LBO Budget Footnotes

A monthly newsletter of the Legislative Budget Office of LSC

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Highlights

– *Ross Miller, Chief Economist*

June GRF tax revenue was $50 million below the estimate published by the Office of Budget and Management (OBM) in August 2019, with the shortfall under the income tax amounting to $78 million. In contrast, sales and use tax revenue was just $1 million below estimate, due to a very strong month for revenue from sales of automobiles. The recovery in sales tax revenue was remarkably quick; revenue from the tax was $237 million and $167 million below estimate in April and May, respectively.

GRF tax revenue was above estimate for FY 2020 through March, when responses to the COVID-19 pandemic began taking their toll. For all of FY 2020, GRF tax revenue was $1.10 billion below estimate due primarily to the income tax ($845 million below estimate) and the sales and use tax ($328 million below). Looking forward, one bright spot is that a significant portion of the income tax shortfall should show up in July; the tax filing deadline extension to July 15 due to COVID-19 means that some income tax revenue originally expected in FY 2020 was delayed to FY 2021.

On the spending side of the ledger, GRF program expenditures for FY 2020 were $865 million below estimate. This was largely due to $775 million in expenditure reductions ordered by the governor in response to the COVID-19 pandemic. The budget for the year was balanced by these spending reductions, a $613 million positive variance for federal grants (largely due to a temporary increase in the federal matching rate for Medicaid) and a carryover GRF balance from the end of FY 2019; the Budget Stabilization Fund (BSF) was not used.

Simplified GRF Cash Statement, as of June 30, 2020 ($ in millions)	
Beginning Cash Balance	**$1,538.0**
Plus Actual Revenues, Transfers In, and Receivables	$33,505.7
Less Actual Expenditures and Transfers Out	$33,773.5
Ending Cash Balance	**$1,270.2**
Year-end Encumbrances	$412.2
Final FY 2020 Payroll	$73.1
Unobligated Ending Cash Balance	**$784.8**
Budget Stabilization Fund Balance	**$2,691.6**
Combined GRF and BSF Unobligated Ending Balance	**$3,476.4**

Ohio's May unemployment rate dropped to 13.7%, from 17.6% the prior month. The national unemployment rate was 13.3% in May and dropped to 11.1% in June. Ohio's unemployment rate has been tracking the national rate, though somewhat higher, implying a likely comparable drop in the Ohio unemployment rate in June.

Through June 2020, GRF sources totaled $33.51 billion:

- Revenue from the sales and use tax was $328.0 million below estimate;
- Personal income tax (PIT) receipts were $845.1 million below estimate.

Through June 2020, GRF uses totaled $33.77 billion:

- Program expenditures were $865.1 million below estimate;
- Expenditures for the Primary and Secondary Education program were $340.6 million below estimate;
- Expenditures were more than $100 million below estimate for the Higher Education ($118.7 million), Health and Human Services ($109.4 million), and Justice and Public Protection ($107.2 million) program categories;
- GRF spending for Medicaid was below estimate by $49.1 million.

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Next Issue: September 2020
Have a great summer!

Table 1: General Revenue Fund Sources
Actual vs. Estimate
Month of June 2020
($ in thousands)
(Actual based on report run in OAKS Actuals Ledger on July 1, 2020)

State Sources	Actual	Estimate*	Variance	Percent
Tax Revenue				
Auto Sales	$175,741	$141,600	$34,141	24.1%
Nonauto Sales and Use	$810,721	$846,300	-$35,579	-4.2%
Total Sales and Use	*$986,461*	*$987,900*	*-$1,439*	*-0.1%*
Personal Income	$738,463	$816,500	-$78,037	-9.6%
Commercial Activity Tax	$18,535	$5,600	$12,935	231.0%
Cigarette	$146,662	$143,100	$3,562	2.5%
Kilowatt-Hour Excise	$19,395	$21,300	-$1,905	-8.9%
Foreign Insurance	-$8,021	-$14,300	$6,279	43.9%
Domestic Insurance	$282,401	$280,000	$2,401	0.9%
Financial Institution	$27,407	$24,600	$2,807	11.4%
Public Utility	$2,858	$2,400	$458	19.1%
Natural Gas Consumption	$0	$0	$0	---
Alcoholic Beverage	$6,455	$5,300	$1,155	21.8%
Liquor Gallonage	$4,996	$3,900	$1,096	28.1%
Petroleum Activity Tax	$2,124	$2,300	-$176	-7.7%
Corporate Franchise	$14	$0	$14	---
Business and Property	$389	$0	$389	---
Estate	$2	$0	$2	---
Total Tax Revenue	**$2,228,141**	**$2,278,600**	**-$50,459**	**-2.2%**
Nontax Revenue				
Earnings on Investments	$20,203	$27,500	-$7,297	-26.5%
Licenses and Fees	$556	$702	-$146	-20.8%
Other Revenue	$17,471	$3,478	$13,993	402.3%
Total Nontax Revenue	**$38,230**	**$31,680**	**$6,550**	**20.7%**
Transfers In	**$3,975**	**$146,475**	**-$142,500**	**-97.3%**
Total State Sources	**$2,270,346**	**$2,456,755**	**-$186,409**	**-7.6%**
Federal Grants	**$1,242,500**	**$929,190**	**$313,310**	**33.7%**
Total GRF Sources	**$3,512,846**	**$3,385,946**	**$126,900**	**3.7%**

*Estimates of the Office of Budget and Management as of August 2019.

Detail may not sum to total due to rounding.

Table 2: General Revenue Fund Sources
Actual vs. Estimate
FY 2020 as of June 30, 2020
($ in thousands)
(Actual based on report run in OAKS Actuals Ledger on July 1, 2020)

State Sources	Actual	Estimate*	Variance	Percent	FY 2019**	Percent
Tax Revenue						
Auto Sales	$1,502,737	$1,548,000	-$45,263	-2.9%	$1,501,684	0.1%
Nonauto Sales and Use	$9,183,047	$9,465,800	-$282,753	-3.0%	$9,071,740	1.2%
Total Sales and Use	*$10,685,784*	*$11,013,800*	*-$328,016*	*-3.0%*	*$10,573,424*	*1.1%*
Personal Income	$7,881,337	$8,726,400	-$845,063	-9.7%	$8,910,214	-11.5%
Commercial Activity Tax	$1,671,680	$1,638,500	$33,180	2.0%	$1,629,544	2.6%
Cigarette	$913,017	$891,700	$21,317	2.4%	$918,179	-0.6%
Kilowatt-Hour Excise	$331,795	$334,700	-$2,905	-0.9%	$343,635	-3.4%
Foreign Insurance	$305,073	$292,000	$13,073	4.5%	$296,342	2.9%
Domestic Insurance	$303,038	$301,200	$1,838	0.6%	$276,048	9.8%
Financial Institution	$214,903	$189,700	$25,203	13.3%	$202,443	6.2%
Public Utility	$141,034	$140,000	$1,034	0.7%	$143,161	-1.5%
Natural Gas Consumption	$59,735	$77,900	-$18,165	-23.3%	$75,902	-21.3%
Alcoholic Beverage	$53,642	$56,000	-$2,358	-4.2%	$56,250	-4.6%
Liquor Gallonage	$53,386	$50,000	$3,386	6.8%	$50,342	6.0%
Petroleum Activity Tax	$8,737	$10,000	-$1,263	-12.6%	$11,608	-24.7%
Corporate Franchise	-$435	$0	-$435	---	$2,074	-121.0%
Business and Property	$399	$0	$399	---	$309	28.9%
Estate	$71	$0	$71	---	$154	-54.2%
Total Tax Revenue	**$22,623,196**	**$23,721,900**	**-$1,098,704**	**-4.6%**	**$23,489,630**	**-3.7%**
Nontax Revenue						
Earnings on Investments	$131,649	$110,000	$21,649	19.7%	$114,807	14.7%
Licenses and Fees	$66,655	$58,326	$8,329	14.3%	$64,414	3.5%
Other Revenue	$121,117	$90,876	$30,241	33.3%	$87,156	39.0%
Total Nontax Revenue	**$319,420**	**$259,202**	**$60,218**	**23.2%**	**$266,378**	**19.9%**
Transfers In	**$81,020**	**$215,044**	**-$134,024**	**-62.3%**	**$247,888**	**-67.3%**
Total State Sources	**$23,023,636**	**$24,196,146**	**-$1,172,511**	**-4.8%**	**$24,003,895**	**-4.1%**
Federal Grants	**$10,482,045**	**$9,868,943**	**$613,102**	**6.2%**	**$9,763,899**	**7.4%**
Total GRF SOURCES	**$33,505,681**	**$34,065,090**	**-$559,409**	**-1.6%**	**$33,767,794**	**-0.8%**

*Estimates of the Office of Budget and Management as of August 2019.

**Cumulative totals through the same month in FY 2019.

Detail may not sum to total due to rounding.

Revenues[1]

– Jean J. Botomogno, Principal Economist

Overview

On June 30, 2020, Ohio closed the books of a difficult fiscal quarter and year as the impact of the COVID-19 pandemic brought down GRF tax revenue. For FY 2020 as a whole, GRF sources of $33.51 billion were $559.4 million (1.6%) below OBM estimates of August 2019. GRF sources consist of state-source receipts, which include tax revenue, nontax revenue, and transfers in, and federal grants.

For the fiscal year through June, GRF tax sources totaled $22.62 billion. This amount was $1.10 billion (4.6%) below projections, due to negative variances of $845.1 million (9.7%) for the PIT and $328.0 million (3.0%) for the sales and use tax. In addition, transfers in were $134.0 million (62.3%) short of estimates. On the other hand, an outsized positive variance of $613.1 million (6.2%) for federal grants[2] and a surplus of $60.2 million (23.2%) for nontax revenue partially offset the negative variances of the other GRF source categories. Tables 1 and 2 show GRF sources for the month of June and for FY 2020 through June, respectively.

As noted in previous issues of *Budget Footnotes*, to slow the pandemic outbreak, the Governor issued an emergency declaration on March 9, 2020, and various public health orders followed, including a stay-at-home requirement and some business closures. Among measures designed to help consumers and businesses weather the impact of the COVID-19 pandemic, H.B. 197 of the 133rd General Assembly authorized the Tax Commissioner to delay various state tax payments during the period of the Governor's emergency declaration. In response to enactment of the bill, the Tax Commissioner authorized an extension of the deadline to file state income taxes until July 15, matching the extended deadline for federal income tax returns. Both reduced economic activity and the tax payment delay curtailed GRF revenue from the PIT in the final months of FY 2020; reduced economic activity also reduced sales and use tax receipts and revenue from the commercial activity tax (CAT) during those months. As a whole, in the April to June period, GRF tax revenues fell $1.19 billion (17.4%) below the estimates, though through the first nine months of FY 2020, they were $89.5 million (0.5%) above estimates.

The PIT and the sales and use tax were responsible for the YTD shortfall for tax sources, as the remaining tax sources posted a combined positive variance of $74.4 million for the year. In addition to the PIT and the sales tax, the natural gas consumption tax, the kilowatt-hour tax, the alcoholic beverage tax, and the petroleum activity tax, were short of their respective revenue targets by $18.2 million, $2.9 million, $2.4 million, and $1.3 million. The negative variances were

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[1] This report compares actual monthly and year-to-date (YTD) GRF revenue sources to OBM's estimates. If actual receipts were higher than estimate, that GRF source is deemed to have a positive variance. Alternatively, a GRF source is deemed to have a negative variance if actual receipts were lower than estimate.

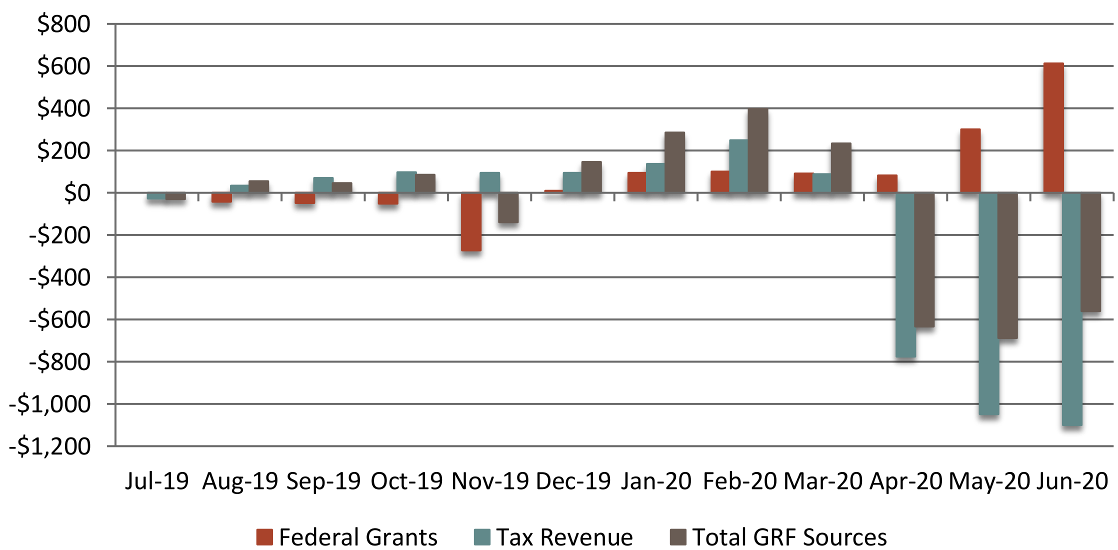
[2] Federal grants are typically federal reimbursements for Medicaid and other human services programs. This overage is primarily due to a COVID-19-related temporary increase in the share of federal reimbursements for Medicaid. The increase was authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

partially offset by positive variances of $33.2 million for the CAT, $21.3 million for the cigarette tax, $25.2 million for the financial institutions tax (FIT), $14.9 million for the insurance taxes, and $3.4 million for the liquor gallonage tax.

The performance of GRF tax revenue in June 2020, $50.5 million (2.2%) below anticipated revenues, was a substantial improvement compared to results in April and May when this GRF category experienced shortfalls of 35.3% and 13.0%, respectively. Transfers in was the other category with a negative variance in June, and this revenue stream was $142.5 million (97.3%) short of projections because an expected transfer of excess CAT revenue was not made.[3] However, these negative variances were offset by a positive variance of $313.3 million (33.7%) for federal grants (thus contributing more than half of the full-year surplus for this GRF category) and an overage of $6.6 million (20.7%) for nontax revenue. Overall, the monthly positive variance for GRF sources totaled $126.9 million (3.7%).

