



November 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 October 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.

October was another month of slow, but positive progress for Ohio's economy as it recovers from the national recession. As has been true since the beginning of the biennium, taxes performed better than estimated during the month, and there was good year-over-year growth. Ohio's unemployment rate decreased to 10.0%, however Ohio employment declined by 17,300 jobs in September following a 15,100 job decrease in August, suggesting that the dip in the unemployment rate is a result of people giving up the search for jobs. On a year-to-date basis, government jobs have declined by 11,000, while private sector payrolls have increased by 26,900 jobs.

The U.S. economy continues its slow expansion. Real GDP increased by 2.0% in the third quarter, the fourth consecutive quarterly increase. In October, non-farm payroll employment increased by 151,000 jobs, the strongest gain since May, and the unemployment rate held steady at 9.6 percent. Consumer confidence remains low, though retail sales increased by 0.6% in September.

During the month of October, Ohio's General Revenue Fund (GRF) tax receipts totaled \$1,390.1 million, \$42.2 million (3.1%) above the monthly estimate. General Revenue Fund tax receipts for the year-to-date total \$5,388.0 million and are \$310.9 million (6.1%) greater than the same point a year ago. Since the beginning of the fiscal year, Ohio has seen better-than-expected performance across most tax sources, and as a result, tax receipts for the first quarter of the fiscal year are \$149.1 million (2.8%) above estimate.

October fiscal year 2011 GRF spending totaled \$2,869.6 million and is \$145.4 million (5.3%) above estimate for the month. On a year-to-date basis, total GRF disbursements are \$111.6 million (1.0%) above estimate. This variance is primarily attributable due to the first November paycheck being processed in October. As a result, agencies incurred higher payroll expenses during the month than estimated. This overage will self-correct as the year progresses.

ARRA Revenue and Disbursement Update. Attached to this report is an appendix detailing Ohio's monthly and cumulative receipts and expenditures of American Recovery and Reinvestment Act funds, including additional detail on State Fiscal Stabilization Funds (SFSF). Of the \$8.2 billion that the state is expected to receive during this three-year program, approximately \$5.49 billion has been received and \$5.44 billion has been expended.

**MONTHLY FINANCIAL REPORT
TABLE OF CONTENTS**

	<u>Page</u>
Highlights of National & Regional Economic Indicators	3
General Revenue Fund Receipts	10
October 2010 Analysis by Source	
Table 1: Revenue Actuals vs. Estimates	
Table 2: FY 2011 Revenue vs. FY 2010	
General Revenue Fund Disbursements	14
October 2010 Analysis by Use	
Table 3: Disbursement Actuals vs. Estimates	
Table 4: FY 2011 Disbursements vs. FY 2010	
GRF Fund Balance	19
ARRA Monthly Revenue & Disbursement Report	A-1

ECONOMIC SUMMARY

Economic Performance Overview

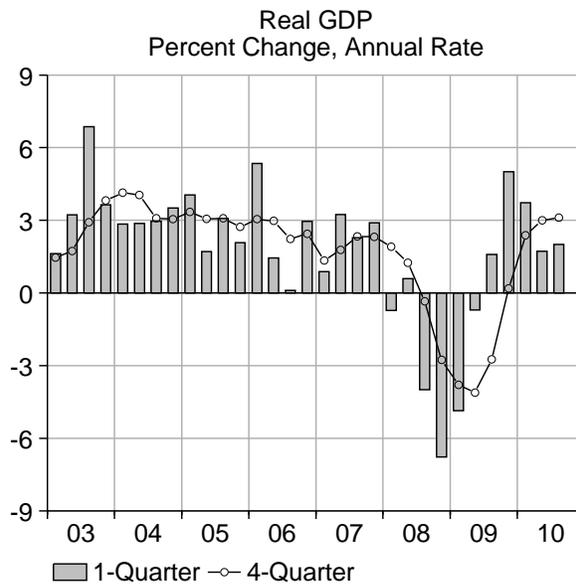
- Real GDP increased by 2.0% in the third quarter after a 1.7% increase in the second quarter and 3.7% in the first quarter. Consumer spending accelerated, but most of the rise in GDP came from an accumulation of inventories. The consensus is for modest growth again in the current quarter, followed by an increase to the trend rate of growth by the second half of next year.
- Total employment posted the best increase in October since May. Gains were concentrated in a few sectors, though, and the unemployment rate was 9.6% for the third straight month.
- Ohio employment decreased by 17,300 jobs in September on top of a 15,100 loss in August. Employment is up year-to-date, but the advance earlier in the year began to erode over the summer. The unemployment rate decreased for the sixth month in a row in September to 10.0%.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio, but point to a slow rate of growth nationally.

Economic Growth

The economy expanded slowly again in the third quarter. Real GDP increased 2.0% to 3.5% above the low point during the recession. During the past five quarters, the economy has expanded to just 0.8% shy of the peak size prior to the recession.

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

Personal consumption expenditures, inventory investment and non-residential fixed investment made the largest contributions to growth during the quarter. Residential fixed investment subtracted from growth. The increase in inventories was among the largest on record, and accounted for more than 70% of the increase in real GDP. Real final sales managed growth of only 0.6% in the quarter and have increased at an annual rate of only 0.9% during the past year and a half.



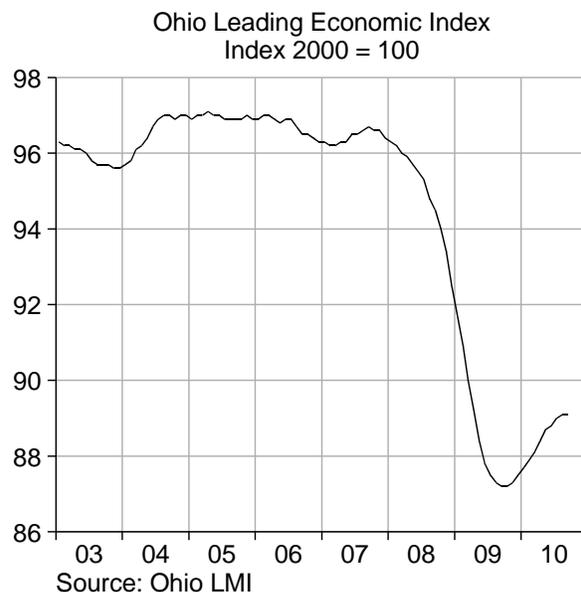
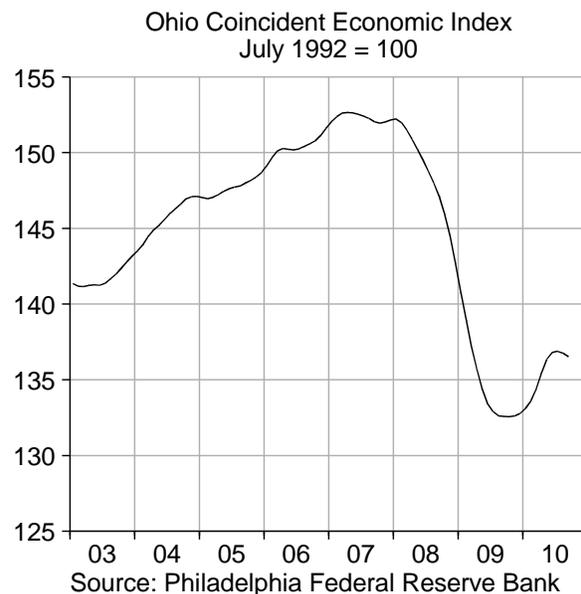
Investment in non-residential structures posted a moderate increase during the quarter after a long string of alarming declines. But a steep drop in investment in residential structures – probably related to the expiration of the tax credits for home purchase – more than offset a large increase in the previous quarter. Large increases in both defense and non-defense spending by the federal government outweighed a small decline in spending by state and local governments. Exports and imports both increased at a considerably slower pace than in the previous quarter.

The consensus among forecasters is that the economy will continue to muddle along at a sub-par pace, according to the *Blue Chip Economic Indicators* in early November. Real GDP is projected to increase by 2.2% in the fourth quarter and grow by less than 3% in the first half of 2011. Growth is projected to rise to just above 3% in the second half of 2011. Real GDP growth at a rate of about 3% would be consistent with moderate growth in employment and only a slow decline in the rate of unemployment.

The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, decreased 0.2% in September – the second decline in as many months. The 6-month smoothed rate of change slipped to 2.8% from the peak for this cycle of 4.6% reached in June.

The **ECRI Weekly Leading Index (WLI)** has turned up modestly in recent weeks, lifting the 26-week smoothed rate of change to -6.5% for the week ending October 29 from a low of -11.0% on July 23. The index’s growth rate has been negative for twelve weeks in a row on average in advance of the last seven recessions. In the past, every time the growth rate has been this low (dating back to 1968), the economy has been in recession.

The **Leading Economic Index** increased 0.3% in September after a 0.1% increase in August. The 6-month smoothed percent change decreased to 4.2% – the slowest since June 2009 – down from the peak for the cycle of 10.9% in March 2010. The index has traced out similar patterns following the initial burst of growth in the early years of past recoveries and is consistent with continuing growth at a slower pace.



