

Ohio Legislative Service Commission

GRF & MEDICAID VARIANCE SUMMARY

February 2018

- ◆ The personal income tax had a strong month in January; it exceeded estimate by \$222.6 million (24.9%). As a result, this tax's positive year-to-date (YTD) variance increased to \$249.9 million (5.0%). The commercial activity tax's positive YTD variance also increased by \$13.0 million in January to \$22.0 million (2.8%).
- ◆ The sales and use tax, the largest GRF tax, on the other hand, continued to struggle. Sales and use tax receipts came in \$39.0 million (4.1%) below estimate in January, resulting in a negative YTD variance of \$22.7 million (0.4%) for this tax.
- ◆ YTD GRF taxes as a whole exceeded estimate by \$221.5 million (1.7%), of which \$204.0 million occurred in the month of January.
- ◆ YTD GRF Medicaid expenditures were \$191.7 million (2.2%) below estimate, which was larger than the \$174.6 million (0.9%) negative YTD variance for GRF uses as a whole. Medicaid's negative YTD variance was reduced somewhat by the net positive YTD variance from all other categories.

GRF Sources

| | Tax Revenue | Federal Grants | Total GRF Sources |
|-------------|---------------------------|----------------------------|----------------------------|
| January | \$204.0 million 9.8% ↑ | -\$22.9 million -3.1% ↓ | \$365.0 million 12.8% ↑ |
| FY 2018 YTD | \$221.5 million 1.7% ↑ | -\$90.8 million -1.6% ↓ | \$109.8 million 0.6% ↑ |

GRF Uses

| | GRF Medicaid | Program Expenditures | Total GRF Uses |
|-------------|-----------------------------|-----------------------------|-----------------------------|
| January | -\$55.5 million -5.2% ↓ | \$27.3 million 1.1% ↑ | \$27.8 million 1.1% ↑ |
| FY 2018 YTD | -\$191.7 million -2.2% ↓ | -\$178.5 million -0.9% ↓ | -\$174.6 million -0.9% ↓ |

All-Funds Medicaid

| | Non-GRF | All-Funds Total | ACA – Managed Care |
|-------------|---------------------------|-----------------------------|----------------------------|
| January | -\$7.8 million -0.7% ↓ | -\$63.3 million -2.9% ↓ | -\$15.2 million -4.3% ↓ |
| FY 2018 YTD | \$18.0 million 0.3% ↑ | -\$173.6 million -1.1% ↓ | -\$21.7 million -0.9% ↓ |

- ◆ Key: An up arrow indicates a positive variance (i.e., the amount by which actual is above estimate) while a down arrow indicates a negative variance.
- ◆ GRF sources mainly consist of state tax revenue (63%) and federal grants (35%) but also include some state nontax revenue and transfers in.
- ◆ GRF uses mainly consist of various program expenditures (98%) but also include transfers out.
- ◆ Both GRF and non-GRF Medicaid expenditures contain federal and state moneys.
- ◆ The full edition of LSC's monthly *Budget Footnotes* may be accessed on LSC's website: www.lsc.ohio.gov.