In June 2020, revenue from the two largest tax sources, the PIT and the sales and use tax, were $78.0 million and $1.4 million below their respective estimates. On the other hand, the next two largest tax sources, the CAT and the cigarette and other tobacco products tax, posted positive variances of $12.9 million and $3.6 million, respectively. The kilowatt-hour tax recorded a shortfall of $1.9 million in June, but most of the remaining tax sources in June came in ahead of their estimates, including positive variances of $6.3 million for the foreign insurance tax, $2.8 million for the FIT, $2.4 million for the domestic insurance tax, and $1.1 million each for the alcoholic beverage tax and the liquor gallonage tax. Chart 1, below, shows cumulative YTD variances of GRF sources each month through June 2020.

Chart 1: Cumulative Variances of GRF Sources in FY 2020
(Variances from Estimates, $ in millions)



[3] Excess CAT receipts to be transferred to the GRF in June was estimated at $141.5 million. The section below analyzing the CAT provides additional details on distributions and transfers from this tax.

Compared to GRF sources in FY 2019 through June, GRF sources decreased $262.1 million (0.8%), due to declines of $866.4 million (3.7%) for tax sources and $166.9 million (67.3%) for transfers in. Those decreases were partially offset by increases of $718.1 million (7.4%) and $53.0 million (19.9%), respectively, for federal grants and nontax revenue. Revenue from the PIT dropped $1.03 billion due to a tax payment delay and to two reductions made to withholding tax rates, one in 2019 and another in 2020, but also layoffs and employee furloughs more recently. (The section below analyzing the PIT provides additional details on the rate cuts.) Revenue from the cigarette and other tobacco products tax decreased $5.2 million, which is a normal long trend; revenue from the natural gas consumption tax, the kilowatt-hour tax, the petroleum activity tax, the alcoholic beverage tax, the corporate franchise tax,[4] and the public utility tax declined $16.2 million, $11.8 million, $2.9 million, $2.6 million, $2.5 million, and $2.1 million, respectively. On the other hand, revenue from the sales and use tax and the CAT were above their levels of FY 2019 by $112.4 million and $42.1 million, respectively. Other taxes with significant increases included the domestic insurance tax ($27.0 million), the FIT ($12.5 million), the foreign insurance tax ($8.7 million), and the liquor gallonage tax ($3.0 million).

The COVID-19 pandemic will have carryover effects on revenues at the beginning of FY 2021. Though the income tax filing delay reduced FY 2020 PIT revenue by hundreds of millions of dollars, those amounts are likely to be recovered in the early months of FY 2021. On the other hand, the first full negative impact of the COVID-19 pandemic on CAT revenue will be felt with the next payment by quarterly taxpayers due in August 2020. That payment will be based on taxable gross receipts from April to June 2020, and is likely to be substantially below the last quarterly payment of $332.4 million received in May 2020 (for taxable gross receipts during the January to March quarter, which were generally affected by the pandemic in the last two weeks of the period).

Sales and Use Tax

Over the first three quarters of FY 2020, the sales and use tax was $77.4 million above projections. Then, home confinement and closures of nonessential businesses significantly constrained taxable spending in April and May, and sales and use tax receipts fell $405.4 million (13.9%) below estimate in the last quarter of FY 2020. For the fiscal year as a whole, GRF revenue totaling $10.69 billion was $328.0 million (3.0%) below estimate, but those receipts were above FY 2019 receipts by $112.4 million (1.1%). For the month of June, GRF sales tax revenue of $986.5 million was just $1.4 million (0.1%) below estimate, due to a strong positive variance from the auto sales tax portion of the tax. June 2020 sales tax revenue was also $74.7 million (8.2%) above June 2019 receipts. Thus, it appears the recovery in sales tax receipts has begun.

For analysis and forecasting, revenue from the sales and use tax is separated into two parts: auto and nonauto. Auto sales and use tax collections generally arise from the sale of motor vehicles, but auto taxes arising from leases are paid at the lease signing and are mostly recorded under the nonauto tax instead of the auto tax.

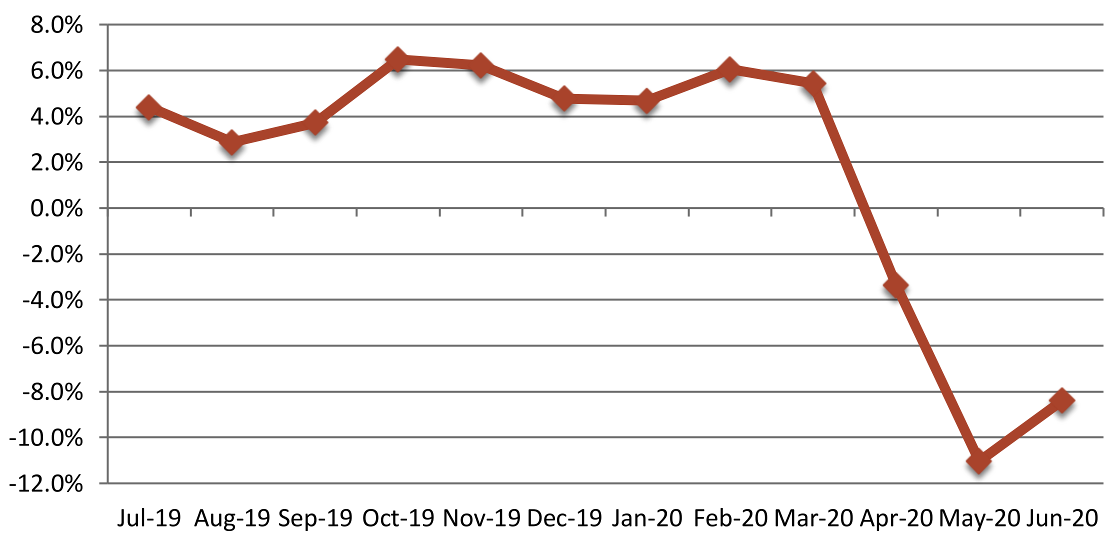
[4] H.B. 510 of the 129th General Assembly eliminated this tax at the end of 2013 and replaced it with the FIT. Adjustments to tax filings in previous years continue to affect this tax source.

Nonauto Sales and Use Tax

FY 2020 GRF nonauto sales and use tax receipts totaled $9.18 billion, an amount $282.8 million (3.0%) below estimate but $111.3 million (1.2%) above revenue in FY 2019. Nonauto sales and use tax revenue of $810.7 million in June was below estimate by $35.6 million (4.2%).[5] In April and May, this tax source fell $146.2 million (17.7%) and $133.4 million (16.4%), respectively, relative to the corresponding estimates. Thus, for the fourth fiscal quarter, the negative variance for nonauto tax totaled $315.2 million (12.7%).

In recent months, consumers have received income support from federal stimulus checks, additional unemployment compensation from the federal CARES Act, and a number of businesses have kept some employees on payroll after receiving loans from the federal payroll protection program.[6] That income support from the federal fiscal response to the pandemic has helped mitigate the economic downdraft of the COVID-19 pandemic on the sales tax. Chart 2 shows year-over-year growth in nonauto sales and use tax collections in FY 2020 and reflects the toll of the pandemic on nonauto sales tax revenue in recent months.

Chart 2: Nonauto Sales and Use Tax Receipts Trend
Actual vs. Prior Year
(Three-month Moving Average)



[5] Though most businesses are now reopened, a big part of June sales tax revenue is from collection or remittance from taxable sales in May.

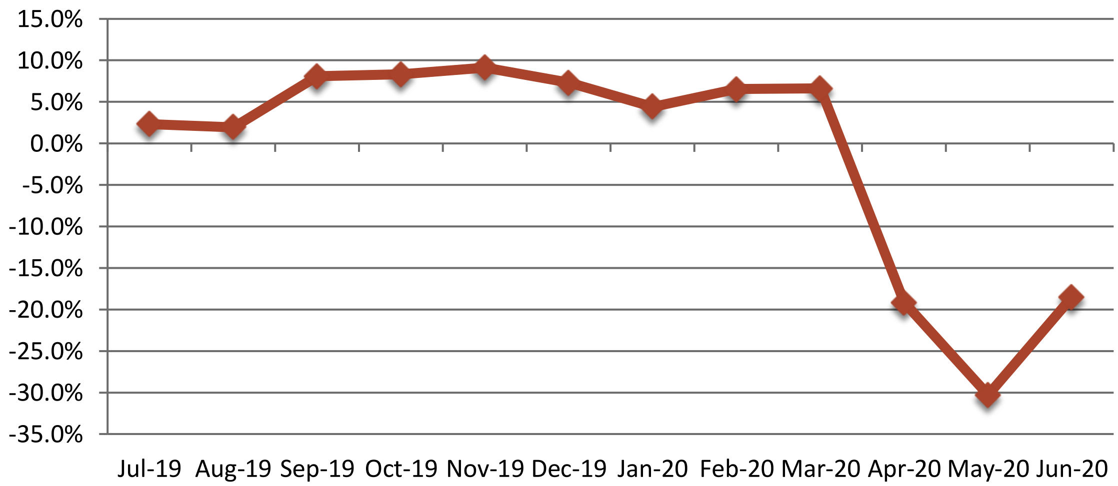
[6] To address the economic fallout from COVID-19, the U.S. Congress passed the CARES Act at the end of March 2020. The new law included cash payments of up to $1,200 (plus $500 for each child age 16 or under) for each qualifying adult, an additional $600 per week on top of any state-provided unemployment benefits through July 31, 13 weeks of unemployment benefits above that of each state's unemployment program, and unemployment benefits for self-employed and "gig" workers. The payroll protection program is a loan program intended to subsidize payroll costs for eight weeks after those loans, some of which are forgivable, are made.

A recent change to state sales tax law also helped nonauto sales tax revenue in FY 2020. H.B. 166 (the main operating budget act for the biennium) substantially modified Ohio's nexus[7] assumptions, and this change was expected to increase nonauto sales tax revenue by $121 million (actual receipts from marketplace facilitators are not yet available). As a consequence of the pandemic, consumption patterns were significantly altered due to store closures and online purchases sharply rose. Thus, the nexus changes in the budget act probably helped reduce the yearly revenue shortfall by increasing collections on sales that may previously have escaped the sales tax.

Auto Sales and Use Tax

The auto sales and use tax strongly rebounded in June 2020 from bad performances in the prior two months. June auto sales and use tax receipts of $175.7 million were $34.1 million (24.1%) above estimate and $58.0 million (49.2%) above revenue in June 2019. This most recent monthly performance, which likely results from delayed purchases that could not be made in the previous two months, offsets the underage of $33.8 million realized in May; with June receipts, the combined negative variance for the April to June quarter totaled $90.2 million, almost equaling the shortfall of $90.5 million recorded in April.

Chart 3: Auto Sales and Use Tax Receipts Trend
Actual vs. Prior Year
(Three-month Moving Average)



For the fiscal year through June, GRF revenue from this source totaling $1.50 billion came in $45.3 million (2.9%) below estimate but $1.1 million (0.1%) above receipts through June in FY 2019. Chart 3 shows year-over-year growth in auto sales and use tax collections, the pandemic-related revenue declines in the later part of the fiscal year from both low demand and low supply of vehicles and the apparent rebound in June.

[7] Effective August 1, 2019, Ohio enacted substantial nexus statutes when a seller has at least 200 transactions or $100,000 or more in gross sales into Ohio. With this change, a seller making sales into Ohio may have a requirement to collect Ohio (seller's) use tax without a physical presence in this state. Also, companies that own, operate, or control electronic market places (marketplace facilitators) were required to register and collect sales and use taxes for sales made by anyone on their platform.

The small increase in the Ohio auto tax base relative to FY 2019 was due to higher vehicle prices paid by consumers (as consumer tastes and preferences have shifted away from cars toward trucks, sport utility vehicles, and crossovers), according to data provided by the Ohio Bureau of Motor Vehicles, shown below. Through June 2020, the number of motor vehicles titled fell 4.5% from the corresponding period in FY 2019; unit purchases of both new and used vehicles fell. The taxable base for new vehicles decreased, but spending on used vehicles increased, despite the drop in unit sales, due to the rise of the average price of used vehicles.

FY 2020	Titles	Spending ($ in millions)	Average Price
New vehicles	370,290	$13,381	$36,137
Used vehicles	1,667,654	$16,267	$9,755
Total	**2,037,944**	**$29,648**	**$14,548**
Growth from FY 2019			
New vehicles	-2.8%	-0.1%	2.8%
Used vehicles	-4.8%	0.9%	6.0%
Total	**-4.5%**	**0.5%**	**5.2%**

Personal Income Tax

FY 2020 GRF receipts from the PIT of $7.88 billion were $845.1 million (9.7%) below estimate. The large majority of the negative variance, $805.1 million, occurred in the last three months of the fiscal year as the economy was reeling from the economic downdraft from COVID-19. More importantly, the delay of income tax filings authorized by H.B. 197 likely reduced FY 2020 PIT revenue by over half a billion dollars, which will be recovered in FY 2021. Through June 30, 2020, approximately 582,000 (10.5%) fewer tax returns were filed for tax year (TY) 2019, relative to the number of tax returns filed in the corresponding period for TY 2018. June PIT revenue to the GRF of $738.5 million was $78.0 million (9.6%) below projections. In April and May, GRF receipts from the PIT were short of OBM's August estimates by $635.7 million and $91.4 million, respectively.

PIT revenue to the GRF is comprised of gross collections, minus refunds and distributions to the Local Government Fund (LGF). Gross collections consist of employer withholdings, quarterly estimated payments,[8] trust payments, payments associated with annual returns, and other miscellaneous payments. The performance of the tax is typically driven by employer withholdings, which is the largest component of gross collections (about 87% of gross collections in FY 2020). Larger or smaller than expected refunds (which decrease gross collections) could also greatly affect the monthly performance of the tax.

[8] Quarterly estimated payments are made by taxpayers who expect to be underwithheld by more than $500. Payments are due in April, June, and September of an individual's tax year and January of the following year. Most estimated payments are made by high-income taxpayers.

Gross collections for June were $50.6 million (5.6%) below target, with most components below their respective estimates. The tax filing delay substantially reduced receipts from the second quarterly PIT estimated payment, and this component was $106.9 million (55.5%) below anticipated revenue. Trust payments, employer withholding, and miscellaneous payments also had negative variances of $5.2 million, $2.3 million, and $1.6 million, respectively. The negative variances were partially offset by a positive variance of $65.5 million (655.1%) from payments due with annual returns. This component was also strongly affected by the filing delay as fewer tax returns are normally filed in the month of June. Adding to the negative variance of gross collections, refunds were higher than estimated by $33.2 million (67.6%), but LGF distributions were $5.8 million (15.1%) below their anticipated level. Thus, PIT revenue to the GRF for the month totaled $78.0 million less than estimate.