The **Ratio of the Coincident to Lagging Economic Index** decreased 0.4% in September, the third consecutive monthly decline. The 6-month smoothed rate of change fell to 1.0% from the peak for the cycle of 6.2% reached in December 2009 – the slowest rate of change since August 2009. The recent pattern of the ratio is consistent with a slowing in the rate of overall economic growth during the balance of the year.

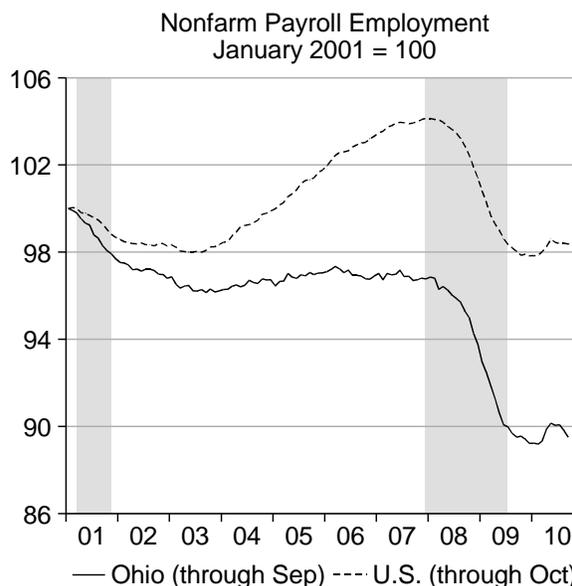
The **Ohio Leading Indicator** also continued to trace out a pattern consistent with slow but continued growth in Ohio’s economy. The index was unchanged in September after slowing earlier in the summer. The indicator was unchanged in October 2009, but has not declined since September 2009. The 6-month smoothed rate of change slipped to 2.2% from the peak for this cycle of 2.5% reached in August.

The Federal Reserve announced plans to purchase up to another \$600 billion in Treasury securities in coming months. The stated intent is to boost economic growth by reducing nominal interest rates by lifting prices of Treasury notes and bonds, reducing real interest rates by raising inflation expectations and lifting stock prices. Success of the initiative is highly uncertain, considering that the effects of these measures could be small and that the already low level of interest rates is probably not a major constraint on economic activity.

Employment

Nonfarm payroll employment increased in October by the largest number of jobs in several months, but labor markets still have far to go to return to pre-recession conditions. Nonfarm payroll employment increased by 151,000 jobs, which was the strongest gain since May. The 159,000 increase in private sector jobs was the best since April. The increases in the previous two months were revised higher by a total of 110,000 jobs.

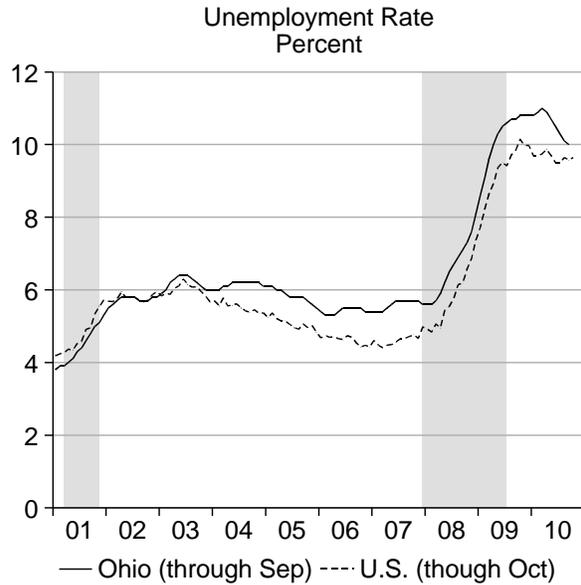
The **workweek** edged higher by 0.1 hours, and has recovered more than half the decline from the pre-recession peak. **Average hourly earnings** increased 0.4% to 2.1% above the year earlier level.



The **unemployment rate** was 9.6% for the third straight month, as a 254,000 drop in the labor force was roughly matched by a 330,000 decline in employment as measured by the survey of households. The number of full-time positions declined for the fifth straight month for a total of 1.1 million during as many months. The duration of unemployment lengthened, although it remained slightly below the all-time high reached in June. The broadest measure of unemployment was 17.0% and the employment-to-population ratio fell to a 10-month low.

Private sector employment has increased in each of the ten months so far this year, but by an average of only 112,000 jobs per month. That's the slowest pace of net job creation relative to the level of employment once employment started to rise on a sustained basis following all recessions since at least the early 1960's (The slow trajectory of employment following the 1990-91 recession is a close second).

Ohio employment decreased by 17,300 jobs in September, following a 15,100 job decrease in August. Ohio employment remains 439,100 jobs below the cyclical peak reached in March 2006. Ohio employment is still up by 15,800 jobs year-to-date, but much of the rise in employment early in the year has reversed in the most recent two months.



Year-to-date changes in employment have been mixed across sectors. Declines in employment were concentrated in government (-11,100), financial activities (-7,100) and information (-3,200). The largest increases occurred in professional and business services (+13,300), manufacturing (+11,600) and education and health services (+6,500). Private sector payrolls increased by 26,900 jobs.

The **Ohio unemployment rate** edged down again in September to 10.0% from the high for the cycle of 11.0% in March – the sixth consecutive monthly decline but the eighteenth consecutive month at or above 10.0%. The unemployment rate had reached a cyclical low of 5.3% in April 2006.

Employment increased during the twelve months ending in September in each of the **contiguous states** to Ohio except for Michigan. On a year-over-year basis, Ohio employment was down slightly. Employment increased 1.4% in Indiana, 0.8% in Kentucky, 0.6% in Pennsylvania and 0.3% in West Virginia. Employment declined by 0.2% in Michigan and was lower by just a few hundred jobs in Ohio.

For the Ohio and contiguous state region, employment increased 0.4% during the same period, compared with a 0.3% increase for all states outside the region combined. The year-over-year change in employment and the contiguous states was greater than growth in the rest of the country for the sixth straight month – the longest string of faster growth in the region that in the rest of country since February 1993.

Consumer Income and Consumption

Personal income decreased 0.1% in September to 3.1% above the year earlier level. The gain followed a 0.4% rise in August and 0.2% increase in July. Wage and salary disbursements were unchanged and stood 2.0% above the year earlier level. After adjustment for inflation, personal income decreased 0.2% in September to 1.7% above a year ago and wage and salary disbursements decreased 0.1% to 0.7% above a year ago.

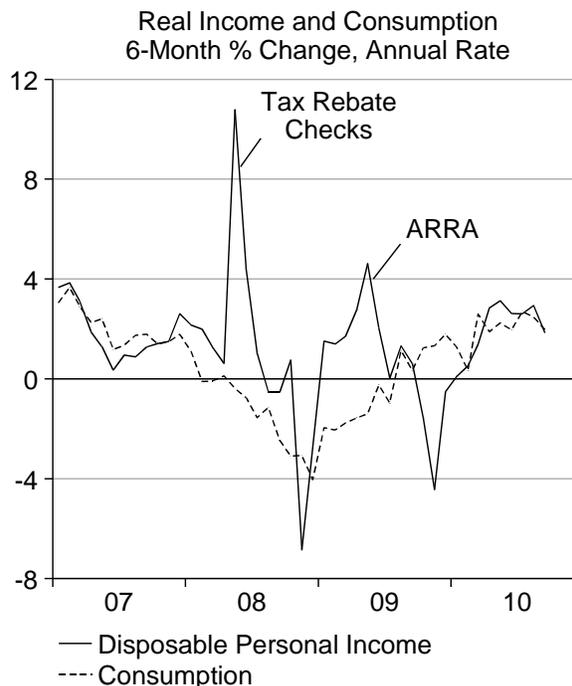
The gap between year-over-year growth in wage and salary disbursements and personal income reflects strong growth in **federal transfer payments** over the period. Personal transfers decreased 0.9% in September, however, reflecting the effects of unemployment compensation legislation, which reduced emergency unemployment insurance benefits in September after boosting benefits in August.

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

Personal consumption expenditures increased by 0.2%, or 0.1% after inflation in September. **Retail sales** also increased 0.6% in September and were up 0.4% excluding sales at automotive dealers and at gasoline stations. Compared with a year earlier, consumption was up 3.7%, or 2.3% in real terms. **Chain store sales** decreased 0.7% from August to September, according to the International Council of Shopping Centers. Year-over-year, sales were higher by 1.6 percent.

The **saving rate** remained above 5.0% in September for the 23rd straight month, reflecting heightened concern by households about the outlook for the economy and related efforts to repair their balance sheets.

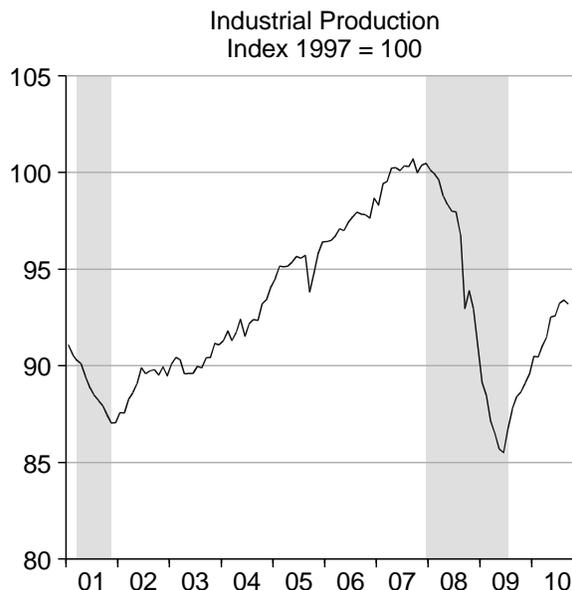
Consumer confidence remained stuck in low gear in October. The Conference Board index of consumer confidence improved a bit during the month, but otherwise remained at the lowest level since February and approximately 28.0% below the average level observed during recessions in the past. Consumer sentiment, as measured by the Reuters\University of Michigan survey, deteriorated in October, as a small increase in expectations was more than offset by a less positive view of current conditions. Consumer sentiment also remained below the average level observed in past recessions.



