State of Ohio
Monthly Financial Report

MARCH 10, 2026

Memorandum to:
The Honorable Mike DeWine, Governor
The Honorable Jim Tressel, Lt. Governor

From: Kimberly Murnieks, OBM Director

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REPORT OVERVIEW

Office of Budget and Management

COMMERCIAL ACTIVITY TAX

collections for the year-to-date are 10.4% above the estimate.

TOTAL TAX RECEIPTS

for the year-to-date are 3.3% above the estimate.

PERSONAL INCOME TAX

revenue was $33.4 million above the monthly estimate in February.

NON-AUTO SALES & USE TAX

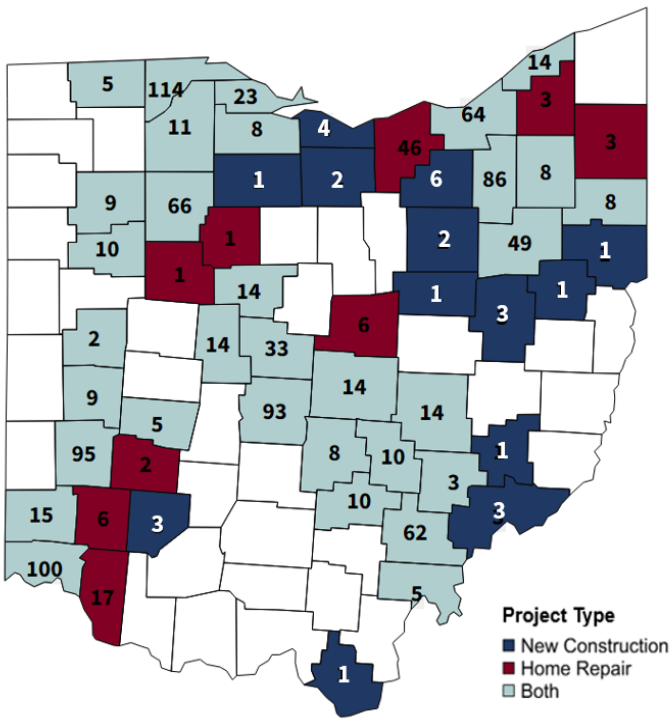
collections for the year-to-date are $327.9 million above FY 2025.

Spotlight on Results

Spotlighting: Workforce Housing

The Department of Development's Workforce Housing program aims to address the shortage of workforce housing across the state by funding Habitat for Humanity of Ohio to construct new homes for low-to-moderate-income families and provide critical repair services for seniors and individuals with disabilities.

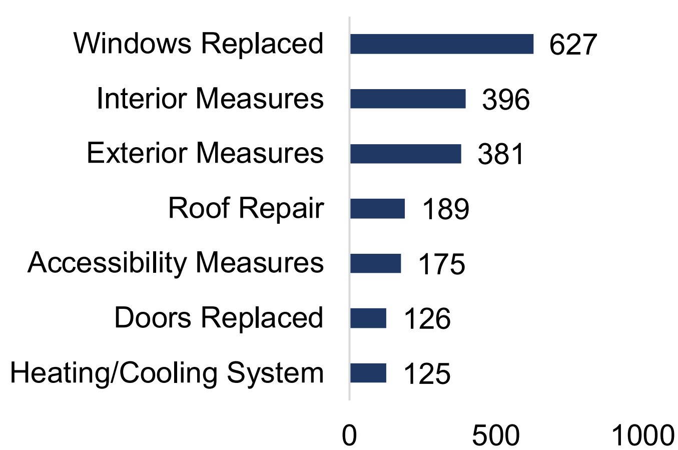
Location of Workforce Housing Projects



From 2023 to February 2026, Habitat for Humanity repaired or constructed 1,065 homes across the state. Of the completed projects, 300 (28.2%) were newly constructed homes. The average newly constructed home provided 1,265 square-feet of living space with three bedrooms and one and a half bathrooms, and an average home appraisal value of $179,955. Currently, 1,028 people live in these safe and affordable new homes they can call their own.

As of February 2026, Habitat completed repair projects in 765 homes. Habitat replaced 627 windows, replaced 126 doors, repaired 189 roofs, and performed 381 other exterior measures, such as repairs to the home's siding, gutters, and decking. Habitat also performed 396 interior measures, such as repairs to the home's plumbing and electrical systems, or repairing or replacing hot water tanks. These repairs improve the health and safety of homes, allowing Ohioans of all ages to reside comfortably in their homes. The repair projects completed to date assisted 774 people. Nearly 51 percent of those served were seniors, 35.8 percent were aged 19-64, and 16.4 percent were children. Additionally, of homes receiving critical repairs, 32.7 percent housed at least one individual living with a disability.

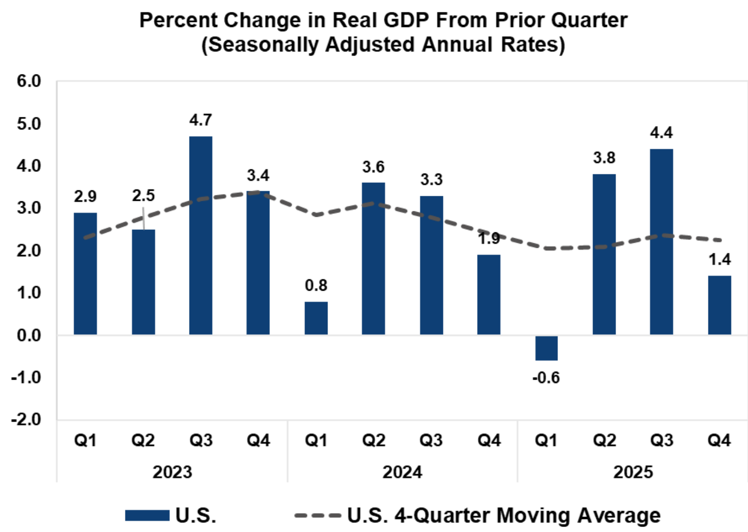
Critical Repair Services Performed through February 2026



Economic Activity

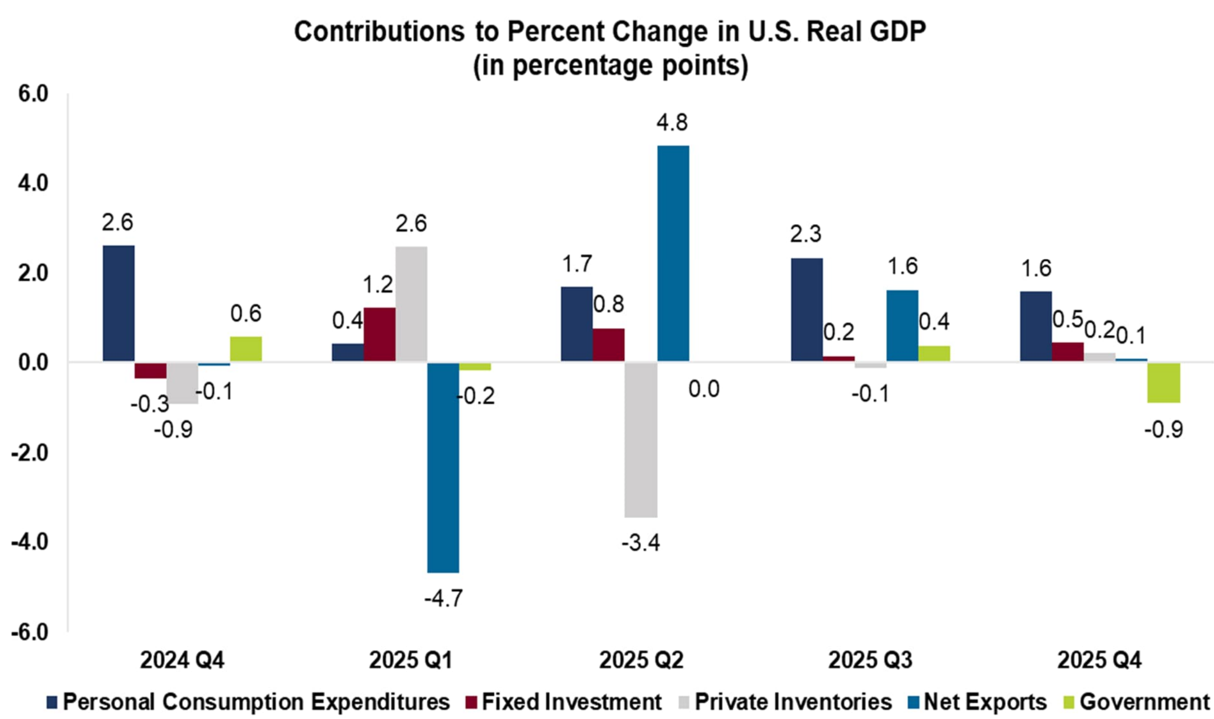
Economic Outlook

According to the Bureau of Economic Analysis' advance estimate, the nation's **Real Gross Domestic Product (GDP)** grew in the fourth quarter of calendar year 2025 at an annualized rate of 1.4 percent.



Source: Bureau of Economic Analysis

The fourth quarter increase in real GDP was mainly driven by a rise in personal consumption expenditures (1.6 percentage points), along with smaller gains in fixed investment (0.5 percentage point), private inventories (0.2 percentage point), and net exports (0.1 percentage point), which were partially offset by a decline in government expenditures (-0.9 percentage point).



Source: Bureau of Economic Analysis

The Conference Board's **Leading Economic Index** decreased 0.2 percent to 97.6 in December 2025 and has fallen for five straight months. In the six months since June, the Index decreased 1.2 percent. The Conference Board's Senior Manager of Business Cycle Indicators reported that December's decline was mainly caused by persistently weak consumer expectations, along with a rise in unemployment claims. The Conference Board forecasts that real GDP growth will increase by 1.2 percent in the first quarter of 2026 and by 2.1 percent by the end of the year.

The **Federal Reserve's Beige Book** evaluates current economic conditions across 12 districts. According to the report released in March, business activity in the Fourth District, which includes Ohio, increased modestly since January's report. Survey respondents generally reported that employment levels were flat in recent weeks, and wages grew moderately. Respondents reported that non-labor cost pressures continued to increase at a robust pace for the sixth consecutive reporting period. Retailers across multiple industries reported consumer spending was either flat or declined for the reporting period, citing colder-than-usual temperatures and winter storms, but generally expect an increase in consumer spending in the coming months.

In speeches given in the first quarter, several members of the Federal Open Market Committee expressed opinions that they now prefer a wait-and-see approach through at least the March 2026 meeting as the federal shutdown caused further delays to releasing economic data points. Moreover, a majority of the members are of the opinion that the rate is currently close to neutral in that the target range is neither too restrictive nor too supportive.

Economic Forecasts

Source	Date	1st Quarter 2026 Annualized GDP Forecast
Federal Reserve Bank of Atlanta (GDPNow)	03/06/2026	2.1%
Federal Reserve Bank of New York (Nowcast)	03/06/2026	2.2%
S&P Global GDP Tracker	02/27/2026	2.2%
Moody's Analytics High-Frequency Model	02/19/2026	2.4%
Wells Fargo	02/18/2026	3.6%
Conference Board	02/11/2026	1.2%

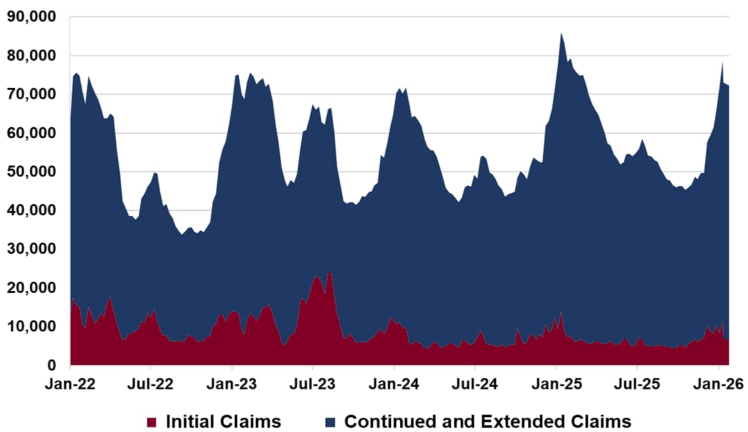
Ohio Labor Market

The U.S. Bureau of Labor Statistics delayed the release of state-level labor market data for January 2026. Information for December 2025 is included in the Monthly Financial Report released in February 2026.

In January 2026, **initial unemployment claims** declined by 15.3 percent for men and 11.3 percent for women compared to December 2025. Compared to January 2025, claims were 11 percent lower for men and 14.6 percent lower for women.

Between December 2025 and January 2026, initial unemployment claims decreased across all racial groups and were lower compared to January 2025 for every race. Individuals who did not specify a race (-20.2%) and those identifying as Hispanic (-19.7%), American Indian (-19.5%), or Black (-18.4%) experienced the largest percentage decreases in initial claims compared to January 2025. Following them were those who identify as White (-9.5%) and Asian/Pacific Islander (-4.7%).