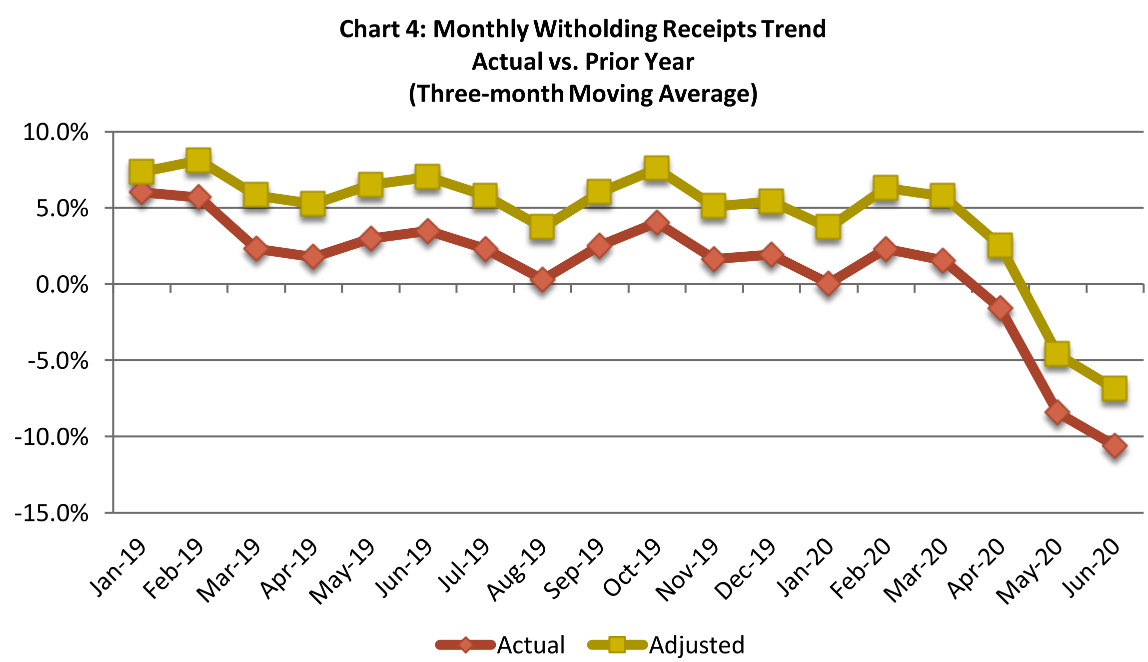
For FY 2020, revenues from each component of the PIT relative to estimates and revenue received in FY 2019 are detailed in the table below. FY 2020 gross collections were $994.0 million below projections, largely due to a negative variance of $652.1 million for payments due with annual returns. Employer withholding, quarterly estimated payments, and trust payments also amounted to $133.3 million, $173.8 million, and $29.6 million less than their respective estimates. Reducing the negative variance of gross collections, refunds were $127.5 million below estimate and LGF distributions were below expectation by $21.5 million, thus resulting in a lower YTD PIT shortfall in GRF revenue of $845.1 million.

Through June, YTD GRF receipts from the PIT were $1.03 billion below revenue through June in FY 2019. In addition to the economic effects of the pandemic and delayed income tax filings authorized by H.B. 197, two reductions in withholding rates decreased FY 2020 revenue relative to FY 2019. Year-over-year growth in withholding receipts during the first half of FY 2020 was limited by a 3.3% reduction in withholding rates implemented in January 2019. Year-over-year growth in withholding receipts in calendar year (CY) 2020 was limited due to a 4.0% reduction in withholding rates effective January 2020 and through June. The more recent reduction was due to a 4.0% reduction in income tax rates for nonbusiness income enacted by H.B. 166. OBM revenue estimates for FY 2020 incorporated the fiscal impact of this rate reduction for the January to June period.

Compared to gross collections in FY 2019, payments due with annual returns and employer withholding were reduced by $696.0 million and $103.3 million, respectively. In addition, quarterly estimated payments and payments with trust returns were below last year's payments by $151.3 million and $43.7 million, respectively. Overall, FY 2020 gross collections were $997.4 million below such collections in FY 2019. FY 2020 refunds were $31.0 million higher than those in FY 2019, while LGF distributions were $0.5 million above those in the previous year.

FY 2020 PIT Revenue Variance and Annual Change by Component				
Category	YTD Variance from Estimate		Changes from FY 2019	
	Amount ($ in millions)	Percent (%)	Amount ($ in millions)	Percent (%)
Withholding	-$133.3	-1.5%	-$103.3	-1.1%
Quarterly Estimated Payments	-$173.8	-19.2%	-$151.3	-17.1%
Trust Payments	-$29.6	-36.7%	-$43.7	-46.1%
Annual Return Payments	-$652.1	-60.1%	-$696.0	-61.6%
Miscellaneous Payments	-$5.2	-5.6%	-$3.1	-3.4%
Gross Collections	-$994.0	-8.8%	-$997.4	-8.8%
Less Refunds	-$127.5	-5.8%	$31.0	1.5%
Less LGF Distribution	-$21.5	-5.0%	$0.5	0.1%
GRF PIT Revenue	-$845.1	-9.7%	-$1,028.9	-11.5%

The chart below illustrates the growth of monthly employer withholdings on a three-month moving average relative to one year ago. It shows both the actual change in withholding receipts in FY 2020 and estimated withholding receipts adjusted for the decreases in withholding tax rates. Payrolls are estimated to have fallen about 6.9%, on average, in the last three months.



Commercial Activity Tax and Petroleum Activity Tax

June receipts to the GRF from the CAT were $18.5 million, an amount $12.9 million (231.0%) above estimate, but $0.1 million (0.4%) below June 2019 revenue. For the fiscal quarter, however, GRF revenue from this source was $5.9 million (1.4%) below estimate due to negative variances in April and May. Though the CAT experienced a shortfall in the April to June quarter, FY 2020 GRF CAT revenue of $1.67 billion was above projections by $33.2 million (2.0%) and $42.1 million (2.6%) above such receipts in FY 2019. The first full impact of the economic downdraft from the COVID-19 pandemic will be felt with the next payment by quarterly taxpayers in August 2020 and is likely to be substantially below the last quarterly payment of $332.4 million received in May 2020 (for taxable gross receipts during the January to March quarter, which were generally affected by the pandemic in the last two weeks of the period). The August payment will be based on taxable gross receipts from April to June 2020.

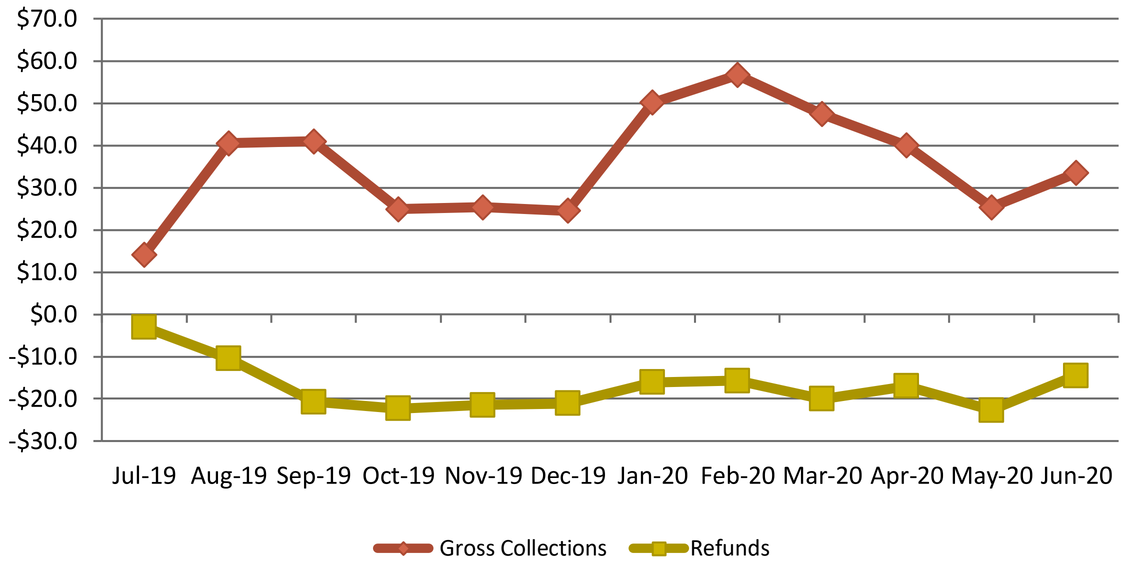
As shown in the chart below, the increase in GRF revenue in FY 2020 has been driven, in part, by a decline in tax credits and refunds claimed against the CAT.[9] Compared to FY 2019, FY 2020 gross collections were higher by about 1.6%, but FY 2020 refunds and credits were 10.6% below those items in FY 2019, resulting in a higher growth rate for the GRF.

Under continuing law, CAT receipts are deposited into the GRF (85.0%), the School District Tangible Property Tax Replacement Fund (Fund 7047, 13.0%), and the Local Government Tangible Property Tax Replacement Fund (Fund 7081, 2.0%). Through June, Fund 7047 and Fund 7081 received $255.7 million and $39.3 million, respectively.[10] Disbursements from the funds to school districts and other local governments were $132.3 million and $12.0 million, respectively. The distributions to Fund 7047 and Fund 7081 are used to make reimbursement payments to school districts and other local taxing units, respectively, for the phase out of property taxes on general business tangible personal property. Any receipts in excess of amounts needed for such payments are generally transferred back to the GRF. Distributions of CAT revenue to the two local funds largely exceeded the payment requirements in FY 2020. However, balances in Fund 7047 and Fund 7081 were not used to make the estimated transfer of $141.5 million to the GRF in June. Those balances are likely to be needed for shoring up the budget situation next year because CAT revenue is expected to decline in FY 2021.

[9] A number of Ohio's business tax credits can be claimed against more than one type of tax, but many are claimed against the CAT, which is imposed on the privilege of doing business in Ohio.

[10] In FY 2019, Fund 7047 and Fund 7081 received $249.2 million and $38.3 million, respectively.

Chart 5: Cumulative Growth in Collections and Refunds in FY 2020
(Relative to FY 2019, $ in millions)



The petroleum activity tax (PAT) is applied to receipts from the sale or exchange of motor fuel at a rate of 0.65% on a motor fuel supplier's adjusted gross receipts, with revenue from the tax shared between the GRF and the Petroleum Activity Tax Public Highway Fund (Fund 5NZ0). PAT GRF revenue was $8.7 million in FY 2020, an amount $1.3 million (12.6%) below estimate and $2.9 million (24.7%) below FY 2019 GRF receipts. All funds revenue (net of refunds) from the PAT was $82.5 million in FY 2020, with $73.8 million of that total deposited in the highway fund. FY 2020 PAT receipts were affected by the decline in motor fuel sales related to COVID-19 home confinement. In FY 2019, all funds PAT receipts were $95.5 million, and $83.9 million was deposited in Fund 5NZ0.

Cigarette and Other Tobacco Products Tax

FY 2020 revenue from the cigarette and other tobacco products (OTP) tax totaling $913.0 million was above estimate by $21.3 million (2.4%). This total included $830.6 million from the sale of cigarettes and $82.4 million from the sale of OTP. For the month of June, receipts from this source of $146.7 million were $3.6 million (2.5%) above estimate and $9.5 million (6.9%) above revenue in June 2019 (in part due to added revenue from the new tax on vapor products).

FY 2020 receipts from this tax source fell $5.2 million (0.6%) relative to revenues in FY 2019. Receipts from cigarette sales fell $11.4 million (1.4%) while those from the sale of OTP increased $6.3 million (8.2%). On a yearly basis, revenue from the cigarette and OTP tax usually trends downward, generally at a slow pace; this is due to a decline of cigarette revenue, while receipts from the tax on OTP generally increase. The OTP tax is an ad valorem tax, generally 17% of the wholesale price paid by wholesalers for the product; thus, revenue from that portion of the tax base (about 9% of the total tax base) grows with OTP price increases, and in FY 2020, added receipts from the tax on vapor products.

H.B. 166 levied a tax of 10¢ per milliliter (or gram) of vapor product (depending on the form of the product). A vapor product is defined as any liquid solution or other substance that contains nicotine and is depleted as it is used in an electronic smoking product. The taxation of vapor products was expected to boost OTP and GRF revenue by $3.2 million in FY 2020. However, at the time of publication, actual revenue from this source is not yet available from the Tax Department.

Utility-Related Taxes

Utility-related taxes include the public utility tax, the natural gas distribution or MCF tax, and the kilowatt-hour tax. Receipts from these taxes are credited to the GRF. However, half the share of GRF total tax revenue transferred to the Public Library Fund (PLF) is debited against the kilowatt-hour tax for accounting purposes (the other half is debited against the nonauto sales and use tax). Changes in consumption and prices are generally the main determinants of revenue from utility-related taxes.

The public utility excise tax is imposed on the gross intrastate receipts of some utilities.[11] Companies subject to the tax pay 4.75% of gross receipts, except for pipeline companies which pay 6.75%. Revenues from this tax totaled $141.0 million in FY 2020, $1.0 million (0.7%) more than estimated but $2.1 million (1.5%) below FY 2019 revenue. Taxes paid by natural gas companies account for most tax receipts from the public utility tax. Other classes of utilities that pay this tax include pipelines, waterworks, water transportation, and heating. Taxes due from pipeline companies in recent years are well above amounts owed prior to the surge in oil and gas exploration in eastern Ohio.

The MCF tax is levied based on the quantity of natural gas distributed to end users in Ohio.[12] The tax is charged at rates ranging from 2¢ to 15.93¢ per Mcf (thousand cubic feet), depending on the amount distributed to each end user. Receipts from this tax were $59.7 million in FY 2020, $18.2 million (23.3%) below anticipated revenue and $16.2 million (21.3%) below receipts the previous year. Lower tax receipts reflect relatively mild winter temperatures in January and March that reduced heating demand for natural gas and also refunds during the year that were expected by the Department of Taxation to be nonrecurring in nature.

The kilowatt-hour tax is levied on electric distribution companies with end users in Ohio. The tax rate depends on the volume of electricity used by the customer. In FY 2020, GRF receipts from the kilowatt-hour tax were $331.8 million, $2.9 million (0.9%) below estimate and $11.8 million (3.4%) lower than FY 2019 GRF receipts. Net revenue in FY 2020 reflects higher tax refunds this year and decreased electricity consumption due to the “stay-at-home” order and business closures related to the COVID-19 pandemic. As noted earlier, half the share of GRF total tax revenue transferred to the PLF is debited against the kilowatt-hour tax. FY 2020 total kilowatt-hour tax receipts (all funds receipts) were $531.4 million, which was $16.4 million (3.0%) lower than FY 2019 total receipts.

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[11] Exemptions include receipts from sales to the federal government or to other public utilities for resale and receipts billed on behalf of other entities by natural gas companies. Companies that pay the public utility tax do not pay the CAT.

[12] Exemptions include natural gas distributed to the federal government and natural gas both produced and consumed by an end user that does not flow through a natural gas company’s pipelines.