Manufacturing

Industrial production decreased by 0.2% in September after six consecutive monthly gains. Manufacturing output also fell 0.2% following a 0.1% rise in August. For the third straight quarter, manufacturing production expanded at an annual rate of 2.6%, down from 7.2% in the first half.

Capacity utilization edged down to 74.7% from 74.8%, up from the record low of 68.2% in June 2009 but well below the level consistent with economic expansion. Even after the substantial recovery during the last fifteen months, however, capacity utilization is only 1.2 percentage points above the low reached in the 2001 recession and 4.0 percentage points below the low reached in the 1990-91 recession.



In a break with the recent trend, **purchasing managers** at manufacturing firms reported substantially more-widespread improvement in activity during October. The overall index jumped to its highest level since May on strong improvements in reports on new orders and production. Reports of higher export orders were also much more widespread.

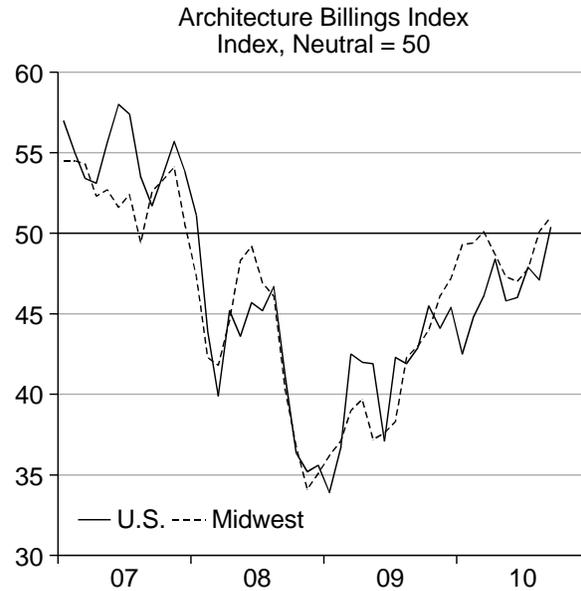
Midwest manufacturing output edged up 0.1% in September after decreasing 1.4% in August, due to a 7.8% drop in motor vehicle production, according to the Chicago Federal Reserve Bank. Production in steel and machinery decreased by 1.3% and 1.2%, respectively. Auto production increased 0.9% and resource production increased 0.7 percent. Compared with a year earlier, Midwest manufacturing production was up by 8.4%, compared with a peak so far for this cycle of 14.0% in May.

Construction

Total **construction put-in-place** increased 0.5% in September, but the August change was revised from +0.4% to -0.2 percent. Residential construction put-in-place increased 1.8%, but the August change was revised from no change to -4.0% – the fourth large monthly decline in a row. Non-residential construction put-in-place was unchanged after an upwardly revised 1.5% increase in August. Total construction was down by 10.4% from a year earlier and is off approximately one-third from its peak in March 2006.

Non-residential construction put-in-place was boosted by gains in transportation (+4.1%), health care (+1.8%) and office buildings (+1.6%). Construction put-in-place declined in lodging (-7.8%), manufacturing (-3.5%), commercial (-2.5%) and communications (-2.4%).

The **Architecture Billings Index** from the American Institute of Architects improved for the fourth month in a row in September, extending the uneven but substantial string of increases that began in February 2009. The Inquiries for New Work index increased sharply to the highest level since July 2007. The **Billings Index for the Midwest** posted a modest increase – the third in a row – lifting the index to its highest mark since November 2007.



Residential real estate activity continues to exhibit the aftereffects of federal incentives for home purchase and the housing bubble. **Housing starts** were little changed in September after rebounding 10.5% in August.

On a 3-month moving average basis, single-family starts were up 0.2% and multi-family starts were up 6.3%. Even after recent gains, total housing starts were still lower in September than in 97.0% of all months since January 1959.

After jumping a total of 47.0% in June and July, **Ohio housing permits** fell sharply in August and September, ending slightly below the May level. The heightened volatility in Ohio housing permits appears tied to the tax credit program for home purchases that expired in the spring.

Home sales increased further in September after increasing in August. Sales fell in late spring and early summer, due to the expiration of tax credits for home purchase. Sales of existing homes increased 10.0% in September, but were still low compared with sales in the last dozen years, despite historically low fixed 30-year mortgage rates. Sales of new homes increased 6.6% in September after a 1.1% rise in August, but remained near the all-time low. The forward-looking **pending home sales** index weakened 1.8% in September after two solid monthly increases.

Home prices decreased 0.3% in August after edging down by a downwardly revised 0.2% in July, according to the S&P/Case-Shiller index for twenty large metro areas. Prices had declined modestly in February and March and more than recouped those declines in April, May and June. Home prices could be weaker than indicated, in part because the most recent data might not fully reflect the expiration of the tax credit program.

Combined with still-high inventories of homes on the market, weak sales will maintain downward pressure on prices and construction. The number of both existing and new homes for sale decreased during September, but the number of months of homes offered for sale at the August sales paces remained very elevated.

REVENUES

During the month of October, **GRF receipts totaled \$2,042.1 million** which was \$1.4 million (0.1%) below the estimate. This negative variance was the result of lower-than-expected federal revenue and investment earnings which together combined to offset another positive month of performance in tax receipts. For the month, tax receipts totaled \$1,390.1 million, which was \$42.2 million (3.1%) above estimate. Non-tax receipts totaled \$641.0 million and were \$43.6 million (6.4%) below estimate, while transfers totaled \$11.0 million and were even with the estimate.

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	\$149.1 million	2.8%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$145.1 million)	(4.4%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$9.4 million	17.3%
TOTAL REVENUE VARIANCE:		\$13.3 million	0.2%

A third consecutive month of better-than-expected receipts across most tax sources resulted in an October performance that exceeded estimates by \$42.2 million (3.1%). Combined with the positive August and September variances, tax receipts through the first four months of the fiscal year are now \$149.1 million (2.8%) above estimate. On a year-over-year basis, total tax receipts for October were \$62.7 million (4.7%) greater than they were the same point a year ago. For the year-to-date, tax collections in FY 2011 are \$310.9 million (6.1%) higher than the same point a year ago. The largest contributors to this year-over-year growth are the non-auto sales and personal income tax receipts which are \$210.1 million (10.7%) and \$84.8 million (3.7%) above those at the same point in FY 2010 respectively.

<u>Individual Sources Above Estimate</u>		<u>Individual Sources Below Estimate</u>	
Non-Auto Sales Tax	\$24.6	Personal Income Tax	(\$3.3)
Auto Sales Tax	\$5.2	Foreign Insurance Tax	(\$1.9)
Corporate Franchise Tax	\$7.7	Federal Grants	(\$23.6)
Cigarette Tax	\$4.9	Earnings on Investments	(\$17.4)
Estate Tax	\$5.5	License and Fees	(\$4.6)
ISTV's	\$5.0	Other Income	(\$3.0)
Other Sources Above Estimate	\$0.9	Other Sources Below Estimate	(\$1.4)
Total above	\$53.8	Total below	(\$55.2)

Non-Auto Sales and Use Tax

Following a positive performance in both August and September, non-auto sales receipts totaled \$534.8 million in October, exceeding the estimate by \$24.6 million (4.8%). On a year-over-year basis, this tax experienced an increase of \$51.4 million (10.6%) above collections for the same period a year ago, with baseline growth in the tax increasing by approximately 6.2 percent. The remainder of the growth is due to the Medicaid Health Insurance Company (MHIC) base expansion. October marks the twelfth month of collections with MHIC's in the base. Therefore, beginning in November, there will no longer be a year-over-year boost from the base expansion.

Auto Sales Tax

October auto sales tax receipts totaled \$75.8 million, which was \$5.2 million (7.3%) above the estimate. For the year-to-date, tax receipts now total \$336.1 million and are \$8.1 million (2.5%) above estimate. On a year-over-year basis, this tax source experienced an increase of \$13.5 million (21.7%) over the receipts for the same month a year ago as we begin to see a comparison to the falloff in sales that occurred in FY 2010 after the end of the "Cash for Clunkers" program.

Personal Income Tax

Personal income tax receipts totaled \$544.1 million in October and were marginally lower than the estimate by \$3.3 million (0.6%). While withholding came close to the estimate, missing it just by \$0.6 million (0.1%), other components showed marginally higher shortfalls compared to their estimates. Refunds at \$5.5 million or 11.8% below the estimate reduced the overall negative variance in personal income tax receipts.

On a year-over-year basis, personal income tax collections through the first four months of FY 2011 are \$84.8 million (3.7%) over the corresponding level in FY 2010. Employer withholding continued to be a major contributor to this growth, accounting for \$83.0 million (3.7%) in this period. Quarterly estimated payments also continued to show growth with \$9.3 million (3.6%) over the previous year.

