



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

JOHN E. NIXON, CPA  
DIRECTOR

May 10, 2011

The Honorable Roger Kahn, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Charles Moss, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending March 31, 2011. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

[www.michigan.gov/budget](http://www.michigan.gov/budget) under "Financial Reports."

If you have questions concerning the information in this report, please contact this office.

Sincerely,

John E. Nixon, CPA  
State Budget Director

Attachment

c: Governor Rick Snyder	House Fiscal Agency
Randy Richardville, Sen. Maj. Leader	Jack Brandenburg, Chair, Senate Finance Com.
Gretchen Whitmer, Senate Min. Leader	Judson S. Gilbert II, Chair, House Tax Policy Com.
Jase Bolger, Speaker of the House	Jeff Barnes, Deputy Chief of Staff
Richard Hammel, House Min. Leader	Dick Posthumus, Executive Office
Senate Appropriations Committee	Mike Moody, Office of Financial Management
House Appropriations Committee	Nancy Duncan, Deputy State Budget Director
Senate Fiscal Agency	Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2011**  
**Projected Revenues and Expenditures**  
**March 31, 2011**  
(\$ in millions)

	<b>FISCAL</b>
	<b>2011</b>
<b>Beginning Balance, October 1, 2010</b>	<b>\$ 187.2</b>
<b>Revenues, Current Law:</b>	
<b>Current Year GF/GP Revenues, January 2011 Consensus Estimate</b>	<b>\$ 7,227.8</b>
<b>Revenue Adjustments:</b>	
Revenue Sharing Freeze (January 2011 Consensus)	\$ 397.0
County Revenue Sharing payments	\$ 101.5
Use Tax on Medicaid Managed Care Organizations (PA 106 of 2009)	\$ 368.4
Other Revenue Adjustments	\$ 30.4
Tax Amnesty (PA 198 of 2010)	\$ 61.8
Unclaimed Property Reforms (PA 197 of 2010)	\$ 166.0
Liquor Reforms (PA 175 of 2010)	\$ 9.1
Department of State work project cancellation notice (12/22/10)	\$ 6.0
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ 1,140.2</b>
<b>Total FY Resources Available For Expenditure GF/GP</b>	<b>8,555.2</b>
<b>Expenditures, Current Law:</b>	
FY 2011 Enacted with Vetoes	\$ 8,311.8
Employee Pension Reforms (PA 185 of 2010) - Request 2011-5	\$ (57.4)
Employee Health Contribution (PA 185 of 2010)	tbd
<b>Total Expenditures Projected</b>	<b>\$ 8,254.4</b>
<b>Projected Ending Balance, September 30, 2011</b>	<b>\$ 300.8</b>

<sup>1</sup> The employee health contribution is currently in escrow pending the outcome of litigation.

# OFFICIAL BALANCE SHEET

## SCHOOL AID FUND Fiscal Year 2011 Projected Revenues and Expenditures March 31, 2011 (\$ in millions)

**FISCAL  
2011**

<b>Beginning Balance, October 1, 2010</b>	<b>\$ 255.9</b>
-------------------------------------------	-----------------

**Revenues, Current Law:**

Current Year School Aid Fund Revenues, January 2011 Consensus	\$ 10,979.1
---------------------------------------------------------------	-------------

**Additional Revenue Adjustments:**

Treasury Reforms	\$ 2.3
Tax Amnesty (PA 198 of 2010)	\$ 26.1
Enhanced Liquor Revenues	\$ 0.9
General Fund Subsidy	\$ 18.6
Federal Aid	\$ 1,677.8
Federal - American Recovery and Reinvestment Act	\$ 184.3
Federal - Education Jobs Fund	\$ 316.3
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ 2,226.3</b>

<b>Total FY Resources Available for Expenditure SAF</b>	<b>\$ 13,461.3</b>
---------------------------------------------------------	--------------------

**Expenditures, Current Law:**

Public Act 205 of 2010	\$ 12,888.2
Public Act 217 of 2010	\$ 246.0
Pending Supplemental	\$ (180.0)

<b>Adjusted Appropriations</b>	<b>\$ 12,954.2</b>
--------------------------------	--------------------

<b>Projected School Aid Fund Ending Balance September 30, 2011</b>	<b>\$ 507.1</b>
--------------------------------------------------------------------	-----------------

# SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

March 31, 2011

(\$ IN MILLIONS)

FISCAL YEAR 2009-10

FISCAL YEAR 2010-11

March 2010	Yr-to-date 2009-10	Fiscal Yr end SEP 30, 2010	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc March 2011	Exp & Enc Yr-to-date 2010-11
5.2	30.1	63.9	Agriculture	73.1	11.2	6.1	29.9
5.0	29.5	65.1	Attorney General	72.4	3.7	6.5	29.7
20.2	135.0	234.4	Capital Outlay**	273.7	0.0	18.9	135.6
1.0	5.3	12.2	Civil Rights	12.8	2.0	1.4	5.5
195.0	1,016.8	1,904.7	Colleges & Universities	1,844.1	0.0	165.0	1,025.0
527.6	5,920.0	13,441.6	Community Health	14,037.6	150.0	450.7	6,214.6
144.7	894.5	1,958.2	Corrections	1,986.6	19.0	201.3	951.1
5.6	37.2	81.3	Education	127.0	0.0	16.1	44.1
88.7	437.8	1,059.2	Energy, Labor & Economic Growth	1,039.8	84.7	84.8	415.2
0.4	2.3	4.7	Executive Office	4.6	0.0	0.3	2.4
461.3	2,685.3	6,003.7	Human Services	6,944.1	245.0	556.6	2,940.4
19.1	87.1	239.4	Judiciary	260.4	0.0	20.8	87.6
1.2	7.2	17.2	Legislative Auditor General	14.5	0.0	2.0	8.1
9.2	54.5	115.8	Legislature	102.1	0.0	12.1	58.5
9.0	76.0	148.5	Military Affairs	128.0	12.2	11.1	64.9
20.7	103.7	247.0	Natural Resources & Environment	458.4	45.6	18.9	89.2
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
16.6	97.7	224.5	State	212.6	9.7	17.7	83.9
35.0	192.4	510.2	State Police	528.6	22.6	46.2	205.7
19.5	113.7	273.6	Technology, Management & Budget***	251.2	16.0	22.5	117.9
0.0	0.0	0.0	Transportation	0.0	0.0	0.0	0.0
40.1	775.0	4,103.3	Treasury	1,471.2	79.3	36.4	804.1
0.0	13.4	27.0	Michigan Strategic Fund	22.8	21.7	0.0	20.9
<b>\$1,625.1</b>	<b>\$12,714.5</b>	<b>\$30,735.7</b>		<b>\$29,865.4</b>	<b>\$722.7</b>	<b>\$1,695.3</b>	<b>\$13,334.1</b>