Ohio Total Unemployment Claims
(January 1, 2022 through January 24, 2026)

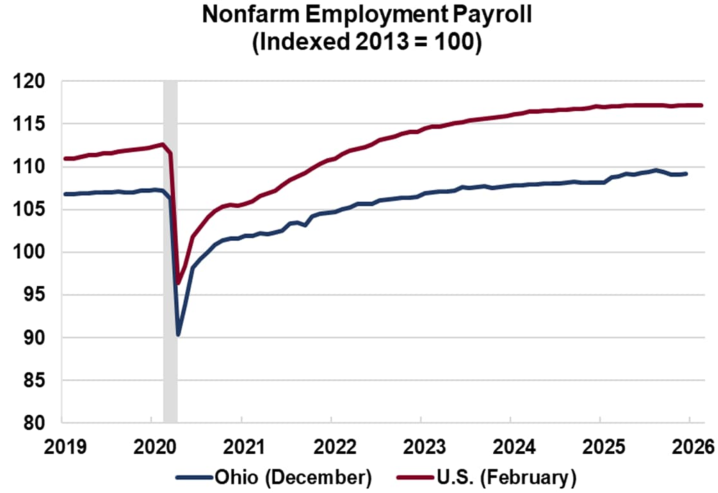


Source: Ohio Department of Job and Family Services

During the week ending February 28, 2026, 4,898 individuals filed initial unemployment claims. This was a decrease of 13 claims (-0.3%) compared to the previous week. During the same week, 62,126 individuals filed **continued or extended claims**, a 6.3 percent decrease (-4,146 claims) from the prior week.

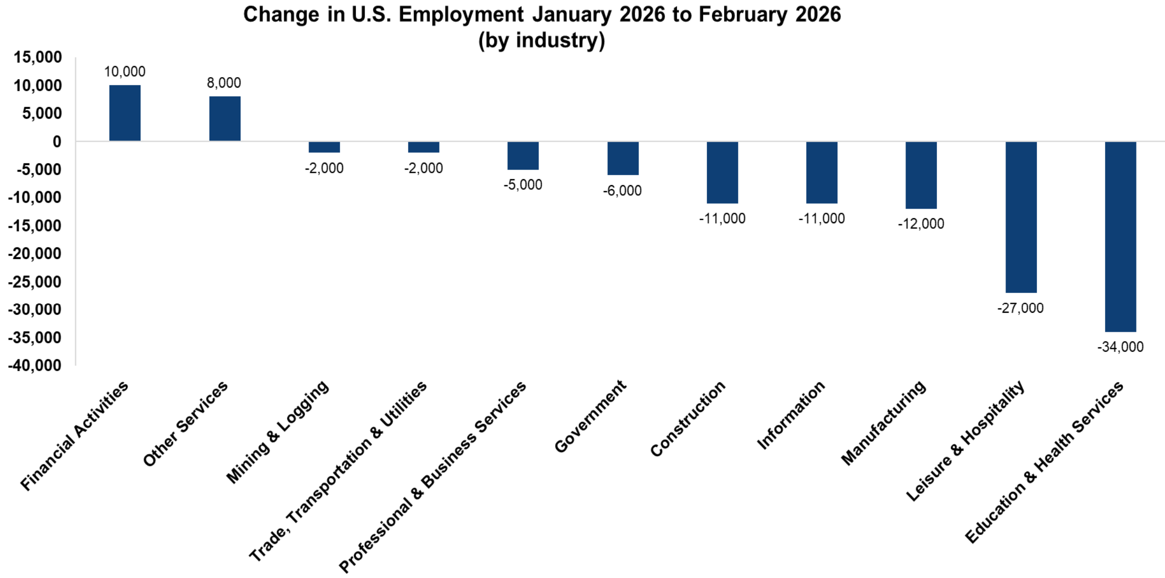
U.S. Labor Market

U.S. nonfarm payroll employment decreased by an estimated 92,000 jobs in February 2026. Compared to February 2025, nonfarm employment in the U.S. increased by 156,000 (0.1%) people.



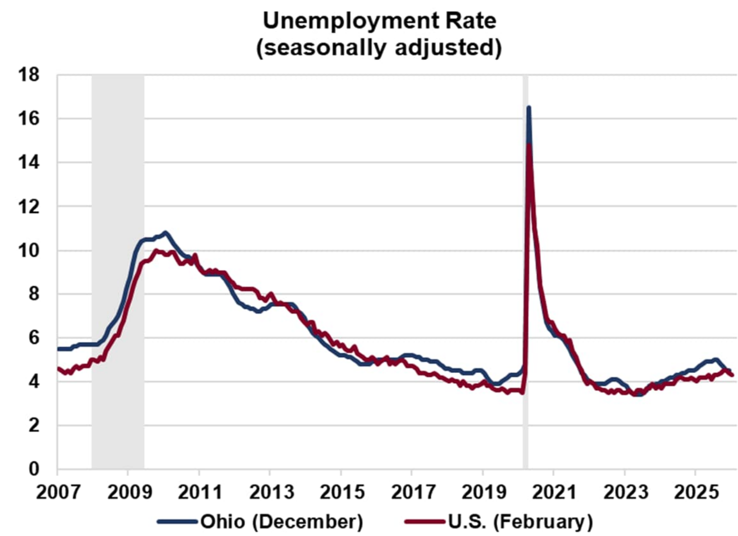
Source: Bureau of Labor Statistics

February's decrease in total employment was driven by decreases in education and health services (-34,000), leisure and hospitality (-27,000), and manufacturing (-12,000), among others, and were partially offset by increases in financial activities (10,000) and other services (8,000).



Source: Bureau of Labor Statistics

The **U.S. labor force participation rate** decreased 0.1 percentage point between January and February 2026 to 62 percent and was 0.5 percentage point lower compared to February 2025. The **U.S. employment-population ratio** decreased 0.1 percentage point to 59.3 in February and was 0.6 percentage point lower compared to one-year before.



Source: Bureau of Labor Statistics through FRED

The **U.S. unemployment rate** increased 0.1 percentage point between January and February 2026 to 4.4 percent, while the number of unemployed individuals increased by 203,000 to 7.6 million.

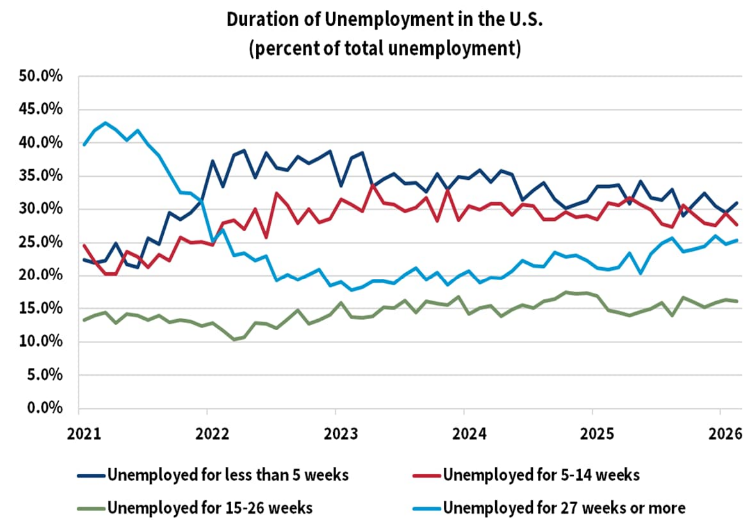
Between January and February 2026, the unemployment rate increased by 0.6 percentage point for those who identify as Asian (4.8%), increased by 0.4 percentage point for those who identify as Black (7.7%), and increased 0.3 percentage point for those who identify as Hispanic (5.2%). The unemployment rate was unchanged for those who identify as White (3.7%) in February. The unemployment rate for both men and women increased 0.1 percentage point to 4.4 and 4.5 percent, respectfully, between January and February 2026.

Unemployment Rates by Demographic Group

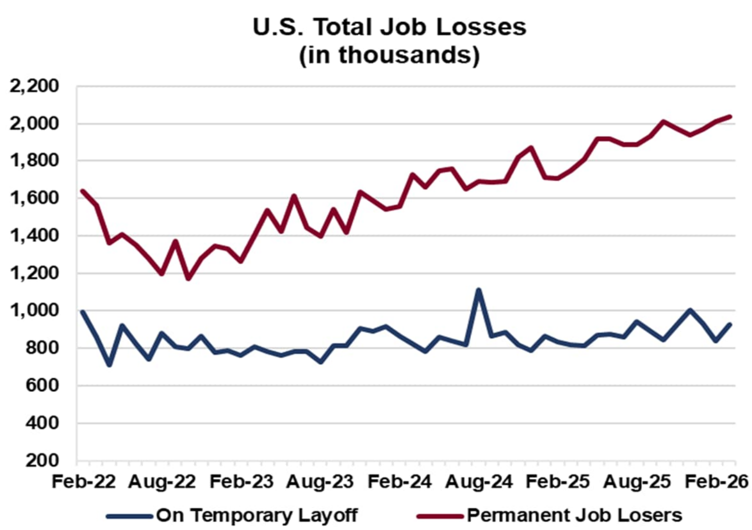
	Dec-2025	Jan-2026	Feb-2026
Women	4.4%	4.3%	4.5%
Men	4.4%	4.3%	4.4%
Black	7.5%	7.3%	7.7%
White	3.8%	3.7%	3.7%
Asian	4.4%	4.2%	4.8%
Hispanic	4.9%	4.9%	5.2%

In February 2026, 25.3 percent of unemployed individuals in the nation were unemployed for 27 weeks or more, an increase of 0.6 percentage point from January 2026.

The number of **people not in the labor force who currently want a job** increased by 136,000 (2.3%) between January and February to 5.9 million people.



Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

The number of unemployed people on **temporary layoffs** increased 10.3 percent to 925,000 in February 2026.

The number of people with **permanent job losses** increased by 29,000 to two million people between January and February 2026.

Consumer Income and Consumption

$26.5 Trillion

Preliminary data indicate that **personal income** rose by $86.2 billion (0.3%) in December 2025 to $26.5 trillion. The increase in December was spurred by higher personal current transfer receipts of $38.4 billion (0.8%), wages and salaries of $24.3 billion (0.2%), and proprietors' income of $15.8 billion (0.7%).

Preliminary **personal consumption expenditures** increased by $91 billion (0.4%) in December 2025 to $21.4 trillion. Overall spending on goods declined by $7.5 billion

(-0.1%) in December. Spending on durable goods fell by $7.9 billion (-0.3%) during the same period, primarily driven by a decrease in spending on motor vehicles and parts of $6.3 billion (-0.8%) and other durable goods of $985 million (-0.3%). Spending on nondurable goods was unchanged between November and December 2025. An increase in spending on gasoline and other energy goods of $4.7 billion (1.1%) was offset by declines in other nondurable goods of $2.9 billion (-0.2%) as well as clothing and footwear of $2.3 billion (-0.4%). Spending on services grew by $98.5 billion (0.7%) in December 2025, largely driven by a $29.4 billion (0.8%) increase in housing and utilities, a $20.8 billion (2.5%) increase in recreational services, and a $20.4 billion (0.6%) increase in health care.

Real Consumer Spending by Major Type of Product, for Select Products
($ in millions of chained 2017 dollars)

	November 2025	December 2025	1-Month Percent Change	12-Month Percent Change	24-Month Percent Change
Durable Goods	$ 2,145,731	$ 2,126,701	-0.9%	-2.8%	5.6%
Motor vehicles and parts	$ 588,475	$ 584,983	-0.6%	-8.4%	2.3%
Furnishings and durable household equipment	$ 451,476	$ 447,780	-0.8%	-3.0%	5.4%
Recreational goods and vehicles	$ 850,386	$ 834,896	-1.8%	2.3%	9.2%
Other durable goods	$ 308,427	$ 309,898	0.5%	0.9%	5.9%
Nondurable Goods	$ 3,549,719	$ 3,539,625	-0.3%	1.4%	4.5%
Food and beverage for home consumption	$ 1,183,593	$ 1,179,460	-0.3%	-0.1%	2.4%
Clothing and footwear	$ 553,192	$ 548,275	-0.9%	4.7%	7.7%
Gasoline and other energy goods	$ 315,642	$ 320,016	1.4%	-0.6%	1.3%
Other nondurable goods	$ 1,518,727	$ 1,512,130	-0.4%	2.1%	6.2%
Services	$ 11,025,344	$ 11,060,586	0.3%	2.6%	5.5%
Housing and utilities	$ 2,713,495	$ 2,724,357	0.4%	1.0%	3.1%
Health care	$ 3,003,316	$ 3,019,316	0.5%	5.2%	10.1%
Food services and accommodations	$ 1,091,412	$ 1,083,686	-0.7%	1.2%	1.4%
Financial services and insurance	$ 1,192,568	$ 1,195,195	0.2%	2.8%	4.4%

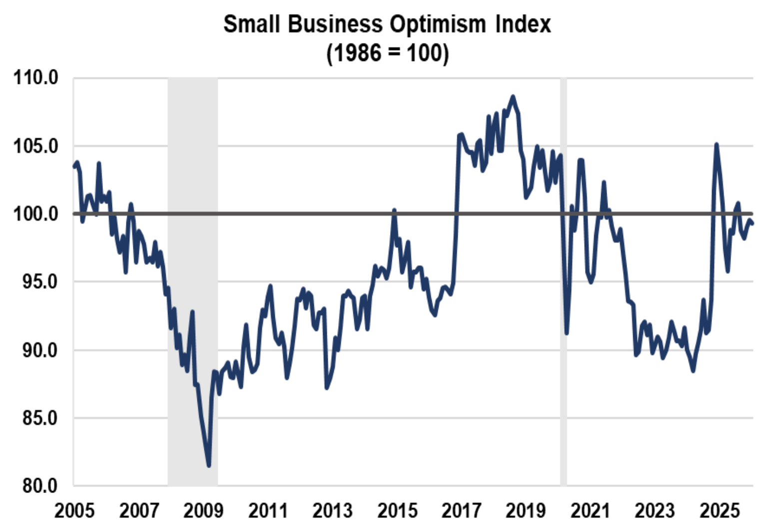
Note: To understand how people's spending has changed over time without the influence of inflation, the table above shows real personal consumption spending in chained 2017 values. This differs from the figures in the text, which are not adjusted for inflation.
Source: Bureau of Economic Analysis, Table 2.8.6 Real Personal Consumption Expenditures by Major Type of Product

Personal saving preliminarily totaled $830.8 billion in December 2025, a 1.7 percent decrease compared to November's revised level and was 14.4 percent below December 2024's level. The **personal saving rate** was 3.6 percent in December 2025, a 0.1 percentage point decrease from November.