FY2011 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	OCT	OCT	OCT	Y-T-D	Y-T-D	Y-T-D
Withholding	\$565.4	\$564.8	(\$0.6)	\$2,263.8	\$2,302.6	\$38.8
Quarterly Est.	\$17.4	\$15.7	(\$1.7)	\$267.1	\$268.7	\$1.6
Trust Payments	\$3.5	\$0.2	(\$3.3)	\$9.1	\$6.0	(\$3.1)
Annual Returns & 40 P	\$59.9	\$55.7	(\$4.2)	\$97.9	\$91.9	(\$6.0)
Other	\$4.9	\$8.9	\$4.0	\$25.3	\$30.0	\$4.7
Less: Refunds	(\$46.5)	(\$41.0)	\$5.5	(\$129.8)	(\$124.9)	\$4.9
Local Distr.	(\$57.2)	(\$60.0)	(\$2.8)	(\$213.8)	(\$219.7)	(\$5.9)
Net to GRF	\$547.4	\$544.1	(\$3.3)	\$2,319.6	\$2,354.6	\$35.0

Corporate Franchise Tax

Corporate franchise tax receipts for the month of October were -\$2.3 million, compared to the monthly estimate of -\$10.0 million. This is a result of actual refunds being lower than estimated.

Commercial Activity Tax

In FY 2011, receipts from the commercial activity tax (CAT) will continue to be distributed to non-GRF funds to reimburse school districts and local governments for the phase out of the tangible personal property tax. During the month of October, CAT receipts totaled \$43.5 million, an amount that is \$7.2 million (14.2%) below the monthly estimate of \$50.7 million. This variance may be due to the timing of receipts of payments due on November 10th that were estimated to be received in late October. To determine whether or not this negative variance is the result of something more than timing, we will have to look at October and November collections in total. Despite the negative variance in October, receipts through the first four months of the year are \$23.7 million above estimate.

Cigarette Tax

Cigarette tax receipts during the month of October totaled \$73.9 million, which was \$4.9 million (7.1%) above the monthly estimate. As a result of this monthly positive variance, this tax is now \$14.5 million (6.3%) above estimate through the first four months of the fiscal year. On a year-over-year basis, cigarette tax receipts were \$6.4 million (8.0%) lower this month than the same month a year ago, while year to date collections have decreased by \$16.7 million (6.4%).

Estate Tax

Estate tax receipts for the month of October totaled \$14.1 million and were \$5.5 million (63.9%) above the estimate. For the year-to-date, total receipts for the estate tax are \$18.3 million or \$8.1 million (79.2%) above the estimate. These positive variances in both the month and year-to-date figures result from the timing of the receipt of payments and are expected to correct as the year progresses.

GRF non-tax receipts totaled \$641.0 million in October, with the performance coming in \$43.6 million (6.4%) below estimate, with most of the variance due to federal grants and investment earnings falling short of estimates by \$23.6 million (3.6%) and \$17.4 million (84.7%) respectively. The \$23.6 million negative variance in federal grants in the month of October are attributable to both under-spending in Medicaid as well as spending and receiving less in State Fiscal Stabilization Funds (SFSF) than was originally estimated for the month. The negative variance in investment earnings is attributable to interest rates remaining at historically low levels for much longer than was initially predicted. **GRF transfers** during the month of October totaled \$11.0 million in liquor profits and were equal to the estimate.

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

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL	ESTIMATE	\$ VAR	% VAR	ACTUAL	ESTIMATE	\$ VAR	% VAR
	OCTOBER	OCTOBER			Y-T-D	Y-T-D		
TAX RECEIPTS								
Non-Auto Sales & Use	534,824	510,200	24,624	4.8%	2,173,751	2,097,200	76,551	3.7%
Auto Sales & Use	75,759	70,600	5,159	7.3%	336,087	328,000	8,087	2.5%
Subtotal Sales & Use	610,583	580,800	29,783	5.1%	2,509,838	2,425,200	84,638	3.5%
Personal Income	544,132	547,400	(3,268)	-0.6%	2,354,621	2,319,599	35,022	1.5%
Corporate Franchise	(2,262)	(10,000)	7,738	77.4%	(1,828)	(18,000)	16,172	89.8%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,967	2,500	(533)	-21.3%	32,476	47,200	(14,723)	-31.2%
Kilowatt Hour	14,415	13,600	815	6.0%	66,800	60,201	6,599	11.0%
Foreign Insurance	126,433	128,300	(1,867)	-1.5%	132,125	132,750	(625)	-0.5%
Domestic Insurance	(726)	0	(726)	N/A	(1,038)	134	(1,172)	-874.3%
Other Business & Property Tax	(260)	0	(260)	N/A	(201)	126	(327)	-259.6%
Cigarette	73,883	69,000	4,883	7.1%	244,266	229,800	14,465	6.3%
Alcoholic Beverage	4,815	4,800	15	0.3%	20,184	19,700	484	2.5%
Liquor Gallonage	3,010	2,900	110	3.8%	12,465	12,000	465	3.9%
Estate	14,092	8,600	5,492	63.9%	18,281	10,200	8,081	79.2%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,390,082	1,347,900	42,183	3.1%	5,387,990	5,238,910	149,080	2.8%
NON-TAX RECEIPTS								
Federal Grants	630,357	653,952	(23,595)	-3.6%	3,145,347	3,257,044	(111,697)	-3.4%
Earnings on Investments	3,142	20,500	(17,358)	-84.7%	3,142	20,500	(17,358)	-84.7%
License & Fees	604	5,210	(4,606)	-88.4%	10,237	21,361	(11,125)	-52.1%
Other Income	1,391	4,440	(3,049)	-68.7%	2,906	13,739	(10,833)	-78.8%
ISTVS	5,541	500	5,041	1008.3%	8,752	2,851	5,901	206.9%
Total Non-Tax Receipts	641,034	684,602	(43,568)	-6.4%	3,170,383	3,315,495	(145,112)	-4.4%
TOTAL REVENUES	2,031,117	2,032,501	(1,385)	-0.1%	8,558,373	8,554,405	3,968	0.0%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	11,000	11,000	0	0.0%	51,000	48,000	3,000	6.3%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	0	0	N/A	12,473	6,106	6,367	104.3%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	11,000	11,000	0	0.0%	63,473	54,106	9,367	17.3%
TOTAL SOURCES	2,042,117	2,043,501	(1,385)	-0.1%	8,621,845	8,608,511	13,334	0.2%

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

REVENUE SOURCE	Month				Year-to-Date			
	OCTOBER	OCTOBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	534,824	483,389	51,435	10.6%	2,173,751	1,963,677	210,075	10.7%
Auto Sales & Use	75,759	62,275	13,484	21.7%	336,087	324,870	11,217	3.5%
Subtotal Sales & Use	610,583	545,664	64,919	11.9%	2,509,838	2,288,547	221,291	9.7%
Personal Income	544,132	546,224	(2,092)	-0.4%	2,354,621	2,269,844	84,777	3.7%
Corporate Franchise	(2,262)	(5,000)	2,739	-54.8%	(1,828)	(8,639)	6,811	78.8%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,967	1,923	44	2.3%	32,476	36,048	(3,572)	-9.9%
Kilowatt Hour	14,415	12,925	1,490	11.5%	66,800	54,765	12,035	22.0%
Foreign Insurance	126,433	128,704	(2,271)	-1.8%	132,125	132,816	(691)	-0.5%
Domestic Insurance	(726)	1,240	(1,967)	-158.5%	(1,038)	1,402	(2,439)	-174.0%
Other Business & Property Tax	(260)	4	(265)	-6042.4%	(201)	106	(307)	-290.0%
Cigarette	73,883	80,307	(6,424)	-8.0%	244,266	260,939	(16,673)	-6.4%
Alcoholic Beverage	4,815	4,689	126	2.7%	20,184	19,612	572	2.9%
Liquor Gallonage	3,010	2,928	82	2.8%	12,465	12,177	288	2.4%
Estate	14,092	7,806	6,286	80.5%	18,281	9,465	8,816	93.1%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,390,082	1,327,415	62,667	4.7%	5,387,990	5,077,082	310,908	6.1%
NON-TAX RECEIPTS								
Federal Grants	630,357	728,763	(98,406)	-13.5%	3,145,347	2,725,125	420,222	15.4%
Earnings on Investments	3,142	11,536	(8,394)	-72.8%	3,142	11,536	(8,394)	-72.8%
License & Fee	604	5,452	(4,849)	-88.9%	10,237	19,509	(9,272)	-47.5%
Other Income	1,391	11,270	(9,879)	-87.7%	2,906	20,976	(18,071)	-86.1%
ISTVS	5,541	3,573	1,968	55.1%	8,752	3,432	5,320	-155.0%
Total Non-Tax Receipts	641,034	760,594	(119,560)	-15.7%	3,170,383	2,780,577	389,805	14.0%
TOTAL REVENUES	2,031,117	2,088,009	(56,892)	-2.7%	8,558,373	7,857,659	700,714	8.9%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	11,000	15,000	(4,000)	-26.7%	51,000	57,000	(6,000)	-10.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	1,373	(1,373)	-100.0%	12,473	19,946	(7,473)	-37.5%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	11,000	16,373	(5,373)	-32.8%	63,473	76,946	(13,473)	-17.5%
TOTAL SOURCES	2,042,117	2,104,383	(62,266)	-3.0%	8,621,845	7,934,605	687,241	8.7%

DISBURSEMENTS

October 2010 GRF disbursements, across all fund uses, total \$2,869.6 million. This was \$145.4 million (5.3%) above estimate for the month. On a year-to-date basis, total GRF disbursements are \$10,964.2 million, which is \$111.6 million (1.0%) above estimate. This variance is primarily attributable due to the first November paycheck being processed in October. As a result, agencies incurred higher payroll expenses during the month than estimated. This overage will self-correct as the year progresses. 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)	\$9,978.7	\$29.4
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$985.5	\$82.2
TOTAL GRF DISBURSEMENTS:		\$10,964.2	\$111.6

Primary, Secondary and Other Education

October disbursements for the Department of Education totaled \$563.4 million. This amount is \$1.3 million (0.23%) below the monthly estimate. Year-to-date disbursements totaled \$2,523.9 million, which was \$7.9 million (0.3%) below the estimate for the year.