\*Includes boilerplate appropriations.

\*\*Includes State Building Authority appropriated in Technology, Management and Budget.

\*\*\*Includes Civil Service Commission, Information Technology, Management and Budget

# ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2011

March 2011

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,130.1	32.7	15,162.8
Total state spending from state resources	26,114.4	68.6	26,183.0
Percentage of state spending from state resources paid to local units	57.94%		57.91%
Required payments to local units (48.97%)	12,788.2		12,821.8
<b>Surplus/(deficit)</b>	<b>\$2,341.9</b>		<b>\$2,341.0</b>

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
OCTOBER 1, 2010 THROUGH MARCH 31, 2011  
(in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
Miscellaneous		<u>1</u>
Total Revenues		<u>1</u>

**EXPENDITURES**

Current:		
General government		-
Education		-
Family Independence services		-
Public safety and corrections		<u>-</u>
Total Expenditures		<u>-</u>
Excess of Revenues over (under) Expenditures		<u>1</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from Bond Issues		-
Operating transfers from:		
State Lottery Fund		-
Other funds		<u>-</u>
Total operating transfers from other funds		<u>-</u>
Operating transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>-</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>1</u></u> <sup>1</sup>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENSES**  
**MICHIGAN STRATEGIC FUND**  
OCTOBER 1, 2010 THROUGH MARCH 31, 2011  
(in thousands)

**OPERATING REVENUES**

Operating revenues	\$ -
Interest income	-
Investment revenue (net)	-
Miscellaneous:	
Federal revenues	-
Financing fees	1,816
Other	2,530
Total miscellaneous	<u>4,347</u>
Total Operating Revenues	<u>4,347</u>

**OPERATING EXPENSES**

Salaries, wages, and other administrative	-
Interest expense	-
Depreciation	-
Purchases for resale	-
Other operating expenses:	
Loan loss expense	-
Tuition benefit expense	-
Amortization of deferred issue costs	-
Miscellaneous	3,955
Total other operating expenses	<u>3,955</u>
Total Operating Expenses	<u>3,955</u>
Operating Income (Loss)	<u>392</u>

**NONOPERATING REVENUES (EXPENSES)**

Federal grant revenue	-
Interest revenue	-
Other nonoperating revenues:	
Tribal gaming revenue	-
Other nonoperating revenue	-
Total other nonoperating revenues	<u>-</u>
Nonoperating grants	-
Interest expense	-
Other nonoperating expense	-
Total Nonoperating Revenues (Expenses)	<u>-</u>
Income (Loss) Before Operating Transfers	<u>392</u>

**OPERATING TRANSFERS**

Operating transfers from primary government	-
Operating transfers to primary government	<u>-</u>
Total Operating Transfers In (Out)	<u>-</u>
Net Income (Loss)	<u>\$ 392</u> <sup>1</sup>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

STATE OF MICHIGAN  
 YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES  
 MICHIGAN NATURAL RESOURCES TRUST FUND  
 OCTOBER 1, 2010 THROUGH MARCH 31, 2011  
 (in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>45,232</u>
Total Revenues		<u>45,232</u>

**EXPENDITURES**

Current:		
General government		517
Conservation, environment, recreation, and agriculture		1,572
Capital outlay		<u>14,073</u>
Total Expenditures		<u>16,162</u>
Excess of Revenues over (under) Expenditures		<u>29,069</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		2
Operating transfers from other funds		-
Operating transfers to other funds		<u>(10,000)</u>
Total Other Financing Sources (Uses)		<u>(9,998)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>19,072</u></u> <sup>1</sup>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

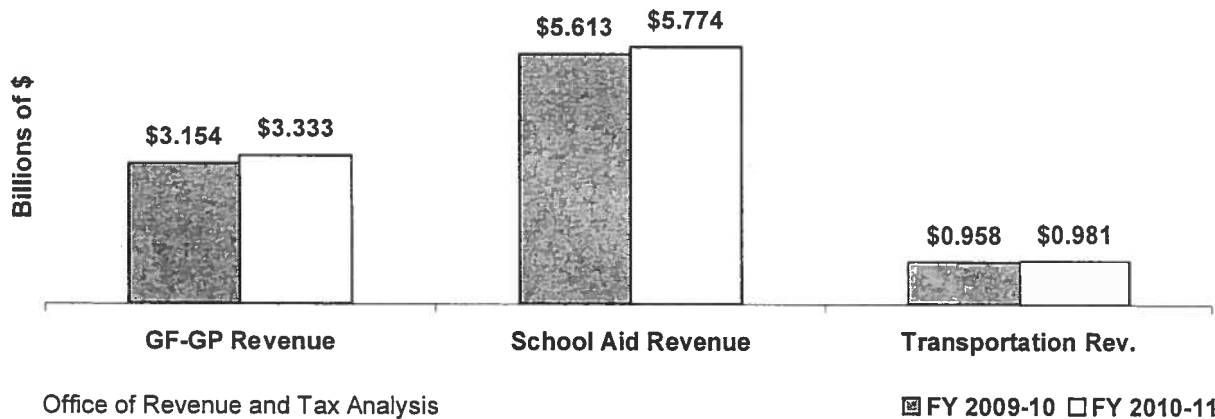
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for March 2011, representing some February and some March economic activity in Michigan.