Foreign and Domestic Insurance Taxes

Insurance taxes are levied on premiums collected by insurance companies and are deposited in the GRF. The domestic insurance tax is paid by insurance companies whose headquarters are in Ohio while the foreign insurance tax is paid by insurance companies whose headquarters are located outside of the state. The large majority of the revenue is deposited in the GRF, while a small portion is dedicated to the state Fire Marshal Fund (Fund 5460). Combined revenue from the insurance taxes was $640.9 million in FY 2020, of which $608.1 million was deposited in the GRF.

The GRF received $303.0 million from the domestic insurance tax in FY 2020, an amount $1.8 million (0.6%) above estimate and $27.0 million (9.8%) more than receipts in FY 2019. The increase in receipts from the domestic tax was largely due to an increase in taxes paid by Medicaid managed care organizations and property and casualty insurers. Net revenue from this tax was also heavily influenced by reduced tax credits this fiscal year.

Foreign insurance tax receipts totaled $305.1 million. That amount was $13.1 million (4.5%) above estimate and $8.7 million (2.9%) more than FY 2019 revenue. Unlike Medicaid managed care organizations that are all domestic insurers, the performance of the foreign insurance tax is directly related to increased premiums received by property and casualty, life and health, and other insurers.

Financial Institutions Tax

The FIT is levied on the “total Ohio equity capital” of financial institutions, which includes a firm’s common stock, perpetual preferred stock, surplus, retained earnings, treasury stock, and unearned employee stock ownership plan shares. Annual FIT tax returns are due in October, but estimated payments are made in January, March, and May. The reconciliation between estimated payments and final tax liability generally results in net refunds between July and December.

In FY 2020, GRF receipts from the FIT of $214.9 million were $25.2 million (13.3%) above estimate and $12.5 million (6.2%) above receipts in FY 2019. Both gross collections and refunds and credits increased compared to FY 2019, by $15.0 million and $3.5 million, respectively.

Alcoholic Beverage and Liquor Gallonage Taxes

The alcoholic beverage tax applies to sales of beer, malt beverages, wine, and mixed alcoholic beverages. All beverages brewed or fermented from malt products and containing at least 0.5% alcohol by volume are included in the tax base. The tax is levied on a per-container rate depending on the type of beverage sold and tax rates vary greatly. Revenue is deposited in the GRF.

FY 2020 GRF revenue from the alcoholic beverage tax was $53.6 million, an amount $2.4 million (4.2%) below OBM’s August 2019 estimate. FY 2020 revenue was $2.6 million (4.6%) below that of the prior year. The bases for the alcoholic beverage tax are split into beer/malt beverages and wine/mixed beverages. In FY 2020, revenue from the malt beverages category was $40.0 million, a decrease of $1.8 million (4.5%) from FY 2019 collections; revenue from the wine and mixed beverages category was $13.6 million, a decrease of $0.8 million (5.6%) from FY 2019.

The liquor gallonage tax is levied at the rate of $3.38 per gallon of spirituous liquor. This is the equivalent of $0.67 per standard 750 milliliter bottle. Revenue is deposited in the GRF. Revenue from the liquor gallonage tax was $53.4 million during FY 2020, $3.4 million (6.8%) above estimated revenue for this tax. FY 2020 revenue was $3.0 million (6.0%) above receipts in FY 2019, continuing the upsurge in consumption of liquor yet again this year.

Despite the temporary closure of restaurants and bars, combined revenue for the two taxes came in above estimate for the fiscal year and above FY 2019 combined revenue. Alcoholic beverage sales continue to shift from beer, wine, and mixed beverages and towards spirituous liquor, largely a result of changes in consumer preferences. Over the last ten years, the share of combined revenue for all alcoholic beverages coming from the liquor tax rose from roughly 40% to 50% in FY 2020. That increase has come primarily at the expense of tax revenue from the sales of beer and malt beverages.

Earnings on Investments

GRF revenue from investment earnings was $131.6 million during FY 2020, an amount $21.6 million (19.7%) above estimated revenue from this source. GRF investment revenue during FY 2020 was $16.8 million greater than in FY 2019, representing a 14.7% increase over the previous year. Revenue increased mainly because a larger pool of funds to invest was available, though yields in most months in FY 2020 were slightly lower than in FY 2019.

Table 3: General Revenue Fund Uses
Actual vs. Estimate
Month of June 2020
($ in thousands)
(Actual based on OAKS reports run July 1, 2020)

Program Category	Actual	Estimate*	Variance	Percent
Primary and Secondary Education	$391,678	$536,114	-$144,436	-26.9%
Higher Education	$143,760	$187,057	-$43,297	-23.1%
Other Education	$2,153	$3,709	-$1,556	-42.0%
Total Education	**$537,591**	**$726,880**	**-$189,289**	**-26.0%**
Medicaid	$1,043,185	$1,474,642	-$431,457	-29.3%
Health and Human Services	$42,143	$79,717	-$37,574	-47.1%
Total Health and Human Services	**$1,085,328**	**$1,554,359**	**-$469,031**	**-30.2%**
Justice and Public Protection	$112,742	$175,595	-$62,852	-35.8%
General Government	$15,655	$40,502	-$24,846	-61.3%
Total Government Operations	**$128,398**	**$216,096**	**-$87,698**	**-40.6%**
Property Tax Reimbursements	$26,254	$35,868	-$9,614	-26.8%
Debt Service	$73,955	$74,012	-$57	-0.1%
Total Other Expenditures	**$100,209**	**$109,880**	**-$9,671**	**-8.8%**
Total Program Expenditures	**$1,851,525**	**$2,607,214**	**-$755,690**	**-29.0%**
Transfers Out	**$1,337**	**$13,700**	**-$12,363**	**-90.2%**
Total GRF Uses	**$1,852,862**	**$2,620,914**	**-$768,053**	**-29.3%**

*September 2019 estimates of the Office of Budget and Management.
Detail may not sum to total due to rounding.

Table 4: General Revenue Fund Uses
Actual vs. Estimate
FY 2020 as of June 30, 2020
($ in thousands)
(Actual based on OAKS reports run July 1, 2020)

Program Category	Actual	Estimate*	Variance	Percent	FY 2019**	Percent
Primary and Secondary Education	$7,846,873	$8,187,474	-$340,601	-4.2%	$8,143,715	-3.6%
Higher Education	$2,282,270	$2,400,971	-$118,701	-4.9%	$2,292,590	-0.5%
Other Education	$82,091	$81,061	$1,029	1.3%	$70,726	16.1%
Total Education	**$10,211,233**	**$10,669,506**	**-$458,273**	**-4.3%**	**$10,507,031**	**-2.8%**
Medicaid	$15,471,844	$15,520,897	-$49,053	-0.3%	$15,052,848	2.8%
Health and Human Services	$1,343,999	$1,453,397	-$109,399	-7.5%	$1,272,017	5.7%
Total Health and Human Services	**$16,815,843**	**$16,974,294**	**-$158,452**	**-0.9%**	**$16,324,866**	**3.0%**
Justice and Public Protection	$2,385,951	$2,493,163	-$107,212	-4.3%	$2,222,454	7.4%
General Government	$440,437	$529,349	-$88,912	-16.8%	$391,270	12.6%
Total Government Operations	**$2,826,388**	**$3,022,512**	**-$196,124**	**-6.5%**	**$2,613,724**	**8.1%**
Property Tax Reimbursements	$1,800,605	$1,842,600	-$41,995	-2.3%	$1,801,184	0.0%
Debt Service	$1,449,932	$1,460,175	-$10,243	-0.7%	$1,430,790	1.3%
Total Other Expenditures	**$3,250,537**	**$3,302,775**	**-$52,238**	**-1.6%**	**$3,231,974**	**0.6%**
Total Program Expenditures	**$33,104,001**	**$33,969,088**	**-$865,086**	**-2.5%**	**$32,677,595**	**1.3%**
Transfers Out	**$669,498**	**$683,675**	**-$14,178**	**-2.1%**	**$773,006**	**-13.4%**
Total GRF Uses	**$33,773,499**	**$34,652,763**	**-$879,264**	**-2.5%**	**$33,450,601**	**1.0%**

*September 2019 estimates of the Office of Budget and Management.
**Cumulative totals through the same month in FY 2019.
Detail may not sum to total due to rounding.

Table 5: Medicaid Expenditures by Department
Actual vs. Estimate
($ in thousands)
(Actuals based on OAKS report run on July 7, 2020)

	Month of June 2020				Fiscal Year 2020			
Department	**Actual**	**Estimate***	**Variance**	**Percent**	**Actual**	**Estimate***	**Variance**	**Percent**
Medicaid								
GRF	$1,049,139	$1,417,775	-$368,636	-26.0%	$14,741,416	$14,732,022	$9,395	0.1%
Non-GRF	$1,122,612	$699,284	$423,328	60.5%	$10,094,704	$10,190,838	-$96,134	-0.9%
All Funds	$2,171,750	$2,117,058	$54,692	2.6%	$24,836,120	$24,922,859	-$86,739	-0.3%
Developmental Disabilities								
GRF	-$11,952	$49,953	-$61,904	-123.9%	$624,632	$682,964	-$58,332	-8.5%
Non-GRF	$212,709	$228,072	-$15,363	-6.7%	$2,437,330	$2,521,102	-$83,773	-3.3%
All Funds	$200,758	$278,024	-$77,267	-27.8%	$3,061,961	$3,204,066	-$142,105	-4.4%
Job and Family Services								
GRF	$5,527	$5,928	-$401	-6.8%	$95,693	$94,918	$774	0.8%
Non-GRF	$13,589	$15,921	-$2,332	-14.6%	$188,554	$194,201	-$5,647	-2.9%
All Funds	$19,116	$21,849	-$2,733	-12.5%	$284,247	$289,120	-$4,873	-1.7%
Health, Mental Health and Addiction, Aging, Pharmacy Board, and Education								
GRF	$471	$987	-$517	-52.3%	$10,103	$10,993	-$890	-8.1%
Non-GRF	$1,462	$4,724	-$3,262	-69.1%	$39,938	$45,820	-$5,881	-12.8%
All Funds	$1,932	$5,711	-$3,779	-66.2%	$50,041	$56,813	-$6,772	-11.9%
All Departments:								
GRF	**$1,043,185**	**$1,474,642**	**-$431,457**	**-29.3%**	**$15,471,844**	**$15,520,897**	**-$49,053**	**-0.3%**
Non-GRF	**$1,350,372**	**$948,001**	**$402,371**	**42.4%**	**$12,760,526**	**$12,951,961**	**-$191,435**	**-1.5%**
All Funds	**$2,393,557**	**$2,422,643**	**-$29,086**	**-1.2%**	**$28,232,369**	**$28,472,857**	**-$240,488**	**-0.8%**

*September 2019 estimates from the Department of Medicaid.
Detail may not sum to total due to rounding.

Table 6: All Funds Medicaid Expenditures by Payment Category
Actual vs. Estimate
($ in thousands)
(Actuals based on OAKS report run on July 7, 2020)

	Month of June 2020				Fiscal Year 2020			
Payment Category	**Actual**	**Estimate***	**Variance**	**Percent**	**Actual**	**Estimate***	**Variance**	**Percent**
Managed Care	**$1,694,689**	**$1,553,958**	**$140,731**	**9.1%**	**$18,144,485**	**$17,910,201**	**$234,284**	**1.3%**
CFC†	$606,525	$546,707	$59,819	10.9%	$6,453,187	$6,241,120	$212,067	3.4%
Group VIII	$515,399	$417,316	$98,082	23.5%	$5,059,821	$4,666,438	$393,383	8.4%
ABD†	$256,878	$270,623	-$13,745	-5.1%	$2,812,151	$3,033,996	-$221,844	-7.3%
ABD Kids	$81,296	$85,324	-$4,028	-4.7%	$960,990	$971,026	-$10,036	-1.0%
My Care	$234,592	$233,989	$603	0.3%	$2,652,214	$2,717,174	-$64,960	-2.4%
P4P†	$0	$0	$0	---	$206,121	$280,448	-$74,327	-26.5%
Fee-For-Service	**$529,055**	**$675,471**	**-$146,415**	**-21.7%**	**$8,006,621**	**$8,308,222**	**-$301,601**	**-3.6%**
ODM Services	$288,730	$402,759	-$114,030	-28.3%	$4,189,183	$4,392,241	-$203,058	-4.6%
DDD Services	$198,432	$272,712	-$74,280	-27.2%	$2,972,059	$3,101,882	-$129,823	-4.2%
Hospital - HCAP†	$0	$0	$0	---	$659,697	$669,444	-$9,747	-1.5%
Hospital - Other	$41,894	$0	$41,894	---	$185,682	$144,655	$41,027	28.4%
Premium Assistance	**$105,929**	**$101,012**	**$4,917**	**4.9%**	**$1,142,569**	**$1,161,007**	**-$18,438**	**-1.6%**
Medicare Buy-In	$64,390	$58,334	$6,055	10.4%	$665,892	$670,605	-$4,713	-0.7%
Medicare Part D	$41,539	$42,677	-$1,139	-2.7%	$476,677	$490,402	-$13,725	-2.8%
Administration	**$63,884**	**$92,203**	**-$28,318**	**-30.7%**	**$938,694**	**$1,093,428**	**-$154,734**	**-14.2%**
Total	**$2,393,557**	**$2,422,643**	**-$29,086**	**-1.2%**	**$28,232,369**	**$28,472,857**	**-$240,488**	**-0.8%**

*September 2019 estimates from the Department of Medicaid.

†CFC - Covered Families and Children; ABD - Aged, Blind, and Disabled; HCAP - Hospital Care Assurance Program; P4P - Pay For Performance.

Detail may not sum to total due to rounding.

Expenditures[13]

– *Melaney Carter, Director*

– *Ivy Chen, Principal Economist*

Overview

GRF program expenditures totaled $33.10 billion in FY 2020, $865.1 million (2.5%) under the estimate released by OBM at the beginning of the fiscal year. This negative variance was primarily due to the Governor's executive order, signed on May 7, requiring GRF expenditure reductions of $775.0 million for FY 2020 as part of an effort to balance the budget in the wake of decreased revenues as a result of the COVID-19 pandemic. Most of the negative variance was from June, the last month of the fiscal year. GRF program expenditures totaled $1.85 billion for the month of June and were $755.7 million (29.0%) under estimate. The Governor's ordered budget reductions were discussed in May's *Budget Footnotes*.

Program expenditures constitute the majority of GRF uses, but GRF uses also include transfers out. FY 2020 transfers out were $669.5 million, including $312.4 million in transfers from the FY 2019 GRF ending balance that were required by H.B. 166. Transfers out were $14.2 million (2.1%) under estimate for the fiscal year mainly due to a negative variance of $12.4 million for the month of June.

Medicaid's GRF expenditures were below estimate by $431.5 million for the month of June, changing Medicaid's yearly variance from a positive $382.4 million (2.7%) at the end of May, to a negative $49.1 million (0.3%) for the complete fiscal year. The section below gives more details about Medicaid GRF and non-GRF variances.

