.



Inventories of new unsold homes decreased in April, while the supply of unsold existing homes increased. The total inventory of homes for sale amounted to an 8.1 month supply at the April pace of sales, up from the recent low of 6.6 months last November, but well below the peak of 11.1 months in November 2008.

After a 9-month stretch of moderate increases, home prices were little changed in February and March, according to the S&P Case/Shiller index of **home prices** in 20 metro markets. The index was unchanged in March after slipping 0.1% in February. In contrast, prices increased 3.9% from May 2009 to January 2010.



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.

GRF revenue in May totaled \$2,147.6 million which was \$28.0 million (1.3%) below estimate. This negative variance was the result of a combination of lower than expected non-auto sales tax receipts and a timing issue with the domestic insurance tax which combined to more than offset better than estimated receipts in a number of taxes, most notably the auto sales, corporate franchise, and cigarette taxes as well as higher than expected federal grant receipts. For the fiscal year-to-date, total GRF revenue is \$770.4 million (3.3%) below estimate. As shown in the following table, year-to-date underperformance is due primarily to lower-than-expected tax receipts (specifically, personal income tax receipts) and Federal grant receipts (resulting from lower year-to-date Medicaid spending).

Category	Description	YTD Variance (\$ in millions)	YTD % 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	(\$257.5)	(1.7%)
Non-tax receipts	Federal grants, investment earnings, licenses & fees, other income, intrastate transfers	(\$370.8)	(5.1%)
Transfers	Budget stabilization, liquor transfers, capital reserve, temporary transfers, other	(\$142.1)	(14.3%)
TOTAL YTD REVENUE VARIANCE:		(\$770.4)	(3.3%)

With respect to May tax receipts, a timing issue with the domestic insurance tax combined with an \$11.9 million shortfall in the non-auto sales tax to offset the positive performance of the auto sales, personal income, corporate franchise, kilowatt hour, and cigarette taxes as collections fell \$39.8 million (2.9%) short of the estimate. The May performance of the domestic insurance tax is attributable to the timing of the mailing of bills and the deadlines for remitting the tax. This negative variance will dissipate in June as these payments have nearly all come in during the first week of the month. On a year-over-year basis, tax receipts for the month were \$26.9 million (1.9%) lower than a year ago. Year-to-date, tax receipts are \$971.8 million (6.2%) below tax receipts collected through the same period a year ago.

Individual Sources Above Monthly Estimate		Individual Sources Below Monthly Estimate	
Auto Sales Tax	\$15.9	Non Auto Sales Tax	(\$11.9)
Personal Income Tax	\$5.3	Public Utility Tax	(\$6.0)
Corporate Franchise Tax	\$29.9	Domestic Insurance Tax	(\$73.0)
Kilowatt Hour Tax	\$4.7	Other Business and Property Tax	(\$3.7)
Cigarette Tax	\$5.3	Alcoholic Beverage Tax	(\$1.6)

Federal Grants	\$35.2	Estate Tax	(\$5.8)
Liquor Transfers	\$2.0	License and Fees	(\$1.1)
Other Sources Above Estimate	\$1.1	Other Income	(\$2.8)
		Transfers In – Other	(\$21.3)
		Other Sources Below Estimate	(\$0.2)
Total above:	\$99.4	Total below:	(\$127.4)

Non-Auto Sales and Use Tax

Non-auto sales receipts totaled \$503.7 million in May and were below estimate by \$11.9 million (2.3%). The underperformance was due to a change in the payment schedule of the managed care company portion of the tax base from a prospective basis to a retroactive basis (note, this change had a one-time impact that will not affect June revenues). Non-auto sales tax receipts for the month, absent the impact of the managed care company payments, grew a respectable 4.25% year-over-year. Due to overages in previous months, the tax is still meeting year-to-date estimates, ending the month just \$1.1 million below estimate. Year-over year, non-auto sales tax receipts were 64.1 million (1.1%) below receipts for the same period in FY 2009.

Auto Sales Tax

Auto sales tax performed better than anticipated again in May as receipts totaled \$77.9 million and were over estimate by \$15.9 million (25.7%). The continuing trend of strong monthly performance has contributed to a positive year-to-date variance of \$79.2 million (11.0%) over estimate. The auto sales tax also performed well relative to last fiscal year as May receipts were \$8.1 million (11.5%) above May 2009 receipts. Year-over-year, the auto sales tax is now in positive territory having exceeded FY 2009 collections through the same period by \$8.0 million (1.0%).

Personal Income Tax

Personal income tax receipts in May totaled \$428.2 million, exceeding the monthly estimate by \$5.3 million (1.2%). This overage was mainly due to lower-than-expected refunds, which were \$38.7 million (40.7%) below the estimate. Almost all other components of the tax posted negative variances, with the highest of these being in withholding (\$14.3 million or 2.7% below estimate) and payments associated with annual returns (\$19.1 million or 52.7% below estimate).

On a year-to-date basis, personal income tax receipts through May were below estimate by \$277.4 million (4.1%). Following the trend of last month, May payments associated with annual returns and quarterly estimated payments continued to drive this under-performance. On a year-over-year basis, with just a month remaining in the fiscal year, personal income tax receipts were \$443.2 million (6.4%) below receipts collected during the same period in FY 2009.

FY2010 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	MAY	MAY	MAY	YTD	YTD	YTD
Withholding	\$534.5	\$520.2	(\$14.3)	\$6,317.7	\$6,334.1	\$16.4
Quarterly Est.	\$7.9	\$7.6	(\$0.3)	\$902.0	\$792.7	(\$109.3)
Trust Payments	\$6.4	\$1.1	(\$5.3)	\$41.5	\$37.0	(\$4.5)
Annual Returns & 40 P	\$36.3	\$17.2	(\$19.1)	\$1,226.8	\$925.2	(\$301.6)
Other	\$13.0	\$14.8	\$1.8	\$70.7	\$96.1	\$25.4
Less: Refunds	(\$95.2)	(\$56.5)	\$38.7	(\$1,195.1)	(\$1,095.5)	\$99.6
Local Distr.	(\$80.0)	(\$76.2)	\$3.8	(\$583.1)	(\$586.4)	(\$3.3)
Net to GRF	\$422.9	\$428.2	\$5.3	\$6,780.5	\$6,503.1	(\$277.4)

Corporate Franchise Tax

Corporate franchise tax receipts for May were \$49.9 million, more than double the estimate of \$20.0 million. Growth in financial institution net worth continues to influence 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. In May, the CAT posted a positive variance with receipts of \$287.2 million – \$21.3 million above the estimate. Combined with the \$51.3 million received in April, receipts for the two months exceeded estimates by \$53.9 million. For the year-to-date, the CAT has collected \$1,336.1 million in receipts or \$51.7 million less than estimated.