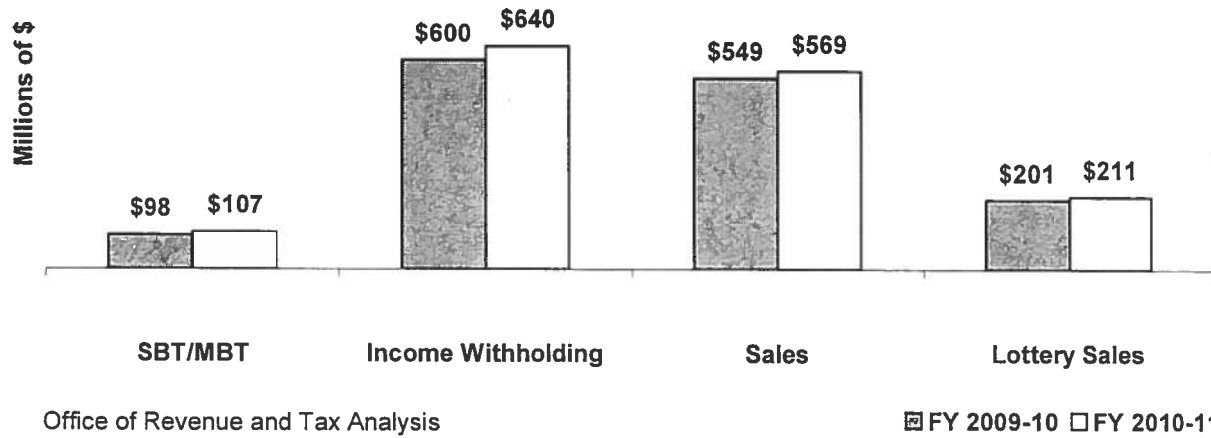
Total General Fund - General Purpose cash collections were \$33.6 million (48.9 percent) higher in March 2011 than in March 2010. The March 2011 School Aid Fund cash collections were \$6.5 million (0.8 percent) higher than in March 2010. March 2011 transportation collections were \$3.1 million (1.9 percent) higher than in March 2010 (see revenue table). March is the sixth month of the state's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections, since they are less affected by the timing of payments. Year-to-date General Fund - General Purpose cash collections are up \$179.5 million (5.7 percent) from a year ago. School Aid Fund cash collections are up \$161.6 million (2.9 percent) and transportation collections are up \$22.1 million (2.3 percent).

The FY 2010-11 revenue projections presented in the revenue table on page 10 are from the Consensus Revenue Estimating Conference held on January 14, 2011. The revenue estimate for net General Fund – General Purpose revenue for FY 2010-11 is \$7,227.8 million and the net School Aid revenue forecast is \$10,979.1 million. The Transportation Funds revenue forecast is \$2,065.5 million. The next regularly scheduled revenue conference will be held on May 16, 2011.

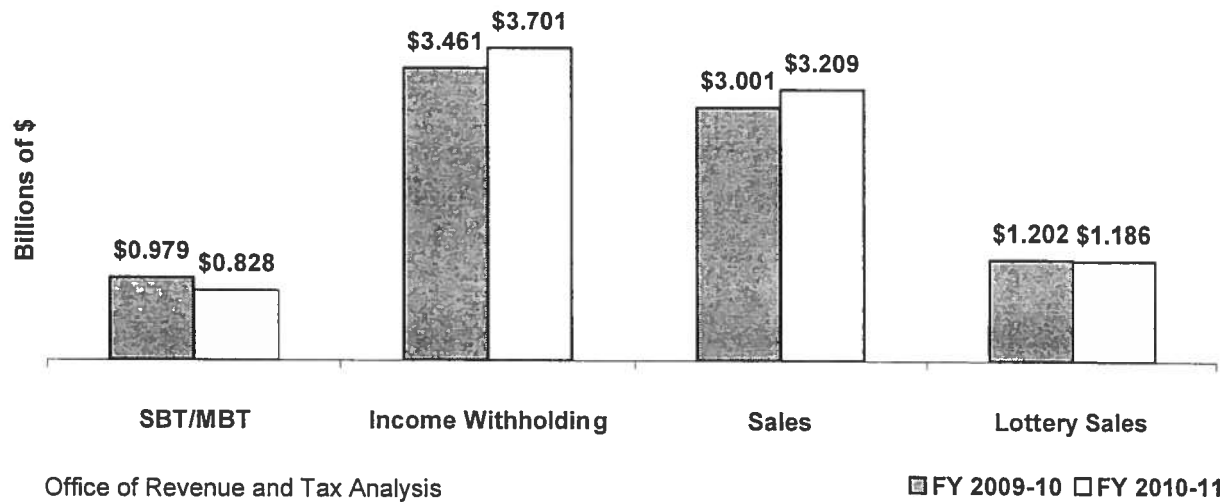
**October through March Collections  
FY 2009-10 and FY 2010-11**