All other categories also had negative variances in June and all but Other Education ended the year below estimate. Primary and Secondary Education had the largest negative FY 2020 variance at $340.6 million (4.2%). Three other program categories had negative variances for the year that were greater than $100 million: Higher Education with a negative variance of $118.7 million (4.9%), Health and Human Services with a negative variance of $109.4 million (7.5%), and Justice and Public Protection with a negative variance of $107.2 million (4.3%). These variances are discussed below.

State agencies encumbered $412.2 million in GRF appropriations for expenditure in FY 2021, $55.1 million higher than the estimated year-end encumbrances of $357.1 million made by OBM at the beginning of the fiscal year. The "**Encumbrances**" section of this report provides additional information on FY 2020 actual year-end encumbrances. In addition to these encumbrances, $73.1 million for the last payroll of FY 2020 was disbursed in FY 2021.

Medicaid

GRF Medicaid expenditures were below their monthly estimate in June by $431.5 million (29.3%), which balanced out May's YTD positive variance in GRF expenditures and brought the

[13] This report compares actual monthly and YTD expenditures from the GRF to OBM's estimates. If a program category's actual expenditures were higher than estimate, that program category is deemed to have a positive variance. The program category is deemed to have a negative variance when its actual expenditures were lower than estimate.

yearly variance to $49.1 million (0.3%) below estimate at the end of the fiscal year. Non-GRF Medicaid expenditures were above their monthly estimate, by $402.4 million (42.4%). This positive variance was offset by May's $412.9 million (32.9%) negative variance, and yearly non-GRF Medicaid expenditures remained below estimate, by $191.4 million (1.5%). Including both the GRF and non-GRF, all funds Medicaid expenditures were $29.1 million (1.2%) below estimate in June and $240.5 million (0.8%) below their yearly estimate at the end of the fiscal year.

The impact of the COVID-19 pandemic began to show in March's Medicaid caseloads, and the impacts have continued to show through June's report. Medicaid experienced a total enrollment increase of nearly 20,000 in March. In April and May, this trend continued, with caseload increases of more than 70,000 and 45,000 cases, respectively. June saw a caseload increase of more than 60,000, and June's figure was above the budget estimate by almost 165,000 cases (5.8%). Caseload increases have reversed the trend of the initial nine months of the fiscal year, which had all seen caseloads below the budget estimate. For FY 2020, average caseloads are now above estimate, by 0.6% (15,440 cases). According to the Ohio Department of Medicaid (ODM), nearly all of the caseload variance over the previous three months has been due to the suspension of routine redeterminations of eligibility and an increase in the number of new applications and approvals, due to the economic impacts of the COVID-19 pandemic.

Table 5 shows GRF and non-GRF Medicaid expenditures for ODM, the Ohio Department of Developmental Disabilities (ODODD), and six other "sister" agencies that also take part in administering Ohio Medicaid. ODM and ODODD account for about 99.0% of the total Medicaid budget. Therefore, they generally also account for the majority of the variances in Medicaid expenditures.

ODM had an all funds positive variance in June of $54.7 million (2.6%), but yearly expenditures remained below estimate, with an $86.7 million (0.3%) negative variance. June's above estimate monthly expenditures decreased the magnitude of the yearly negative variance, which was $141.4 million (0.6%) below estimate at the end of May.

ODODD had an all funds negative variance of $77.3 million (27.8%) in June which increased the magnitude of ODODD's negative yearly variance from $64.8 million (2.2%) at the end of May to $142.1 million (4.4%) at the end of the fiscal year. The other six "sister" agencies – Job and Family Services (ODJFS), Health, Aging, Mental Health and Addiction Services, State Board of Pharmacy, and Education – account for the remaining 1.0% of the total Medicaid budget. Unlike ODM and ODODD, the six "sister" agencies incur only administrative spending. ODJFS had a $2.7 million negative variance in June, which increased the magnitude of ODJFS's yearly negative variance, which was $4.9 million (1.7%) below estimate at the end of the fiscal year.

Table 6 shows all funds Medicaid expenditures by payment category. Expenditures were below their yearly estimates for three of the four payment categories. Managed Care expenditures were above their yearly estimate by $234.3 million (1.3%). Fee-For-Service (FFS, $301.6 million, 3.6%) had the largest overall negative variance, followed by Administration ($154.7 million, 14.2%), and Premium Assistance ($18.4 million, 1.6%).

The yearly negative variance in Premium Assistance is driven partly by lower than expected retroactive enrollment in Medicare Part D, a trend which has persisted for most of FY 2020. Part D expenditures have included lower than projected premiums as well, throughout most of FY 2020. June's expenditures for Medicare Buy-In were 10.4% ($6.1 million) above estimate, which brought the yearly variance to 0.7% ($4.7 million) below estimate.

Total FFS expenditures were $146.4 million (21.7%) below estimate for the month of June. The negative variance in FFS for the past four months, including June, is partially driven by decreased expenditures in the Ohio Medicaid Schools Program (MSP). Due to the closure of schools throughout the state on March 16, 2020, expenditures for MSP have been reduced, as many programs have not been operating without students in attendance at schools. The negative variance in FFS may further be influenced by delays in nonessential care, which was postponed or canceled due to the ongoing effects of the COVID-19 pandemic.

Managed Care expenditures for June were above estimate by $140.7 million (9.1%). Managed Care expenditures for the Covered Families and Children (CFC) and Group VIII populations were the drivers of these above estimate expenditures, with June expenditures above monthly estimates, by $59.8 million (10.9%) and $98.1 million (23.5%), respectively. These variances brought these categories' positive yearly variances to $212.1 million (3.4%) for CFC and $393.4 million (8.4%) for Group VIII. These two figures are partially offset by negative yearly variances in the other four Managed Care Categories, leading to a yearly positive variance in Managed Care expenditures of $234.3 million (1.3%).

The positive variances for Group VIII expenditures have been influenced by higher than expected caseloads. For the first nine months of FY 2020, monthly Managed Care caseloads for Group VIII were above estimate, but by less than 1.7% on average. In April, increased caseloads caused by the COVID-19 economic decline caused Managed Care caseloads for Group VIII to increase to 10.1% (55,954 cases) above estimate; in May, caseloads were 13.2% (73,321 cases) above estimate; and in June, caseloads were 15.6% (86,683 cases) above estimate, which brought the average monthly caseloads for FY 2020 to 4.5% (24,978 cases) above estimate.

According to May 11, 2020, information from OBM, ODM was expected to reduce its FY 2020 GRF budget by nearly $212 million, with a $200 million cut to item 651525, Medicaid/Health Care Services, and a cut of just under $12 million to item 651425, Medicaid Program Support – State. OBM also confirmed in a May 6, 2020, press release that ODM would make a cut of $9.1 million to their FY 2020 non-GRF budget.

Primary and Secondary Education

The Primary and Secondary Education category had a negative variance for the month of June of $144.4 million, which increased this category's negative yearly variance to $340.6 million (4.2%). This category only includes the Ohio Department of Education (ODE). The negative variance in June was mainly due to a negative variance in item 200550, Foundation Funding, of $125.0 million, which brought this item's yearly negative variance to $269.5 million. Item 200550 provides the main funding for the state's foundation aid to public schools. As reported in the May issue of *Budget Footnotes*, the executive reduced FY 2020 expenditures for this item by $300.5 million.[14] Item 200502, Pupil Transportation, is used to fund the transportation portion of foundation aid as well as other transportation services funded outside of the main formula. This

[14] Note that the federal CARES Act provides $440.3 million in additional funding to be distributed to Ohio's public schools through September 30, 2022, more information about this funding can be found on page 25 of the May issue of *Budget Footnotes*.

item had a negative variance of $23.0 million in June, which resulted in it ending the year with a negative variance of $22.9 million.

Higher Education

The Higher Education category ended the fiscal year with a negative yearly variance of $118.7 million (4.9%). The largest variance was in item 235501, State Share of Instruction, with a negative variance of $76.7 million. This item is used to distribute the state's main contribution to its public higher education institutions. Generally, there are not variances in this item, since the appropriation is paid out consistently over the fiscal year. However, the executive budget reductions for FY 2020 included a reduction of $76.7 million for this item.[15]

Most other line items in this category were also under estimate for the fiscal year. The largest of these variances were for items 235438, Choose Ohio First Scholarship, ($16.6 million) and 235563, Ohio College Opportunity Grant, ($13.6 million).

Health and Human Services

The Health and Human Services category had negative variances of $37.6 million for the month of June and $109.4 million (7.5%) for the complete fiscal year. These variances were mainly due to negative variances for ODJFS and the Ohio Department of Mental Health and Addiction Services (ODMHAS).

ODJFS had a negative variance of $23.2 million in June and ended the fiscal year with a negative yearly variance for FY 2020 of $63.7 million. Item 600450, Program Operations, had the largest negative yearly variance of $22.6 million. Some of this variance may be a timing issue as this item also had encumbrances totaling $25.2 million at the end of the fiscal year. This item is used for the administrative and operating expenses of various departments within the agency. The next most significant FY 2020 variances were in items 600523, Family and Children Services, with a negative yearly variance of $12.9 million and 600410, TANF State Maintenance of Effort, with a negative yearly variance of $10.0 million. All other items in the ODJFS budget also had negative yearly variances for FY 2020.

ODMHAS had a negative variance of $11.1 million for the month of June, increasing its negative yearly variance to $21.5 million. The largest negative yearly variance was $7.2 million in item 336421, Continuum of Care Services. Item 336421 is used to distribute funds to local boards of mental health and alcohol, drug, and gambling addiction services to meet locally determined needs. ODMHAS had negative yearly variances in all other items except for 336412, Hospital Services, which had a positive yearly variance of $2.3 million in spite of a negative variance for the month of June of $12.1 million. This item is used to fund the operations of ODMHAS's six state hospitals.

Justice and Public Protection

The Justice and Public Protection category had a negative variance for the month of June of $62.9 million, which increased this category's negative yearly variance to $107.2 million (4.3%). The negative variance in June was largely due to a negative variance of $56.8 million in

[15] Note that the federal CARES Act provides $269.1 million in funding for Ohio's public institutions of higher education, more information about this funding can be found on page 26 of the May issue of *Budget Footnotes*.

the Department of Rehabilitation and Correction (DRC), which caused DRC to end the fiscal year with a negative yearly variance of $49.5 million. The second largest negative yearly variance in this category was $23.4 million for the Department of Public Safety (DPS).

All of the items in DRC's budget had negative variances for both the month of June and the fiscal year. The variances were dominated by DRC's main operating item, 501321, Institutional Operations, with variances of $42.0 million for June and $36.4 million for the fiscal year. All the items in DPS's budget also had negative yearly variances, including $9.7 million for item 763511, Local Disaster Assistance, and $5.7 million for item 761403, Recovery Ohio Law Enforcement.

Encumbrances

As of June 30, 2020, state agencies encumbered a total of $412.2 million in GRF appropriations for expenditure in FY 2021. An agency generally has five months to spend prior-year encumbrances for operating expenses, after which time they lapse. An agency may encumber appropriations for purposes other than operating expenses beyond the five-month period if approval is obtained from the Director of Budget and Management. Encumbrances for some grant and aid payments are encumbered for several months or sometimes years.

The table below summarizes the encumbrances by the fiscal year of the original appropriation. As seen from the table, the majority of the encumbrances were originally appropriated in FY 2020. However, small encumbrances remain from as early as FY 2011.

FY 2020 Year-End Encumbrances by Fiscal Year for Which Appropriations Were Originally Made		
Fiscal Year	Amount ($ in thousands)	Percentage of Total
2011-2016	$748	0.2%
2017	$1,813	0.4%
2018	$13,429	3.3%
2019	$38,982	9.5%
2020	$357,266	86.7%
Total	**$412,238**	**100.0%**

The encumbrance amounts vary greatly from agency to agency. As shown in the following table, ODJFS has by far the largest encumbrance amount at $100.8 million, 24.5% of the total. ODE is second with an encumbrance of $68.3 million (16.6%). The next five agencies with the largest encumbrances are the Department of Higher Education (DHE) at $39.2 million (9.5%), the Ohio Department of Transportation (ODOT) at $33.6 million (8.2%), ODM at $32.6 million (7.9%), the Development Services Agency (DSA) at $26.5 million (6.4%), and DRC at $23.8 million (5.8%). Thirty-nine other agencies encumbered the remaining $87.2 million (21.2%).

FY 2020 Year-End Encumbrances by Agency		
Agency	**Amount ($ in thousands)**	**Percentage of Total**
Job and Family Services	$100,825	24.5%
Education	$68,323	16.6%
Higher Education	$39,185	9.5%
Transportation	$33,635	8.2%
Medicaid	$32,637	7.9%
Development	$26,549	6.4%
Rehabilitation and Correction	$23,837	5.8%
Other	$87,247	21.2%
Total	**$412,238**	**100.0%**

Ohio Department of Job and Family Services

ODJFS encumbered $100.8 million for expenditure in FY 2021. Encumbrances in six appropriation items account for $96.8 million (96.0%) of the total. These six items are: (1) item 600523, Children and Families Subsidy, at $36.5 million, (2) item 600450, Program Operations, at $25.2 million, (3) item 655523, Medicaid Program Support – Local Transportation, at $15.2 million, (4) item 655522, Medicaid Program Support – Local, at $7.1 million, (5) item 600533, Child, Family, and Community Protective Services, at $6.8 million, and (6) item 600521, Family Assistance – Local, at $6.0 million.

Funds encumbered in item 600523 will be used mainly for assistance to county public children services agencies, including assistance with children who require services from multiple systems. Funds encumbered in item 600450 will be used mainly for administration of the federal SNAP program in Ohio. Funds encumbered in items 655523 and 655522 will mainly be used for the remaining state share of Medicaid subsidies to county departments of job and family services. Item 655523 pays the state's share of Medicaid costs for local transportation services, and item 655522 pays the state's share of Medicaid costs for local administrative services. Funds encumbered in item 600533 will be used primarily to provide funding to county agencies for community protective services. Finally, encumbrances in item 600521 will be used to provide the state's share of county administration costs for public assistance programs.

Ohio Department of Education

ODE encumbered $68.3 million for expenditure in FY 2021. Three appropriation items with significant encumbrances are: (1) item 200550, Foundation Funding, at $29.6 million, (2) item 200408, Early Childhood Education, at $10.5 million, and (3) item 200437, Student Assessment, at $9.4 million. These three items account for $49.6 million (72.5%) of ODE's total encumbrances. The remaining $18.8 million was encumbered in various other items.