Higher Education

October disbursements for Higher Education were \$195.8 million, representing a variance of \$16.3 million (9.1%) above the estimate for the month. Year-to-date disbursements were \$802.7 million, representing a variance totaling \$15.8 million (2.0%) above the estimate. The monthly variance is due to spending in the Ohio College Opportunity Grant program exceeding the monthly estimate by \$11.8 million. This variance is due to requests for payment being submitted to the Board of Regents earlier than anticipated.

Public Assistance and Medicaid

October expenditures in this category, which include all GRF expenditures by the Department of Job & Family Services (ODJFS), were \$920.7 million. Expenditures were \$12.3 million (1.3%) below estimate for the month. Year-to-date expenditures total \$4,324.0 million, which is \$42.0 million (1.0%) above the estimate. 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 \$4,075.7 million, which is \$67.9 million (1.7%) above estimate, and \$475.2 million (13.2%) above the same point a year ago. Disbursements for the month of October were \$831.2 million, which was \$159.2 thousand (0.0%) below estimate and \$96.7 million (10.4%) below the same period in the prior year.

All funds disbursements year-to-date are \$4,540.0 million, which is \$70.5 million (1.5%) below estimate, and \$275.7 million (6.1%) above disbursements for the same point in time in the prior year. Disbursements for October were \$1,110.3 million, which was \$48.8 million (4.2%) below projected expenditures and \$47.1 million (4.2%) above the same period in the prior year.

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

	October Projection	October Actual	Variance	Variance %
GRF	\$ 831,326,384	\$ 831,167,198	\$ (159,186)	0.0%
Non-GRF	\$ 327,792,827	\$ 279,172,843	\$ (48,619,984)	-14.8%
All Funds	\$ 1,159,119,211	\$ 1,110,340,041	\$ (48,779,170)	-4.2%

Specific variances across all funding sources include:

Inpatient Hospital – Disbursements for the month of October for the Inpatient Hospital category were \$77.2 million, which was \$15.2 million (16.5%) below projected expenditures. This is primarily due to continues lower than projected number of member months in the Fee-For-Service category, and lower than projected per member per month costs.

Managed Care – CFC – Disbursements for the Managed Care – CFC category in October were \$299.8 million, which was \$10.9 million (3.8%) above estimate. This is primarily due to higher than projected caseloads.

Caseload

Total caseload for the month of September, the most recent month available, was 2.15 million covered persons, which was an increase of 11,812 persons over the month of August. This number, which includes select non-Medicaid programs such as the Medicare premium assistance programs, represents the 33rd consecutive month of growth. The Covered Families and Children (CFC) category increased by 8,741 persons to a September total of 1.64 million persons. The Aged, Blind and Disabled (ABD) program increased by 1,322 people to a September total of 403.4 thousand covered persons.

As noted in previous reports, the Medicare premium assistance programs (the Qualified Medicare Beneficiary (QMB) and Specified Low Income Medicare Beneficiary (SLMB)) have been re-categorized from the ABD category to the “Non-Medicaid” group. These two programs, totaling 97,380 covered lives in the month of September, account for the decrease in the reported total ABD population as compared to reports in previous fiscal years.

Total enrollment for the same period a year ago was 2.01 million covered persons, including 1.53 million persons in the CFC program, 387.4 thousand people in the ABD category, and 95,075 people in the Other Non-Medicaid program, including Premium Assistance. This represents total program growth over the last twelve months of 144.1 thousand covered lives.

CFC showed an increase of 8,741 persons to 1.64 million covered lives, and continues to be the main driver of caseload increases in the Medicaid program. Enrollment in this category was 13,818 (0.9%) over 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 increase.

The ABD program showed an increase of 1,322 people to a total of 403.4 thousand covered lives. Enrollment was 8,022 persons (2.0%) over total projected enrollment for this category.

Public Assistance and Non-Medicaid

- ODJFS, non-Medicaid, General Revenue Fund disbursements totaled \$89.5 million for the month of October. In the aggregate, GRF actual spending was \$12.2 million (12.0%) lower than the disbursement estimates for the month. Major variances within individual line items were attributable to the following:
 - Child Care Match/Maintenance of Effort, line item 600413, subsidy payments were \$7.9 million below agency projections due to lower than estimated childcare provider payments expended within the line item.
 - Early Care and Education, line item 600535, disbursements were \$3.1 million lower than estimated spending due to lower than expected childcare provider payments expended within the line item.
 - Entitlement Administration – Local, line item 600521, disbursements were \$2 million lower than agency estimates due to lower than anticipated county subsidy payments made during the month.
 - Support Services, line item 600321, expenditures were \$1.9 million higher than original estimates mainly due to an additional pay period posting in October, as well higher than expected maintenance and invoice payments.
 - Over/under spending across remaining GRF line items also contributed to the variance.

Health and Human Services

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

include: administration of the state's psychiatric hospitals; operating subsidies to county boards of developmental disabilities; various immunization programs; and Ohio's long term care ombudsman program. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in this category instead of the previous category.

- For the year-to-date, the Department of Health disbursements total \$31.7 million, which is \$12.8 million (28.8%) under estimate.
- October 2010 disbursements for the Department of Health totaled \$5.2 million. When compared to October 2010 estimates, actual disbursements were \$9.0 million (63.1%) below estimate. This is primarily attributable to the following:
 - The AIDS Prevention and Treatment line (440-444) was \$0.4 million under estimate. This was due to more federal funds being used in lieu of GRF.
 - The Help Me Grow line (440-459) was under estimate by \$8.4 million. This was due to a payment moving into November which was originally planned for October.
 - The Federally Qualified Health Centers line (440-465) was under estimate by \$0.65 million, due to payments moving into November originally planned for October.
- For the year-to-date, the Department of Aging disbursements total \$58.4 million, which is \$0.3 million (0.5%) above estimate.
- October 2010 disbursements for the Department of Aging totaled \$14.4 million. When compared to October 2010 estimates, actual disbursements were \$2.2 million (15.0%) above estimate. This is primarily attributable to the following:
 - The Residential State Supplement line (490-412) was above estimate by \$0.4 million. This was due to a payment being made in October which was originally scheduled in September.
 - The Long Term Care Budget – State line (490-423) was above estimate by \$1.6 million, due to a payment being made in October which was originally planned for September.
- The Department of Mental Health disbursed \$75.0 million in the month of October, which is \$2.8 million (3.8%) above the estimate. Due to the timing of payroll, actual spending exceeded estimated spending in the Central Administration, 333321, and the Community and Hospital Mental Health Services, 334408, line items.
- The Department of Developmental Disabilities disbursed \$40.2 million in the month of October. Variance across multiple line items net to an overall variance of \$0.4 million (1.0%). \$1.9 million of this variance is due to the timing of the ICF/MR (Intermediate Care Facilities for the Mentally Retarded) franchise fee payment from the 322647 line item. The second quarter payment to the Department of Job and Family Services was estimated to occur in October but will process in November or December. Due to the timing of payroll, actual spending exceeded estimated spending in the Central Administration, 320321, and Developmental Center Operations, 323321, line items by

\$3.1 million. Additionally, due to the timing of the submission of Medicaid waiver claims, the Department was \$.8 million under estimate in the Martin Waiver line item 322504.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). October expenditures in this category were \$225.7 million, which was \$31.8 million (16.4%) above estimate for the month. The year-to-date disbursements are \$756.1 million, which is \$29.4 million (4.0%) above the estimate. Notable items in the subcategories include:

- The Department of Rehabilitation and Correction (DRC) disbursed \$185.9 million in the month of October, which was \$27.9 million (17.7%) more than the \$158.0 million estimated for the month.
- The Department of Youth Services (DYS) disbursed \$19.4 million in the month of October, which was \$1.6 million (9.0%) more than the \$17.7 million estimated for the month.

Community and Economic Development

For the month of October, the Department of Development disbursed \$16.67 million, which is \$2.07 million (9%) below estimated. This amount was distributed fairly evenly over their GRF lines. The lower-than-anticipated disbursements were due to the nature of The Department's grants, which are reimbursement-based. Therefore, grantees must incur costs, and pay those costs, before seeking reimbursement under their respective grants. Because grantees operate on their own schedules, disbursements are difficult to accurately project.