### March Revenue Collections FY 2009-10 and FY 2010-11



### October through March Collections FY 2009-10 and FY 2010-11



**Revenue Summary FY 2010-11**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

For The Month Ended: March 31, 2011

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2009-10	FY 2010-11	FY 2010-11
2010	2011	Amount	Percent		FY 2009-10	FY 2010-11	Amount	Percent	Preliminary Totals (h)	Statutory Estimate	January 2011 Consensus
<b>Income Taxes</b>											
\$599,714	\$639,947	\$40,233	6.7%	Withholding	\$3,461,022	\$3,700,695	\$239,673	6.9%	\$6,813,800	\$6,832,900	\$6,982,000
6,591	7,934	1,343	20.4%	Quarterlies	211,494	229,045	17,552	8.3%	553,800	584,800	592,800
49,361	61,113	11,751	23.8%	Annuals	130,901	137,237	6,336	4.8%	564,800	602,900	615,700
655,665	708,993	53,328	8.1%	Gross Collections	3,803,416	4,066,978	263,561	6.9%	\$7,932,400	\$8,020,600	\$8,190,500
658,277	673,488	15,211	2.3%	Less: Refunds	1,514,766	1,391,700	(123,067)	-8.1%	2,400,800	2,482,600	2,450,000
0	0	0	na	State Campaign Fund	0	0	0	na	1,000	1,500	1,500
(2,612)	35,505	38,117	na	Net Personal Income	2,288,650	2,675,278	386,628	16.9%	\$5,530,600	\$5,536,500	\$5,739,000
152,639	165,054	12,415	8.1%	Less: Disbursements to SAF	885,435	946,792	61,357	6.9%	\$1,836,100	\$1,857,300	\$1,905,500
(\$155,251)	(\$129,548)	\$25,702	-16.6%	<b>NET PERSONAL INCOME TO GF-GP</b>	<b>\$1,403,215</b>	<b>\$1,728,486</b>	<b>\$325,271</b>	<b>23.2%</b>	<b>\$3,694,500</b>	<b>\$3,679,200</b>	<b>\$3,833,700</b>
<b>Consumption Taxes</b>											
\$6,593	\$6,757	\$164	2.5%	Sales (a)	\$32,370	\$36,029	\$3,658	11.3%	\$73,000	\$88,500	\$88,800
69,894	61,936	(7,959)	-11.4%	Use (f) (g)	370,893	381,307	10,415	2.8%	818,200	780,000	839,600
14,163	13,867	(297)	-2.1%	Tobacco	87,308	91,912	(5,396)	-5.5%	200,800	192,200	196,000
3,723	3,891	168	4.5%	Beer, Wine & Mixed Spirits	22,363	22,376	13	0.1%	51,000	53,000	53,000
2,651	2,598	(53)	-2.0%	Liquor Specific	15,571	15,835	264	1.7%	38,000	38,500	39,000
\$97,024	\$89,048	(\$7,976)	-8.2%	<b>TOTAL CONSUMPTION TAXES</b>	<b>\$538,504</b>	<b>\$547,459</b>	<b>\$8,954</b>	<b>1.7%</b>	<b>\$1,181,000</b>	<b>\$1,152,200</b>	<b>\$1,216,400</b>
<b>Other Taxes</b>											
\$2,127	(\$13,771)	(\$15,898)	na	Single Business	\$13,119	\$2,928	(\$10,191)	-77.7%	\$2,300	\$0	\$0
10,154	11,500	1,346	13.3%	Insurance Premiums Taxes	145,753	142,200	(3,553)	-2.4%	257,400	286,600	271,600
12,280	(2,271)	(14,551)	na	Sub-total SBT & Insurance	158,872	145,128	(13,743)	-8.7%	259,700	286,600	271,600
68,807	93,249	24,442	35.5%	Michigan Business Tax (f)	783,757	651,877	(131,881)	-16.8%	1,134,500	1,449,400	1,370,800
41	28	(13)	-31.3%	Inheritance / Estate	139	38	(101)	-73.0%	0	0	0
4	4	(0)	-5.9%	Telephone & Telegraph	26,431	25,212	(1,219)	-4.6%	60,800	63,000	62,000
6,952	8,371	1,419	20.4%	Oil & Gas Severance	29,433	29,507	74	0.3%	58,500	64,000	66,000
13,203	20,892	7,689	58.2%	Penalties & Interest	59,823	60,697	874	1.5%	140,800	139,000	146,000
7	0	(7)	-95.0%	Miscellaneous Other/Railroad	328	257	(71)	-21.6%	6,400	1,000	1,000
(9,583)	(10,417)	(833)	-8.7%	Treasury Enforcement Programs (e)	(57,500)	(61,250)	(3,750)	-6.5%	(123,100)	(120,000)	(125,000)
\$91,710	\$109,856	\$18,146	19.8%	<b>TOTAL OTHER TAXES</b>	<b>\$1,001,283</b>	<b>\$851,466</b>	<b>(\$149,817)</b>	<b>-15.0%</b>	<b>\$1,537,600</b>	<b>\$1,883,000</b>	<b>\$1,792,400</b>
\$33,484	\$69,356	\$35,872	107.0%	<b>SUBTOTAL GF-GP TAXES</b>	<b>\$2,943,001</b>	<b>\$3,127,410</b>	<b>\$184,409</b>	<b>6.3%</b>	<b>\$6,413,200</b>	<b>\$6,714,400</b>	<b>\$6,842,500</b>