The **Consumer Price Index for All Urban Consumers** (CPI) increased 0.2 percent between December 2025 and January 2026. Over the past year, the “all items” index increased 2.4 percent. Compared to December, price increases varied. Both shelter and food and beverage prices increased 0.2 percent in January, while energy prices decreased 1.5 percent. Prices for services excluding housing increased 0.3 percent between December and January and were 3.4 percent higher than in January 2025.

The February 2025 releases of the two major consumer opinion surveys suggested small increases in consumer sentiment compared to January. The University of Michigan’s **Consumer Sentiment Index** reported a 0.2 point (0.4%) rise in February compared to January, with the index registering at 56.6. Over the past year, the Index declined 12.5 percent, as divergences between consumers across education and income levels became more pronounced in the second half of 2025. The Conference Board’s **Consumer Confidence Index** preliminarily increased by 2.2 index points to 91.2 in February, from an upwardly revised 89 in January. Consumer write-in opinions continued to lean toward pessimism, with concerns about inflation, prices, and the cost of goods remaining high. Mentions of labor market conditions in write-in comments decreased slightly compared to January’s responses.

The **Small Business Optimism Index** decreased 0.2 percentage point to 99.3 in January, remaining above the 52-year average of 98 for the ninth consecutive month. Three of the 10 components of the Index increased between December and January, while seven declined. Eighteen percent of respondents reported that their most significant problem in January was taxes, followed by quality of labor. The Uncertainty Index rose seven points from December as small business owners reported more uncertainty about whether it’s a good time to expand their business.



Source: NFIB

Travel and Tourism

Ohio’s three largest transit authorities, the Greater Cleveland Regional Transit Authority, Central Ohio Transit Authority, and Southwest Ohio Regional Transit Authority provided an estimated combined total of 3.4 million unlinked passenger trips during February 2026. This was 10.5 percent lower than ridership levels in February 2025.

Nationally, 64.3 million travelers passed through TSA checkpoints in February 2026. Average airline checkpoint traffic fell 2.4 percent in February compared to January. **Total travel throughput** in February 2026 increased by 1.7 million (2.7%) people compared to February 2025.

In the U.S., the **hotel occupancy rate** was 62.8 percent for the week ending February 28, 2026, unchanged (0.0%) compared to the same week in 2025. The **average daily rate** for a hotel room was $159.03, a 0.2 percent decrease from the same week one year ago. **Revenue per available room** was $99.85, also 0.2 percent lower compared to the same week in 2025.

Industrial Activity

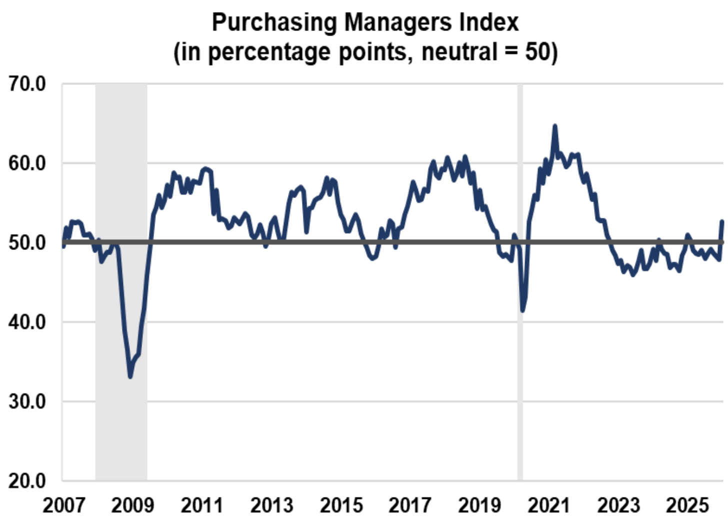
According to preliminary data from the Board of Governors of the Federal Reserve System, **total industrial production** increased 0.7 percent between December 2025 and January 2026 and was 2.3 percent higher than in January 2025.

Rate of Change in U.S. Industrial Production by the Manufacturing Sector

Manufacturing Sector	Percent Change November 2025 to December 2025	Percent Change December 2025 to January 2026	Percent Change January 2025 to January 2026
Aerospace and Other Transportation Equipment	1.3%	-0.2%	9.8%
Chemicals	-1.1%	1.1%	2.0%
Electrical Equipment and Appliances	1.6%	0.4%	1.4%
Fabricated Metal Products	0.3%	0.1%	3.2%
Food, Beverage, and Tobacco Products	0.6%	-0.4%	2.2%
Machinery	-0.3%	1.2%	4.1%
Motor Vehicles and Parts	0.0%	1.3%	5.5%
Petroleum and Coal Products	2.0%	-0.1%	1.2%
Plastics and Rubber Products	0.0%	1.3%	2.5%
Primary Metals	1.9%	0.7%	3.2%

Manufacturing Production in January 2026 preliminarily increased by 0.6 percent and was 2.4 percent higher than in January 2025. Durable manufacturing production grew 0.8 percent between December 2025 and January 2026 and was 3.7 percent above January 2025. Nondurable manufacturing production increased 0.4 percent between December and January. Nationally, manufacturing in seven of Ohio's top 10 industries saw production rise between December and January. The largest gains in January 2026 occurred in motor vehicles and parts (1.3%), plastic and rubber products (1.3%), machinery (1.2%), chemicals (1.1%). Decreases in production in January occurred in food, beverage, and tobacco products (-0.4%), aerospace and other transportation equipment (-0.2%), and petroleum and coal products (-0.1%).

In February 2026, the Institute for Supply Management (ISM) reported that the **Purchasing Managers Index** (PMI) for the United States decreased to 52.4, a 0.2 percentage point decrease compared to January. The chair of the survey committee noted that the U.S. manufacturing sector stayed in expansion territory for the second month in a row, although growth in February was at a slower pace compared to January's growth.



Source: Institute for Supply Management

Across the nation, 12 of the 18 industries tracked by ISM increased production between January and February 2026. Of those manufacturing industries with a significant presence in Ohio, the largest growth was reported in primary metals, chemical products, and machinery in February 2026. In contrast, manufacturing decreased the most at a national level for petroleum and coal products, and food, beverage, and tobacco products.

Anecdotal evidence from a nationwide survey of purchasing and supply executives by the Institute for Supply Management indicated continued concerns regarding uncertainty surrounding trade policy affecting their businesses.

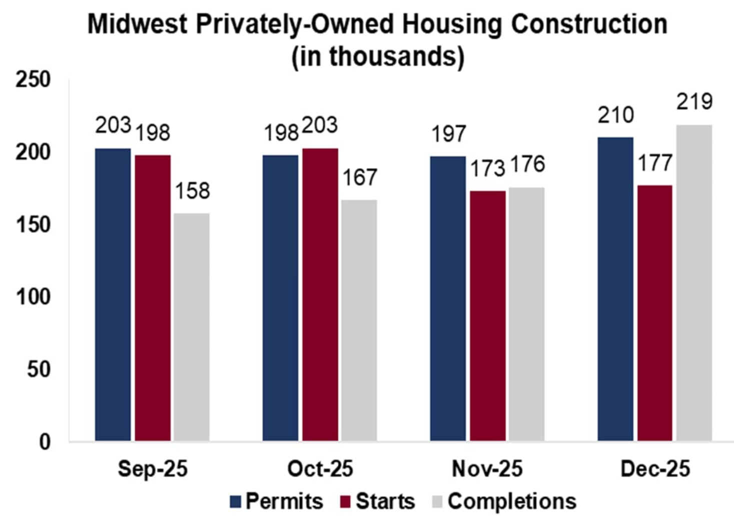
"'Tariff policy changes affect total acquisition costs and purchasing source decisions. So far this year, tariff instability still exists. Due to the tariffs, most raw materials used in manufacturing, such as steel and wire, need to be sourced domestically, and the costs keep going up." [Machinery]

"Economic activity seems to be also challenging this year. Some recovery in certain sectors in the economy but still [a] lot of cost pressures and soft demand. Cost discipline is the priority." [Chemical Products]

Ohio and Midwest Construction and Housing Market

In Ohio, **building permits** for privately owned housing units increased 5.9 percent in December 2025 after decreasing 6.5 percent between October and November 2025. Total building permits authorized in December were 14.3 percent below the number of permits authorized in December 2024.

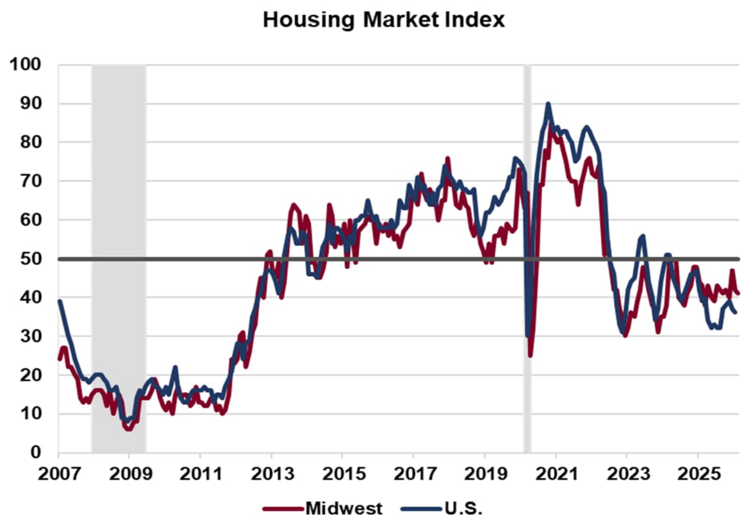
Preliminary data for privately-owned housing starts in the Midwest indicated a 2.3 percent increase between November and December 2025 and were 13.2 percent below December 2024 levels. In December 2025, privately-owned housing completions in the Midwest rose by 24.4 percent compared to November 2025 and were 8.4 percent above the number of completions in December 2024.



Source: U.S. Census Bureau through FRED

Preliminary data indicate that new home sales in the Midwest increased by 31.7 percent between November and December 2025 to 108,000 units. Sales in December 2025 were 30.1 percent higher compared to sales in December 2024.

According to Ohio Realtors, 6,539 homes were sold in Ohio in January 2026, a 7.6 percent decrease from January 2025. The median sale price in Ohio was $247,000, a 7.4 percent increase from last January. Statewide, the number of active listings totaled 28,275 in January 2026, a 2.7 percent increase over January 2025.



Source: National Association of Home Builders

In February 2026, the National Association of Home Builders reported that the Housing Market Index decreased by one point nationally to 36 and decreased one point in the Midwest to a reading of 41, indicating less than half of builders feel confident in both the current and near-term housing outlook.

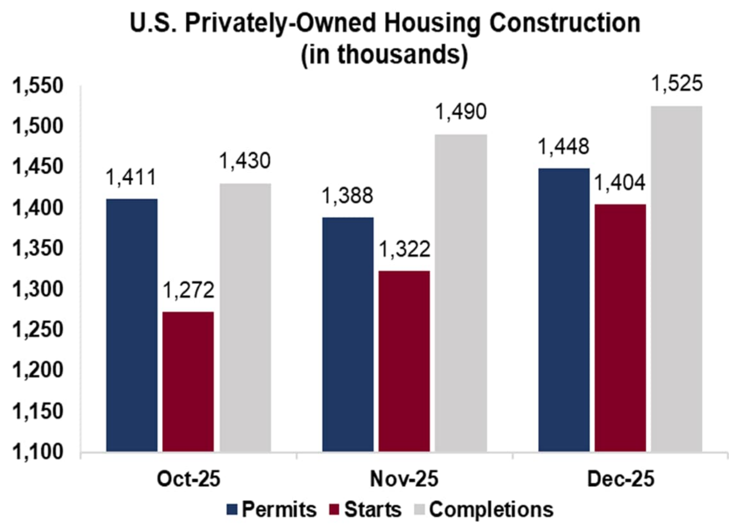
U.S. Construction and Housing Market

The U.S. Census Bureau reported **total construction spending** increased 0.3 percent in December 2025 to a seasonally adjusted rate of $2.17 trillion after decreasing 0.2 percent in November. Total spending in December 2025 was 0.4 percent lower compared to spending in December 2024.