Kilowatt Hour Tax

The kilowatt hour tax during the month of May posted receipts of \$8.3 million, or \$4.7 million (130%) above the estimate. As a result of this positive performance versus the estimate in May, the tax is now \$13.1 million (8.2%) 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

Public utility tax collections in May were \$46.9 million – \$6.0 million (11.3%) below estimate. As a result of this negative monthly variance, the tax is now \$43.4 million (24.2%) below the year-to-date estimate. As mentioned in previous monthly reports, the weaker than expected performance of this tax is primarily attributable to continued low natural gas prices.

Domestic Insurance Tax

Domestic insurance tax receipts in May were \$73.0 million below estimate with most of this shortfall being the result of the timing of billing and remittance. Specifically, billings for domestic insurance are sent out by the Treasurer of State in early May and are due 20 to 30 days later. These bills were sent out on May 7, but due to the timing of the Memorial Day holiday only about 60% of the \$163 million billed was received in May whereas revenue estimates had assumed that about 94% of revenue would be received in May. Through June 7, \$61.3 million of the approximately \$65 million in outstanding billings had been received, thus erasing most of the negative variance.

Cigarette Tax

The cigarette tax recorded another strong month relative to estimates as May receipts totaled \$115.8 million which were \$5.2 million (4.7%) above the estimate. As a result of another positive month, cigarette tax receipts now exceed the Year-to-date estimate by \$48.1 million (6.4%). Despite the strong year-to-date performance versus the estimate, cigarette tax receipts are still \$44.6 million (5.3%) below collections through the same month last fiscal year.

Estate Tax

Estate tax receipts for May experienced a negative variance as they totaled \$9.4 million and were \$5.8 million (38.3%) below estimate. This negative variance in May resulted from the timing of receipts as more money was received in April than originally expected.

GRF non-tax receipts totaled \$779.7 million in May, which was \$31.1 million (4.2%) above the estimate. This positive performance relative to the estimate is largely attributable to higher than estimated federal grants from SFSF payments that were originally estimated for April but that occurred in May.

GRF transfers during the month of May totaled \$14.2 million and were \$19.3 million (57.5%) below the estimate. This variance in May is due to a delay in processing \$22.5 million of transfers from non-GRF funds scheduled for FY 2010. Originally, OBM had planned to make \$57.5 million in non-GRF transfers included in the enacted GRF budget in two segments – \$22.5 million in May and the remaining \$35.0 million in June. Due to the delay, all \$57.5 million will occur in June.

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

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL MAY	ESTIMATE MAY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	503,749	515,600	(11,851)	-2.3%	5,670,628	5,671,753	(1,125)	0.0%
Auto Sales & Use	77,879	61,960	15,918	25.7%	801,134	721,925	79,209	11.0%
Subtotal Sales & Use	581,627	577,560	4,067	0.7%	6,471,762	6,393,678	78,084	1.2%
Personal Income	428,180	422,900	5,280	1.2%	6,503,136	6,780,499	(277,363)	-4.1%
Corporate Franchise	49,904	20,000	29,904	149.5%	123,165	94,000	29,165	31.0%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	46,888	52,849	(5,961)	-11.3%	136,028	179,448	(43,420)	-24.2%
Kilowatt Hour	8,280	3,600	4,680	130.0%	146,936	160,002	(13,066)	-8.2%
Foreign Insurance	(10,191)	(11,189)	998	8.9%	252,914	251,011	1,903	0.8%
Domestic Insurance	98,584	171,543	(72,958)	-42.5%	99,732	170,614	(70,883)	-41.5%
Other Business & Property Tax	18,083	21,802	(3,719)	-17.1%	18,501	21,547	(3,045)	-14.1%
Cigarette	115,837	110,592	5,245	4.7%	797,075	749,014	48,061	6.4%
Alcoholic Beverage	3,967	5,617	(1,650)	-29.4%	50,504	52,969	(2,465)	-4.7%
Liquor Gallonage	3,031	2,886	145	5.0%	33,419	32,859	560	1.7%
Estate	9,417	15,263	(5,846)	-38.3%	54,450	59,498	(5,047)	-8.5%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,353,608	1,393,423	(39,815)	-2.9%	14,687,622	14,945,137	(257,516)	-1.7%
NON-TAX RECEIPTS								
Federal Grants	774,087	738,907	35,181	4.8%	6,685,451	7,007,511	(322,060)	-4.6%
Earnings on Investments	1	0	1	N/A	25,795	58,250	(32,455)	-55.7%
License & Fees	547	1,600	(1,053)	-65.8%	65,358	60,831	4,527	7.4%
Other Income	1,298	4,100	(2,802)	-68.3%	156,308	172,901	(16,593)	-9.6%
ISTV'S	3,778	4,000	(222)	-5.5%	13,094	17,351	(4,257)	-24.5%
Total Non-Tax Receipts	779,712	748,607	31,106	4.2%	6,946,006	7,316,845	(370,839)	-5.1%
TOTAL REVENUES	2,133,320	2,142,030	(8,709)	-0.4%	21,633,628	22,261,982	(628,355)	-2.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	13,000	11,000	2,000	18.2%	151,000	132,000	19,000	14.4%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,235	22,500	(21,265)	-94.5%	30,145	115,164	(85,019)	-73.8%
Temporary Transfers In	0	0	0	N/A	669,866	745,900	(76,034)	-10.2%
Total Transfers	14,235	33,500	(19,265)	-57.5%	851,011	993,064	(142,053)	-14.3%
TOTAL SOURCES	2,147,555	2,175,530	(27,975)	-1.3%	22,484,638	23,255,046	(770,408)	-3.3%