Funds encumbered in item 200550 will be used mainly to meet year-end school foundation payment adjustments. Foundation payments are allocated to districts based on a variety of data. Some of these data are not finalized until the following fiscal year. Funds are generally encumbered each year in order to make adjusted payments based on these updated data. Funds encumbered in item 200408 will be used to pay providers for early childhood education services to children from lower income families. Funds encumbered in item 200437 will be used to pay contractors for costs related to the state's standardized tests.

Department of Higher Education

DHE encumbered $39.2 million for expenditure in FY 2021. The majority of the total ($31.3 million) was encumbered in item 235438, Choose Ohio First Scholarship, to pay the state's obligations to scholarship recipients. Another $3.5 million was encumbered in item 235563, Ohio College Opportunity Grant; these funds will be used for need-based financial aid.

Ohio Department of Transportation

ODOT encumbered $33.6 million for expenditure in FY 2021. Most of this encumbrance ($26.4 million) was in item 775470, Public Transportation – State, which is used primarily for competitive grants for public transit systems across the state. An additional $5.1 million was encumbered in item 777471, Airport Improvements – State, to provide grants to public airports in Ohio for pavement maintenance and obstruction removal.

Ohio Department of Medicaid

ODM encumbered a total of $32.6 million for expenditure in FY 2021, including $16.3 million in item 651425, Medicaid Program Support – State, and $16.3 million in item 651525, Medicaid/Health Care Services. Funds encumbered in item 651425 will be used to pay ODM's outstanding personal services and contract expenses for administering the Medicaid program in Ohio. Item 651525 is the primary funding source for Ohio Medicaid. Funds encumbered in this item will be used for subsidy payments to Medicaid providers.

Development Services Agency

DSA encumbered $26.5 million for expenditure in FY 2021. The two items with the largest encumbrances were items 195455, Appalachia Assistance, with an encumbrance of $8.7 million, and 195556, TechCred Program, with an encumbrance of $7.2 million. Item 195455 is used to provide economic and community development assistance to the 32 counties in Ohio's Appalachian region. Item 195556 provides the GRF funding for the TechCred Program, a new workforce development program that also receives funding from the Ohio Incumbent Workforce Training Fund (Fund 5HR0).

Department of Rehabilitation and Correction

DRC encumbered $23.8 million for expenditure in FY 2021, of which $16.8 million occurred in item 501321, Institutional Operations, and another $5.6 million in item 505321, Institution Medical Services. Funds were encumbered in item 501321 for a mix of purchased personal services, supplies, maintenance, repairs, equipment, materials, and other expenditures at DRC and institutions. Funds encumbered in item 505321 will be used to pay various outstanding bills for providing medical services to inmates.

Issue Updates

FY 2020 Operating and Capital Expenditures Total $75 billion

– Melaney Carter, Director

In FY 2020, the state of Ohio incurred a total of $74.56 billion in operating and capital expenditures. As seen from Table A, $68.77 billion (92.2%) of the total expenditures were authorized in the main operating budget. The transportation and capital budgets accounted for $4.12 billion (5.5%) and $1.32 billion (1.8%), respectively. The remaining $344.3 million (0.5%) was authorized in the Bureau of Workers' Compensation and Industrial Commission budgets.

Table A. FY 2020 Operating and Capital Expenditures by Budget

Budget	Amount	% of Total
Main Operating	$68,767,890,171	92.2%
Transportation	$4,120,793,857	5.5%
Capital	$1,322,323,264	1.8%
Workers' Compensation	$344,253,558	0.5%
Total	**$74,555,260,850**	**100.0%**

Table B shows FY 2020 expenditures by the account category used in the state's accounting system. As seen from Table B, Subsidies and Shared Revenue is the largest spending area. In FY 2020, 85.8% ($28.39 billion) of total GRF expenditures were distributed as subsidies to Medicaid service providers, schools, colleges and universities, local governments, and various other entities. Across all funds, this category's expenditures totaled $50.03 billion (67.1%).

The vast majority of the expenditures incurred under the Capital Item category – $3.80 billion (5.1%) across all funds – supported the construction and maintenance of roads and bridges in the state as well as the construction and renovation of public K-12 schools and colleges and universities. Capital Item expenditures are mainly funded by bond proceeds. FY 2020 debt service payments totaled $314.3 million (0.9%) for the GRF and $1.80 billion (2.4%) across all funds.

For FY 2020, state payroll costs (including both salaries and fringe benefits) amounted to $5.08 billion (6.8%) across all funds, of which $2.27 billion was supported by the GRF. In addition to Payroll, spending that is commonly referred to as the state government's operating expenses also include expenditures incurred under the Purchased Personal Services, Supplies and Maintenance, and Equipment categories. For FY 2020, the state government's operating expenses totaled $8.77 billion across all funds, of which $3.20 billion came from the GRF. In percentage terms, these amounts represent 11.8% and 9.7% of the respective totals.

Table B. FY 2020 Operating and Capital Expenditures by Account Category				
Account Category	**GRF Only**	**% of Total**	**All Funds**	**% of Total**
500 - Payroll	$2,268,019,036	6.9%	$5,084,173,330	6.8%
510 - Purchased Personal Services	$397,360,561	1.2%	$1,655,084,753	2.2%
520 - Supplies and Maintenance	$514,996,995	1.6%	$1,855,222,340	2.5%
530 - Equipment	$19,876,908	0.1%	$177,696,912	0.2%
550 - Subsidies Shared Revenue	$28,392,448,840	85.8%	$50,032,914,379	67.1%
560 - Goods and Services for Resale	$0	0.0%	$105,184,151	0.1%
570 - Capital Items	$34,528,961	0.1%	$3,797,351,987	5.1%
590 - Judgments, Settlements and Bonds	$3,462,527	0.0%	$20,014,788	0.0%
591 - Debt Service	$314,302,671	0.9%	$1,801,640,160	2.4%
595 - Transfers and Non-Expense	$1,159,004,883	3.5%	$10,025,978,049	13.4%
Total	**$33,104,001,382**	**100.0%**	**$74,555,260,850**	**100.0%**

Ohio Department of Health Receives $238.4 million for COVID-19 Lab Testing

– Jacquelyn Schroeder, Senior Budget Analyst

On June 1, 2020, the Controlling Board approved a request from the Ohio Department of Health (ODH) to create a new fund[16] and establish appropriations in the amount of $60.0 million in FY 2020 and $178.4 million in FY 2021 to be used to combat COVID-19. Funds are provided through the existing Epidemiology and Laboratory Capacity (ELC) Enhancing Detection Grant and will be used to expand COVID-19 lab testing and to provide epidemiologic support for local health departments. This includes increasing the volume of diagnostic testing as well as antibody testing to determine community spread. The ELC Grant is intended to ensure sufficient testing capacity in the event of future case surges. Funds are also required to be used to modernize public health surveillance in order to accelerate efforts in identifying new cases of COVID-19, connecting individuals who may have been exposed to testing, and limiting the spread of the disease.

These funds were authorized under the Paycheck Protection Program and Health Care Enhancement Act, which was signed into law on April 24, 2020. In total, the U.S. Centers for Disease Control and Prevention (CDC) provided $10.25 billion to states, territories, and local

[16] New Federal Fund 3HP0 line item 440673, COVID-19 Lab Testing and Epidemiology Support.

jurisdictions in additional ELC Grant funds. The CDC requires the funds to supplement, rather than duplicate or supplant, existing funding. In addition, each state, territory, or tribal organization receiving funds must submit its plan for COVID-19 testing, including goals for the remainder of CY 2020, to include: the number of tests needed month by month, to include diagnostic, serological, and other tests, as appropriate; month-by-month estimates of laboratory and testing capacity, including those related to workforce, equipment and supplies, and available tests; and a description of how the resources will be used for testing, including easing any COVID-19 community mitigation policies. Federal monitoring of performance measures will be used to determine progress made toward completion of grant activities.

Secretary of State Will Use $12.9 million in CARES Act Funding to Cover Costs of the 2020 Election Cycle

– Terry Steele, Senior Budget Analyst

On June 15, 2020, the Controlling Board approved a request by the Secretary of State to use $12.9 million in federal CARES Act funding for eligible costs related to completing the 2020 election cycle. The funding the state received came through Elections Assistance and was deposited into the Help America Vote Act (HAVA) Fund (Fund 3AS0). The money will be used to reimburse county boards of elections for equipment, personnel, or supplies the boards determine necessary to carry out the general election. This includes providing personal protective equipment (PPE), cleaning supplies, and sanitizing equipment at all polling locations.

In addition to these expenses, the Secretary of State will use a portion of the CARES Act funding to pay for mailing of unsolicited absent voter ballot applications. In the past, these mailings were paid through a Controlling Board transfer of cash from the Emergency Purposes/Contingencies Fund (Fund 5KM0) to the Absent Voters Mailing Fund (Fund 5RG0). The cost of these mailings depends on the number of registered voters in Ohio. For the 2016 and 2018 general elections, this cost ranged from nearly $1.3 million to almost $1.4 million, respectively.

To use this federal grant funding, the Secretary of State is required to provide a 20% state match, or approximately $2.6 million. The Secretary of State has met this matching requirement through appropriations contained in H.B. 197 of the 133rd General Assembly, which transferred $7.0 million in cash from Fund 5KM0 to Fund 5RG0 to pay all the expenses associated with the completion of the March 17, 2020, primary election. As of this writing, slightly more than $4.0 million has been spent for these purposes.

Ohio Department of Aging Receives $31.0 million in Federal CARES Funds

– Ryan Sherrock, Economist

On June 1, 2020, the Controlling Board approved a request from the Ohio Department of Aging to increase appropriations by approximately $4.9 million in FY 2020 and $26.1 million in FY 2021 to account for additional federal funds received under the CARES Act. This funding will be awarded to Ohio's 12 regional area agencies on aging (AAA)[17] who will in turn distribute funds to organizations within their local aging networks. Funds will be used to support an increase in demand for Older American Act (OAA) services resulting from the COVID-19 pandemic. Specifically, funds will be used to provide the following: nutrition services to reduce hunger and food insecurity among older individuals; supportive services, including transportation, information and assistance, outreach, case management, homemaker or chore services, and legal services; caregiver support; and ombudsman services to protect and advocate for Ohioans residing in long-term care settings. Funds may also be used to assist Ohioans in accessing services within the aging network.

OAA services are available to individuals aged 60 and older, but are targeted for those with the greatest economic or social needs, particularly low-income and minority individuals, and those residing in rural areas. While means testing is prohibited, participants can make voluntary contributions for services received. In addition, states are allowed to implement cost-sharing in the form of a sliding-scale fee for certain services. However, individuals cannot be denied services due to failure to make cost-sharing payments. OAA services require a state match; thus, a state match amount of approximately $476,500 will be provided from existing GRF appropriations.

Controlling Board Appropriates $16 million Federal Coronavirus Justice Assistance Grant

– Maggie West, Senior Budget Analyst

On May 11, 2020, the Controlling Board approved a request by DPS to create the Coronavirus Emergency Supplemental Funding Fund with an appropriation of $16.0 million for FY 2020. This action will permit the Department's Office of Criminal Justice Services to administer a federal grant made available by the U.S. Department of Justice under the Coronavirus Emergency Supplemental Funding (CESF) Program, the purpose of which is to assist agencies in preventing, preparing for, and responding to COVID-19.[18] There is no match requirement under the CESF Program.

Eligible applicants for Ohio's CESF Program include units of local government, state agencies, state-supported universities, statewide and local nonprofit or faith-based associations, and law enforcement agencies.[19] Projects may apply for six or 12 months of funding, which may be backdated to March 1, 2020. The funding is in the form of a reimbursement grant that requires a recipient to submit quarterly reports through an online grants management system to request reimbursement for grant expenses. Allowable projects and purchases include overtime,

[17] Most aging programs in Ohio are administered at the local level by AAAs, which represent all 88 counties. The AAAs distribute federal, state, and, in some cases, local funds and organize and coordinate community-based services for older adults.

[18] Under the CESF Program, the federal Bureau of Justice Assistance allocated nearly $850 million in federal fiscal year (FFY) 2020 to be awarded to eligible states, local units of government, and tribes. In general, CESF allocations to each state were calculated by proportionally increasing the allocations available under the FFY 2019 State and Local Edward Byrne Memorial Justice Assistance Grant (JAG) Program to align with the CESF appropriation amount.

[19] Law enforcement agencies are required to comply with crime statistics reporting, using either the Ohio Incident-Based Reporting System or the Uniform Crime Reporting Summary Reporting System.

equipment (including law enforcement and medical PPE), hiring, supplies (such as gloves, masks, and sanitizer), training, travel expenses, and addressing the medical needs of inmates in prisons, jails, and detention centers.

Since the Controlling Board's May approval, the state's Office of Criminal Justice Services has awarded $2.1 million in CESF grants to 65 projects in 36 counties.[20] The award amounts range from $849 (New Middletown Police Department) to $200,000 (Oriana House in Summit County). The Department of Public Safety plans to return to the Controlling Board for approval to reappropriate the unexpended, unencumbered portion of the federal award from FY 2020 for the same purpose in FY 2021.

Controlling Board Approves $9.4 million for County and Independent Fairs

– Shannon Pleiman, Budget Analyst

In June, the Controlling Board approved two Department of Agriculture requests to release $9.4 million to support the 94 county and independent fairs in the state. Each approved request was for $4.7 million. The first request, approved on June 1, 2020, released capital funds for the Agricultural Society Facilities Grant Program in FY 2020. The second request, approved on June 15, 2020, established a new appropriation in FY 2021 for the Department to provide assistance to county and independent fairs for expenses that are necessary due to the COVID-19 public health emergency. This new appropriation is supported by federal funds under the CARES Act.

The Agricultural Society Facilities Grant Program was established in H.B. 166, the main operating budget act for the FY 2020-FY 2021 biennium. The program offers grants of up to $50,000 to county and independent agricultural societies to support capital projects that enhance the use and enjoyment of agricultural society facilities. The grants are funded by an additional $4.7 million in capital appropriations under Fund 7026 capital line item C70022, Agricultural Society Facilities. Grants can be used to acquire, construct, reconstruct, expand, improve, plan, and equip buildings on fairgrounds. Although H.B. 166 required agricultural societies to provide matching grants from local governments or businesses toward qualifying capital projects, the Department of Agriculture waived this requirement on April 21, 2020, due to the ongoing COVID-19 public health emergency. According to the Department, all 94 agricultural societies applied for the grant and will receive the $50,000.

The new funding supported by the CARES Act under Fund 5CV1 appropriation item 700672, Coronavirus Relief – Local Fairs, will support expenses incurred by county and independent fairs to comply with health guidance and measures necessitated by the COVID-19 public health emergency. In July, the Department will distribute $50,000 to each fair that conducts a junior fair and $15,000 to each fair that does not. County and independent fairs can use this funding for items necessary for sanitation, social distancing, PPE, and signage. Examples of these items include masks, gloves, disinfectant sprays and wipes, health and security staffing, professional sanitation staffing, and directional signage throughout the fairgrounds.