continued

**Revenue Summary FY 2010-11**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

For The Month Ended: March 31, 2011

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2009-10	FY 2010-11	FY 2010-11
2010	2011	Amount	Percent		FY 2009-10	FY 2010-11	Amount	Percent	Preliminary Totals (h)	Statutory Estimate	January 2011 Consensus
<b>Non-Tax Revenue (e)</b>											
\$2,417	\$1,833	(\$583)	-24.1%	Federal Aid	\$14,500	\$12,750	(\$1,750)	-12.1%	\$20,800	\$29,000	\$22,000
42	33	(8)	-20.0%	Local Agencies	250	225	(25)	-10.0%	400	500	400
833	792	(42)	-5.0%	Services	5,000	4,875	(125)	-2.5%	9,500	10,000	9,500
2,417	1,667	(750)	-31.0%	Licenses & Permits	14,500	12,250	(2,250)	-15.5%	16,100	29,000	20,000
0	0	0	na	Investments/Interest Costs	(1,151)	(302)	849	-73.8%	(11,200)	(45,000)	(15,000)
11,833	11,417	(417)	-3.5%	Misc. Non-tax Revenue	71,000	69,750	(1,250)	-1.8%	129,200	142,000	137,000
13,583	13,333	(250)	-1.8%	Liquor Purchase Revolving Fund	81,500	81,250	(250)	-0.3%	157,100	165,000	160,000
4,150	3,958	(192)	-4.6%	From Other Funds-Lottery & Escheats	24,900	24,825	(75)	-0.3%	50,200	51,800	51,500
<b>\$35,275</b>	<b>\$33,033</b>	<b>(\$2,242)</b>	<b>-6.4%</b>	<b>TOTAL NON-TAX REVENUE</b>	<b>\$210,500</b>	<b>\$205,623</b>	<b>(\$4,876)</b>	<b>-2.3%</b>	<b>\$372,100</b>	<b>\$382,300</b>	<b>\$385,400</b>
<b>\$68,759</b>	<b>\$102,389</b>	<b>\$33,630</b>	<b>48.9%</b>	<b>TOTAL GF-GP REVENUE</b>	<b>\$3,153,501</b>	<b>\$3,333,033</b>	<b>\$179,532</b>	<b>5.7%</b>	<b>\$6,785,300</b>	<b>\$7,096,700</b>	<b>\$7,227,800</b>
<b>School Aid Fund</b>											
\$224,473	\$232,543	\$8,070	3.6%	Sales Tax 4%	\$1,230,331	\$1,313,978	\$83,647	6.8%	2,531,900	2,565,700	2,604,400
174,642	181,458	6,816	3.9%	Sales Tax 2%	950,432	1,018,724	68,291	7.2%	1,957,000	1,984,600	2,016,300
68,834	64,463	(4,371)	-6.4%	Use Tax 2% (f) (g)	368,105	381,229	13,124	3.6%	397,700	390,000	419,800
26,864	27,073	209	0.8%	Michigan Business Tax (f)	181,842	172,831	(9,010)	-5.0%	726,800	742,000	739,200
17,706	16,897	(809)	-4.6%	State Education Property Tax	1,345,839	1,288,341	(57,497)	-4.3%	1,930,500	1,833,000	1,860,000
8,411	10,990	2,579	30.7%	Real Estate Transfer Tax	64,972	59,191	(5,780)	-8.9%	121,600	140,000	125,000
65,000	55,000	(10,000)	-15.4%	Lottery Transfer (b)	275,000	305,000	30,000	10.9%	701,300	740,000	714,000
7,596	10,758	3,161	41.6%	Casino Wagering Tax	58,658	57,158	(1,500)	-2.6%	111,100	112,000	112,000
2,643	2,573	(70)	-2.6%	Liquor Excise Tax	15,377	15,711	334	2.2%	37,600	38,500	39,000
28,753	28,151	(602)	-2.1%	Cigarette/Tobacco Tax	197,550	186,595	(10,954)	-5.5%	392,900	370,800	378,700
14,900	4,239	(10,662)	-71.6%	Indus. & Comm. Facilities Taxes	36,022	21,872	(14,151)	-39.3%	55,200	42,800	48,000
707	516	(191)	-27.0%	Specific Other	3,039	6,784	3,745	123.0%	17,100	16,300	17,100
152,639	165,054	12,415	8.1%	Income Tax Earmarking	885,435	946,792	61,357	6.9%	\$1,836,100	\$1,857,300	\$1,905,500
<b>\$793,169</b>	<b>\$799,714</b>	<b>\$6,545</b>	<b>0.8%</b>	<b>TOTAL SCHOOL AID FUND</b>	<b>\$5,612,602</b>	<b>\$5,774,207</b>	<b>\$161,605</b>	<b>2.9%</b>	<b>\$10,816,900</b>	<b>\$10,832,900</b>	<b>\$10,979,100</b>
<b>\$548,764</b>	<b>\$569,029</b>	<b>\$20,266</b>	<b>3.7%</b>	<b>SALES TAX 6%</b>	<b>\$3,000,984</b>	<b>\$3,208,687</b>	<b>\$207,702</b>	<b>6.9%</b>	<b>\$6,176,900</b>	<b>\$6,260,800</b>	<b>\$6,357,000</b>
374,122	387,571	13,449	3.6%	SALES TAX 4%(d)	2,050,552	2,189,963	139,411	6.8%	4,219,900	4,276,200	4,340,700
174,642	181,458	6,816	3.9%	SALES TAX 2%	950,432	1,018,724	68,291	7.2%	1,957,000	1,984,600	2,016,300
138,728	126,398	(12,330)	-8.9%	USE TAX 6% (g)	738,997	762,536	23,539	3.2%	1,215,900	1,170,000	1,259,400
95,671	120,322	24,652	25.8%	MICHIGAN BUSINESS TAX	965,599	824,708	(140,891)	-14.6%	1,861,300	2,191,400	2,110,000
71,172	69,681	(1,491)	-2.1%	TOBACCO TAXES	488,984	461,870	(27,115)	-5.5%	1,006,500	955,000	974,300
0	0	0	na	TOBACCO SETTLEMENT	0	0	0	na	na	na	na
0	0	0	na	CIGARETTE INVENTORY TAX	0	0	0	na	na	na	na