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

REVENUE SOURCE	Month				Year-to-Date			
	MAY	MAY	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2010	FY 2009	VAR	VAR	FY 2010	FY 2009	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	503,749	481,626	22,122	4.6%	5,670,628	5,734,758	(64,130)	-1.1%
Auto Sales & Use	77,879	69,827	8,051	11.5%	801,134	793,089	8,045	1.0%
Subtotal Sales & Use	581,627	551,453	30,174	5.5%	6,471,762	6,527,847	(56,085)	-0.9%
Personal Income	428,180	409,865	18,315	4.5%	6,503,136	6,946,310	(443,173)	-6.4%
Corporate Franchise	49,904	54,512	(4,608)	-8.5%	123,165	463,144	(339,979)	-73.4%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	46,888	54,193	(7,305)	-13.5%	136,028	183,949	(47,921)	-26.1%
Kilowatt Hour	8,280	3,716	4,564	122.8%	146,936	131,154	15,782	12.0%
Foreign Insurance	(10,191)	(11,157)	966	8.7%	252,914	250,222	2,692	1.1%
Domestic Insurance	98,584	146,489	(47,904)	-32.7%	99,732	145,624	(45,893)	-31.5%
Other Business & Property Tax	18,083	22,838	(4,755)	-20.8%	18,501	22,492	(3,991)	-17.7%
Cigarette	115,837	124,246	(8,409)	-6.8%	797,075	841,643	(44,568)	-5.3%
Alcoholic Beverage	3,967	5,518	(1,551)	-28.1%	50,504	52,108	(1,605)	-3.1%
Liquor Gallonage	3,031	2,880	151	5.2%	33,419	32,664	755	2.3%
Estate	9,417	15,946	(6,529)	-40.9%	54,450	62,311	(7,861)	-12.6%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,353,608	1,380,499	(26,891)	-1.9%	14,687,622	15,659,469	(971,847)	-6.2%
NON-TAX RECEIPTS								
Federal Grants	774,087	489,433	284,654	58.2%	6,685,451	6,320,233	365,218	5.8%
Earnings on Investments	1	0	1	N/A	25,795	121,296	(95,501)	-78.7%
License & Fee	547	532	15	2.9%	65,358	65,171	187	0.3%
Other Income	1,298	3,692	(2,394)	-64.8%	156,308	46,738	109,571	234.4%
ISTV'S	3,778	5,575	(1,797)	-32.2%	13,094	20,505	(7,411)	-36.1%
Total Non-Tax Receipts	779,712	499,233	280,480	56.2%	6,946,006	6,573,942	372,064	5.7%
TOTAL REVENUES	2,133,320	1,879,732	253,588	13.5%	21,633,628	22,233,411	(599,783)	-2.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	13,000	13,000	0	0.0%	151,000	150,000	1,000	0.7%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	1,235	0	1,235	N/A	30,145	259,994	(229,849)	-88.4%
Temporary Transfers In	0	0	0	N/A	669,866	445,311	224,556	50.4%
Total Transfers	14,235	13,000	1,235	9.5%	851,011	855,305	(4,294)	-0.5%
TOTAL SOURCES	2,147,555	1,892,732	254,823	13.5%	22,484,638	23,088,715	(604,077)	-2.6%

DISBURSEMENTS

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

May 2010 GRF disbursements, across all fund uses, were \$2,525.2 million. This was \$271.9 million (12.1%) above estimate for the month. On a year-to-date basis, total GRF disbursements are \$23,239.7 million, which is \$495.3 million (2.1%) 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)	\$23,239.7	(\$495.3)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$1,027.7	\$58.4
TOTAL YTD GRF DISBURSEMENTS:		\$24,267.4	(\$436.9)

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 May totaled \$726.4 million which was \$108.3 million (17.5%) above the monthly estimate.

- May expenditures by the Department of Education totaled \$723.6 million and were \$108 million or 17.5% above estimate. Variances for the month can be attributed to Foundation Funding (ALIs 200550 and 200551), which was \$92.7 million above 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 but instead is included in the May disbursements. Year-to-date expenditures are \$25.6 million or 0.4% below estimates.

Higher Education

May disbursements for Higher Education were \$205.8 million, representing a variance of \$5.1 million (2.4%) below the estimate for the month. Year-to-date disbursements were \$2,244.8 million, representing a variance totaling \$0.8 million above the estimate. The monthly variance is due to an appropriation adjustment to the Federal Stimulus portion of the State Share of Instruction enacted by the Controlling Board. The appropriation adjustment was made to ensure that the state will meet the Maintenance of Effort (MOE) and Use of Funds provisions of the American Recovery and Reinvestment Act (ARRA) for FY10.

Public Assistance and Medicaid

May expenditures in this category, which include all GRF expenditures by the Department of Job & Family Services (ODJFS), were \$950.2 million. Expenditures were \$26.3 million (2.7%) below estimate for the month. Year-to-date expenditures total \$9,229.4 million, which is \$393.6 million (4.1%) 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 \$8,448.7 million, which is \$335.7 million (3.8%) below estimate, and \$1,086.9 million (11.4%) below the same point in time in FY 2009. Disbursements for the month were \$902.7 million, which was \$4.5 million (0.5%) below estimate and \$189.6 million (26.6%) above the same period in the prior year.

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

All funds disbursements year-to-date are \$11,439.8 million, which is \$435.4 million (3.7%) below estimate, and \$249.6 million (2.2%) above disbursements for the same point in time in the prior year. Disbursements for May were \$1,083.1 million, which was \$29.7 million (2.7%) below projected expenditures and \$74.2 million (6.9%) above the same period in the prior year.

The chart below shows the current month's disbursement variance by funding source (\$ in millions):

	May Projection	May Actual	Variance	% Variance
GRF	\$ 907.2	\$ 902.7	\$ (4.5)	-0.5%
Non-GRF	\$ 205.6	\$ 180.4	\$ (25.2)	-12.3%
All Funds	\$ 1,112.8	\$ 1,083.1	\$ (29.7)	-2.7%

Specific variances across all funding sources include:

Drugs – Disbursements in May for the Drug program were \$123.7 million, which was \$17.9 million (12.6%) below projected expenditures. As seen in previous months, this is primarily due to a lower than projected number of claims as well as cost per claim related to the lower than expected admissions to inpatient hospitals and other institutional categories.

Buy-In – Disbursements in May for the Buy-In program were \$31.6 million, which was \$2.0 million (6.7%) above projected expenditures. This is due to higher than expected enrollments related to the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008, which went into effect in January 2010, as well as an increased Medicare Part B premium.