[20] A complete list of projects and awarded funding can be found at: https://www.ocjs.ohio.gov/links/CESF_Recommended_for_Funding-Round_One.pdf.

Controlling Board Approves $8.2 million for Rural Industrial Park Loans in FY 2021

– Tom Middleton, Senior Budget Analyst

On June 15, 2020, the Controlling Board approved a request by the Development Services Agency (DSA) to transfer $8.2 million in appropriations from FY 2020 to FY 2021 for the Rural Industrial Park Loan Program. The transfer will allow DSA to award more loans under the program in FY 2021. H.B. 166 included appropriations of $25 million for the program in FY 2020 but none in FY 2021.

The program allows eligible applicants to apply for loans and loan guarantees for the development and improvement of industrial parks in rural areas of Ohio. Loans are available for projects in the 35 counties that both (1) contain less than 125,000 in population and (2) qualify as a distressed county or a labor surplus county as defined under R.C. 122.19. Most of the counties are in southeast Ohio. The loans issued under the program can range from $500,000 to $2.5 million and may be used to finance up to 75% of allowable project costs.

H.B. 166 transferred $25 million from the Facilities Establishment Fund (Fund 7037) to the Rural Industrial Park Loan Fund (Fund 4Z60) in FY 2020 to capitalize the program, which had previously been phased out at the end of FY 2011. The table below summarizes the four loans approved in FY 2020, totaling $6.8 million in awards.

Rural Industrial Park Loan Awards, FY 2020		
Loan Recipient	**Project Location**	**Loan Amount**
JBS Development, LLC	Galion (Crawford County)	$2,500,000
Meigs County Community Improvement Corporation	Tuppers Plains (Meigs County)	$1,463,021
Lawrence County Economic Development Corporation	South Point (Lawrence County)	$1,844,000
Lawrence County Economic Development Corporation	Ironton (Lawrence County)	$952,560
	Total	**$6,759,581**

Controlling Board Increases Appropriations for Federal K-12 Education Programs

– Nick Ciolli, Budget Analyst

On June 15, 2020, the Controlling Board approved appropriation increases totaling $30.5 million in FY 2020 and $26.0 million in FY 2021 for four Ohio Department of Education (ODE) line items that disburse federal education funds to school districts and other public schools. The appropriation increases do not represent new federal grant funding. Rather, ODE requested them due to districts drawing down federal funds at a rate faster than anticipated under H.B. 166. ODE provides federal funding on a reimbursement basis as districts and schools submit claims for expenses incurred. The appropriation increases for each line item are listed in the table below. As the table shows, the largest increases ($26.0 million for each fiscal year) were approved for item 200680, Individuals with Disabilities Education Act, which supports special education and related services for students with disabilities. Appropriations for items 200661, Early Childhood Education, and 200669, Striving Readers, were each increased by $2.0 million for FY 2020. These items provide federal funding for special education and related services for preschool children with disabilities and support competitive grants to local education providers to advance literacy skills for children, respectively. An additional $500,000 in FY 2020 was approved for item 200622, Homeless Children Education, which provides competitive grants to school districts to help ensure access to a free and appropriate education for homeless children and youth.

ODE Federal Fund Group Line Item Appropriation Increases Approved by Controlling Board on June 15, 2020 ($ in millions)

Fund	ALI	ALI Name	Approved Increase FY 2020	Approved Increase FY 2021	Adjusted Appropriation FY 2020	Adjusted Appropriation FY 2021
3M20	200680	Individuals with Disabilities Education Act	$26.0	$26.0	$480.8	$481.0
3C50	200661	Early Childhood Education	$2.0	$0	$14.6	$12.6
3FE0	200669	Striving Readers	$2.0	$0	$14.5	$12.5
3EJ0	200622	Homeless Children Education	$0.5	$0	$3.8	$3.3
		Total	**$30.5**	**$26.0**	**$513.6**	**$509.4**

Separately, the Controlling Board approved a request to appropriate $14.6 million for FY 2021 in new Fund 3HL0 line item 200678, Literacy Development, which will be used to spend the proceeds of a five-year, $42 million federal literacy grant ODE was awarded in October 2019. Ohio's Comprehensive Literacy State Development Grant will primarily support the establishment of up to 64 model literacy sites through subgrants to selected "high-need" school- or early childhood program-based locations throughout the state as well as professional learning and coaching. ODE expects to award the grants by August 2020. See page 19 of the November 2019 *Budget Footnotes* for more details.

Attorney General Plans Voluntary Return of $4.6 million in FY 2020 GRF Appropriations

– Jessica Murphy, Budget Analyst

On May 7, 2020, the Attorney General announced a plan to voluntarily reduce the Office's FY 2020 GRF budget by $4.6 million to help offset the state's GRF tax receipt shortfall caused by the COVID-19 pandemic. The plan is comprised of allowing the unexpended, unencumbered portion of five GRF line items to lapse back into the GRF's available cash balance. The GRF reduction represents approximately 5.3% of the Attorney General's total GRF FY 2020 budget of $87.2 million.[21] According to the Attorney General's Office, the reduction plan will not negatively affect its programs, services, or activities.

The largest appropriation reduction, $4.5 million, or 98% of the total, is tied to GRF line item 055502, School Safety Training Grants. The line item is used by the Attorney General, in consultation with the Superintendent of Public Instruction and the Director of Mental Health and Addiction Services, to make grants for school safety and school climate programs and training to public and chartered nonpublic schools, local law enforcement agencies, and schools operated by county boards of developmental disabilities. The FY 2020-FY 2021 biennium budget provides an appropriation of $12 million in both FY 2020 and FY 2021 for this grant program. The FY 2021 appropriation remains unchanged.

The remainder of the FY 2020 GRF appropriation reduction, $100,284, or 2% of the total, is comprised of funding for drug abuse response team grants ($81,000), county prosecutor pay supplements ($8,788), county sheriff pay supplements ($8,684), and BCIRS[22] lease rental payments ($1,812).

State Requests $3.1 billion in Advances for its Depleted Unemployment Compensation Fund

– Nicholas J. Blaine, Budget Analyst

On June 16, 2020, Governor DeWine announced the state's Unemployment Compensation (UC) Fund (the fund) was depleted due to over one million individuals seeking benefits in response to the COVID-19 pandemic.[23] In order to continue paying benefits, the state requested $3.1 billion in advances from the U.S. Department of Labor (USDOL), the federal agency responsible for overseeing state unemployment programs. These loans will have no impact on those applying for or receiving benefits and will be repaid through state and federal UC taxes paid by employers. USDOL will waive interest on the advances for the duration of 2020, but the state will be responsible for paying interest on borrowed amounts beginning in 2021 (the interest rate for 2020 is 2.4%, but the rate in subsequent years may vary). Current law requires the Ohio Department of Job and Family Services to levy a surcharge on employers that pay

[21] The Attorney General's overall FY 2020 budget total is $392.2 million, of which the GRF portion represents 22%.

[22] BCIRS is the Bureau of Criminal Investigation Records System.

[23] Between March 21, 2020, and June 20, 2020, about 1.4 million initial claims were filed for UC benefits.

UC taxes in order to cover the cost of interest. In addition to state interest payments, USDOL can also reduce the Federal Unemployment Tax Act (FUTA) credit. Currently, FUTA levies a tax of 6.0% on the first $7,000 of each employee's taxable wage ($420 per employee). However, states with an unemployment program approved by USDOL receive a credit of 5.4 percentage points resulting in an effective tax rate of 0.6% ($42 per employee). If the state has an outstanding loan balance on January 1 for two consecutive years and the balance is still outstanding on November 10 of the second year, USDOL will annually reduce the credit by 0.3% ($21 per employee) until the advance is repaid.[24] Additional credit reductions may also be applied. USDOL provides updates on states' outstanding balances on their website: oui.doleta.gov.

Unemployment insurance is a federal and state partnership for income maintenance during periods of involuntary unemployment that provides partial compensation for lost wages to eligible individuals. Ohio previously sought advances from USDOL in order to pay for UC benefits during the Great Recession. Beginning in January 2009, Ohio borrowed $3.39 billion after depleting the fund and repaid the loan in August 2016 (see *Budget Footnotes* from October 2016 for more information.

[24] If Ohio maintains a loan balance through January 1, 2022, it will need to repay the advances by November 10, 2022, or an additional 0.3% FUTA rate will be charged to employers beginning January 1, 2023.

Tracking the Economy

– *Ruhaiza Ridzwan, Senior Economist*

– *Philip A. Cummins, Senior Economist*

Overview

Economic activity began to recover in May and June, after plunging in late March and in April. The pace of activity remains far short of prepandemic levels and may now be threatened by a resurgence of COVID-19 infections and renewed shutdowns to limit its spread. Total employment rose in the latest two months, partly reversing the decline in the previous two months. Unemployment fell but remains high. Industrial production rose in May and probably also in June based on reports from purchasing managers. Consumer prices fell in the latest three months through May, reflecting sharply lower energy prices. Petroleum and gasoline prices have since risen as economies around the world start to recover, boosting demand for fuel. Inflation-adjusted gross domestic product (real GDP) fell at a 5% annual rate in the January to March quarter and is predicted to have fallen far more steeply in the second quarter. Updated information on the economic outlook is shown at the end of this report. The Federal Reserve, the nation's central bank, kept its short-term interest rate target near zero and continued to hold vast amounts of securities purchased in recent months to support financial markets and credit flows to businesses and households.

Ohio's economy is following that of the nation, with employment starting to recover in May and unemployment falling but remaining high. Growth of the state's personal income slowed in this year's first quarter to 1.8% at an annual rate. The state's real GDP contracted 5.5% at a seasonally adjusted annual rate in the first quarter of 2020. Home sales in the state remained very soft through May.

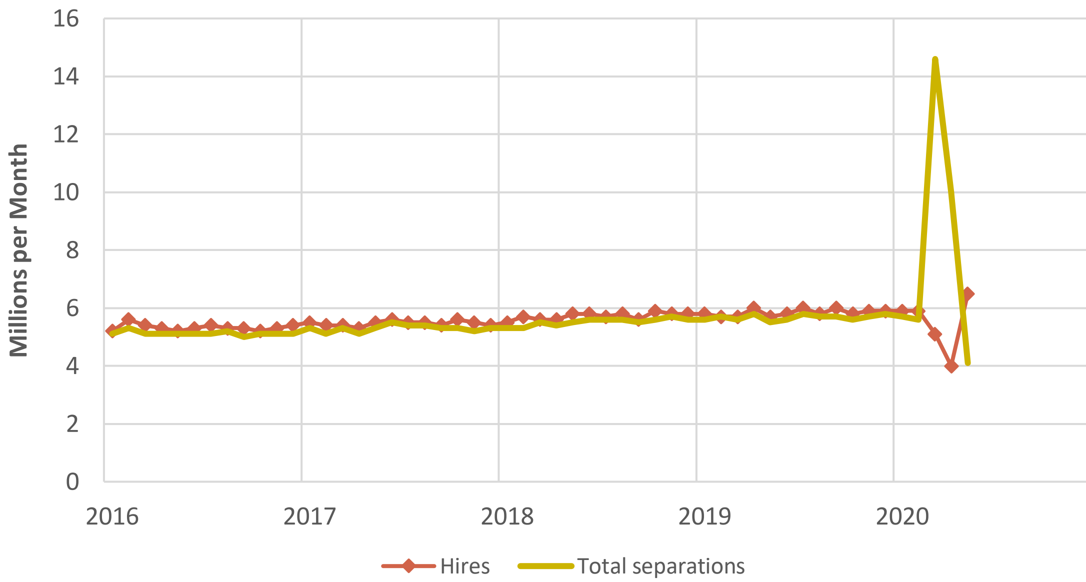
The National Economy

Total nonfarm payroll employment nationwide rose by 4.8 million last month, and 3.2 million fewer people were reported unemployed in June, reducing the country's unemployment rate from 13.3% in May to 11.1% in June. Trends in U.S. employment and the unemployment rate are shown in Chart 7 and Chart 8.

Employment on nonfarm payrolls fell in March and April by a total of 22.2 million from an all-time peak in February of 152.5 million. In May and June, employment recovered by a total of 7.5 million. Nonfarm payroll employment in June remained 14.7 million lower than at the peak in February. The largest employment gains in May and June were in the leisure and hospitality sector, totaling 3.5 million, less than half the jobs lost in the previous two months. Retailers added 1.1 million workers in the latest two months, health care and social assistance added 0.8 million, construction added 0.6 million, and manufacturing also added 0.6 million mostly in durable goods. Employment in government fell 0.5 million, mainly with local governments, about equally divided between education and other units of local government. Federal government employment continues to include workers hired on a temporary basis to conduct the decennial census.

These numbers represent net changes in employment, the difference between hires and total separations (departures from jobs due to dismissals, quits, and other reasons). Total monthly hiring and total separations are shown separately in Chart 6. These estimates are based on a sample of employers, lag the net figures reported in the previous paragraph by about a month, and are available through May. Separations in March and April totaled nearly 25 million, highest on records kept since 2000. In May, when states began easing restrictions on employers, separations fell to a low level, 4.1 million, while hires jumped to 6.5 million, highest on record.

Chart 6: U.S. Employment: Hires and Separations



The number of people counted as unemployed in the U.S. rose from 5.8 million in February to 23.1 million in April, highest on records kept since 1948.[25] Unemployment fell in May and June but, at 17.8 million, remained 12.0 million higher than in February. The nation's unemployment rate soared to 14.7% in April from a 50-year low of 3.5% in February and in late 2019. It declined in May and June but remains high.

Real GDP fell in the January to March quarter at a 5.0% annual rate. The source agency for these estimates, the U.S. Bureau of Economic Analysis (BEA), attributes the decline to the response in March to the spreading COVID-19 pandemic. U.S. production fell as consumers in March, many beginning to shelter in place at home, some dealing with job and income losses, cut back sharply on their spending. In the first quarter, nonresidential fixed investments and exports also declined and inventories were reduced. Residential fixed investment rose in the first quarter, seasonally adjusted, as construction activity fell off less during the winter than anticipated in seasonal adjustment factors, likely because of a mild winter. Among industries, particularly large declines were reported for food services and drinking places, insurance carriers and related activities, and ambulatory health care services.

In the second quarter, consumer spending fell precipitously in April before recovering partially in May as the economy began to reopen. In June, sales of cars and light trucks rose further. Both residential and nonresidential construction spending slid in April and May.

[25] Earlier annual data and estimates, though not fully comparable, indicate that U.S. unemployment in April was at an all-time high. The unemployment rate peaked in 1933 at an estimated 25% but the nation's population and labor force were much smaller than currently.

Shipments of nondefense capital goods, an indicator of business spending on equipment, dropped sharply in April and remained lower in May**.** Purchasing managers surveyed by the Institute for Supply Management reported recovery in business activity and new orders in June, in manufacturing and in much of the rest of the economy. BEA's initial estimate of second quarter GDP is scheduled for release July 30.