continued

**Revenue Summary FY 2010-11**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

For The Month Ended: March 31, 2011

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2009-10	FY 2010-11	FY 2010-11
2010	2011	Amount	Percent		FY 2009-10	FY 2010-11	Amount	Percent	Preliminary Totals (h)	Statutory Estimate	January 2011 Consensus
				<b>Major Transportation Revenues</b>							
\$8,310	\$8,064	(\$247)	-3.0%	Diesel Fuel / Motor Carrier Fuel Tax	\$58,976	\$60,502	\$1,526	2.6%	\$120,069	\$115,000	\$122,000
58,687	60,101	1,414	2.4%	Gasoline	401,863	412,148	10,285	2.6%	841,659	826,000	839,000
80,235	81,070	835	1.0%	Motor Vehicle Registration	433,772	441,527	7,755	1.8%	842,106	831,000	845,000
4,323	5,088	765	17.7%	Other Taxes, Fees & Misc.	19,551	20,567	1,015	5.2%	116,840	153,020	167,011
7,373	7,706	333	4.5%	Comprehensive Transportation (c)	44,238	45,761	1,523	3.4%	78,981	90,574	92,469
<u>\$158,929</u>	<u>\$162,028</u>	<u>\$3,099</u>	<u>1.9%</u>	<b>TOTAL MAJOR TRANS. REVENUES</b>	<u>\$958,400</u>	<u>\$980,505</u>	<u>\$22,105</u>	<u>2.3%</u>	<u>\$1,999,655</u>	<u>\$2,015,594</u>	<u>\$2,065,479</u>
				<b>Lottery Sales By Games</b>							
65,493	65,316	(178)	-0.3%	Instant Games	379,221	377,255	(1,966)	-0.5%	na	na	na
59,069	56,110	(2,958)	-5.0%	Daily Games	354,643	336,060	(18,583)	-5.2%	na	na	na
27,698	42,320	14,622	52.8%	Lotto and Big Game	168,934	188,078	19,144	11.3%	na	na	na
1,061	1,019	(42)	-4.0%	Keno Game	6,772	6,110	(662)	-9.8%	na	na	na
0	987	987	na	Lucky Lines Game	0	4,454	4,454	na	na	na	na
(0)	0	0	-100.0%	Millionaires Raffle	11,995	10,181	(1,815)	-15.1%	na	na	na
47,282	45,041	(2,241)	-4.7%	Club Games	280,507	264,319	(16,188)	-5.8%	na	na	na
<u>\$200,602</u>	<u>\$210,792</u>	<u>\$10,190</u>	<u>5.1%</u>	<b>TOTAL LOTTERY SALES</b>	<u>\$1,202,073</u>	<u>\$1,186,457</u>	<u>(\$15,616)</u>	<u>-1.3%</u>	<u>na</u>	<u>na</u>	<u>na</u>

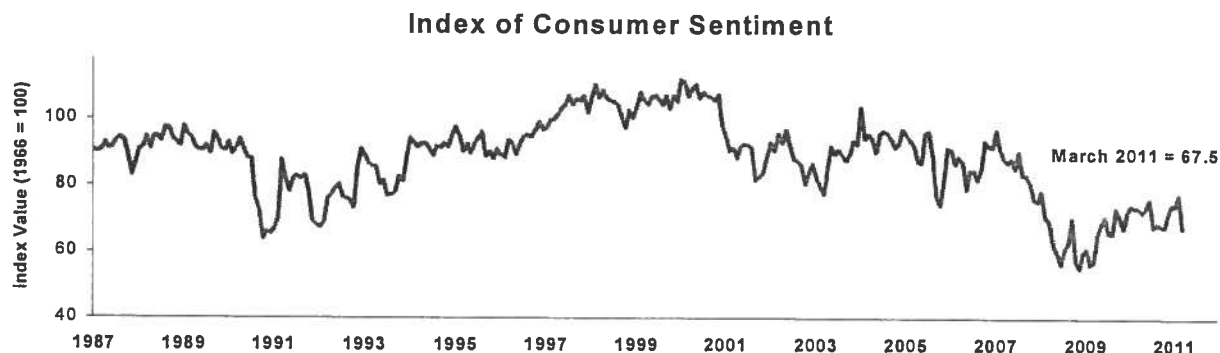
- a GF-GP Sales has been estimated based on CTF and Health Initiative shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.
- c The CTF distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the CTF).
- d 2% collections adjusted to reflect exemption on residential utilities.
- e Non-tax revenue items other than interest are estimates.
- f MBT and Use tax GF/SAF distributions adjusted for P.A. 106 of 2009.
- g Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.
- h Preliminary CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U. S. Economy



Source: University of Michigan, Survey Research Center

The **Index of Consumer Sentiment** was 67.5 in March, 10.0 index-points below the February value and 6.1 index-points below March 2010. On the decrease in confidence, Survey Director Richard Curtin reported, "Consumer confidence largely stabilized in late March at the lower levels recorded at mid month. While further declines may well occur in the months ahead, consumers have not adopted the same deep pessimism that was prevalent a few years ago. Nonetheless, the March drop was record setting; it was the 10<sup>th</sup> largest monthly change ever recorded. Most of the decline was in the Expectations Index, which recorded its 5<sup>th</sup> largest monthly decline." Curtin noted, "While most of the early March decline was concentrated among lower income households, upper income households posted the largest declines in late March. While the proximate cause of the decline was gas and food increases, the fewest consumers in the history of the surveys expected nominal income increases." On spending plans for durables, Curtin observed, "Buying plans remained unchanged in March at improved levels in sharp contrast to the widespread increase in pessimism about prospects for the national economy. If gas prices continue to rise, vehicle buying plans are likely to recede along with other spending, especially if employment trends weaken. Uncertainty about future job and income prospects, a key determinant of sales of durable goods, was cited by one-in-four consumers in March, well below the one-in-three at the 2008 peak in gas prices." In March, consumers in all four regions reported a decrease in confidence. Southern consumers reported the largest decrease in confidence of 13.6 index-points, followed by Western consumers at 12.6 index-points. Midwestern consumers reported a decrease in confidence of 7.9 index-points. The gap across regions increased from last month to 7.1 index-points, with Northeastern consumers on top and Western consumers on the bottom.