Caseload

Total caseload for the month of April, the most recent month available, was 2.10 million covered persons, which was an increase of 8,984 persons over the month of March. This number includes the State Fund Only programs, such as the Breast and Cervical Cancer program, and represents the 28th consecutive month of growth. The Covered Families and Children (CFC) program increased by 4,017 persons, for an April total of 1.60 million persons. The Aged, Blind and Disabled (ABD) program increased by 2,562 persons, for an April total of 488.1 thousand covered lives.

Total enrollment for the same period last year was 1.93 million covered persons, including 1.46 million persons in the CFC program and 466.0 thousand people in the ABD category. This represents total Medicaid growth over the last twelve months of 161.6 thousand covered lives.

CFC showed an increase of 4,017 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 5,369 (.33%) 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 2,562 persons to a total of 488.1 thousand covered lives. This was 5,886 persons (1.22%) 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 Qualified Medicare Beneficiary (QMB) and the Special Low-Income Medicare Beneficiary (SLMB) premium assistance programs.

Public Assistance and Non-Medicaid

- ODJFS, non-Medicaid, General Revenue Fund disbursements in May totaled \$47.5 million. In the aggregate, GRF spending was \$21.5 million (31.2%) lower than disbursement estimates for the month. Major variances within individual line items were attributable to the following:
 - The Early Care and Education line item (ALI 600535) subsidy spending was \$29.7 million lower than original estimates. This was attributable to lower than anticipated child provider payments within the line item due to the new state child care payment system.
 - In the Computer Projects line item (ALI 600416) expenditures were \$1.1 million lower than disbursement estimates due to lower than anticipated contract spending as well as employee cost pool changes within the line item.
 - The Child Care Match/Maintenance of Effort line item (ALI 600413) subsidy disbursements were \$3 million above agency estimates. This was attributable to higher than expected child care provider payments within the line item due to the new state payment system.
 - The Adoption Services line item (ALI 600528) spending was \$2.1 million higher than original estimates due to additional adoption assistance reimbursement payments made to counties for the month.

- The Entitlement Administration line item (ALI 600521) disbursements were \$1.7 million higher than estimates. The original estimate to fully expend the funds by January 2010 did not occur due to previous lower than anticipated county spending. Counties will continue to expend funds to the end of the fiscal year.
- The Children, Family, and Adult Community & Protective Services line item (ALI 600533) spending was \$1.6 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.

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.

May expenditures in this category were \$73.5 million, which was \$3.3 million (4.7%) above estimate for the month. The year-to-date actual disbursements are \$987.4 million, which is \$18.9 million (1.9%) below the estimate.

- For the year-to-date, the Department of Health disbursements total \$83.0 million, which was under estimate by \$2.2 million (2.6%).
- May 2010 disbursements for the Department of Health totaled \$3.9 million which was \$0.8 million (27.9%) below estimate. This is primarily attributable to the immunizations line item (ALI 440418) being \$0.6 million below estimate due to timing of payments in previous months. The Federally Qualified Health Centers line item (ALI 440465) was over estimate by \$0.6 million due to payments being made in May that were originally scheduled earlier in the year.
- For the year, the Department of Aging disbursements total \$108.1 million, which was below estimate by \$1.7 million (1.7%).
- May 2010 disbursements for the Department of Aging totaled \$8.9 million, which was \$0.2 million (2.6%) below estimate.
- The Department of Mental Health disbursed \$22.9 million in the month of May, which is \$4.3 million (15.7%) below estimate. This under-spending is attributable to the Local Mental Health Systems of Care line item (ALI 335505). In an effort to assist county boards in meeting their Medicaid match obligations, the Department accelerated the disbursements of \$6.0 million in subsidy payments from the fourth quarter of FY 2010 to December 2009.
- The Department of Developmental Disabilities disbursed \$25.8 million in the month of May, which is \$0.7 million, or 2.8% below the estimate.

Justice and Public Protection

May expenditures in the Justice and Public Protection category were \$162.4 million, which was \$30.2 million (22.8%) below estimate for the month. The year-to-date disbursements are \$1,834.4 million, which is \$29.0 million (1.6%) below the estimate.

- Disbursements in the Corrections category totaled \$142.9 million in the month of May, which was \$30.3 million (26.9%) more than the monthly estimate.
- The Department of Rehabilitation and Correction disbursed \$125.0 million in the month of May, which was \$25.3 million (25.3%) more than the monthly estimate for the month. This variance is primarily the result of three payrolls posting in the month rather than two.
- The Department of Youth Services disbursed \$17.9 million in the month of May, which was \$5.0 million (38.8%) more than the monthly estimate. This variance can primarily be attributed to three payrolls posting rather than two.

General Government

For May 2010, General Government disbursements were \$19.5 million which was \$2.3 million (13.1%) above the monthly estimate of \$16.7 million. Year-to-date actual expenditures are now \$274.5 million, which is \$9.8 million (3.4%) below the estimate.

Community and Economic Development

For the month, disbursements in this category were \$7.6 million which was \$1.7 million (29.8%) above the estimate. Year-to-date, community and economic development related general revenue fund disbursements total \$104.7 million, which is \$9.6 million (10.1%) above the estimate.

- For the month, the Department of Development disbursed \$6.1 million in GRF, which is \$1.2 million (16.5%) below the estimate, with lower than expected disbursements in the Rapid Outreach Grants (ALI 195412) and Third Frontier Action Fund (ALI 195422) offsetting higher than estimated disbursements in the Ohio Investment in Training Program (ALI 195434) line item.

Tax Relief and Other

May disbursements for the tax relief portion of this category totaled \$371.0 and were \$159.5 million above the estimate of \$211.4 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 \$1,552.1 million, which is \$36.4 million above the Year-to-date estimate of \$1,515.7 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.

Debt Service

For the year-to-date, debt service spending is \$64.9 million (15.0%) below the estimate. Much of that under-spending is due to second debt service restructuring transaction being completed earlier than expected which resulted in about \$35 million in net savings being pulled forward into FY 2010 from FY 2011. Approximately \$4.5 million of the year-to-date variance will be given back next month as June spending will exceed the June estimate by that amount. The remaining \$25.4 million in under-spending was generated by refunding transactions, later issuance dates for certain bond sales, and much lower than anticipated market interest rates.