Public construction spending decreased by 0.5 percent in December 2025 compared to the revised November estimate, bringing the seasonally adjusted annual total to $521.7 billion. Public spending on non-residential construction decreased by 0.4 percent from November 2025's revised estimate to $509.4 billion in December 2025. Compared to December 2024, non-residential public construction increased by 3.4 percent.

Private sector construction spending rose by 0.5 percent in December 2025 to a seasonally adjusted annual rate of $1.64 trillion and was 1.5 percent lower than December 2024 spending levels. Private residential construction in December 2025 increased 1.5 percent above November's revised level and was 1.3 percent below December 2024's spending. Private non-residential construction decreased by 0.7 percent in December and was 1.8 percent below December 2024 levels.

In the U.S., the number of **building permits** issued for privately-owned housing units increased by 4.3 percent from November to December 2025 and was 2.2 percent lower than in December 2024.



Source: U.S. Census Bureau through FRED

Nationally, privately-owned housing starts increased by 6.2 percent between November and December 2025 and were 7.3 percent below December 2025.

In December 2025, **newly built single-family home sales** preliminarily decreased by 1.7 percent compared to November yet were 3.8 percent above sales in December 2024. The national median sale price in December 2025 was $414,400, a 4.2 percent increase from November's revised median sale price, and two percent below the price in December 2024.

According to the National Association of Realtors, **existing home sales** fell by 8.4 percent between December 2025 and January 2026 to an annual rate of 3.9 million housing units. Compared to January 2025, existing home sales decreased by 4.4 percent. The median sale price of all existing homes increased 0.9 percent from a year prior to $396,800. Available inventory in January 2026 totaled 1.2 million units, a 0.8 percent decline from December, but a 3.4 percent increase compared to January 2025's inventory level.

Revenues

February GRF tax revenues exceeded the estimate by $3.3 million (0.2%). The commercial activity tax led all tax sources, surpassing the anticipated level by $57.5 million (11.8%). For the year-to-date, total tax revenue, including the sales-tax-holiday transfer, is $648.8 million (3.3%) above the estimate. The personal income tax accounts for more than half (53.4%) of this positive variance.

YTD Revenue Variance
($ in millions)

Category	Includes:	YTD Variance	% Variance
Tax Receipts	Sales & use, sales tax holiday transfer, personal income, financial institutions, commercial activity, natural gas distribution, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, adult use marijuana, alcoholic beverage, liquor gallonage, repealed taxes	$ 648.8	3.3%
Non-Tax Receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	$ (54.2)	-0.5%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$ 3.2	0.9%
Total Receipts and Transfer Variance		**$ 597.9**	**1.9%**
Non-Federal Receipts and Transfer Variance		**$ 642.8**	**3.2%**
Federal Grants Variance		**$ (44.9)**	**-0.4%**

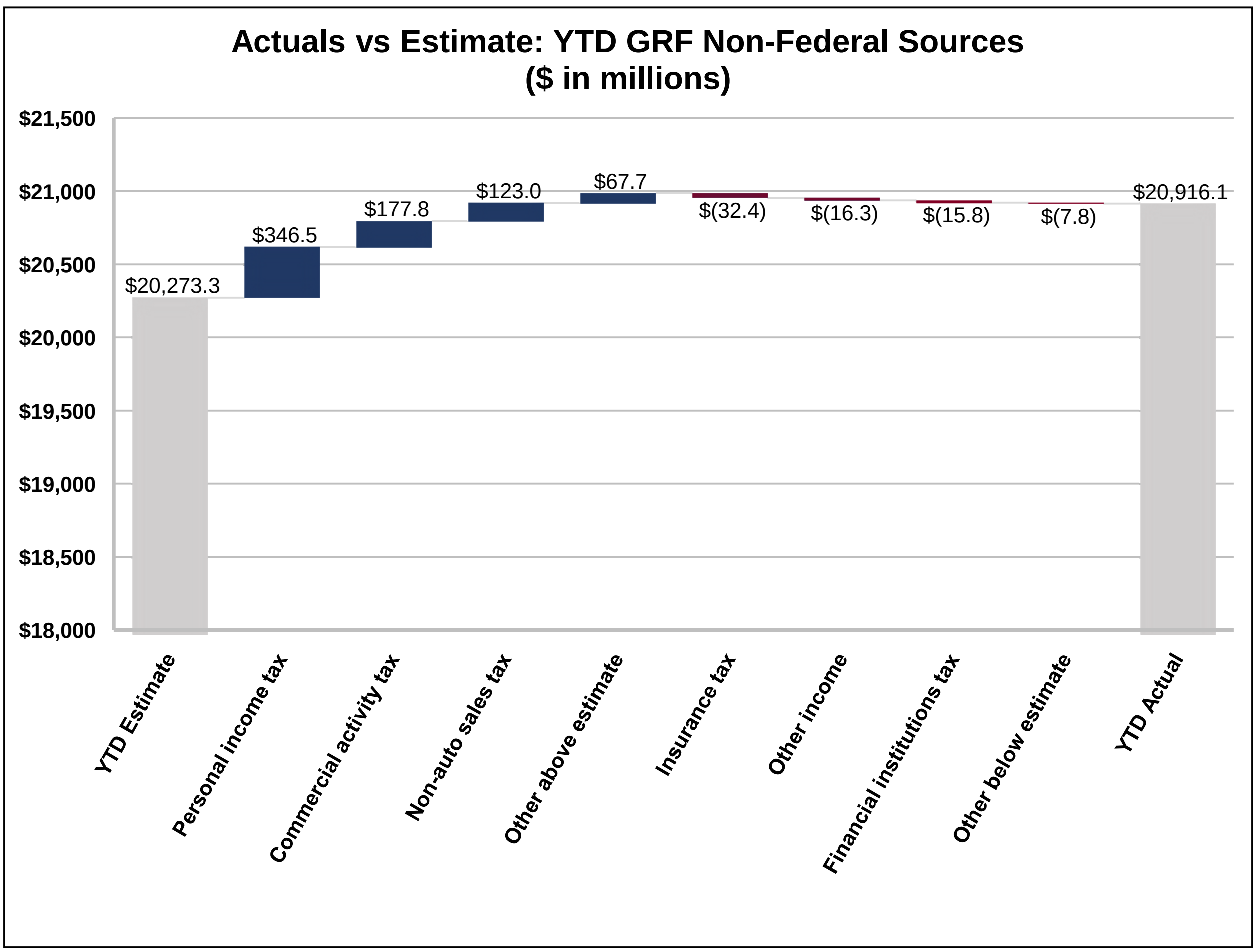
In February, GRF sources totaled $2.6 billion and were $172 million (7%) above the estimate. As noted above, tax revenues were $3.3 million (0.2%) above estimate, and non-tax revenues were $165.9 million (49.3%) above estimate. For the year-to-date, tax revenues and transfers are above the estimate, while non-tax revenues are below.

The table below shows that in February, the positive variances from estimate ($287.6 million) exceeded the negative variances (-$115.6 million), resulting in a net positive variance of $172 million.

GRF Revenue Sources Relative to Monthly Estimates – February 2026
($ in millions)

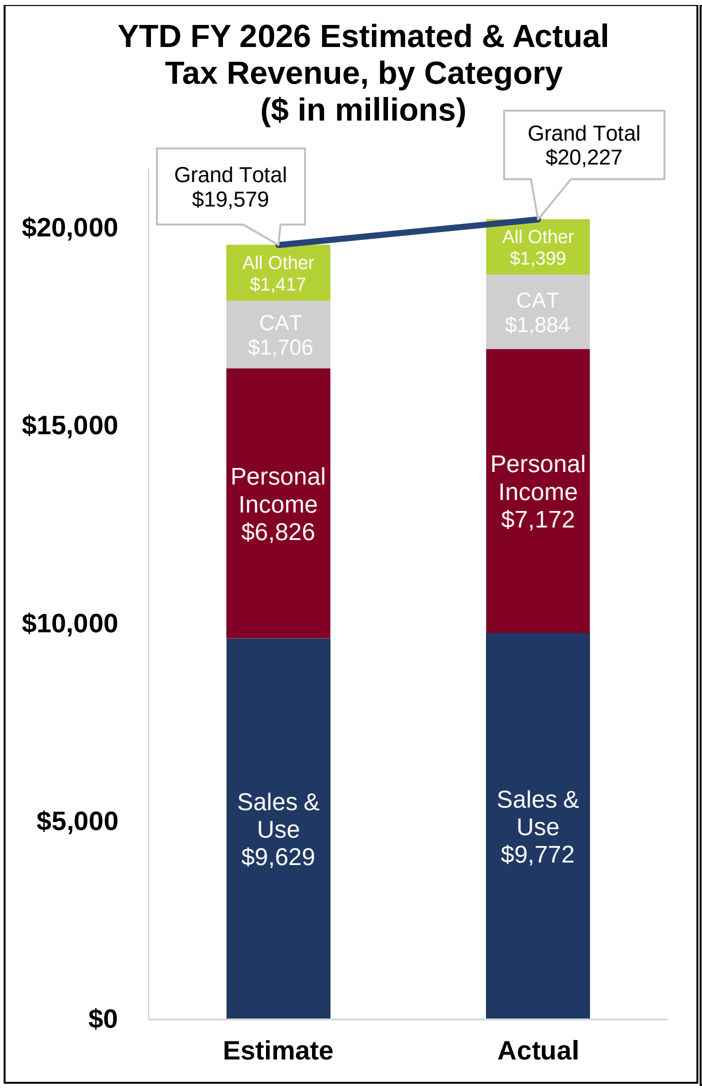
Individual Revenue Sources Above Estimate			Individual Revenue Sources Below Estimate		
Federal Grants	$	170.5	Non-Auto Sales Tax	$	(69.5)
Commercial Activity Tax	$	57.5	Insurance Tax	$	(34.9)
Personal Income Tax	$	33.4	Other revenue sources below estimate	$	(11.2)
Financial Institutions Tax	$	9.2			
Public Utility Excise Tax	$	7.2			
Other revenue sources above the estimate	$	9.8			
Total Above	**$**	**287.6**	**Total Below**	**$**	**(115.6)**

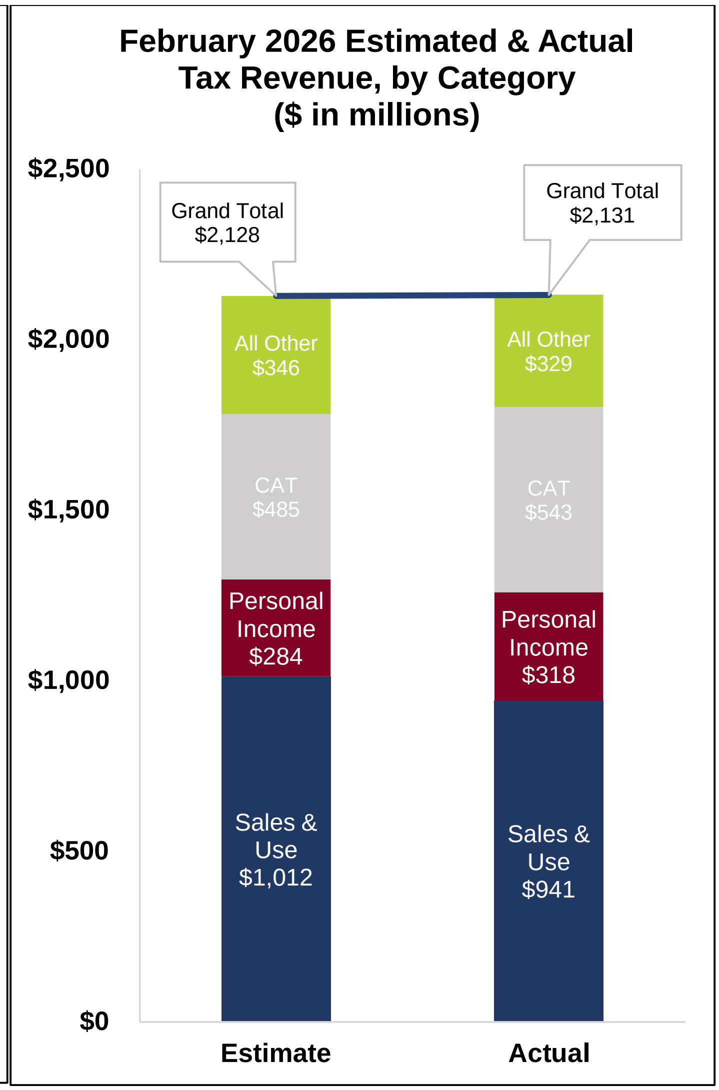
Note: Due to rounding of individual sources, the combined sum of sources above and below estimate may differ slightly from the total variance.



The preceding chart illustrates how various revenue sources contributed to the variance between actual and estimated nonfederal revenues and transfers through February 2026. Actual nonfederal revenues exceeded estimates by $642.8 million, driven primarily by the personal income tax, commercial activity tax, and nonauto sales tax.

The following chart compares estimated and actual GRF tax revenues for the fiscal year to date and for February 2026, categorized by tax source. Sales and use tax revenues account for 48.3 percent of total tax revenues so far this fiscal year, followed by personal income tax at 35.5 percent.





In February, total receipts and transfers decreased $207.2 million (-7.3%) compared to last year. Tax revenues decreased $16.8 million (-0.8%) and non-tax revenues decreased $188.6 million (-27.3%). Year-to-date, tax receipts, including the sales tax holiday transfer, are $1.2 billion (6.1%) above last year and non-tax receipts are $667.5 million (6.7%) above last year. On a year-to-date basis, transfers are $358.2 million above the previous year.

The sources with the most significant year-over-year dollar increases in February are the financial institutions tax at $43.1 million (285.8%), followed by the commercial activity tax at $27.5 million (5.3%). The most significant decrease is in federal grants at $172.7 million (-25.9%). The most notable year-to-date increases are in federal grants at $732.4 million (7.6%), followed by personal income tax at $586.1 million (4%), non-auto sales tax, including the sales tax holiday transfer, at $390.6 million (4.8%), and transfers in-other at $358.2 million. The most significant year-to-date decreases are in other income at $26.3 million (-23.6%) and earnings on investments at $20.2 million (-9.2%).

Non-Auto Sales Tax

GRF non-auto sales and use tax collections totaled $804.2 million in February, which is $69.5 million (-8%) below the estimate. Year-to-date revenue is $167.9 million (2.1%) above the estimate. However, once combined with the transfer from the Expanded Sales Tax Holiday Fund to the GRF, year-to-date revenue is $123 million (1.5%) above estimate. February revenue decreased $28.1 million (-3.4%) from last year, while year-to-date revenue is $327.9 million (4.1%) above last year.

The month's negative variance is partly due to timing effects. Each month's GRF non-auto sales tax revenue is the net of a transfer from the GRF to the permissive local sales tax distribution fund. There is a two-month lag between local sales tax revenue collections by the state and its transfer to the sales tax distribution fund. For example, December's local sales tax collections were transferred in February from the GRF to the sales tax distribution fund. Because December 2025 GRF revenues performed substantially higher than anticipated, the February 2026 transfer from the GRF to the sales tax distribution fund was also elevated. OBM estimates that 20 percent, or $19.3 million, of the positive December GRF variance became an offsetting negative variance in February. Furthermore, it appears that $24.5 million in non-auto sales tax revenue that would have ordinarily been received in February was instead received in March. Accordingly, an estimated $43.8 million of the month's $69.5 million negative GRF variance comes from the unexpectedly large local sales tax transfer and from revenue shifted into the following month.

Moving to economic data, the U.S. Census Bureau's Advance Monthly Retail Trade Survey (MARTS) program released December data in February. The data show an increase in year-over-year retail sales in December. Focusing on establishments primarily covered by Ohio's non-auto sales tax (NAICS codes 442, 443, 444, 448, 451, 452, 453, and 454), national retail sales increased 4.5 percent, not seasonally adjusted, during December 2025. In October and November, sales increased on a year-over-year basis by four percent and three percent, respectively. By comparison, Ohio all-funds non-auto sales tax revenue increased 9.1 percent, 5.5 percent, and 12.4 percent in October, November, and December, respectively. During FY 2026, Ohio non-auto sales tax year-over-year revenue growth consistently outpaced MARTS retail sales growth, except in September when tax revenues were impacted by the 14-day expanded sales tax holiday.

Auto Sales Tax

February auto sales tax revenues were $134.3 million, which is $4 million (-2.9%) below the estimate. Year-to-date revenues are $19.2 million (1.5%) above the estimate. Revenues were $49,000 below last February and are $41.4 million (3.3%) above last year on a year-to-date basis.

Several national automotive sector indicators provide further context for the auto sales tax. The U.S. Department of Commerce's Bureau of Economic Analysis reports that in February, new light vehicle unit sales reached a seasonally adjusted annual rate (the number of sales during the month adjusted for seasonal variations and expressed as an annualized total) of 15.8 million units. February 2026 sales were up 6.3 percent from the preceding month and down 1.4 percent from a year ago.

Estimates released by Kelley Blue Book show the average transaction price for a new vehicle was $49,191 in January, 2.2 percent below the preceding month. Prices grew 1.9 percent from the previous January.

January 2026 used vehicle retail sales were at 1.4 million units, according to Cox Automotive. This figure is 3.3 percent higher than January 2025 and 4.6 percent above the prior month. Used vehicle prices peaked in January 2022 and then declined through mid-2024. Since then, they have increased slightly even as monthly price movements alternate between increases and declines. In January, the Manheim Used Vehicle Value Index, a measure of wholesale vehicle prices, increased 2.4 percent from the prior month. The January 2026 index also increased 2.4 percent from the preceding January. The Index is 7.4 percent above June 2024, the most recent low point, but is 11.6 percent below the most recent peak reached in March 2023.

Personal Income Tax

February GRF personal income tax receipts totaled $317.6 million, which is $33.4 million (11.7%) above the estimate. Year-to-date revenue is $346.5 million (5.1%) above the estimate. On a year-over-year basis, February income tax collections decreased $46.7 million (-12.8%). Year-to-date revenue is $586.1 million (8.9%) above last year.

The FY 2026-2027 operating budget bill enacted income tax rate reductions, which impact tax revenue collection during the current biennium. The reductions are phased-in, with the initial change taking effect in taxable year 2025 and then fully implemented in taxable year 2026; beginning in 2026 there is a single 2.75 percent income tax rate, eliminating the multiple tax rate brackets previously in Ohio law. In October 2025, an associated change took effect. Employer withholding tax rates were revised, making income tax withholding better align with the new income tax rate structure described above. The revised withholding tax rates constitute an estimated 1.8 percent reduction in FY 2026 revenue compared to the previous year's withholding rate structure.

February collections from withholding totaled $919.5 million and were $15.5 million (-1.7%) below the estimate. This component is $15.3 million (0.2%) above the estimate for the fiscal year-to-date. February collections increased $20.1 million (2.2%) from last February; for the year-to-date, collections are $304.1 million (4.2%) higher than last year. Once adjusted for the reduction in withholding tax rates and differences in the number of business days, year-to-date withholding collections have increased by an estimated 6.5 percent from FY 2025.

February is not a particularly significant month for other income tax payment components. Nonetheless, most of them met their estimate. Quarterly estimated payments made by pass-through entities amounted to $13.9 million in February, which is $2.2 million (18.6%) above the estimate. These payments increased $1.2 million (18.1%) from last year. Year-to-date collections amount to $570.6 million, which is $118.4 million (34%) above the estimate and represents a $53.9 million (10.4%) increase from the prior year.

Estimated tax payments made by individuals during February totaled $8 million, $2.5 million (46%) above estimate. Collections increased by $1.2 million (18.1%) from last year. On a fiscal year-to-date basis, collections are $118.4 million (34%) above estimate and $69.5 million (17.5%) above FY 2025. The next due date for this component is in April, representing the first quarterly payment for taxable year 2026 activity.

Annual tax return payments made by pass-through entities amounted to $6.3 million in February, which is $2.8 million (-30.7%) below the estimate and $2.9 million (-31.8%) below the previous February. For the fiscal year-to-date, this component is $35 million

(31.1%) above the estimate and $38.3 million (35%) above last year.

The individual annual returns category primarily reflects payments accompanying yearly income tax return filings. Such payments amounted to $22.5 million in February, $21,000 (-0.1%) below estimate. Year-to-date collections exceed the estimate by $21.2 million (12.8%). The month's intake was $1.5 million (-6.3%) below the prior year. For the fiscal year-to-date, annual return payments have increased $33.3 million (21.8%) from FY 2025.

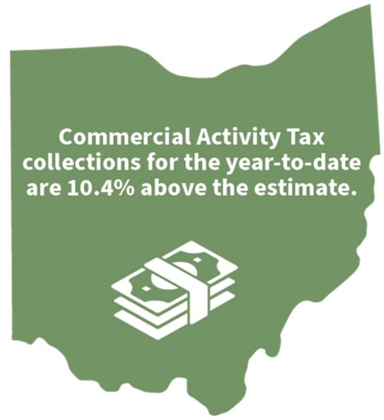
Trust payments and other tax collections combined were $8.9 million during February, which was $1.4 million (-13.2%) below the estimate. Year-to-date receipts are $7.6 million (-8.6%) below the mark. Collections from these categories were $350,000 above last February. For the year, they are $4.4 million (-5.2%) below FY 2025.

The filing season for taxable year 2025 income tax returns began in late January, with February marking the first full month of Ohio income tax refund issuances. February refunds amounted to $607.8 million, $50.6 million (-7.7%) below the estimate. This variance resulted in the personal income tax exceeding its estimate for the month. Refunds for the fiscal year-to-date are $112.1 million (-7.6%) below the estimate. Compared to the prior fiscal year, February refunds decreased $62.4 million (-11.4%), and year-to-date refunds are down $123 million (-8.3%). The February through April time frame accounts for two-thirds of all anticipated refund issuances during the current fiscal year. Accordingly, OBM will monitor refund performance as the tax return filing season continues to unfold.

February Personal Income Tax Receipts by Component
($ in millions)

	Actual Feb	Estimate Feb	$ Var	Actual Feb-2026	Actual Feb-2025	$ Var Y-to-Y
Employer Withholding	$ 919.5	$ 935.0	$ (15.5)	$ 919.5	$ 899.3	$ 20.1
Pass-Through Entity Annual Returns	$ 6.3	$ 9.1	$ (2.8)	$ 6.3	$ 9.2	$ (2.9)
Pass-Through Entity Estimated Payments	$ 13.9	$ 11.7	$ 2.2	$ 13.9	$ 11.6	$ 2.3
Individual Estimated Payments	$ 8.0	$ 5.5	$ 2.5	$ 8.0	$ 6.8	$ 1.2
Individual Annual Returns	$ 22.5	$ 22.5	$ 0.0	$ 22.5	$ 24.0	$ (1.5)
Trust Payments	$ 2.0	$ 1.7	$ 0.3	$ 2.0	$ 1.6	$ 0.4
Other	$ 6.9	$ 8.6	$ (1.7)	$ 6.9	$ 7.0	$ (0.1)
Less: Refunds	$(607.8)	$ (658.4)	$ 50.6	$ (607.8)	$ (545.4)	$ (62.4)
Local Distributions	$ (53.7)	$ (51.5)	$ (2.2)	$ (53.7)	$ (49.9)	$ (3.9)
Net to GRF	$ 317.6	$ 284.2	$ 33.4	$ 317.6	$ 364.3	$ (46.7)

Commercial Activity Tax (CAT)



February GRF revenues from the CAT were $542.9 million, $57.5 million (11.8%) above the estimate. For the year, revenues are $177.8 million (10.4%) above estimate. February revenues were $27.5 million (5.3%) above the prior year. Year-to-date intake is $72.6 million (4%) above FY 2025.

Businesses pay the CAT on a quarterly basis, with the due date on the 15th day of the second month following the end of each quarter. February 2026 is the month in which the tax is due for taxable gross receipts realized during the October-December 2025 reporting period. Because many taxpayers choose to pay their tax during the month preceding the due date, combined January and February tax receipts provide a reasonable indication of probable performance over the entire quarterly collections period. During those two months, revenues have shown a $67.9 million (11.2%) positive variance from estimate. The March estimate is only $23.5 million, so the Ohio Office of Budget and Management expects CAT revenue to exceed the estimate for the quarter.

Insurance Tax

Insurance tax revenue amounted to $114.3 million in February, $34.9 million (-23.4%) below estimate. For the year-to-date, revenues are $32.4 million (-8.3%) below estimate.

March 1 is the due date for foreign insurance tax return filings and payments but moves to the next business day if March 1 falls on a weekend, as happened this year. A due date occurring at the beginning of the month makes the monthly revenue flows challenging to forecast. Some of the collected payments are received in time to be booked into the accounting system during February but a significant share is instead booked during March. Data from early March indicates that most, if not all, of the February negative variance will be offset by a positive March variance.

Non-Tax Revenue

GRF non-tax receipts totaled $502.7 million and were $165.9 million (49.3%) above the estimate for the month of February. Year-to-date non-tax receipts total $10.7 billion and are $54.2 million (-0.5%) below estimate.

The monthly variance in non-tax receipts was primarily due to the federal grants category, which was $170.5 million (52.7%) above the estimate. The variance was primarily attributable to above estimated Medicaid GRF disbursements, as discussed in the disbursement section of this report. Additionally, license and fees were below estimate by $5.4 million (-42%) for the month of February and year to date were $3 million (-9.2%) below estimate. This was largely the result of below estimate revenues for surplus lines insurance, which is paid by surplus lines insurance companies and due on March 31st annually. This revenue source is expected to come back in line with estimates in March and April following the due date

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2026 VS ESTIMATE FY 2026
($ in thousands)

REVENUE SOURCE	MONTH ACTUAL FEBRUARY	MONTH ESTIMATE FEBRUARY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL Y-T-D	YEAR-TO-DATE ESTIMATE Y-T-D	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	804,237	873,700	(69,463)	-8.0%	8,281,269	8,113,400	167,870	2.1%
Sales Tax Holiday Transfer	0	0	0	N/A	186,485	231,400	(44,915)	-19.4%
Auto Sales & Use	134,319	138,300	(3,981)	-2.9%	1,303,825	1,284,600	19,225	1.5%
Subtotal Sales & Use	**938,556**	**1,012,000**	**(73,444)**	**-7.3%**	**9,771,580**	**9,629,400**	**142,180**	**1.5%**
Personal Income	317,593	284,200	33,393	11.7%	7,172,432	6,825,900	346,532	5.1%
Commercial Activity Tax	542,862	485,400	57,462	11.8%	1,884,009	1,706,200	177,809	10.4%
Insurance Tax	114,317	149,200	(34,883)	-23.4%	359,144	391,500	(32,356)	-8.3%
Kilowatt Hour	35,256	32,300	2,956	9.2%	233,034	229,800	3,234	1.4%
Financial Institutions Tax	58,216	49,000	9,216	18.8%	74,731	90,500	(15,769)	-17.4%
Public Utility	43,262	36,100	7,162	19.8%	133,310	116,100	17,210	14.8%
Natural Gas Distribution	15,044	14,600	444	3.0%	35,483	33,500	1,983	5.9%
Petroleum Activity Tax	0	0	0	N/A	4,532	5,200	(668)	-12.8%
Other Business & Property	13	0	13	N/A	26	0	26	N/A
Cigarette and Other Tobacco	52,762	50,700	2,062	4.1%	443,971	434,500	9,471	2.2%
Adult Use Marijuana	5,421	4,700	721	15.3%	33,781	36,300	(2,519)	-6.9%
Alcoholic Beverage	3,642	5,400	(1,758)	-32.6%	45,559	42,500	3,059	7.2%
Liquor Gallonage	3,841	3,900	(59)	-1.5%	35,829	37,200	(1,372)	-3.7%
Repealed Taxes	5	0	5	N/A	22	0	22	N/A
Total Tax Receipts	**2,130,789**	**2,127,500**	**3,289**	**0.2%**	**20,227,442**	**19,578,600**	**648,842**	**3.3%**
NON-TAX RECEIPTS								
Earnings on Investments	0	0	0	N/A	200,599	190,270	10,329	5.4%
License & Fees	7,511	12,945	(5,434)	-42.0%	28,761	31,686	(2,925)	-9.2%
Other Income	1,449	572	877	153.2%	85,488	101,775	(16,286)	-16.0%
ISTV'S	0	(0)	1	297.0%	9,658	9,979	(322)	-3.2%
TOTAL STATE SOURCE	**2,139,749**	**2,141,017**	**(1,268)**	**-0.1%**	**20,551,949**	**19,912,310**	**639,639**	**3.2%**
Federal Grants	493,758	323,261	170,497	52.7%	10,366,180	10,411,127	(44,947)	-0.4%
Total Non-Tax Receipts	502,718	336,777	165,941	49.3%	10,690,687	10,744,837	(54,150)	-0.5%
TOTAL REVENUES	**2,633,507**	**2,464,277**	**169,229**	**6.9%**	**30,918,129**	**30,323,437**	**594,692**	**2.0%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	2,750	0	2,750	N/A	364,166	360,963	3,203	0.9%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	2,750	0	2,750	N/A	364,166	360,963	3,203	0.9%
TOTAL SOURCES	**2,636,257**	**2,464,277**	**171,979**	**7.0%**	**31,282,295**	**30,684,400**	**597,895**	**1.9%**

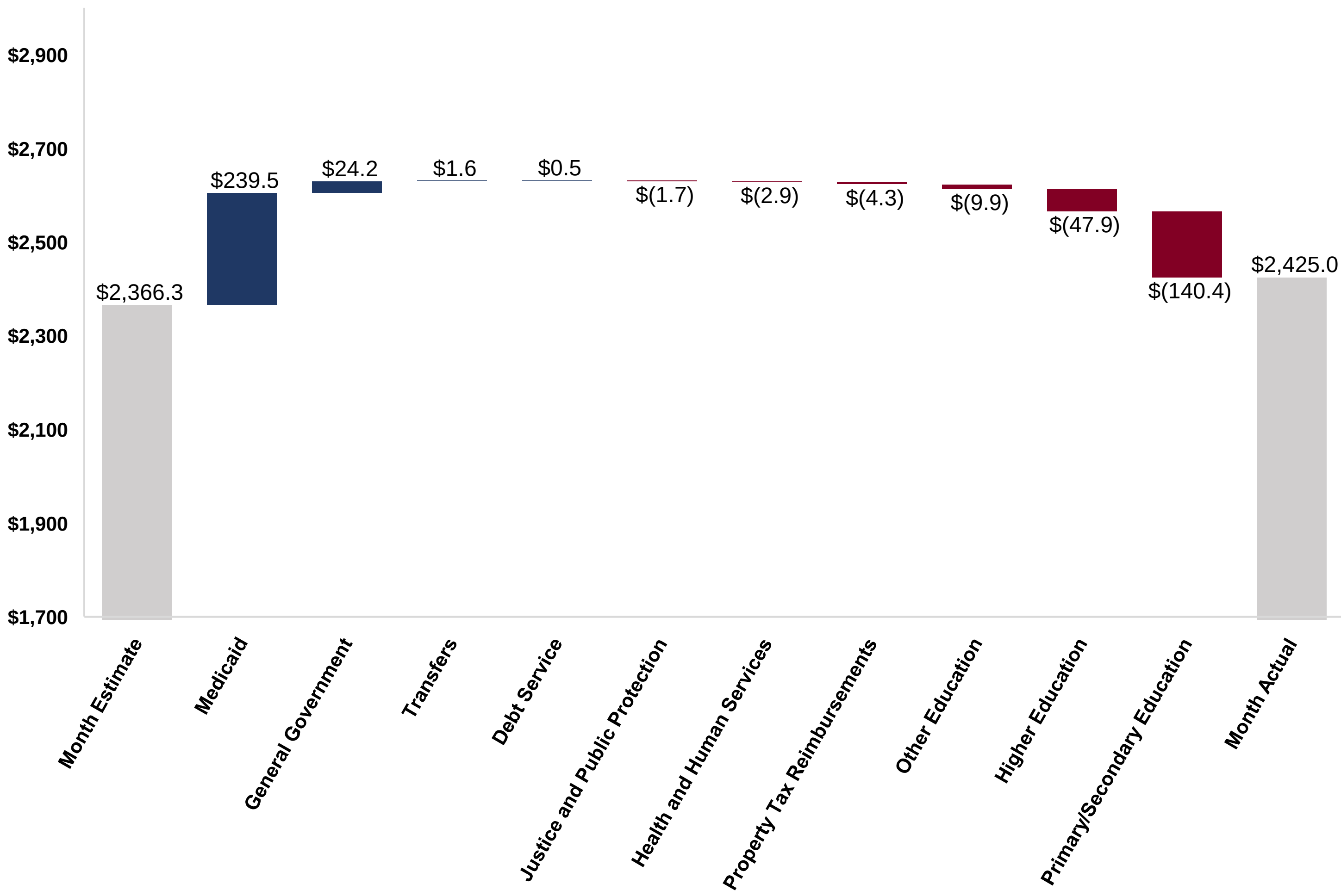
Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2026 VS ACTUAL FY 2025
($ in thousands)

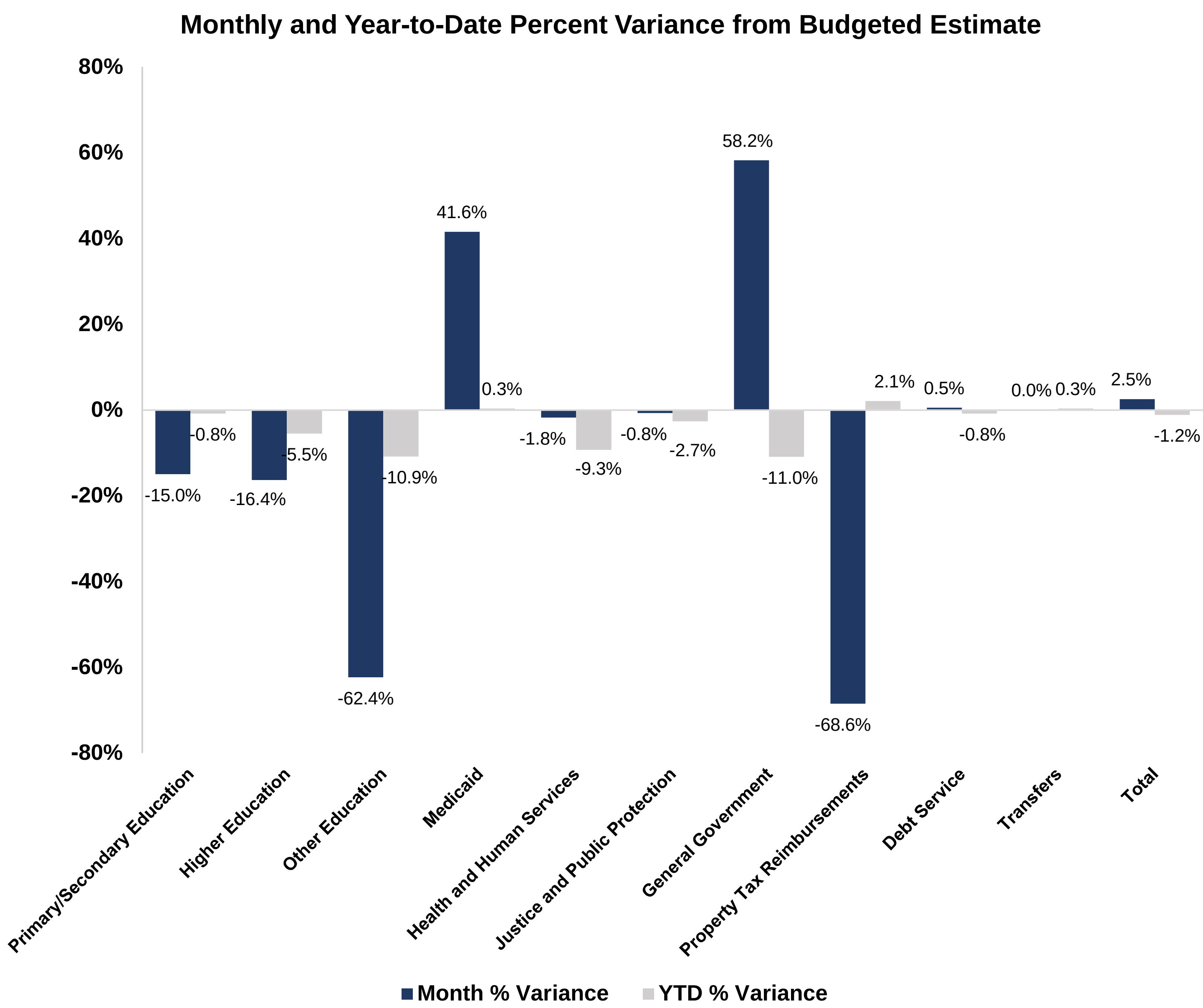
REVENUE SOURCE	MONTH FEBRUARY FY 2026	MONTH FEBRUARY FY 2025	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2026	YEAR-TO-DATE ACTUAL FY 2025	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	804,237	832,386	(28,149)	-3.4%	8,281,269	7,953,374	327,895	4.1%
Sales Tax Holiday Transfer	0	0	0	N/A	186,485	123,752	62,733	50.7%
Auto Sales & Use	134,319	134,368	(49)	0.0%	1,303,825	1,262,390	41,435	3.3%
Subtotal Sales & Use	**938,556**	**966,754**	**(28,198)**	**-2.9%**	**9,771,580**	**9,339,517**	**432,063**	**4.6%**
Personal Income	317,593	364,261	(46,668)	-12.8%	7,172,432	6,586,326	586,106	8.9%
Commercial Activity Tax	542,862	515,355	27,507	5.3%	1,884,009	1,811,457	72,552	4.0%
Insurance Tax	114,317	143,908	(29,591)	-20.6%	359,144	375,213	(16,068)	-4.3%
Kilowatt Hour	35,256	28,689	6,567	22.9%	233,034	210,240	22,794	10.8%
Financial Institutions Tax	58,216	15,088	43,129	285.8%	74,731	66,034	8,697	13.2%
Public Utility	43,262	38,444	4,818	12.5%	133,310	113,907	19,402	17.0%
Natural Gas Distribution	15,044	14,178	866	6.1%	35,483	30,219	5,264	17.4%
Petroleum Activity Tax	0	0	0	N/A	4,532	5,205	(673)	-12.9%
Other Business & Property	13	0	13	N/A	26	0	26	N/A
Cigarette and Other Tobacco	52,762	52,231	531	1.0%	443,971	452,593	(8,622)	-1.9%
Adult Use Marijuana	5,421	0	5,421	N/A	33,781	0	33,781	N/A
Alcoholic Beverage	3,642	4,785	(1,143)	-23.9%	45,559	41,399	4,160	10.0%
Liquor Gallonage	3,841	3,909	(68)	-1.8%	35,829	37,170	(1,341)	-3.6%
Repealed Taxes	5	11	(6)	-52.2%	22	123	(101)	-82.3%
Total Tax Receipts	**2,130,789**	**2,147,612**	**(16,824)**	**-0.8%**	**20,227,442**	**19,069,402**	**1,158,040**	**6.1%**
NON-TAX RECEIPTS								
Earnings on Investments	0	0	0	N/A	200,599	220,845	(20,245)	-9.2%
License & Fee	7,511	24,144	(16,633)	-68.9%	28,761	41,911	(13,149)	-31.4%
Other Income	1,449	747	702	94.0%	85,488	111,838	(26,349)	-23.6%
ISTV'S	0	12	(12)	-96.0%	9,658	14,822	(5,164)	-34.8%
TOTAL STATE SOURCE	**2,139,749**	**2,172,515**	**(32,767)**	**-1.5%**	**20,551,949**	**19,458,817**	**1,093,132**	**5.6%**
Federal Grants	493,758	666,461	(172,703)	-25.9%	10,366,180	9,633,771	732,409	7.6%
Total Non-Tax Receipts	502,718	691,364	(188,646)	-27.3%	10,690,687	10,023,186	667,501	6.7%
TOTAL REVENUES	**2,633,507**	**2,838,976**	**(205,470)**	**-7.2%**	**30,918,129**	**29,092,588**	**1,825,541**	**6.3%**
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	2,750	4,450	(1,700)	-38.2%	364,166	5,934	358,232	6037.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	2,750	4,450	(1,700)	-38.2%	364,166	5,934	358,232	6037.0%
TOTAL SOURCES	**2,636,257**	**2,843,426**	**(207,170)**	**-7.3%**	**31,282,295**	**29,098,522**	**2,183,773**	**7.5%**

Disbursements

February GRF disbursements, for all uses, totaled $2.4 billion and were $58.7 million (2.5%) above estimate. Higher-than-estimated spending in the Medicaid category was the primary contributor to the variance this month and was partially offset by below estimate spending by Primary and Secondary Education, Higher Education, and Other Education categories. On a year-over-year basis, total February disbursements were $315.9 million (-11.5%) lower than in the same month of the previous fiscal year, mainly due to Medicaid and Primary and Secondary Education.

February Disbursement Estimates vs. Actuals
($ in millions)





Monthly and Year-to-Date Percent Variance from Budgeted Estimate
80%
60%
40%
20%
0%
-20%
-40%
-60%
-80%
-15.0%
-0.8%
-16.4%
-5.5%
-62.4%
-10.9%
41.6%
0.3%
-1.8%
-9.3%
-0.8%
-2.7%
58.2%
-11.0%
-68.6%
2.1%
0.5%
-0.8%
0.0%
0.3%
2.5%
-1.2%
Primary/Secondary Education
Higher Education
Other Education
Medicaid
Health and Human Services
Justice and Public Protection
General Government
Property Tax Reimbursements
Debt Service
Transfers
Total
Month % Variance
YTD % Variance

Medicaid

This category includes all Medicaid spending on services and program support by the following nine agencies: The Department of Medicaid, the Department of Behavioral Health, the Department of Developmental Disabilities, the Department of Health, the Department of Job and Family Services, the Department of Aging, the Department of Children and Youth, and the State Board of Pharmacy.

Medicaid Expenditures
February GRF disbursements for the Medicaid Program totaled $815.4 million and were $239.1 million (41.5%) above estimate and $239.4 million (-22.7%) below disbursements for the same month in the previous fiscal year. Year-to-date GRF disbursements total $16 billion and are $51.5 million (0.3%) above estimate and $1.1 billion (7.4%) above disbursements for the same period in the previous fiscal year. The February GRF disbursement variance occurred partly due to retroactive managed care payments for the MyCare program. This program provides enhanced healthcare benefits to Ohioans who have both Medicaid and Medicare in 29 counties and will be expanded to the rest of Ohio later in 2026. The February variance was also partly due to a shift in healthcare payments from non-GRF sources to the GRF and should be reversed in the coming months.

February all-funds disbursements for the Medicaid Program totaled $3.4 billion and were $79.5 million (2.4%) above estimate and $118.3 million (3.3%) above disbursements for the same month in the previous fiscal year. Year-to-date all-funds disbursements totaled $27.7 billion and were $3.7 billion (-11.7%) below estimate and $327.7 million (-1.2%) below disbursements for the same period in the previous fiscal year. The February all-funds disbursement variance was primarily due to the approval of some state directed payments by the Centers for Medicare and Medicaid Services that had been previously scheduled for prior months. The approvals resulted in payments which offset some of the year-to-date variance. The Department continues to await approval for other state directed payments, which account for roughly $3.5 billion of negative variance. This variance is expected to be reduced as state directed payments receive approval from the federal agency and are then paid during the remaining months of the fiscal year.

Current Month's Disbursement Variance by Funding Source
($ in millions)

	February Estimate	February Actual	Variance	Variance %
GRF	$ 576.3	$ 815.4	$ 239.1	41.5%
Non-GRF	$ 2,694.6	$ 2,535.0	$ (159.6)	-5.9%
All Funds	$ 3,270.9	$ 3,350.4	$ 79.5	2.4%

Medicaid Enrollment
Total February enrollment was 2.89 million, which was a decline of 18,654 from the prior month and 145,398 (-4.8%) below enrollment for the same period last year. The year-to-date average monthly enrollment was 2.95 million and was 42,111 (-1.4%) below estimate.

February enrollment by major eligibility category was: Covered Families and Children (CFC), 1.53 million; Group VIII Expansion, 711,574, and Aged, Blind and Disabled (ABD), 505,424.

**Please note that enrollment data are subject to revision.*

Primary and Secondary Education

This category covers GRF spending for the Department of Education and Workforce. February disbursements totaled $794 million, which was $140.4 million (-15%) below the estimate. This variance was driven by state foundation aid due to the use of non-GRF funding sources and delays related to the excess cost component of foundation funding. Excess cost represents the amount an educating district may charge a student's district of residence when the total cost of educating a student with a disability exceeds the state funding the educating district receives. The Department required more time to validate the data to ensure the accuracy of an estimated $66 million excess cost adjustment for traditional school districts, joint vocational school districts, and boards of developmental disabilities. Because the February excess cost adjustment was delayed, a larger adjustment is now expected in March. Additionally, state foundation aid is partially funded by non-GRF sources. Since $77.1 million in student wellness and success funding and sports gaming revenues were not expended in January's foundation aid, the use of non-GRF funding sources was increased in February to expend the amount of non-GRF funding not used in January.

Year-to-date disbursements total $7 billion and are $60 million (-0.8%) below estimate, largely due to delays in February's adjustment for traditional school districts, joint vocational school districts, and boards of developmental disabilities that educate a nonresident student with a disability. While March disbursements are projected to exceed estimates, once the larger adjustment for districts that educate a nonresident student with a disability occurs, year-to-date disbursements are expected to realign with estimates. Year-to-date expenditures are $149.1 million (-2.1%) lower than the same point in FY 2025. However, traditional districts, community schools, and joint vocational school districts received $156 million (2.2%) more in total state foundation aid through the same period in FY 2026 than in FY 2025.

General Government

This category includes non-debt service GRF expenditures by the Department of Administrative Services, Department of Natural Resources, Department of Development, Department of Agriculture, Department of Taxation, Department of Transportation, Office of Budget and Management, non-judicial statewide elected officials, legislative agencies, and others. February disbursements for this category totaled $65.9 million, $24.2 million (58.2%) above estimate.

The Department of Development disbursed $36.5 million in February, which was $30.7 million above the estimate. The variance was due to the release of $33.5 million in funds designated to support local roads impacted by economic development projects in Licking County. The Department of Development received the reimbursement request as the project nears the final stages of improvements necessary to accommodate the increased traffic demand. Year-to-date disbursements for the category total $417.3 million and are $51.4 million (-11%) below estimate. On a year-over-year basis, disbursements in this category were $27.2 million (70.2%) higher than in the same month of the previous fiscal year, while year-to-date expenditures are $43.1 million (-9.4%) lower than at the same point in FY 2025.

Higher Education

February disbursements for the Higher Education category, which includes non-debt service GRF spending by the Department of Higher Education, totaled $244.8 million, coming in $47.9 million (-16.4%) below the estimate. The variance is primarily attributable to lower-than-expected expenditures across several scholarship and grant programs, collectively $39.1 million under projections. The largest variance occurs within the Ohio College Opportunity Grant (OCOG), a need-based program that provides up to $5,000 annually for eligible Ohio students attending private non-profit colleges and up to $4,000 annually for those enrolled at public universities.

Year-to-date disbursements for the Department total $1.8 billion, which are $106.8 million (-5.5%) below the estimate. About 60 percent of the variance is attributable to the Ohio College Opportunity Grant (OCOG), with year-to-date spending of $153.4 million, or $60 million below estimate and $23.9 million less than the same point last fiscal year. Most of the variance is attributable to institutions that have not yet requested reimbursement for the spring term. The Department is working with these 42 institutions, and based on their fall activity, expects around $50 million in forthcoming submissions. Additionally, higher family incomes relative to a flat Student Aid Index (SAI) have reduced the number of students eligible for need-based aid, further moderating program participation and spending.

On a year-over-year basis, disbursements in the Higher Education category were $21.4 million (-8%) lower than for the same month of the previous fiscal year, largely reflecting differences in the execution of program agreements with higher education institutions, and reimbursement requests for financial aid programs. Year-to-date expenditures are $8.9 million (-0.5%) below the same point in FY 2025.

Health and Human Services

This category includes non-debt service GRF expenditures by various state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Behavioral Health, and others. Examples of expenditures in this category include childcare, Temporary Assistance for Needy Families (TANF) maintenance-of-effort, administration of the state's psychiatric hospitals, operating subsidies to county boards of developmental disabilities, various immunization programs, and Ohio's long-term care ombudsman program. The Medicaid category reflects expenditures to the extent that these agencies use GRF funds to support Medicaid services. February disbursements for this category totaled $159 million and were $2.9 million (-1.8%) below estimate.

The Department of Children and Youth was $17.9 million (-26%) below estimate in February. This was primarily due to a $7.4 million (-39.7%) reduction in spending from state sources on childcare. The Department supports the childcare program from several federal sources, some of which require a state matching contribution. Due to adjustments to comply with federal reporting requirements, the balance between these sources does not align as closely with original monthly estimates, but the Department still anticipates spending all state resources within the fiscal year. The Department also spent $2.6 million (-44.2%) less than anticipated on the Help Me Grow program, which offers home visiting services to new and expecting parents to provide support and promote health and development. Service levels were not impacted in February, and the Department expects year-to-date spending to draw closer to estimate in coming months as providers submit reimbursement requests.

The Department of Job and Family Services spent $13.1 million (39.0%) more than the estimate in February. A primary driver of this variance was a shift in how county administration was funded for Temporary Assistance for Needy Families (TANF) programs. To meet federal maintenance-of-effort requirements, the Department moved certain administrative expenses from federal sources to the GRF in February. Such adjustments occur periodically throughout the fiscal year as counties incur administrative costs and ensure the Department remains aligned with the state spending requirements for the federal fiscal year.

Year-to-date disbursements in the Health and Human Services category total $1.5 billion and are $150.2 million (-9.3%) below estimate. On a year-over-year basis, disbursements in this category were $29 million (-15.4%) lower than in the same month in the previous fiscal year, while year-to-date expenditures are $83.6 million (6.1%) higher than at the same point in FY 2025.

Justice and Public Protection

This category includes non-debt service GRF expenditures by the Department of Rehabilitation and Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities. February disbursements totaled $223.5 million, which was $1.7 million (-0.8%) below estimate.

The Ohio Public Defender contributed to the negative variance in this category. County reimbursements for public defender services in February were $13.7 million below estimate (-95.2%). This program reimburses counties for the costs of providing legal counsel to indigent defendants in criminal and juvenile cases. In February, the agency shifted from originally planned GRF costs to an alternate source funded by fees and fines. Going forward, the agency anticipates GRF spending to align with agency estimates more closely. Year-to-date GRF disbursements total $99.6 million, which is $8.8 million (-8.1%) below the estimate.

The negative February variance in this category was largely offset by the Department of Rehabilitation and Correction, which disbursed $9 million (5.8%) above estimate. This is explained by the Department's Institution Medical Services Program. Due to the unpredictable nature of medical needs, the Department estimates contract payments for medical services paid to Ohio State University evenly throughout the year. Medical needs during the month of February were high, resulting in the need to disburse more than that estimate.

Year-to-date disbursements in this category total $2.3 billion and are $61.8 million (-2.7%) below estimate. On a year-over-year basis, disbursements in this category were $9.4 million (4.4%) above the same month last fiscal year. Year-to-date expenditures are $182.6 million (8.8%) above the same point in FY 2025.

Other Education

This category includes non-debt service GRF expenditures by the Broadcast Educational Media Commission, the Ohio Facilities Construction Commission, and Ohio Deaf and Blind Education Services, as well as disbursements to libraries and cultural and arts organizations. February disbursements in this category totaled $6 million, $9.9 million (-62.4%) below the estimate.

The Ohio Facilities Construction Commission contributed to underspending in this category, spending $10 million below the estimate in February. Underspending for the month was driven by slower-than-anticipated planning for a K-12 facilities project. The Commission anticipates disbursing funds for this project by the end of the fiscal year.

Year-to-date disbursements total $86.9 million and are $10.6 million (-10.9%) below estimate. On a year-over-year basis, disbursements in this category were $578,000 (-8.8%) lower than in the same month in the previous fiscal year, while year-to-date expenditures are $6.1 million (7.6%) higher than at the same point in FY 2025.

Property Tax Reimbursement

Payments from the property tax reimbursement category are distributed to local governments and school districts to reimburse these entities for revenues foregone due to the non-business real property tax credit, the owner-occupancy credit, and the homestead exemption. County auditors and treasurers send information to the Department of Taxation pertaining to this foregone property tax revenue eligible for reimbursement. The Department reviews the information. Once it passes necessary quality checks, the Department provides reimbursements to local governments and authorizes the Department of Education to reimburse school districts.

February reimbursements totaled $2 million, $4.3 (-68.6%) below estimate. This negative variance is the result of the timing of reimbursement requests from local governments and school districts. Year-to-date disbursements are $20.9 million above estimate (2.1%).

Debt Service

Disbursements from the Debt Service category are primarily used to pay principal and interest costs on the State's General Obligation and Lease-Appropriation debt. Proceeds from these bonds fund projects across various capital programs. In February, debt service payments totaled $112.5 million, $539,639 (0.5%) above estimate. Year-to-date disbursements are $6.9 million (-0.8%) below estimate.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2026 VS ESTIMATE FY 2026
($ in thousands)

Functional Reporting Categories Description	MONTH ACTUAL FEBRUARY	MONTH ESTIMATED FEBRUARY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE YTD ACTUAL	YEAR-TO-DATE YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	794,014	934,454	(140,440)	-15.0%	7,047,415	7,107,439	(60,024)	-0.8%
Higher Education	244,837	292,783	(47,946)	-16.4%	1,825,411	1,932,221	(106,809)	-5.5%
Other Education	5,959	15,844	(9,885)	-62.4%	86,883	97,513	(10,630)	-10.9%
Medicaid	815,844	576,340	239,504	41.6%	15,984,935	15,932,999	51,936	0.3%
Health and Human Services	158,994	161,916	(2,922)	-1.8%	1,462,758	1,612,954	(150,196)	-9.3%
Justice and Public Protection	223,466	225,194	(1,728)	-0.8%	2,267,807	2,329,619	(61,812)	-2.7%
General Government	65,854	41,620	24,234	58.2%	417,300	468,727	(51,427)	-11.0%
Property Tax Reimbursements	1,950	6,202	(4,252)	-68.6%	1,024,682	1,003,764	20,918	2.1%
Debt Service	112,506	111,966	540	0.5%	815,039	821,970	(6,931)	-0.8%
Total Expenditures & ISTV's	**2,423,423**	**2,366,319**	**57,104**	**2.4%**	**30,932,231**	**31,307,206**	**(374,976)**	**-1.2%**
Transfers Out:								
BSF Transfer Out	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	1,609	0	1,609	N/A	953,157	950,133	3,024	0.3%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**1,609**	**0**	**1,609**	**N/A**	**953,157**	**950,133**	**3,024**	**0.3%**
Total Fund Uses	**2,425,033**	**2,366,319**	**58,714**	**2.5%**	**31,885,387**	**32,257,339**	**(371,951)**	**-1.2%**

Table 4

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2026 VS ACTUAL FY 2025
($ in thousands)

	MONTH				YEAR-TO-DATE			
Functional Reporting Categories Description	**FEBRUARY FY 2026**	**FEBRUARY FY 2025**	**$ VAR**	**% VAR**	**ACTUAL FY 2026**	**ACTUAL FY 2025**	**$ VAR**	**% VAR**
Primary and Secondary Education	794,014	867,375	(73,361)	-8.5%	7,047,415	7,196,518	(149,104)	-2.1%
Higher Education	244,837	266,194	(21,357)	-8.0%	1,825,411	1,834,274	(8,863)	-0.5%
Other Education	5,959	6,537	(578)	-8.8%	86,883	80,767	6,117	7.6%
Medicaid	815,844	1,054,861	(239,017)	-22.7%	15,984,935	14,886,124	1,098,811	7.4%
Health and Human Services	158,994	188,016	(29,022)	-15.4%	1,462,758	1,379,182	83,576	6.1%
Justice and Public Protection	223,466	214,052	9,414	4.4%	2,267,807	2,085,256	182,550	8.8%
General Government	65,854	38,698	27,156	70.2%	417,300	460,436	(43,136)	-9.4%
Property Tax Reimbursements	1,950	(525)	2,476	471.3%	1,024,682	964,365	60,317	6.3%
Debt Service	112,506	103,989	8,516	8.2%	815,039	1,002,317	(187,278)	-18.7%
Total Expenditures & ISTV's	**2,423,423**	**2,739,198**	**(315,775)**	**-11.5%**	**30,932,231**	**29,889,239**	**1,042,991**	**3.5%**
Transfers Out:								
BSF Transfer	0	0	0	N/A	0	0	0	N/A
Operating Transfer Out	1,609	1,692	(83)	-4.9%	953,157	733,696	219,460	29.9%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	**1,609**	**1,692**	**(83)**	**-4.9%**	**953,157**	**733,696**	**219,460**	**29.9%**
Total Fund Uses	**2,425,033**	**2,740,890**	**(315,858)**	**-11.5%**	**31,885,387**	**30,622,936**	**1,262,452**	**4.1%**

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FISCAL YEAR 2026
($ in thousands)

July 1, 2025 Beginning Cash Balance*	2,012,639
Plus FY 2026 Estimated State Source Revenues	29,592,470
Plus FY 2026 Estimated Federal Revenues	14,508,927
Plus FY 2026 Estimated Transfers to GRF	982,205
Total Sources Available for Expenditures & Transfers	**47,096,241**
Less FY 2026 Estimated Current Year Disbursements**	43,794,447
Less FY 2026 Prior Year Encumbrances Disbursements***	674,917
Less FY 2026 Estimated Total Encumbrances as of June 30, 2026	774,157
Less FY 2026 Estimated Transfers Out****	955,210
Total Estimated Uses	**46,198,732**
FY 2026 Estimated Unencumbered Ending Fund Balance	897,509

***Includes reservations of $893.7 million for prior year encumbrances. After accounting for this adjustment, the unencumbered beginning fund balance for fiscal year 2025 is $1,119.0 million.**

****Current Year Disbursements include appropriation increases made in H.B. 434, enacted in November 2025.**

*****Prior Year Encumbrances Disbursements have been updated to reflect $55 million in closures of prior year encumbrances since the last update to this table in July 2025.**

******Transfers Out include transfers authorized in H.B. 184, enacted in December 2025.**

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Glossary

Average Daily Rate	A measure of a hotel's profit and performance, the average rate paid per hotel room that is occupied at United States hotel properties. It is calculated by dividing room revenue by rooms sold.
Beige Book	This report published by the Board of Governors of the Federal Reserve System evaluates current economic conditions across the 12 Federal Reserve districts in the United States, highlighting changes in economic conditions since the previous report.
Building Permits	The number of privately-owned housing units authorized for construction in Ohio or in the United States. Permits for a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters are included in this measure.
Consumer Confidence	The Conference Board's measure reflects present and anticipated business conditions. The monthly report measures consumer attitudes, buying intentions, vacation plans, and consumers expectations on inflations, stock prices, and interest rates in the United States.
Consumer Price Index for All Urban Consumers	Computed by the Bureau of Labor Statistics, this index measures the average change in prices paid by consumers for goods and services over time. The index is based on spending patterns of urban consumers for more than 200 items and over 120 different combinations of items such as food and beverages, housing, and energy.
Continued and Extended Unemployment Claims	Continued unemployment claims include the number of Ohio residents filing for ongoing unemployment benefits for a period up to 26 weeks, after their initial claim. In some cases, the federal government may extend the period that unemployment benefits may be received, even if the worker has exhausted regular unemployment insurance period.

Employment Trends Index	The Conference Board’s Leading composite index indicates the direction of employment through the aggregation of eight leading employment indicators.
Existing Home Sales	A measure of the number of sales of existing homes, which includes single-family, townhomes, condominiums, and co-ops. This number is based on transaction closings from the Multiple Listing Services.
Hotel Occupancy Rate	A performance indicator that shows the percentage of hotel rooms that are occupied in the United States compared to total available space.
Housing Market Index	Produced by the National Association of Home Builders (NAHB) and Wells Fargo, the index is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. Respondents are asked to rate market conditions for the sale of new homes at the present time and in the next six months as well as the traffic of prospective buyers of new homes.
Initial Unemployment Claims	The number of new jobless claims filed by Ohio workers seeking unemployment assistance for the first time following a job loss.
Leading Economic Index	The Conference Board’s Leading Composite Index is designed to reveal patterns in economic data by smoothing the volatility of its 10 individual components. The Leading Economic Index is a predictive index that anticipates business cycle inflexion points.
Manufacturing Production	A measure produced by the Board of governors of the Federal Reserve System that measures the real output of the United States manufacturing industry by group based off of 2017 North American Industry Classification System (NAICS) codes.
Newly Built Single-Family Home Sales	A measure of the sales of newly built single family structures including houses and townhouses.
Ohio Employee-Population Ratio	The proportion of Ohio civilian employment to the Ohio civilian non-institutional population. The ratio is primarily used as a measure of job holders and to track the pace of job creation compared to the adult population over time.

Ohio Labor Force Participation Rate	This rate represents the number of people in the Ohio labor force as a percentage of the Ohio civilian non-institutionalized population.
Ohio Nonfarm Payroll Employment	A measure of the number of workers in Ohio excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.
Ohio Unemployment Rate	A measure of the share of workers in the Ohio labor force who do not currently have a job that are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.
People Not in the Labor Force Who Currently Want a Job	Individuals who want a job but are not counted as unemployed because they were not actively looking for work over the last four weeks or were unavailable to take a job for a variety of reasons including caring for children or other family members.
Permanent Job Losses	Unemployed persons whose employment ended involuntarily, or completed a temporary job, and began looking for work.
Personal Consumption Expenditures	Produced by the Bureau of Economic Analysis, this indicator reflects price and consumer changes of national household expenditures for goods and services exchanged in the United States economy.
Personal Income	Income that people receive from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
Personal Saving	Produced by the Bureau of Economic analysis, this is the difference between current-dollar disposable income (that is, after-tax income) and personal outlays.
Personal Saving Rate	Produced by the Bureau of Economic Analysis, this indicator calculates the percentage of an individual's income left after they pay taxes and spend money. It is the percentage of the disposable income that people save.
Purchasing Managers Index	Produced by the Institute for Supply Management that measures expansions and contractions of the manufacturing economy. An index score reading above 50 percent indicates that the manufacturing economy is generally expanding, while below 50 percent it is generally contracting.

Real Gross Domestic Product	Produced by the Bureau of Economic Analysis, this is a measure of the inflation adjusted value of the goods and services produced by labor and property located in the United States.
Revenue Per Available Room	This is a standard performance measure used in the hotel industry calculated by multiplying a hotel's average daily room rate by its occupancy rate.
Small Business Optimism Index	The National Federation of Independent Business calculates this index to provide an indication of the health of small businesses in the United States through a composite of 10 seasonally adjusted components.
State-Level Coincident Index	Produced by the Federal Reserve Bank of Philadelphia, this index is a composite of four labor market indicators – nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and real wage and salary disbursements.
Survey of Consumers	The University of Michigan's Survey of Consumers reports a measure of consumer confidence in the overall health of the economy in the United States. Information is gathered from a monthly telephone survey of consumer expectations for the economy.
Temporary Layoff	People who have been given a date to return to work or who expect to return to work within six months. Those on temporary layoff do not need to be looking for work to be classified as unemployed.
Total Construction Spending	The Census Bureau's estimate of the total dollar value of construction work done in the United States for the month on new structures or improvements to existing structures for private and public sectors. Estimates include the cost of architectural and engineering work, the cost of labor and materials, overhead costs, interest, and taxes paid during construction, and contractor's profits.
Total Industrial Production	A measure produced by the Board of Governors of the Federal Reserve System, the index measures the real output of the manufacturing, mining, and electric and gas utilities industries. The reference period for the index is 2017.
Total Travel Throughput	The number of travelers that go through Transportation Security Administration checkpoints in airports across the United States.

Unlinked Passenger Trips	The number of times a passenger takes a public transit trip on a public transit vehicle regardless of fare paid, transfer pass used, received a free ride, or paid using another method. If a passenger transfers to another vehicle, that person takes two unlinked passenger trips.
U.S. Labor Force Participation Rate	This rate represents the number of people in the United States labor force as a percentage of the United States civilian non-institutionalized population.
U.S. Nonfarm Payroll Employment	A measure of the number of workers in the United States excluding farm workers as well as some government workers, private household employees, proprietors, unpaid volunteers, and the unincorporated self-employed.
U.S. Unemployment Rate	A measure of the share of workers in the United States labor force who do not currently have a job but are actively looking for work. People who have not looked for work in the past four weeks are not included in this measure.
Worker Adjustment and Retraining Notification (WARN) Act	The WARN Act requires employers to provide written notices of at least 60 days in advance of covered plant closings and mass layoffs in Ohio to the Ohio Department of Job and Family Services.