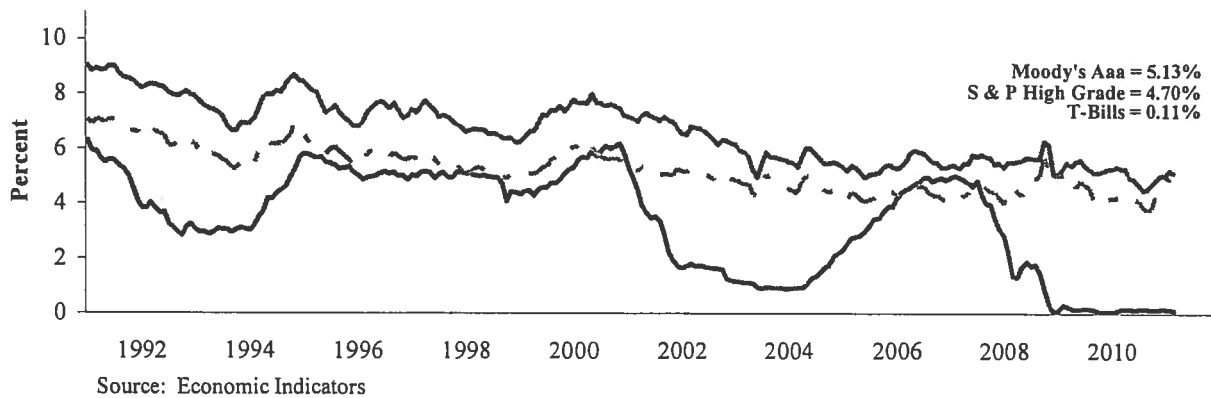
The revised estimate of real **Gross Domestic Product** for the fourth quarter of 2010 is \$13,380.7 billion (chained 2005 dollars), an increase of 3.1 percent at an annual rate. In the third quarter of 2010, real gross domestic product increased 2.6 percent. The increase in fourth quarter real GDP was mainly due to personal consumption expenditures, exports, and nonresidential fixed investment. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 4.0 percent in the fourth quarter, compared to a 2.4 percent increase in the third quarter. Real residential fixed investment increased 3.3 percent in the fourth quarter compared to a decrease of 27.3 percent in the third quarter. Real nonresidential fixed investment increased 7.7 percent in the fourth quarter with an increase in equipment and software of 7.7 percent. Real federal government expenditures decreased 0.3 percent in the fourth quarter, compared to an increase of 8.8 percent in the

third quarter. Real state and local government spending decreased 2.6 percent in the fourth quarter, compared to an increase of 0.7 percent in the third quarter. Exports of goods and services increased 8.6 percent in the fourth quarter, compared to a 6.8 percent increase in the third quarter. Imports decreased 12.6 percent in the fourth quarter compared to an increase of 16.8 percent in the third quarter. Private inventory investment increased \$16.2 billion in the fourth quarter, following a \$121.4 billion increase in the third quarter. Real final sales increased 6.7 percent in the fourth quarter compared to an increase of 0.9 percent in the third quarter. On the inflation front, the **implicit price deflator** increased 0.3 percent in the fourth quarter compared to a 2.0 percent increase observed in the third quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), increased 0.5 percent in March, same as the increase in February. Energy increased 3.5 percent in March, up from a 3.4 percent increase in February, while the all-items less food and energy component increased 0.1 percent in March. For the six months since September, the all-items index increased 4.7 percent.

Compared to March 2010, the all-items index increased 2.7 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 2.8 percent; medical care, 2.7 percent; apparel, -0.6 percent; education and communication, 1.1 percent; other goods and services, 1.8 percent; recreation, -0.1 percent; housing, 0.8 percent; transportation, 9.8 percent, with gasoline prices up 27.5 percent.

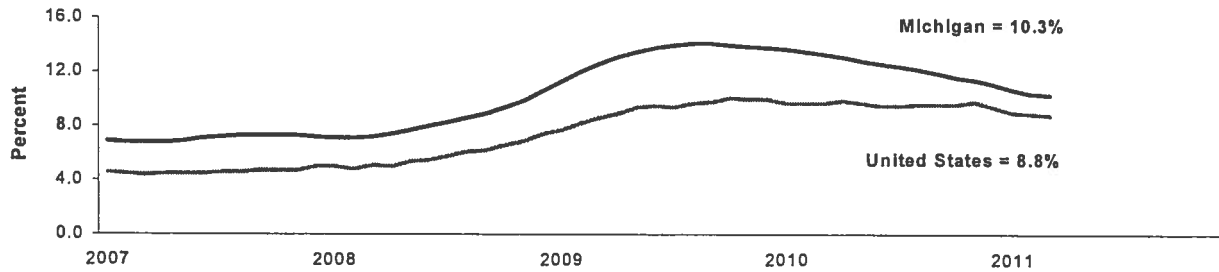
### Selected Key Interest Rates



Short-term **interest rates** decreased 0.03 percentage points in March as the 3-month Treasury bill (T-bill) rate was 0.11 percent. Compared to one year ago, the T-bill rate was down 0.04 percentage points. Long-term interest rates, such as the Aaa corporate bond rate, decreased 0.09 percentage points to an interest yield of 5.13 percent in March. Compared to one year ago, the Aaa bond yield was down 0.14 percentage points. The interest rate on High-grade municipal bonds decreased 0.22 percentage points from the December level to 4.70 percent in March, and was up 0.48 percentage points from its year ago level. The Federal Open Market Committee (FOMC) kept the target range for the federal funds rate between 0 and 0.25 percent at the March 15<sup>th</sup> meeting. The FOMC stated that, "The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and continues to anticipate that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period." The Committee, "will continue to monitor the economic outlook and financial developments and will employ its policy tools as necessary to support the economic recovery and to help ensure that inflation, over time, is at levels consistent with its mandate."

In March, the **U. S. unemployment rate** decreased 0.1 percentage point from a month ago to 8.8 percent and was 0.9 percentage point lower than a year ago. Civilian employment totaled 139.9 million persons in March, an increase of 0.3 million from February. The number unemployed was 13.5 million nationwide.