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	\$	%
	MAY	MAY	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	726,381	618,061	108,320	17.5%	6,526,818	6,554,234	(27,415)	-0.4%
Higher Education	205,815	210,961	(5,146)	-2.4%	2,244,845	2,243,997	848	0.0%
Public Assistance and Medicaid	950,192	976,573	(26,381)	-2.7%	9,229,385	9,622,940	(393,555)	-4.1%
Health and Human Services	73,503	70,198	3,305	4.7%	987,376	1,006,267	(18,891)	-1.9%
Justice and Public Protection	162,438	132,231	30,206	22.8%	1,834,355	1,863,371	(29,017)	-1.6%
Environmental Protection and Natural Resources	7,599	9,831	(2,232)	-22.7%	79,301	79,238	63	0.1%
Transportation	1,274	1,009	266	26.4%	16,633	15,684	949	6.1%
General Government	19,450	17,197	2,252	13.1%	274,472	284,261	(9,789)	-3.4%
Community and Economic Development	7,573	5,834	1,739	29.8%	104,732	95,118	9,614	10.1%
Tax Relief and Other	370,958	211,432	159,527	75.5%	1,572,993	1,536,556	36,437	2.4%
Capital Outlay	50	0	50	N/A	380	0	380	N/A
Debt Service	0	0	0	N/A	368,438	433,368	(64,930)	-15.0%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,525,235	2,253,329	271,906	12.1%	23,239,728	23,735,034	(495,306)	-2.1%
Transfers Out:								
OPER TRF OUT-OTH	780	0	780	N/A	56,384	30,477	25,907	85.0%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	938,866	32,471	3.5%
Total Transfers (Out)	780	0	780	N/A	1,027,721	969,343	58,378	6.0%
Total Fund Uses	2,526,015	2,253,329	272,686	12.1%	24,267,449	24,704,377	(436,928)	-1.8%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	MAY FY 2010	MAY FY 2009	\$ VAR	% VAR	ACTUAL FY 2010	ACTUAL FY 2009	\$ VAR	% VAR
Primary, Secondary and Other Education	726,381	711,793	14,588	2.0%	6,526,818	6,649,462	(122,643)	-1.8%
Higher Education	205,815	275,151	(69,336)	-25.2%	2,244,845	2,459,621	(214,776)	-8.7%
Public Assistance and Medicaid	950,192	781,993	168,199	21.5%	9,229,385	10,375,954	(1,146,569)	-11.1%
Health and Human Services	73,503	76,940	(3,437)	-4.5%	987,376	1,153,686	(166,310)	-14.4%
Justice and Public Protection	162,438	171,624	(9,186)	-5.4%	1,834,355	1,988,371	(154,016)	-7.7%
Environmental Protection and Natural Resources	7,599	5,660	1,939	34.3%	79,301	88,871	(9,570)	-10.8%
Transportation	1,274	1,725	(450)	-26.1%	16,633	19,758	(3,125)	-15.8%
General Government	19,450	20,777	(1,327)	-6.4%	274,472	346,363	(71,891)	-20.8%
Community and Economic Development	7,573	12,402	(4,829)	-38.9%	104,732	141,290	(36,558)	-25.9%
Tax Relief and Other	370,958	215,192	155,767	72.4%	1,572,993	1,432,075	140,917	9.8%
Capital Outlay	50	0	50	N/A	380	288	92	32.2%
Debt Service	0	0	0	N/A	368,438	588,275	(219,838)	-37.4%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,525,235	2,273,256	251,978	11.1%	23,239,728	25,244,015	(2,004,287)	-7.9%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	780	231	549	237.4%	56,384	243,702	(187,319)	-76.9%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	971,337	604,470	366,868	60.7%
Total Transfers (Out)	780	231	549	237.4%	1,027,721	848,172	179,549	21.2%
Total Fund Uses	2,526,015	2,273,488	252,527	11.1%	24,267,449	26,092,187	(1,824,738)	-7.0%

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)

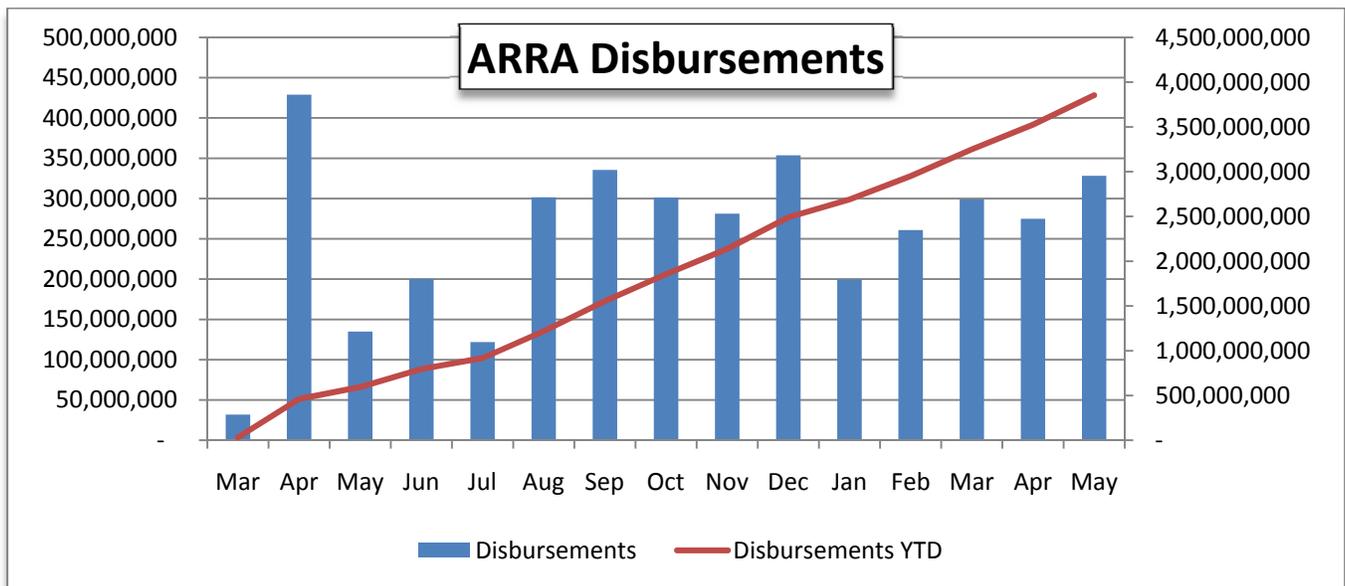
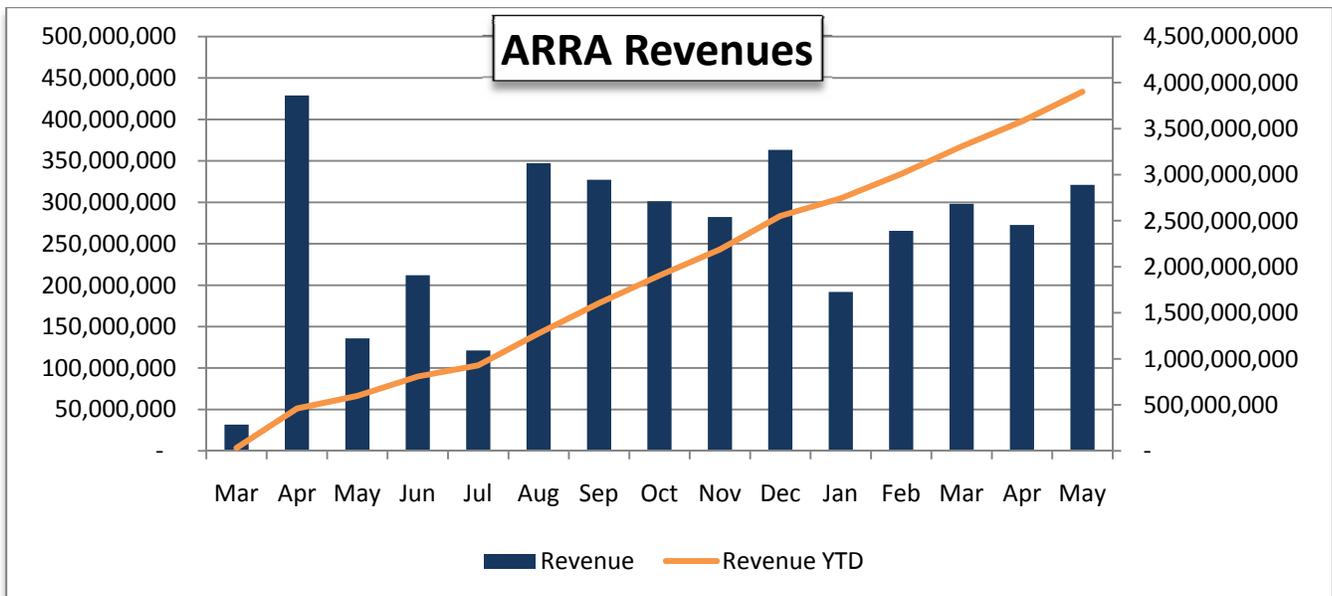
July 1, 2009 Beginning Cash Balance	\$ 734,526
Plus FY 2010 Estimated Revenues	16,819,704
Plus FY 2010 Estimated Federal Revenues	7,184,127
Plus FY 2010 Estimated Transfers to GRF	1,567,706
Total Sources Available for Expenditure & Transfer	26,306,063
Less FY 2010 Estimated Disbursements	24,746,286
Less 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 \$3.901 billion in federal revenue and disbursed \$3.853 billion as of May 31, 2010.

	Revenue	Disbursements
FY 2009	\$808,753,636	\$795,630,983
FY 2010	\$3,092,023,554	\$3,057,639,466
Total	\$3,900,777,190	\$3,853,270,449



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

Revenue	Disbursements
\$321,110,146	\$328,255,930

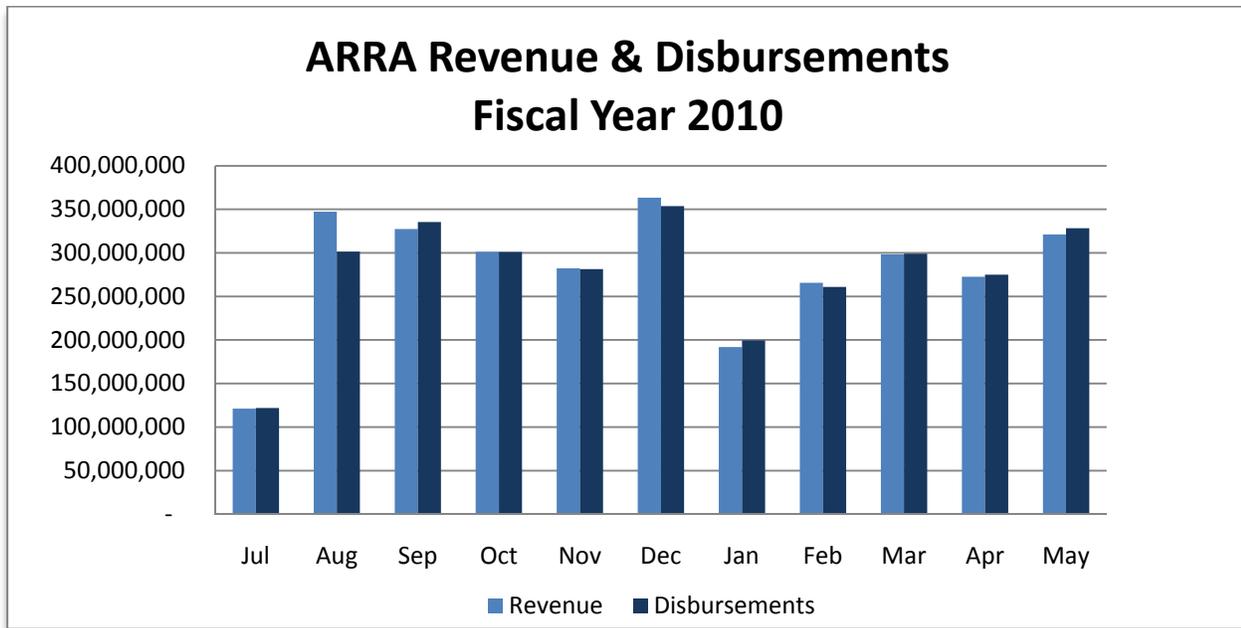
May – Fiscal Year 2010

ARRA Revenue

May 2010 Federal ARRA revenue received by all state agencies was \$321.1 million. This was an increase of \$48.4 million or 17.7% from the month of April.

ARRA Disbursements

May 2010 Federal ARRA disbursements for all state agencies were \$328.3 million. This was an increase of \$53.3 million or 19.4% from the month of April. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agencies.