Industrial production rose 1.4% in May, after falling sharply in March and April, as factories began to reopen following shutdowns due to COVID-19. Total output remained well below earlier levels, 15.4% below the February level and 16.3% lower than the all-time peak in December 2018. Factory output rose 3.8% in May; gains were widespread among industries, with particularly large increases in motor vehicle and parts production, from extremely low levels in April. Production at both electric and natural gas utilities fell. Mining output declined for the fourth straight month, as oil and gas well drilling dropped to more than 63% lower than in May 2019.

The consumer price index (CPI) fell 0.1% in May, after large declines in March (-0.4%) and April (-0.8%). The declines reflect sharply lower prices for fuel and smaller declines in prices for transportation services and apparel. Food prices rose, particularly food for at-home consumption. In May, the overall index was 0.1% higher than a year earlier. The index for all items except food and energy was 1.2% above its year-ago level, the smallest year-over-year rise since 2011 when the economy was recovering from the 2007-2009 recession.

Chart 7: U.S. and Ohio Nonfarm Payroll Employment
(in millions)

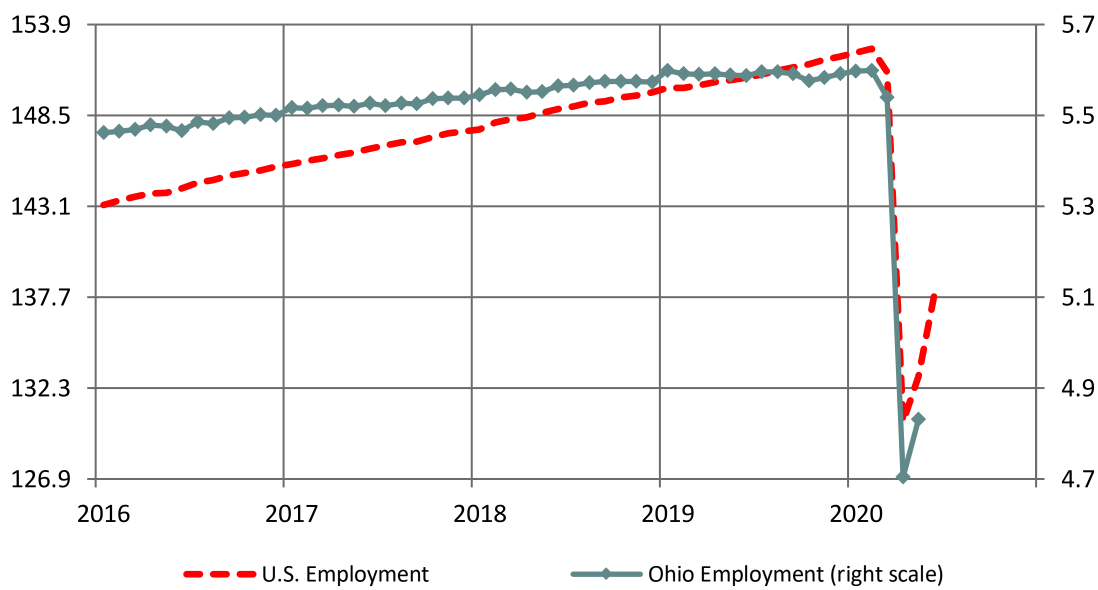
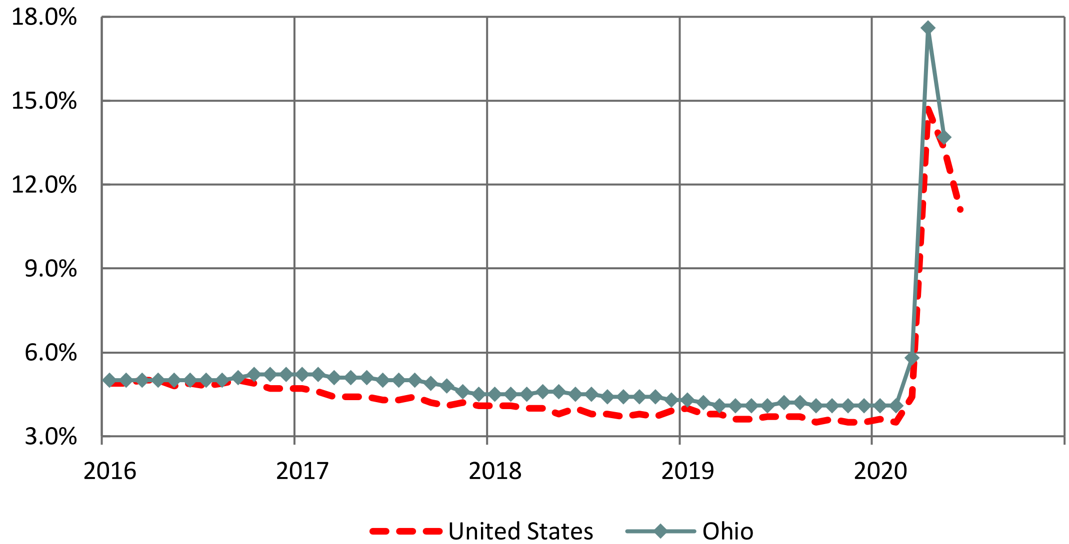


Chart 8: U.S. and Ohio Unemployment Rates
% of Labor Force



The Ohio Economy

Ohio's unemployment rate declined to 13.7% in May 2020 from the revised rate of 17.6% in April, highest in records that start in 1976. Ohio's unemployment rate was 4.1% in May 2019. Chart 8 shows Ohio's unemployment rate. The state's unemployment rate in May was higher than the U.S. unemployment rate, which was 13.3% in May, down from 14.7% in April. The number of persons classified as unemployed in the state was 788,000 in May, 211,000 fewer than in April, and 551,000 higher than in May of last year.

In May, Ohio's total nonfarm payroll employment increased by 127,100 or 2.7% from the revised number in April, following large decreases in April and March totaling nearly 900,000. The monthly job gain in May is the largest monthly increase in Ohio's employment during the last three decades as published by the U.S. Bureau of Labor Statistics. In May, private service-providing sectors and goods-producing industries added 112,000 and 38,400 jobs, respectively. Job gains in private service-providing sectors were in leisure and hospitality (+36,600), trade, transportation, and utilities (+31,400), educational and health services (+17,000), other services (+13,900), professional and business services (+11,900), and financial activities (+2,000). Job gains in goods-producing industries were largely in construction and manufacturing. Government employment decreased by 23,300 jobs, mostly in local governments.

Compared to May of last year, the state's nonfarm payroll employment was 757,600, or 13.6% lower. Job losses were essentially across the board with a remarkably large decline in leisure and hospitality. Chart 7 shows Ohio nonfarm payroll employment.

During the week ended June 27, 35,206 initial unemployment claims were filed in Ohio, a 0.8% increase from the previous week, according to the Department of Labor. The highest number of initial claims filed in the state was 274,288 during the week ended March 28, 2020. A total of 426,542 people filed for unemployment insurance benefits in Ohio during the week ended June 20, 39,821 fewer than the previous week and 350,672 fewer than at the peak in April.

Ohio's personal income grew 1.8% at an annual rate in the first quarter of 2020, a decrease from the 3.5% growth in the fourth quarter of 2019. Ohio's growth in the first quarter was led by increases in transfer receipts[26] and property income (dividends, interest, and rent). Nationwide, the average state personal income grew 2.3% in the first quarter of 2020, down from 3.6% in the fourth quarter of 2019. In the first quarter of 2020, Ohio's growth ranked 42nd in the nation (from highest growth to lowest).

Ohio's real GDP decreased 5.5% at a seasonally adjusted annual rate in the first quarter of 2020, a sharper decline than the 5.0% rate of contraction in real GDP for the 50 states. The decrease in Ohio's GDP was led by the finance and insurance; accommodation and food services; healthcare and social assistance; durable goods manufacturing; arts, entertainment, and recreation; and retail trade sectors. GDP fell in all 50 states. In current dollars, without an adjustment for inflation, Ohio's GDP dropped from $706.8 billion at an annual rate in the fourth quarter of 2019 to $699.1 billion at an annual rate in the first quarter of 2020. Ohio's GDP in the latest quarter accounted for about 3.2% of U.S. GDP.

Ohio housing sales continued to decline in May. The number of existing homes sold in Ohio decreased by 25.0% compared to May of last year, according to the Ohio Association of Realtors. From January through May of this year, existing home sales decreased by 7.2% compared to the corresponding months in 2019. The statewide sales price of homes sold in January through May of this year averaged $196,390, or 5.7% higher than in the same months of 2019.

Economic Forecast Update

The table below compares the current outlook for the economy with the outlook last year, as predicted in forecasts from IHS Markit released in June of this year and in May 2019. The May 2019 predictions as well as other variables were inputs to forecasts by LBO economists of GRF revenues, for use by the legislature in enacting H.B. 166.

IHS Markit's June baseline forecast shows nationwide real GDP falling in the quarter just ended at a 42% annual rate, after dropping in this year's first quarter at a 5% rate, depressed by the COVID-19-related economic shutdown. The predicted second quarter plunge would be the sharpest drop on record. From the quarter just ended to the fourth quarter of FY 2021, real GDP rebounds by 11%. Even with this strong rebound, real GDP in all of FY 2021 is expected to be 4% lower than in FY 2020, the second consecutive year of decline.

Economic forecasts are inevitably uncertain. The uncertainty is heightened currently by the ongoing COVID-19 pandemic. Renewed lockdowns in response to upsurges in infections could slow the economy. Progress in research to find an effective vaccine or treatment could accelerate economic recovery.

Figures shown in the table below are percent changes from the average of the four quarters in FY 2019 to that for FY 2020, and from FY 2020 to FY 2021, except that unemployment rates are averages for the four quarters of the fiscal year indicated.

[26] Transfer receipts are benefits that individuals receive from the government (federal, state, or local) or from businesses when the individual did not perform any (current) work in exchange for the benefits. Examples include unemployment insurance benefits, Social Security, and other retirement and disability benefits.

On a fiscal year basis, comparing the May 2019 forecast with the June 2020 forecast, overall growth of U.S. real GDP was revised downward by 4.4 percentage points for FY 2020 and 6.0 percentage points for FY 2021. Downward revisions for Ohio real GDP were 5.0 percentage points and 6.5 percentage points, respectively, for those years. Wage and salary income was also revised sharply lower for both the nation and the state. Inflation gyrates wildly, as consumer energy prices plummet in this calendar year's first half, then rebound. The unemployment rate soars above 13% for the nation and above 17% for Ohio during the quarter just ended before beginning to decline.

Revisions to IHS Markit Economic Forecast for FY 2020 and FY 2021				
	Forecast for FY 2020 as of		Forecast for FY 2021 as of	
Variable Name (National)	**May 2019**	**June 2020**	**May 2019**	**June 2020**
U.S. real GDP growth	2.3%	-2.1%	2.0%	-4.0%
U.S. wage and salary growth	4.6%	0.9%	4.7%	0.5%
U.S. personal income growth	4.3%	3.9%	5.0%	0.3%
U.S. CPI inflation	2.5%	1.6%	2.0%	0.8%
U.S. nonfarm employment growth	1.4%	-2.0%	0.9%	-3.0%
U.S. unemployment rate	3.5%	6.1%	3.5%	9.0%
	Forecast for FY 2020 as of		**Forecast for FY 2021 as of**	
Variable Name (Ohio)	**May 2019**	**June 2020**	**May 2019**	**June 2020**
Ohio real GDP growth	1.7%	-3.3%	1.1%	-5.4%
Ohio wage and salary growth	4.0%	-0.9%	3.7%	-1.5%
Ohio personal income growth	4.1%	3.4%	4.2%	-0.4%
Ohio nonfarm employment growth	0.9%	-3.5%	0.2%	-4.3%
Ohio unemployment rate	4.1%	7.6%	4.1%	12.0%

Chart 9 below shows the June 2020 quarterly forecast for Ohio real GDP associated with the fiscal year changes in the table. Quarter-to-quarter changes are shown in the chart at annual rates, for FY 2019, FY 2020, and FY 2021. IHS Markit expected Ohio real GDP to plummet in the quarter just ended at a 47% annual rate before beginning to recover in FY 2021. Ohio real GDP does not recover to its prerecession level until FY 2023.

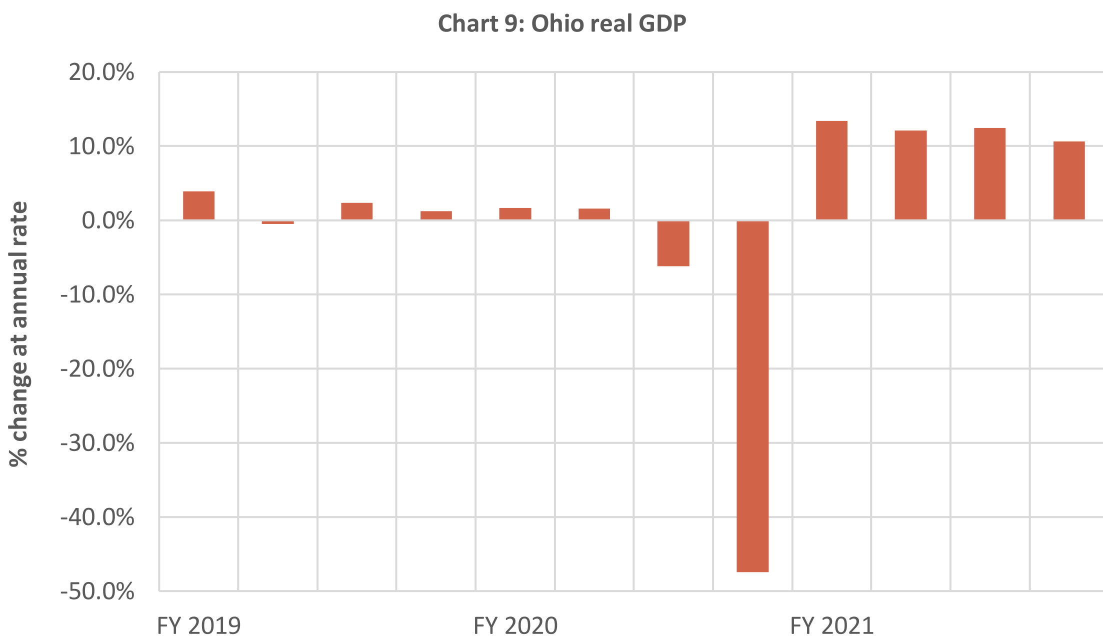


Chart 9: Ohio real GDP
% change at annual rate
20.0%
10.0%
0.0%
-10.0%
-20.0%
-30.0%
-40.0%
-50.0%
FY 2019
FY 2020
FY 2021