Tax Relief and Other

October disbursements for tax relief totaled \$323.8 million and were \$47.8 million (17.3%) above the \$276.0 million monthly estimate. Of the amounts disbursed, \$143.8 million was paid to local governments, while \$175.0 million was paid to school districts. For the year-to-date, total tax relief payments totaled \$639.7 million and are \$24.6 million (3.7%) below the estimate of \$664.3 million. Tax relief payments are made to local governments and school districts to reimburse for revenues foregone as a result of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	OCTOBER	OCTOBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	568,613	571,080	(2,467)	-0.4%	2,549,148	2,555,631	(6,483)	-0.3%
Higher Education	195,798	179,450	16,348	9.1%	802,701	786,899	15,802	2.0%
Public Assistance and Medicaid	920,675	932,996	(12,321)	-1.3%	4,324,044	4,282,046	41,999	1.0%
Health and Human Services	145,606	149,942	(4,336)	-2.9%	444,478	460,174	(15,696)	-3.4%
Justice and Public Protection	225,666	193,886	31,781	16.4%	756,127	726,708	29,419	4.0%
Environmental Protection and Natural Resources	7,300	5,113	2,188	42.8%	26,532	23,196	3,336	14.4%
Transportation	632	387	246	63.5%	7,822	7,595	228	3.0%
General Government	19,503	19,031	471	2.5%	118,165	124,415	(6,250)	-5.0%
Community and Economic Development	5,705	7,491	(1,786)	-23.8%	42,406	47,512	(5,106)	-10.7%
Tax Relief and Other	323,803	275,981	47,822	17.3%	639,713	664,336	(24,623)	-3.7%
Capital Outlay	0	43	(43)	N/A	24	85	(61)	-71.9%
Debt Service	40,648	42,698	(2,049)	-4.8%	267,518	270,649	(3,131)	-1.2%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,453,951	2,378,098	75,853	3.2%	9,978,678	9,949,246	29,433	0.3%
Transfers Out:								
OPER TRF OUT-OTH	198	2,052	(1,854)	-90.3%	39,802	27,300	12,501	45.8%
OPER TRF OUT-TEMPORARY	415,441	344,000	71,441	N/A	945,711	876,000	69,711	8.0%
Total Transfers (Out)	415,639	346,052	69,587	20.1%	985,513	903,300	82,212	9.1%
Total Fund Uses	2,869,590	2,724,150	145,440	5.3%	10,964,191	10,852,546	111,645	1.0%

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

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	OCTOBER	OCTOBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
Primary, Secondary and Other Education	568,613	997,707	(429,094)	-43.0%	2,549,148	2,730,256	(181,107)	-6.6%
Higher Education	195,798	179,503	16,295	9.1%	802,701	770,386	32,315	4.2%
Public Assistance and Medicaid	920,675	972,110	(51,435)	-5.3%	4,324,044	3,835,868	488,176	12.7%
Health and Human Services	145,606	141,425	4,181	3.0%	444,478	415,874	28,604	6.9%
Justice and Public Protection	225,666	186,108	39,558	21.3%	756,127	733,672	22,455	3.1%
Environmental Protection and Natural Resources	7,300	6,254	1,046	16.7%	26,532	28,415	(1,883)	-6.6%
Transportation	632	3,861	(3,229)	-83.6%	7,822	6,344	1,479	23.3%
General Government	19,503	17,936	1,567	8.7%	118,165	117,432	733	0.6%
Community and Economic Development	5,705	5,798	(93)	-1.6%	42,406	40,411	1,995	4.9%
Tax Relief and Other	323,803	276,957	46,846	16.9%	639,713	650,735	(11,022)	-1.7%
Capital Outlay	0	0	0	N/A	24	255	(231)	-90.6%
Debt Service	40,648	23,160	17,488	75.5%	267,518	188,625	78,892	41.8%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	2,453,951	2,810,820	(356,870)	-12.7%	9,978,678	9,518,272	460,406	4.8%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	198	1,073	(875)	-81.5%	39,802	49,871	(10,069)	-20.2%
OPER TRF OUT-TEMPORARY	415,441	429,543	(14,102)	-3.3%	945,711	971,337	(25,626)	-2.6%
Total Transfers (Out)	415,639	430,616	(14,977)	-3.5%	985,513	1,021,208	(35,696)	-3.5%
Total Fund Uses	2,869,590	3,241,436	(371,847)	-11.5%	10,964,191	10,539,481	424,710	4.0%

FUND BALANCE

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

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

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

FUND BALANCE
GENERAL REVENUE FUND
FY 2011
(\$ in thousands)

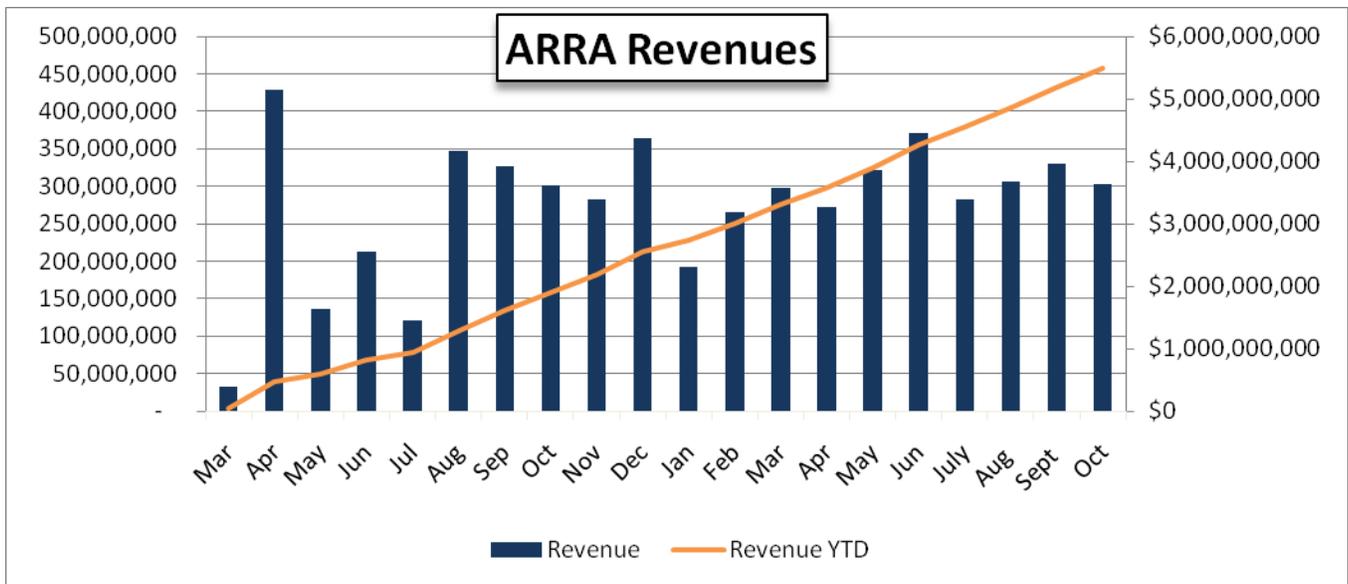
July 1, 2010 Beginning Cash Balance	\$ 510,401
Plus FY 2011 Estimated Revenues	17,090,500
Plus FY 2011 Estimated Federal Revenues	8,370,930
Plus FY 2011 Estimated Transfers to GRF	1,372,840
Total Sources Available for Expenditure & Transfer	27,344,671
Less FY 2011 Estimated Disbursements	25,997,497
Less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

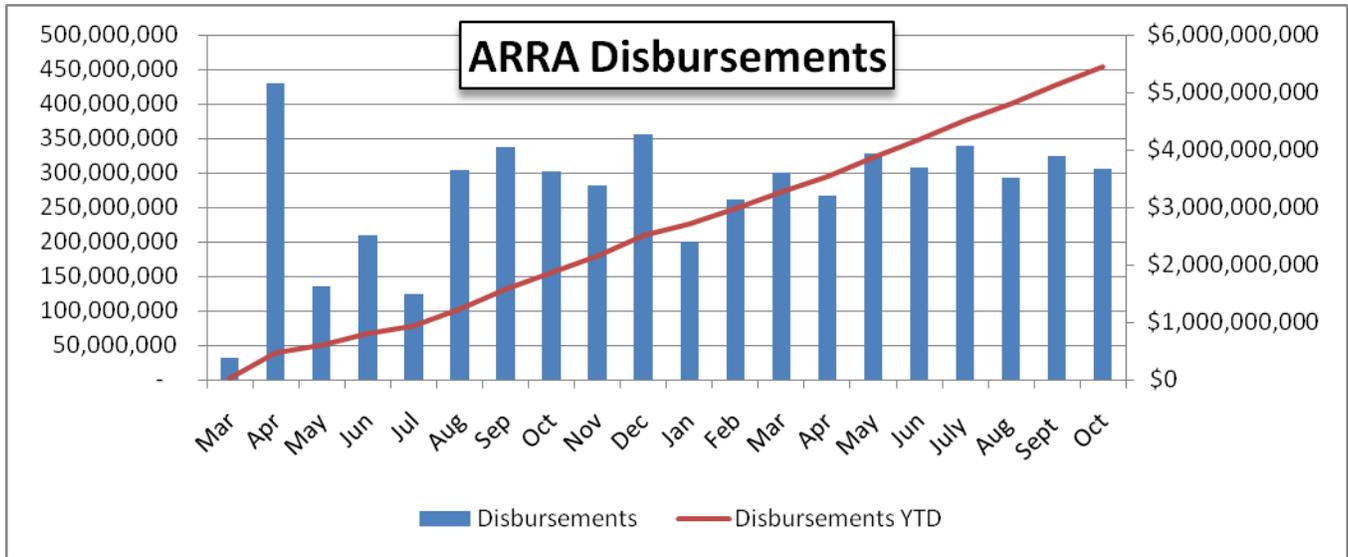
ARRA Monthly Revenue and Disbursements Report

ARRA Revenue and Disbursements by State Fiscal Year

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act into law. Ohio began receiving funds in March 2009 and has since received \$5.494 billion in federal revenue and disbursed \$5.441 billion as of October 31, 2010.

	Revenue (\$)	Disbursements (\$)
FY 2009	808,753,636	806,882,970
FY 2010	3,463,056,888	3,372,015,092
FY 2011	1,222,458,199	1,262,594,610
TOTAL	5,494,268,723	5,441,492,673





ARRA Revenue and Disbursements, October 2010

Revenue	Disbursements
\$302,880,915	\$305,886,833

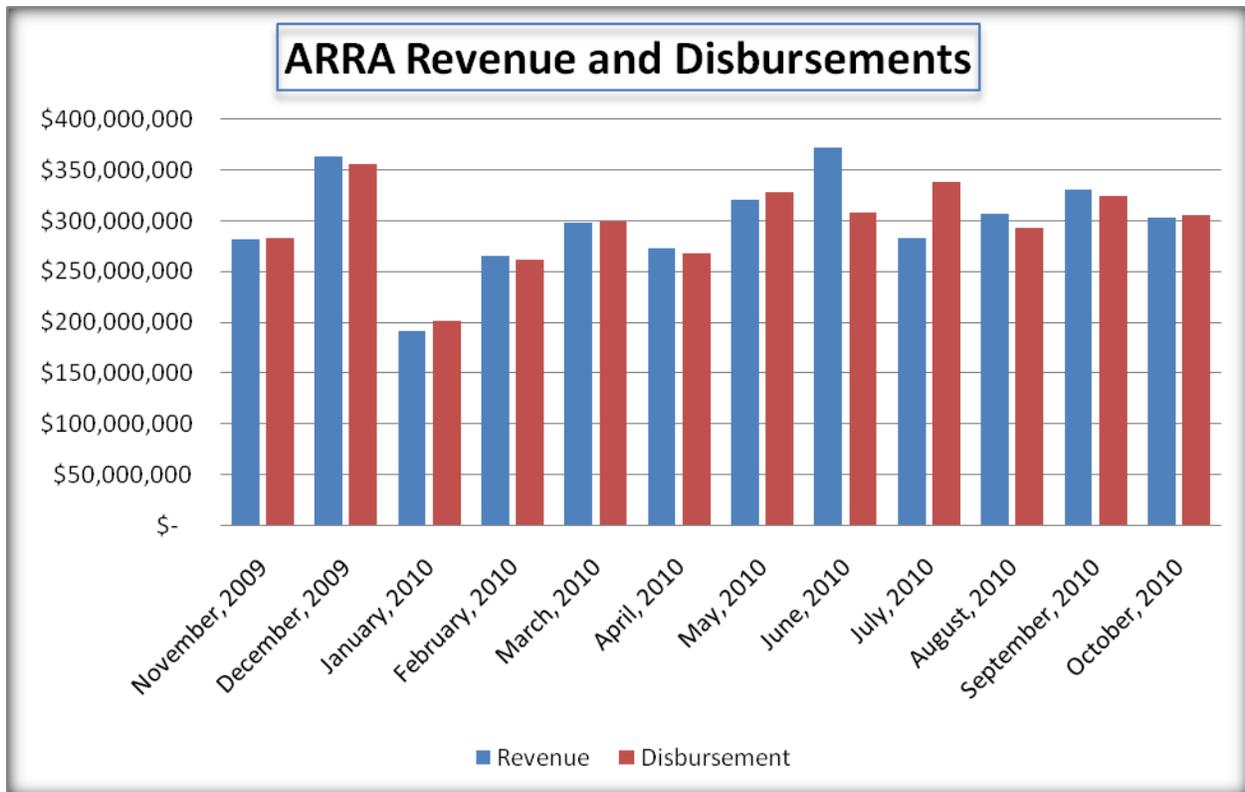
October – Fiscal Year 2011

ARRA Revenue

October 2010 Federal ARRA revenue received by all state agencies was \$302.9 million. This was a decrease of \$27.5 million or 8% from the month of September.

ARRA Disbursements

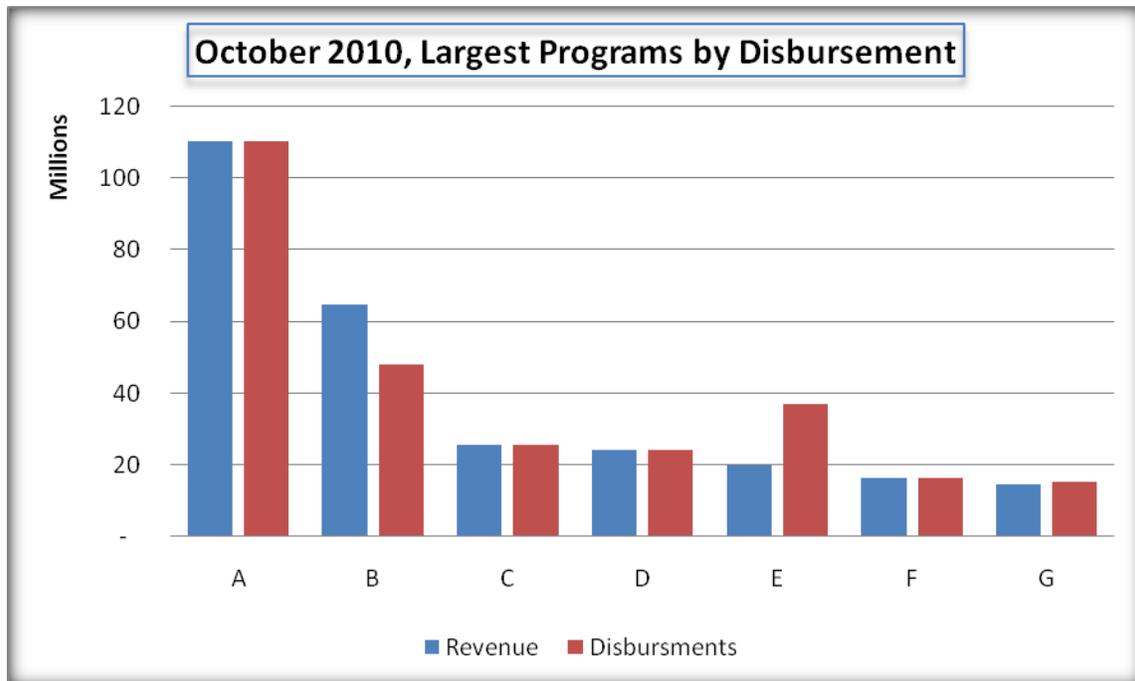
October 2010 Federal ARRA disbursements for all state agencies were \$305.9 million. This was a decrease of \$18.9 million or 6% from the month of September. The variance between the amount of revenue and disbursements is primarily due to the different reimbursement or expenditure practices by the administering federal agencies.



	Nov	Dec	Jan	Feb	Mar	Apr
Revenue	282,183,655	363,341,536	191,882,605	265,621,851	298,249,769	272,408,432
Disbursements	282,545,148	355,229,309	201,038,310	261,516,518	299,542,701	267,704,305
	May	June	July	Aug	Sept	Oct
Revenue	321,110,146	371,389,127	283,020,180	306,139,038	330,418,066	302,880,915
Disbursements	328,255,930	308,031,106	338,563,323	293,357,338	324,787,116	305,886,833

Largest Amount of Activity by Program

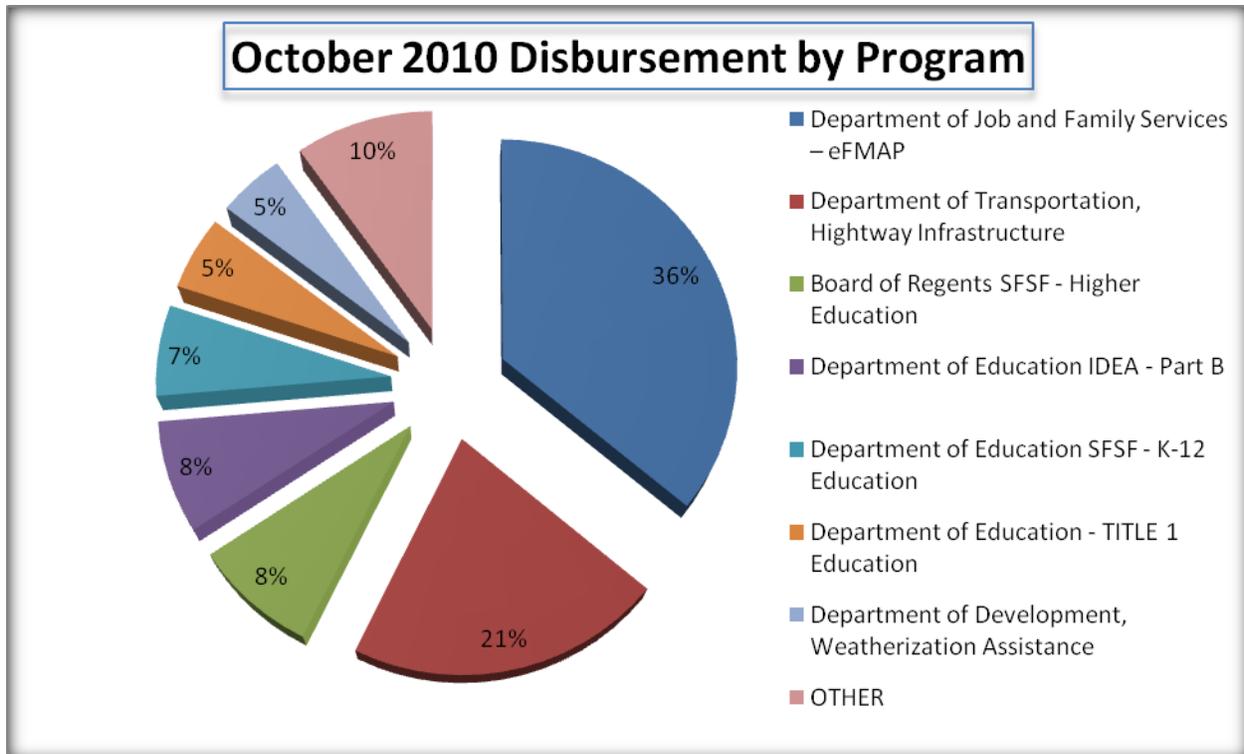
During the month of October, there were more than 70 active federal stimulus grants in the State of Ohio. Of those programs, the seven highlighted below accounted for over 90% of the funds disbursed.



	Program	Revenue	Disbursements
A	Department of Job and Family Services – eFMAP	110,331,903	110,331,903
B	Department of Transportation, Highway Infrastructure	64,782,093	48,118,774
C	Board of Regents SFSF - Higher Education	25,733,527	25,733,527
D	Department of Education IDEA - Part B	24,339,235	24,292,396
E	Department of Education SFSF - K-12 Education	19,833,318	36,894,653
F	Department of Education - TITLE I Education	16,210,773	16,211,134
G	Department of Development, Weatherization Assistance	14,586,536	15,151,427

Breakdown of Largest Amount of Activity by Program

During the month of October, the Department of Job and Family Services disbursed 36% of ARRA funds through eFMAP. The Department of Transportation disbursed 21% of the ARRA funds for Highway Infrastructure projects, and the Department of Education disbursed 8% of ARRA funds for K-12 SFSF Education Programs and the Board of Regents disbursed 8% of ARRA funds for higher education.



State Fiscal Stabilization Fund Overview

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

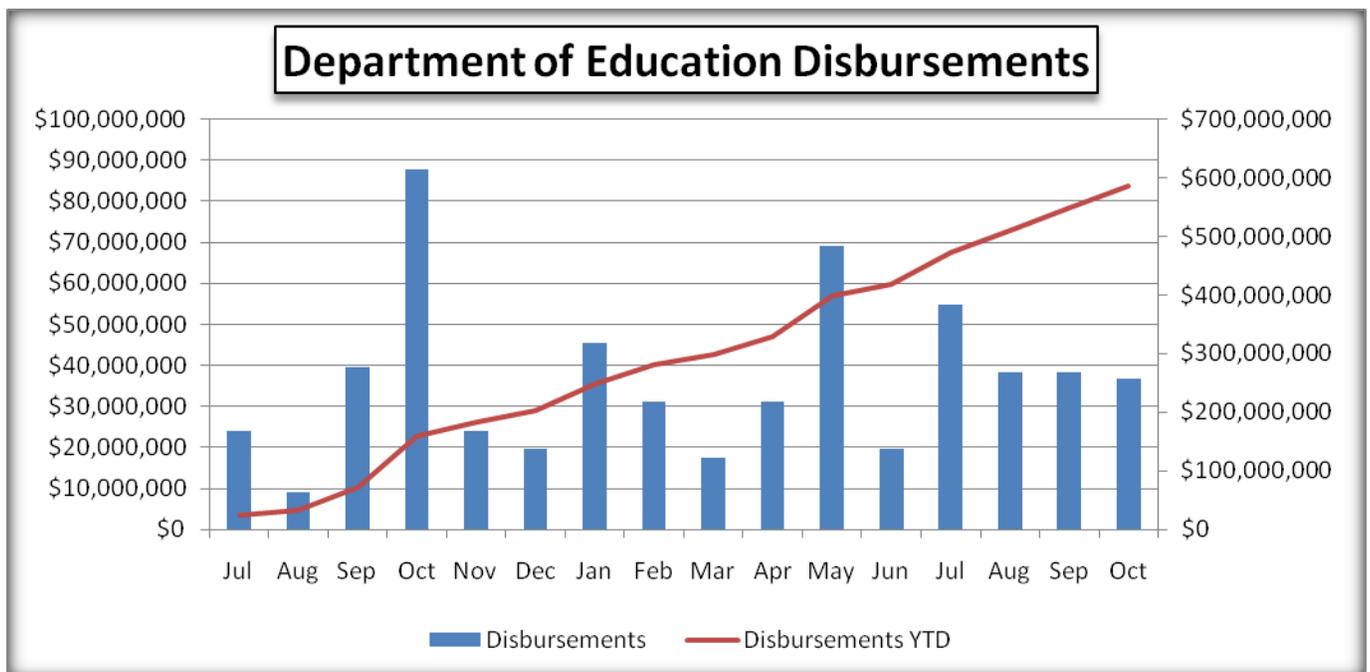
H.B. 1, the state's FY 2010-2011 operating budget, originally included appropriations for the SFSF. Controlling Board request #OBM0100041, which was approved on April 19, 2010, modified the allocations for each agency to ensure the state would meet the Maintenance of Effort (MOE) and Use of Funds provisions of ARRA for FY10 that are a condition of using the

portion of federal funds that relate to education. The modifications did not result in an overall change to the SFSF appropriations for the state as a whole.

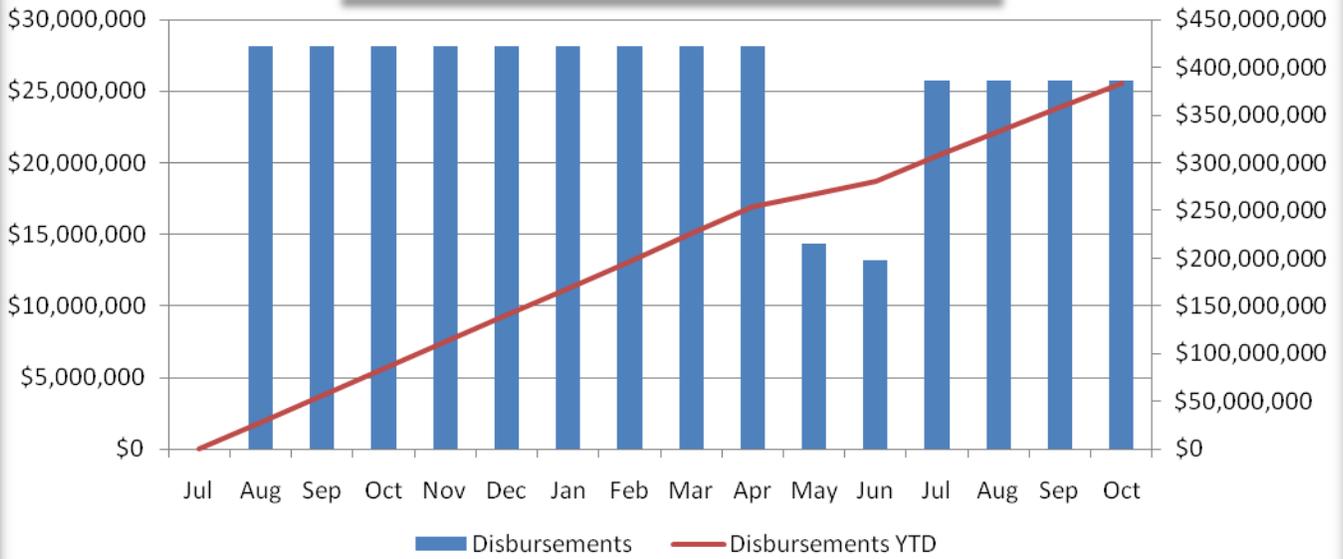
Agency	ALI	FY 2010	FY 2011	Total
Department of Education (ESF)	200551	\$417,583,913	\$457,449,362	\$875,033,275
Board of Regents (ESF/GSF)	235644	\$281,022,236	\$308,802,662	\$589,824,898
Department of Rehabilitation and Correction (GSF)	501620	\$110,029,321	\$214,488,988	\$324,518,309

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

Through October 2010, the state has disbursed \$1,080.0 million in SFSF (\$586.0 million from the Department of Education (ESF), \$384.0 million from the Board of Regents (GSF/ESF) and \$110.0 million from the Department of Rehabilitation and Correction (GSF)).



Board of Regents Disbursements



Dept. of Rehab. & Correction Disbursements