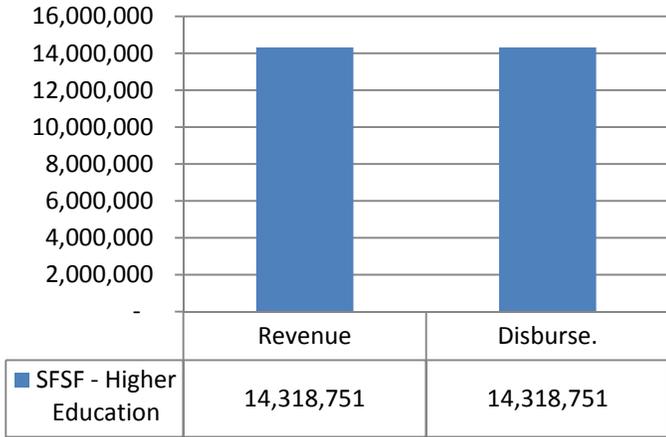


	Jul	Aug	Sep	Oct	Nov	Dec
Revenue	121,147,508	347,228,832	327,301,022	301,200,043	282,192,521	363,345,331
Disbursements	121,842,461	301,490,365	335,516,284	301,140,027	281,274,771	353,650,774
	Jan	Feb	Mar	Apr	May	
Revenue	191,912,355	265,629,638	298,287,270	272,668,887	321,110,146	
Disbursements	199,545,729	260,936,055	299,072,619	274,914,450	328,255,930	

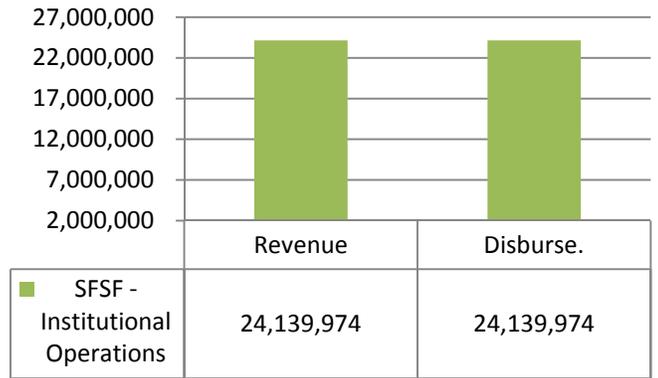
Largest Amount of Activity by Program

During the month of May, there were more than 70 active federal stimulus grants in the State of Ohio. Of those programs, the seven highlighted below accounted for 88% of the revenue received and funds disbursed.

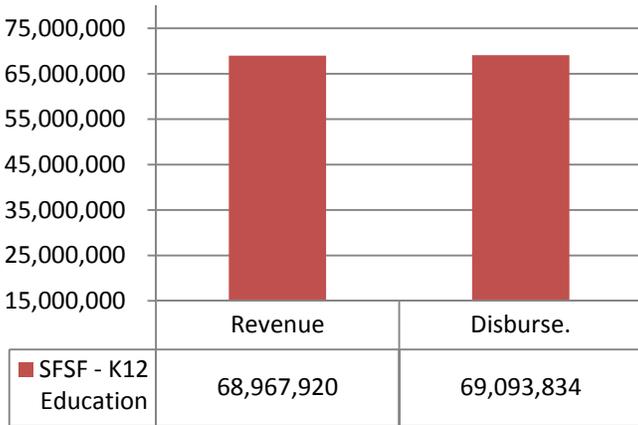
**Board of Regents
SFSF - Higher Education**



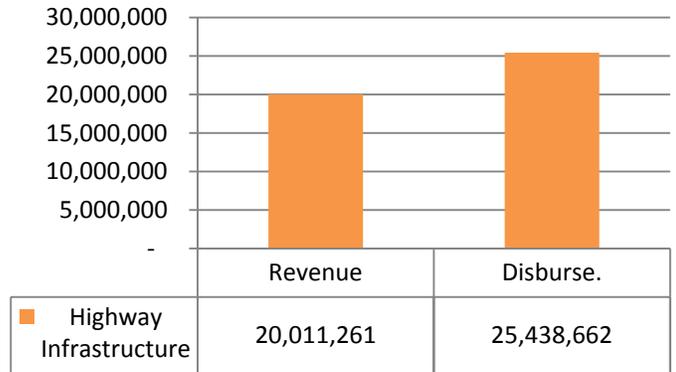
**Department of Corrections
SFSF - Institutional Operations**



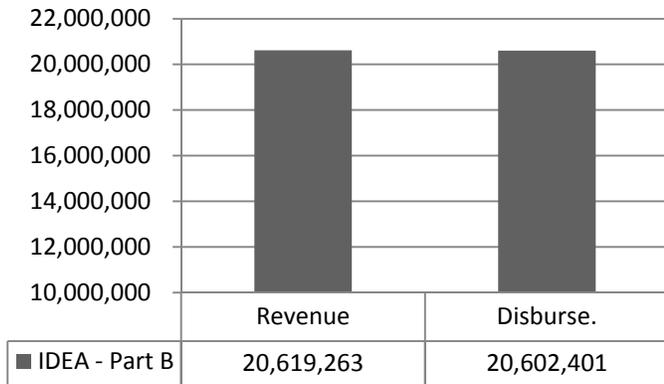
**Department of Education
SFSF - K-12 Education**



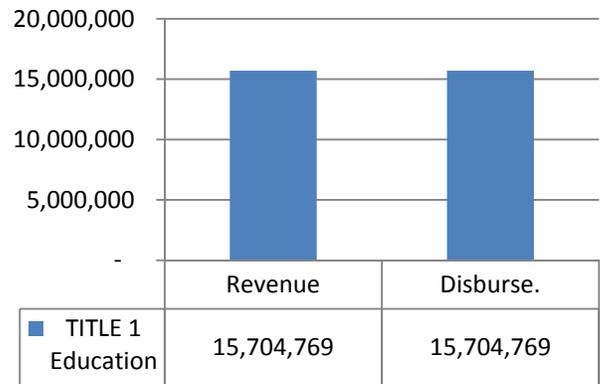
**Department of Transportation -
Highway Infrastructure**



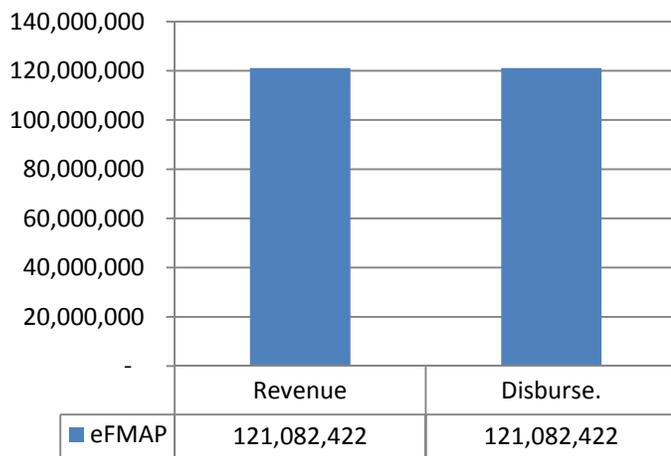
Department of Education IDEA - Part B



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 May 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.

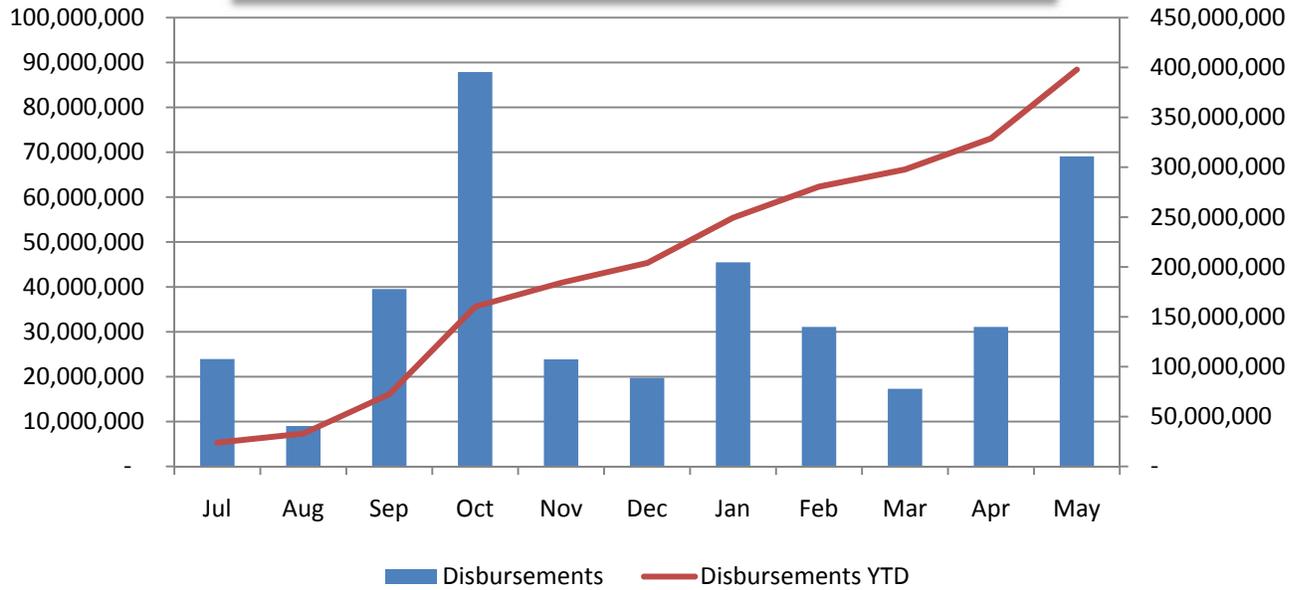
H.B. 1, the state's FY 2010-2011 operating budget, originally included appropriations for the SFSF. Controlling Board request #OBM0100041, which was approved on April 19, 2010, modified the allocations for each agency to ensure the state would meet the maintenance of effort (MOE) and Use of Funds provisions 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/GSF)	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

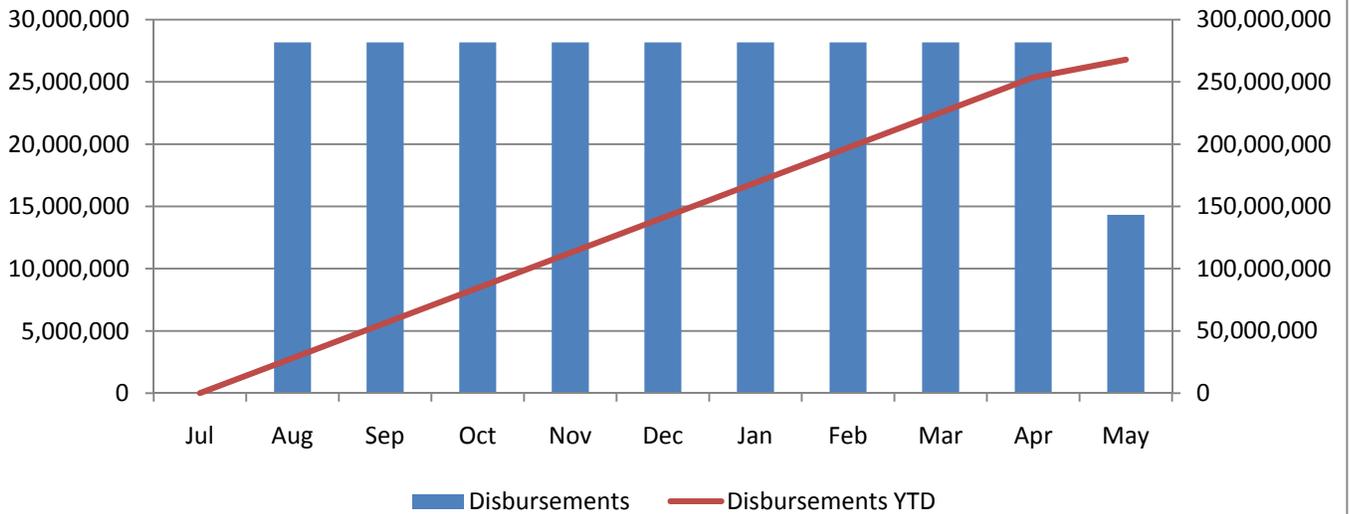
The appropriation for the Department of Education is being used to distribute ESF funds to local education agencies (LEAs) through the state's elementary and secondary education funding formula, the Ohio Evidence-Based Model (OEBM). The Board of Regents' appropriation is being used to distribute ESF 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 May 2010, the state has disbursed \$766.5 million in SFSF (\$397.9 million from the Department of Education (ESF), \$267.9 million from the Board of Regents (GSF/ESF) and \$100.6 from the Department of Corrections (GSF)).

Department of Education Disbursements



Board of Regents Disbursements



Dept. of Rehab. & Correction Disbursements