### Unemployment Rates 2007 - 2011

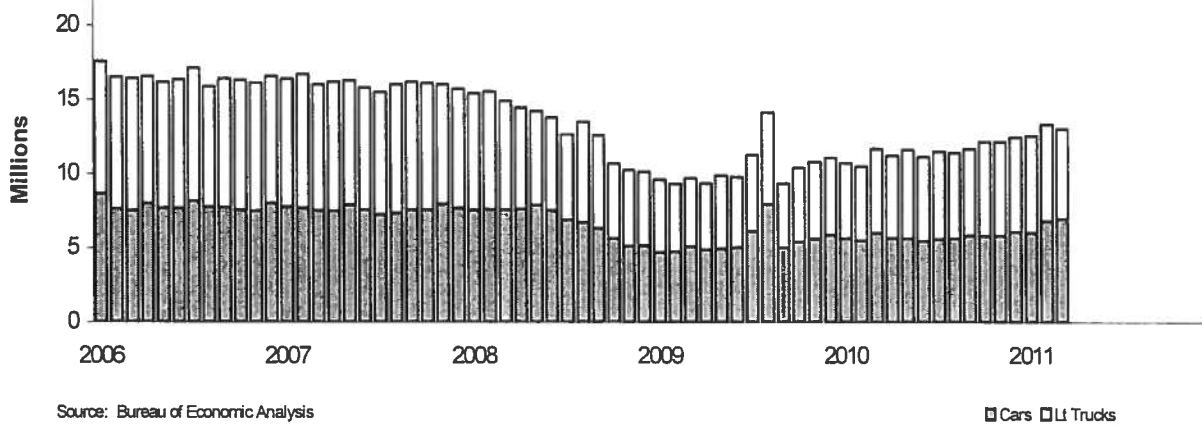


Source: Bureau of Labor Statistics and Michigan Department of Labor & Economic Growth, Employment Service Agency

In March, the **Michigan jobless rate** decreased 0.1 percentage point from 10.4 percent in February to 10.3 percent. The March unemployment rate is 3.0 percentage points below the year ago level. In March, the labor force increased by 5,000 to 4,745,000, while the number of people employed increased by 11,000 to 4,257,000. In March, there were 487,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

**Motor Vehicle Sector**

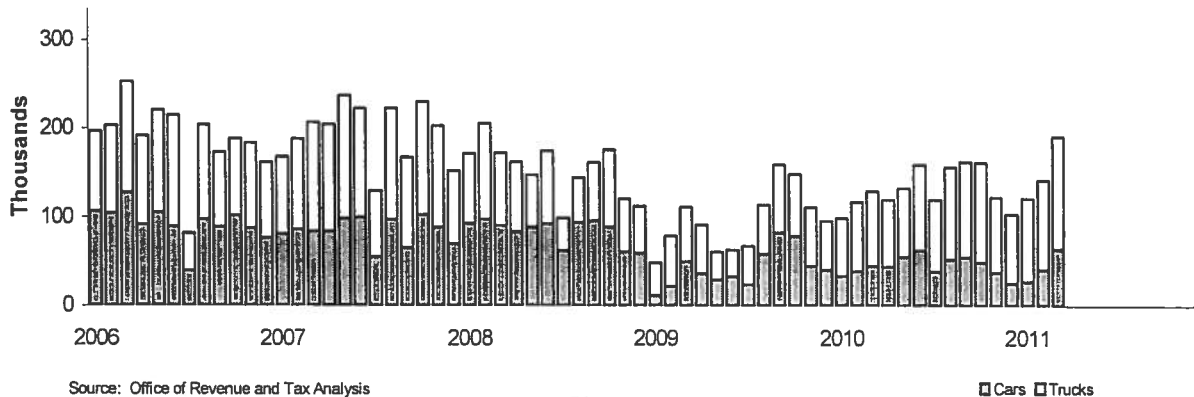
**U. S. Light Vehicle Sales**



**U.S. light vehicle sales** (cars + light trucks) decreased 2.4 percent in March compared to February, selling at a 13.1 million unit seasonally adjusted annual rate. Domestic car sales increased 13.9 percent while domestic light truck sales decreased 7.7 percent. Import car sales decreased 0.1 percent while import light truck sales increased 7.7 percent. Compared to last year, light vehicle sales increased 11.7 percent. Domestic car sales were up 14.5 percent while domestic light truck sales increased 8.4 percent. Import car sales were up 18.8 percent while import truck sales increased 2.5 percent from last year. As a result, the domestic share decreased 0.3 percentage point from a year ago. For fiscal year 2011 year-to-date, domestic light vehicles recorded a 75.9 percent share of a 12.7 million-unit market.

**Michigan motor vehicle production** increased to 190,301 units in March from the 141,096 units produced in February. From a year ago, motor vehicle production increased 48 percent in Michigan and rose 20 percent nationally. In March, Michigan's car production was 63,697 units while the state's truck production was 126,604 units. Compared with a year ago, car production increased 42 percent in Michigan and rose 6 percent nationwide. The state's truck production increased 50 percent while national truck production increased 28 percent from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

**Michigan Motor Vehicle Production**



**Summary Estimates of the Constitutional Revenue Limit  
Based on the January 14, 2011 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<u>Fiscal Year 2008-09 Actual</u>	<u>Fiscal Year 2009-10 Estimate</u>	<u>Fiscal Year 2010-11 Estimate</u>
Applicable Calendar Year Personal Income	\$345,885	\$349,612	\$339,219
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,824.5</u>	<u>\$33,178.2</u>	<u>\$32,191.9</u>
Revenue Limit	\$32,824.5	\$33,178.2	\$32,191.9
State Revenue Subject to Limit	<u>\$24,838.5</u>	<u>\$24,263.7</u>	<u>\$25,065.6</u>
<b>Amount Under (Over) Limit</b>	<b>\$7,985.9</b>	<b>\$8,914.5</b>	<b>\$7,126.3</b>

Sources:

Personal Income Estimate

The FY 2008-09 calculation uses the official personal income estimate for calendar year 2007 (Survey of Current Business, October 2008).

The FY 2009-10 calculation uses the official personal income estimate for calendar year 2008 (Survey of Current Business, October 2009).

The FY 2010-11 calculation uses the January 14, 2011 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2008-09 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2009.

The FY 2009-10 calculation uses the January 14, 2011 Consensus Revenue Agreement.

The FY 2010-11 calculation uses the January 14, 2011 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury