



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

ROBERT L. EMERSON
DIRECTOR

July 15, 2009

The Honorable Ron Jelinek, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48901

The Honorable George Cushingberry, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48901

Dear Legislators:

Attached is the monthly financial report for the month ending April 30, 2009. 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 under "Financial Reports."

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

Sincerely,

A handwritten signature in black ink that reads "Robert L. Emerson".

Robert L. Emerson
State Budget Director

Attachment

cc: List attached

cc: Governor Jennifer Granholm
Mike Bishop, Senate Majority Leader
Andy Dillon, Speaker of the House
Mike Prusi, Senate Minority Leader
Kevin Elsenheimer, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Nancy Cassis, Chair, Senate
Finance Committee

Kate Ebli, Chair, House Tax Policy Committee
Dan Krichbaum, Executive Office
Tim Hughes, Executive Office
Senate Fiscal Agency
House Fiscal Agency
Mike Moody, Financial Management
Nancy Duncan, Deputy Director
State Budget Office
Internal Office of the State Budget
Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2009
Projected Revenues and Expenditures
April 30, 2009
(\$ in millions)

	FISCAL 2009
Beginning Balance, October 1, 2008	\$ 457.9
Revenues, Current Law:	
Current Year GF/GP Revenues, January 2009 Consensus Estimate	\$ 8,306.1
Revenue Adjustments:	
Revenue Sharing Freeze (PA 127 of 2007 and January 2009 Consensus)	\$ 331.2
Suspend County Revenue Sharing (PA 356 and 357 of 2004)	\$ 205.4
Charge School Aid Fund for Short Term Borrowing Costs	\$ 45.0
Transportation Economic Development Fund Revenue to GF (PA 346 of 2008)	\$ 6.0
Exempt certain foreign person from MBT (PA 435 of 2008)	\$ (8.1)
Increase investment credit (PA 572 of 2008)	\$ (0.3)
Brokers payment to realtors (PA 472 of 2008)	\$ (6.5)
Exhibition facility credit (PA 507 of 2008)	\$ (0.3)
State revenue impact - federal tobacco tax increase (P.L. 111-3 of 2009)	\$ (5.5)
State revenue impact - federal tax changes - ARRA (P.L. 111-5 of 2009)	\$ (22.0)
State revenue impact - federal medical assistance increase - ARRA (P.L. 111-5 of 2009)	\$ 540.3
Subtotal Additional Revenue Adjustments	\$ 1,085.2
Anticipated Revenue Adjustments:	
Use tax on Medicaid managed care organizations - PA 440 of 2008 (Senate Bill 480)	\$ 161.5
21st Century Jobs Trust Fund Revenue to GF (House Bill 4182)	\$ 20.0
Insurance Escheats	\$ 25.0
Secondary Collections	\$ 6.0
Subtotal Anticipated Revenue Adjustments	\$ 212.5
Total FY Resources Available For Expenditure GF/GP	10,061.7
Expenditures, Current Law:	
FY 2009 Enacted with Vetoes	\$ 9,701.4
Executive Order 2008-21	\$ (134.0)
Anticipated Expenditure Adjustments:	
Supplemental Request (8-18-2008, rev. 3-23-2009)	\$ 0.6
Supplemental Requests (2-12-2009)	\$ 313.7
Contract savings/lapses	\$ (20.0)
Total Expenditures Projected	\$ 9,861.7
Projected Ending Balance, September 30, 2009	\$ 200.0

¹ Subsequent to the date of this report, several events occurred to influence the projected ending balance for fiscal year 2009. On May 5, 2009, the Governor issued Executive Order 2009-22 to reduce general fund spending by \$294.5 million and received approval of the Senate and House Appropriations Committees. On May 12, 2009, Public Act 24 of 2009 was signed into law reducing general fund spending in the Judiciary and Legislative branch budgets by \$6.9 million. Additional legislative actions are needed to transfer restricted funding amounts to the general fund, resulting in total general fund reductions of \$304.4 million for Executive Order 2009-22 and related actions. On May 15, 2009, the Consensus Revenue Estimating Conference determined general fund revenues to be \$870.8 million below the January 2009 consensus revenue estimate. This decline is partially offset by the fiscal year 2008 ending balance, fiscal year 2009 Executive Order reductions, and available federal American Recovery and Reinvestment Act funds.

OFFICIAL BALANCE SHEET

SCHOOL AID FUND Fiscal Year 2009 Projected Revenues and Expenditures April 30, 2009 (\$ in millions)

**FISCAL
2009**

Beginning Balance, October 1, 2008	\$	247.1
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Revenues, Current Law:		
Current Year School Aid Fund Revenues, January 2009 Consensus	\$	11,368.7
Additional Revenue Adjustments:		
General Fund Subsidy	\$	40.8
General Fund Supplemental	\$	44.2
Federal Aid	\$	1,562.0
Subtotal Additional Revenue Adjustments	\$	1,647.0
Total FY Resources Available for Expenditure SAF	\$	13,262.8

Expenditures, Current Law:		
PA 268 of 2008 as Enacted	\$	13,378.9
Revised Cost Estimates	\$	(116.1)
Adjusted Appropriations	\$	13,262.8

Projected School Aid Fund Ending Balance September 30, 2009	\$	-
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¹ Subsequent to this report, Executive Order 2009-22 was approved on May 5 and the May Consensus Revenue Estimating Conference was held on May 15, 2009. EO 2009-22 reduced the General Fund subsidy to the School Aid budget by \$7 million and the May Consensus Revenue Estimating Conference lowered earlier School Aid Fund revenue forecasts by \$425 million. Revised pupil estimates and other minor cost adjustments increased expenditure estimates by \$4 million. The ending balance for the School Aid Fund is now projected to be a negative \$429.0 million. An application for federal State Fiscal Stabilization Funds has been submitted to the U.S. Department of Education to offset this negative balance.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

April 30, 2009

(\$ IN MILLIONS)

FISCAL YEAR 2007-08

FISCAL YEAR 2008-09

April 2008	Yr-to-date 2007-08	Fiscal Yr end SEP 30, 2008	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc April 2009	Exp & Enc Yr-to-date 2008-09
5.4	45.1	83.4	Agriculture	91.4	9.7	7.8	42.5
5.1	35.5	67.1	Attorney General	75.4	3.2	7.6	38.9
1.3	8.6	16.5	Auditor General	15.9	0.0	1.9	9.4
21.1	154.5	233.7	Capital Outlay**	481.8	0.0	20.2	170.0
1.1	7.2	13.4	Civil Rights	14.5	1.8	1.5	7.8
2.1	13.4	25.3	Civil Service Commission	70.2	-0.5	6.3	32.4
173.6	1,411.5	2,080.3	Colleges & Universities	1,952.7	-10.0	176.8	1,268.2
790.1	6,250.6	11,192.8	Community Health	12,472.3	2.3	994.7	6,810.7
164.2	1,089.3	1,952.6	Corrections	2,019.7	-24.6	213.1	1,150.2
4.0	30.7	58.2	Education	95.1	909.3	6.4	37.1
24.7	113.3	200.9	Environmental Quality	327.8	256.0	17.4	106.3
0.4	2.9	5.3	Executive Office	5.3	0.0	0.6	3.1
5.0	24.6	46.3	History, Arts & Library	52.8	3.9	4.7	30.2
377.0	2,403.0	4,361.4	Human Services	4,571.4	1,128.4	487.0	2,702.9
0.0	0.0	0.0	Information Technology	0.0	0.0	0.0	0.0
36.6	124.4	209.0	Judiciary	261.9	0.0	29.4	117.7
55.3	404.5	740.1	Labor & Economic Growth	990.5	269.7	89.2	456.7
9.5	67.2	120.8	Legislature	114.5	0.0	12.7	68.9
14.2	97.0	169.8	Management & Budget	183.6	6.6	16.2	102.8
6.4	20.2	29.6	Michigan Strategic Fund	29.6	8.9	6.3	19.5
9.8	71.9	120.9	Military Affairs	123.9	14.4	11.9	74.3
1.8	21.3	60.2	Natural Resources	62.4	1.0	2.6	23.4
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
19.8	122.1	214.7	State	214.8	9.3	23.7	123.3
37.9	225.0	437.8	State Police	530.3	9.7	47.8	239.3
0.0	0.0	0.0	Transportation	0.0	0.0	0.0	0.0
187.0	955.8	2,876.0	Treasury	1,511.2	0.7	150.2	960.3
\$1,953.4	\$13,699.6	\$25,316.1		\$26,268.9	\$2,599.5	\$2,336.0	\$14,595.9

*Includes boilerplate appropriations.

**Includes State Building Authority appropriated in Management and Budget.

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2009

April 2009

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	17,164.7	-0.7	17,164.0
Total state spending from state resources	28,412.0	-131.3	28,280.7
Percentage of state spending from state resources paid to local units	60.41%		60.69%
Required payments to local units (48.97%)	13,913.4		13,849.1
Surplus/(deficit)	\$3,251.3		\$3,314.9

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
OCTOBER 1, 2008 THROUGH APRIL 30, 2009
(in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
Miscellaneous		<u>16</u>
Total Revenues		<u>16</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>16</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		-
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>16</u> ¹

¹ 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, 2008 THROUGH APRIL 30, 2009
(in thousands)

OPERATING REVENUES	
Operating revenues	\$ -
Interest income	-
Investment revenue (net)	-
Miscellaneous:	
Federal revenues	-
Financing fees	2,005
Other	4,177
Total miscellaneous	<u>6,182</u>
Total Operating Revenues	<u>6,182</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	5,691
Total other operating expenses	<u>5,691</u>
Total Operating Expenses	<u>5,691</u>
Operating Income (Loss)	<u>491</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>491</u>
OPERATING TRANSFERS	
Operating transfers from primary government	-
Operating transfers to primary government	-
Total Operating Transfers In (Out)	<u>-</u>
Net Income (Loss)	<u>\$ 491</u> ¹

¹ 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, 2008 THROUGH APRIL 30, 2009
(in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		0
Miscellaneous		<u>28,662</u>
 Total Revenues		 <u>28,662</u>

EXPENDITURES

Current:		
General government		500
Conservation, environment, recreation, and agriculture		1,559
Capital outlay		<u>12,339</u>
 Total Expenditures		 <u>14,398</u>
 Excess of Revenues over (under) Expenditures		 <u>14,264</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Operating transfers from other funds		-
Operating transfers to other funds		<u>(10,000)</u>
 Total Other Financing Sources (Uses)		 <u>(10,000)</u>
 Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		 <u>\$ 4,264</u> ¹

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

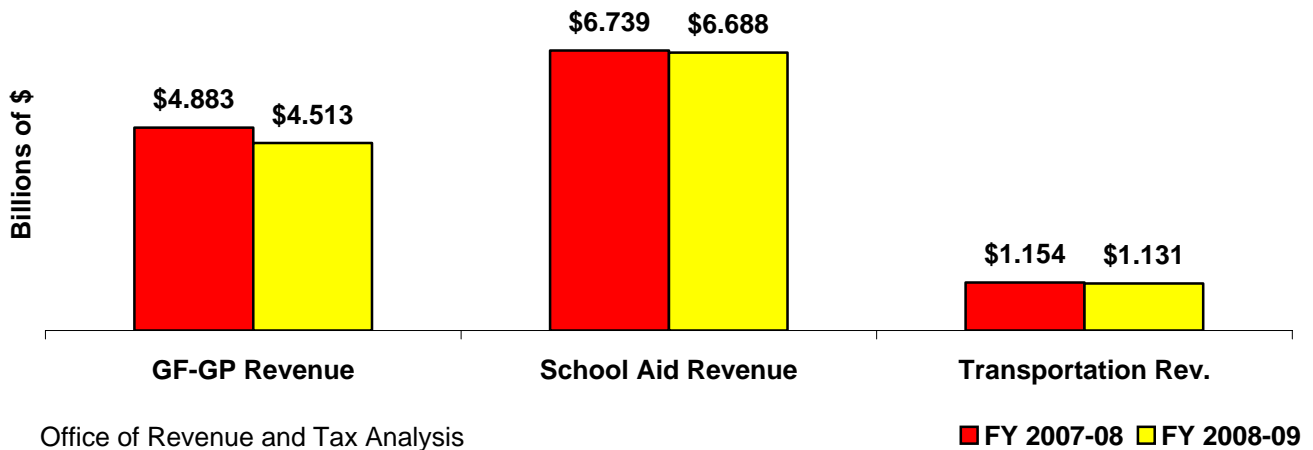
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2009, representing some March and some April economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$36.3 million (4.0 percent) lower in April 2009 than in April 2008. The decrease is mostly due to lower income tax collections. April School Aid Fund cash collections were \$37.3 million (4.2 percent) lower than in April 2008. April transportation collections were \$1.4 million (0.8 percent) lower than in April 2008 (see revenue table). April is the seventh month of the state's fiscal year. 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 down \$370.3 million (7.6 percent) from a year ago. School Aid Fund cash collections are down \$50.9 million (0.8 percent) and transportation collections are down \$22.7 million (2.0 percent).

The FY 2008-2009 revenue projections presented in the revenue table on page 10 are from the Consensus Revenue Estimating Conference held on January 9, 2009. The revenue estimate for net General Fund – General Purpose revenue for FY 2008-2009 is \$8,306.1 million and the net School Aid revenue forecast is \$11,368.7 million. The Transportation Funds revenue forecast is \$2,069.2 million. The next regularly scheduled revenue conference will be held on May 15, 2009.

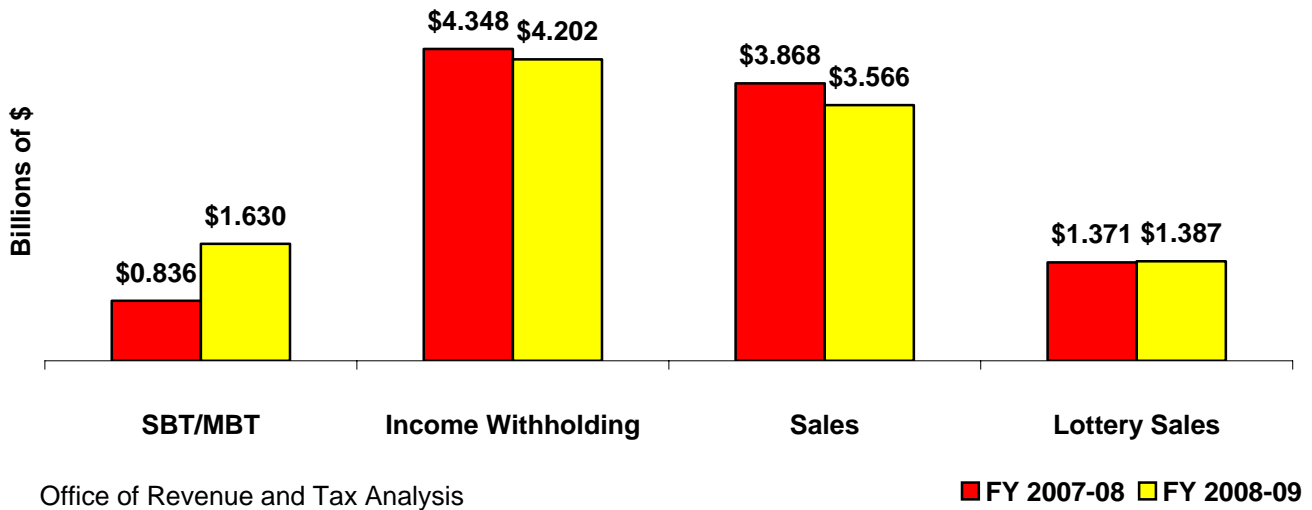
**October through April Collections
Fiscal Years 2007-08 and 2008-09**



April Revenue Collections Fiscal Years 2007-08 and 2008-09



October through April Collections Fiscal Years 2007-08 and 2008-09



Revenue Summary 2008-09
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2009

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		2007-2008	2008-2009	2008-2009
2008	2009	Amount	Percent		2007-08	2008-09	Amount	Percent	CAFR Totals(g)	Statutory Estimate	January 2009 Consensus
Income Taxes											
\$595,337	\$552,109	(\$43,229)	-7.3%	Withholding	\$4,347,634	\$4,201,979	(\$145,655)	-3.4%	\$7,282,000	\$7,327,900	\$6,995,300
131,103	75,035	(56,068)	-42.8%	Quarterlies	442,795	342,332	(100,464)	-22.7%	848,900	848,100	770,800
647,601	451,042	(196,559)	-30.4%	Annals	797,461	585,065	(212,396)	-26.6%	884,900	879,700	787,000
1,374,042	1,078,186	(295,856)	-21.5%	Gross Collections	5,587,890	5,129,376	(458,514)	-8.2%	\$9,015,800	\$9,055,700	\$8,553,100
429,485	540,733	111,248	25.9%	Less: Refunds	1,505,689	1,798,746	293,057	19.5%	1,790,300	2,046,100	2,051,900
0	0	0	na	State Campaign Fund	0	0	0	na	1,200	1,500	1,500
944,557	537,453	(407,104)	-43.1%	Net Personal Income	4,082,201	3,330,630	(751,572)	-18.4%	\$7,224,300	\$7,008,100	\$6,499,700
319,602	251,002	(68,600)	-21.5%	Less: Disbursements to SAF	1,299,743	1,194,119	(105,625)	-8.1%	\$2,117,700	\$2,111,500	\$1,989,500
\$624,954	\$286,451	(\$338,503)	-54.2%	NET PERSONAL INCOME TO GF-GP	\$2,782,458	\$2,136,511	(\$645,947)	-23.2%	\$5,106,600	\$4,896,600	\$4,510,200
Consumption Taxes											
\$5,296	\$5,587	\$291	5.5%	Sales (a)	\$41,466	\$42,986	\$1,520	3.7%	\$76,500	\$89,600	\$66,900
86,700	79,435	(7,265)	-8.4%	Use (i)	531,120	435,150	(95,970)	-18.1%	911,600	877,400	845,000
16,187	15,775	(413)	-2.5%	Tobacco	120,079	116,869	(3,210)	-2.7%	212,900	211,600	208,700
4,062	4,512	450	11.1%	Beer, Wine & Mixed Spirits	27,877	27,640	(237)	-0.9%	50,900	51,500	51,500
2,557	2,688	131	5.1%	Liquor Specific	18,194	16,853	(1,341)	-7.4%	37,300	37,000	37,000
\$114,802	\$107,996	(\$6,806)	-5.9%	TOTAL CONSUMPTION TAXES	\$738,736	\$639,498	(\$99,238)	-13.4%	\$1,289,200	\$1,267,100	\$1,209,100
Other Taxes											
\$95,622	\$29,319	(\$66,302)	-69.3%	Single Business	\$835,912	(\$85,302)	(\$921,214)	na	\$573,800	\$0	(\$43,200)
35,788	49,075	13,287	37.1%	Insurance Premiums Taxes	162,068	189,944	27,877	17.2%	223,200	260,000	238,800
131,410	78,395	(53,015)	-40.3%	Sub-total SBT & Insurance	997,980	104,642	(893,337)	-89.5%	797,000	260,000	195,600
370	366,659	366,288	na	Michigan Business Tax (h)	424	1,290,071	1,289,647	na	1,551,600	1,931,600	1,857,700
56	84	28	51.0%	Inheritance / Estate	200	(126)	(326)	na	200	0	0
(17)	(28)	(11)	60.9%	Telephone & Telegraph	41,052	34,918	(6,134)	-14.9%	80,800	75,000	74,000
6,014	2,767	(3,247)	-54.0%	Oil & Gas Severance	45,906	36,670	(9,236)	-20.1%	97,100	83,000	66,000
1,258	902	(356)	-28.3%	Casino Wagering	9,571	6,724	(2,847)	-29.7%	15,400	0	4,100
14,694	12,899	(1,795)	-12.2%	Penalties & Interest	92,334	92,299	(35)	0.0%	160,600	151,000	157,000
0	1	0	207.0%	Miscellaneous Other/Railroad	40	380	340	na	1,700	1,000	1,000
(9,517)	(9,667)	(150)	1.6%	Treasury Enforcement Programs (f)	(66,617)	(67,667)	(1,050)	1.6%	(114,200)	(113,000)	(116,000)
\$144,269	\$452,012	\$307,743	213.0%	TOTAL OTHER TAXES	\$1,120,892	\$1,497,912	\$377,020	33.6%	\$2,590,200	\$2,388,600	\$2,239,400
\$884,025	\$846,460	(\$37,566)	-4.2%	SUBTOTAL GF-GP TAXES	\$4,642,086	\$4,273,921	(\$368,166)	-7.9%	\$8,986,000	\$8,552,300	\$7,958,700

continued

Revenue Summary 2008-09
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2009

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		2007-2008	2008-2009	2008-2009
2008	2009	Amount	Percent		2007-08	2008-09	Amount	Percent	CAFR Totals(g)	Statutory Estimate	January 2009 Consensus
Non-Tax Revenue (f)											
\$1,233	\$1,417	\$183	14.9%	Federal Aid	\$8,633	\$9,917	\$1,283	14.9%	\$14,800	\$20,000	\$17,000
8	42	33	400.0%	Local Agencies	58	292	233	400.0%	100	700	500
1,533	108	(1,425)	-92.9%	Services	10,733	758	(9,975)	-92.9%	18,400	8,100	13,000
1,858	2,000	142	7.6%	Licenses & Permits	13,008	14,000	992	7.6%	22,300	23,000	24,000
(2,967)	(156)	2,811	-94.7%	Investments/Interest Costs	(8,891)	(262)	8,629	-97.1%	(54,400)	(81,000)	(74,000)
12,675	12,475	(200)	-1.6%	Misc. Non-tax Revenue	88,725	87,325	(1,400)	-1.6%	152,100	148,500	149,700
13,267	13,267	0	0.0%	Liquor Purchase Revolving Fund	92,867	92,867	0	0.0%	159,200	155,000	159,200
5,100	4,833	(267)	-5.2%	From Other Funds-Lottery & Escheats	35,700	33,833	(1,867)	-5.2%	61,200	58,000	58,000
\$32,708	\$33,985	\$1,277	3.9%	TOTAL NON-TAX REVENUE	\$240,834	\$238,730	(\$2,104)	-0.9%	\$373,700	\$332,300	\$347,400
\$916,733	\$880,445	(\$36,288)	-4.0%	TOTAL GF-GP REVENUE	\$4,882,920	\$4,512,651	(\$370,270)	-7.6%	\$9,359,700	\$8,884,600	\$8,306,100
School Aid Fund											
\$215,741	\$200,058	(\$15,683)	-7.3%	Sales Tax 4%	\$1,581,468	\$1,463,282	(\$118,186)	-7.5%	2,767,700	2,715,300	2,653,300
167,291	153,488	(13,804)	-8.3%	Sales Tax 2%	1,231,768	1,126,716	(105,052)	-8.5%	2,160,400	2,117,700	2,066,600
43,350	39,717	(3,632)	-8.4%	Use Tax 2% (i)	265,560	217,575	(47,985)	-18.1%	459,300	438,600	422,500
37	60,750	60,713	na	Michigan Business Tax (h)	42	425,250	425,208	na	341,000	729,000	729,000
25,304	31,146	5,842	23.1%	State Education Property Tax	1,446,367	1,472,987	26,620	1.8%	2,079,700	2,015,500	2,010,200
12,097	7,672	(4,425)	-36.6%	Real Estate Transfer Tax	109,223	66,627	(42,596)	-39.0%	169,800	177,000	144,300
60,000	70,000	10,000	16.7%	Lottery Transfer (b)	370,901	361,735	(9,165)	-2.5%	740,700	747,600	700,100
9,019	8,120	(899)	-10.0%	Casino Wagering Tax	68,591	60,515	(8,076)	-11.8%	112,100	118,600	113,900
2,531	2,652	121	4.8%	Liquor Excise Tax	18,037	16,693	(1,343)	-7.4%	36,900	37,000	37,000
32,863	32,025	(838)	-2.5%	Cigarette/Tobacco Tax	243,779	237,262	(6,517)	-2.7%	424,700	421,500	415,200
6,004	1,563	(4,441)	-74.0%	Indus. & Comm. Facilities Taxes	97,635	38,639	(58,996)	-60.4%	86,100	60,900	69,900
2,172	535	(1,638)	-75.4%	Specific Other	6,141	7,002	861	14.0%	17,100	17,100	17,100
319,602	251,002	(68,600)	-21.5%	Income Tax Earmarking	1,299,743	1,194,119	(105,625)	-8.1%	\$2,117,700	\$2,111,500	\$1,989,500
\$896,011	\$858,727	(\$37,284)	-4.2%	TOTAL SCHOOL AID FUND	\$6,739,254	\$6,688,402	(\$50,852)	-0.8%	\$11,513,200	\$11,707,400	\$11,368,700
\$526,860	\$486,918	(\$39,942)	-7.6%	SALES TAX 6%	\$3,867,549	\$3,565,520	(\$302,029)	-7.8%	\$6,773,300	\$6,645,000	\$6,491,700
359,569	333,430	(26,139)	-7.3%	SALES TAX 4%(d)	2,635,780	2,438,804	(196,977)	-7.5%	4,612,900	4,527,300	4,425,100
167,291	153,488	(13,804)	-8.3%	SALES TAX 2%	1,231,768	1,126,716	(105,052)	-8.5%	2,160,400	2,117,700	2,066,600
130,050	119,152	(10,897)	-8.4%	USE TAX 6% (i)	796,680	652,725	(143,955)	-18.1%	1,377,000	1,316,000	1,267,500
407	427,409	427,002	na	MICHIGAN BUSINESS TAX	466	1,715,321	1,714,855	na	1,892,600	2,660,700	2,586,700
10,487	9,022	(1,465)	-14.0%	CASINO WAGERING TAX	79,757	67,239	(12,518)	-15.7%	129,700	118,600	118,600
81,344	79,270	(2,074)	-2.5%	TOBACCO TAXES	603,415	587,282	(16,132)	-2.7%	1,073,600	1,058,700	1,043,700
251,451	255,515	4,064	1.6%	TOBACCO SETTLEMENT	251,451	279,044	27,593	11.0%	na	na	na
0	0	0	na	CIGARETTE INVENTORY TAX	0	0	0	na	na	na	na

continued

Revenue Summary 2008-09
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2009

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		2007-2008	2008-2009	2008-2009
2008	2009	Amount	Percent		2007-08	2008-09	Amount	Percent	CAFR Totals(g)	Statutory Estimate	January 2009 Consensus
Major Transportation Revenues											
\$9,666	\$10,094	\$428	4.4%	Diesel Fuel / Motor Carrier Fuel Tax (e)	\$79,667	\$69,116	(\$10,551)	-13.2%	\$140,057	\$143,000	\$137,000
69,027	67,691	(1,336)	-1.9%	Gasoline	485,547	475,363	(10,184)	-2.1%	848,864	830,100	840,000
76,754	76,349	(405)	-0.5%	Motor Vehicle Registration	511,366	510,549	(818)	-0.2%	855,036	870,000	838,000
4,479	4,280	(199)	-4.5%	Other Taxes, Fees & Misc.	26,512	24,367	(2,144)	-8.1%	140,730	178,879	168,958
7,277	7,413	136	1.9%	Comprehensive Transportation (c)	50,936	51,888	951	1.9%	83,795	88,950	85,278
\$167,203	\$165,826	(\$1,377)	-0.8%	TOTAL MAJOR TRANS. REVENUES	\$1,154,027	\$1,131,283	(\$22,745)	-2.0%	\$2,068,482	\$2,110,929	\$2,069,236
Lottery Sales By Games											
57,321	62,914	5,594	9.8%	Instant Games	426,246	449,817	23,572	5.5%	na	na	na
53,029	54,459	1,430	2.7%	Daily Games	395,478	393,933	(1,546)	-0.4%	na	na	na
20,538	27,589	7,050	34.3%	Lotto and Big Game	177,676	185,551	7,875	4.4%	na	na	na
1,139	1,110	(29)	-2.5%	Keno Game	8,000	8,128	128	1.6%	na	na	na
0	0	0	na	Changeplay Game	0	0	0	na	na	na	na
(8)	3,483	3,491	na	Millionaires Raffle	27,201	25,758	(1,443)	-5.3%	na	na	na
46,305	43,492	(2,813)	-6.1%	Club Games	336,235	323,653	(12,582)	-3.7%	na	na	na
\$178,324	\$193,048	\$14,724	8.3%	TOTAL LOTTERY SALES	\$1,370,835	\$1,386,840	\$16,005	1.2%	na	na	na

-12-

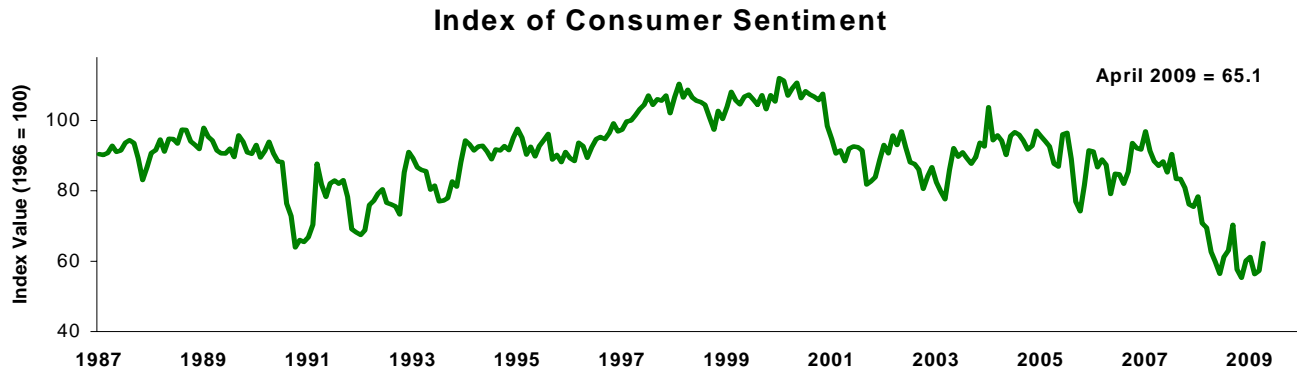
- a GF-GP Sales has been estimated based on CTF and Health Initiative shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.
- c The CTF distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the CTF).
- d 2% collections adjusted to reflect exemption on residential utilities.
- e Starting in January 2005, totals include revenue from the Motor Carrier Fuel Tax. Prior year totals have been adjusted to also include the Motor Carrier Fuel Tax.
- f Non-tax revenue items other than interest are estimates.
- g Official CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.
- h October 2008 through February 2009 SAF/GF distribution percentages were incorrect. Distribution percentages were corrected in March for this error.
- i Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of 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 65.1 in April, up 7.8 index-points from the March value and 2.5 index-points above April 2008. On the gain in confidence, Survey Director Richard Curtin observed, "Consumer confidence continued to rise in late April, posting the first year-to-year increase since July 2007. The improvement was concentrated in expectations for the future, especially the longer term outlook for the economy, while consumers' assessments of current economic conditions posted only marginal gains. Despite the surge in favorable expectations for the economy, there were two areas of great importance to consumers that did not improve nearly as much: job and income prospects. The unemployment rate was still expected to increase by 53% of all consumers in April, only a small improvement over the 61% recorded in the prior two months." Curtin also noted, "While consumers are now less likely to anticipate an overall deflationary trend, record numbers of consumers have reported that they now expect low and reduced prices for homes, vehicles, and household durables: 55% of all consumers expected lower prices on these products, an all time record." On spending plans, Curtin observed, "Over the past several years, consumers have begun to learn the advantages of postponing purchases in anticipation of lower prices. There are several other more important factors blocking an increased pace of spending: uncertainty about future jobs and incomes as well as a desire to increase saving and decrease debt." In April, consumers in all four of the regions reported an increase in confidence. Northeastern consumers reported the largest increase in confidence of 12.4 index-points followed by Western consumers at 9.3 index-points. The gap across regions decreased from last month to 6.0 index-points, with Northeastern consumers on top and Midwestern consumers on the bottom.

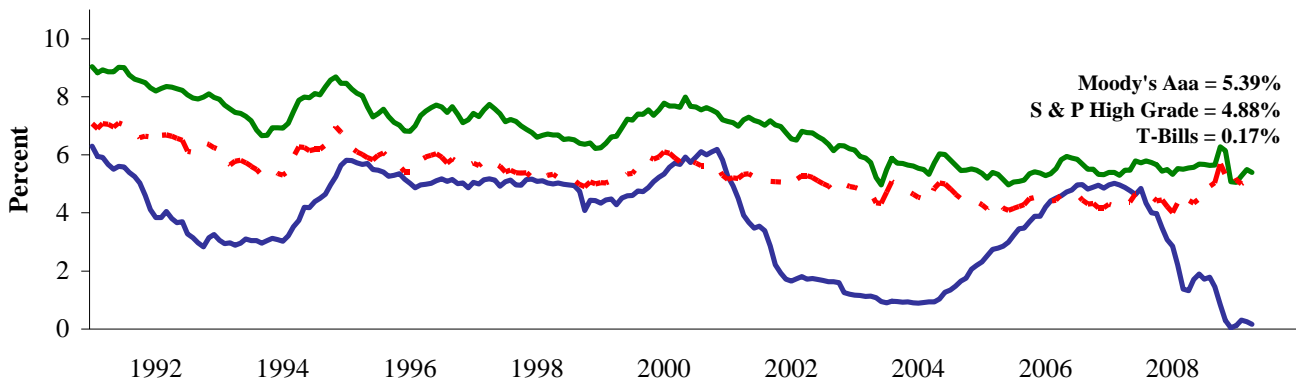
The advanced estimate of real **Gross Domestic Product** for the first quarter of 2008 is \$11,340.9 billion (chained 2000 dollars), a decrease of 6.1 percent at an annual rate. In the fourth quarter of 2008, real gross domestic product decreased 6.3 percent. The decrease in real GDP was mainly reflected by exports, private inventory investment, equipment and software, nonresidential structures and residential fixed investment. Personal consumption expenditures provided a positive contribution to GDP growth. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 2.2 percent in the first quarter, compared to a 4.3 percent decrease in the fourth quarter. Real residential fixed investment decreased 38.0 percent in the first quarter compared to a decrease of 22.8 percent in the fourth quarter. Real nonresidential fixed

investment decreased 37.9 percent in the first quarter with a decrease in equipment and software of 33.8 percent. Real federal government expenditures decreased 4.0 percent in the first quarter, compared to an increase of 7.0 percent in the fourth quarter. Real state and local government spending decreased 3.9 percent in the first quarter, compared to a decrease of 2.0 percent in the fourth quarter. Exports of goods and services decreased 30.0 percent in the first quarter, compared to a 23.6 percent decrease in the fourth quarter. Imports decreased 34.1 percent in the first quarter compared to a decrease of 17.5 percent in the fourth quarter. Private inventory investment decreased \$103.7 billion in the first quarter, following a \$25.8 billion decrease in the fourth quarter. Real final sales decreased 3.4 percent in the first quarter compared to a decrease of 6.2 percent in the fourth quarter. On the inflation front, the **implicit price deflator** increased at a 2.9 percent annual rate in the first quarter, compared to a 0.6 percent increase observed in the fourth quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), remained unchanged in April, up from a 0.1 percent increase in March. Energy decreased 2.4 percent in April, compared to a decrease of 3.0 percent in March, while the all-items less food and energy component increased 0.3 percent. For the six months since October, the all-items index decreased 3.9 percent.

Compared to April 2008, the all-items index decreased 0.7 percent. For major component groups, the unadjusted increases from one year ago were: food and beverages, 3.3 percent; housing, 1.0 percent; medical care, 3.0 percent; apparel, 0.94 percent; education and communication, 3.4 percent; other goods and services, 5.7 percent; recreation, 1.2 percent; unadjusted decreases from one year ago were: and transportation, 13.4 percent, with gasoline prices down 39.5 percent.

Selected Key Interest Rates



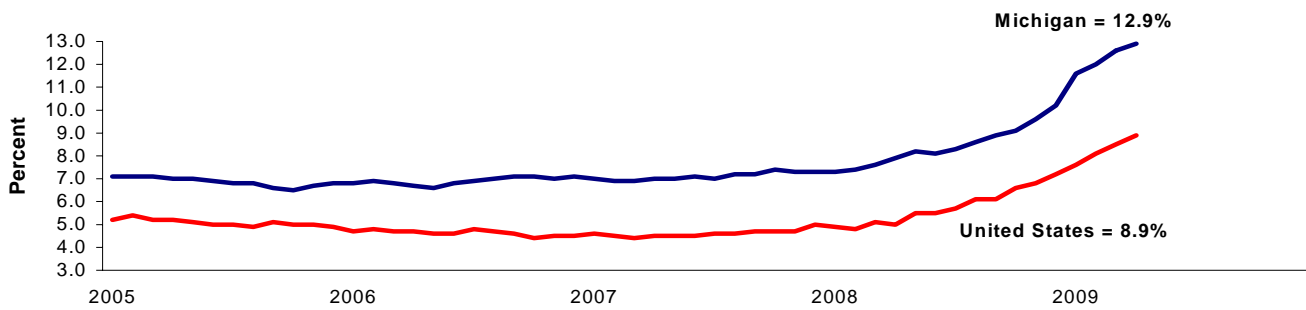
Source: Economic Indicators

Short-term **interest rates** decreased 0.08 percentage points in April as the 3-month Treasury bill (T-bill) rate averaged 0.17 percent. Compared to one year ago, the T-bill rate is down 1.15 percentage points. Long-term interest rates, such as the Aaa corporate bond rate, decreased 0.11 percentage points to an interest yield of 5.39 percent in April. Compared to one year ago, the Aaa bond yield is down 0.16 percentage points. The interest rate on High-grade municipal bonds decreased 0.27 percentage points to 4.88 percent in April, and is up 0.45 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 April 29th meeting. The FOMC stated that, "The Federal Reserve will employ all available tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range and anticipates that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period." The Federal Reserve "will continue to monitor carefully the

size and composition of the Federal Reserve's balance sheet in light of evolving financial and economic developments.”

In April, the **U. S. unemployment rate** increased 0.4 percentage points from a month ago to 8.9 percent and was 3.9 percentage points above one year ago. Civilian employment totaled 141.0 million persons in April, an increase of 0.1 million from March. The number of unemployed was 13.7 million nationwide.

Unemployment Rates 2005 - 2009



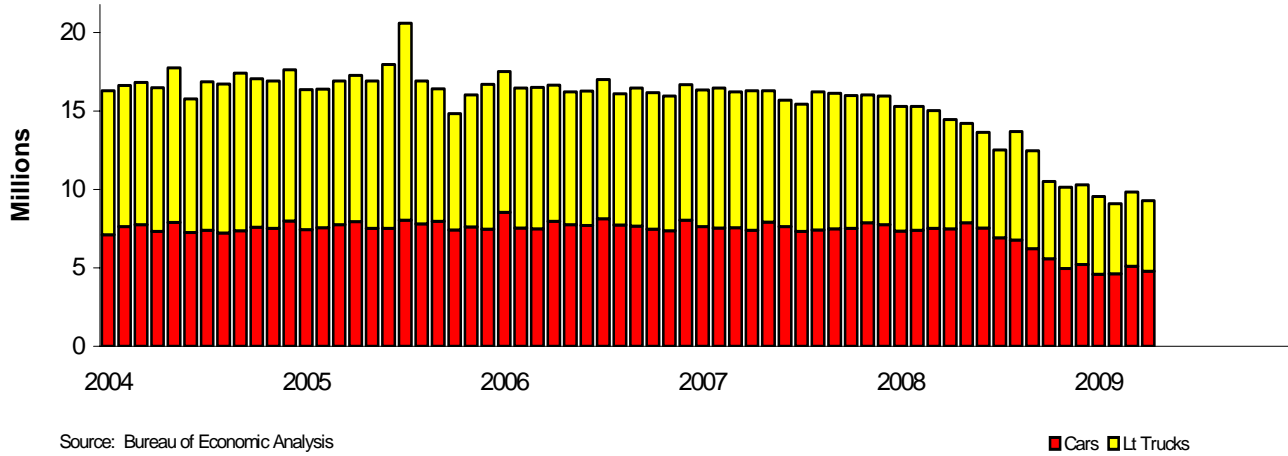
Source: Bureau of Labor Statistics and Michigan Department of Labor & Economic Growth, Employment Service Agency

In April, the **Michigan jobless rate** increased 0.3 percentage points to 12.9 percent. Compared to a year ago, Michigan's jobless rate was 5.0 percentage points higher. From March, the labor force increased by 7,000 to 4,848,000, while the number of people employed decreased by 11,000 to 4,221,000. In April, there were 627,000 unemployed people. Monthly unemployment rates fluctuate due to statistical sampling errors.

Detroit retail prices, as measured by the Consumer Price Index (CPI-U), increased 0.2 percent from February to April, down from a 2.0 percent increase from December to February. The all-items less food and energy index remained unchanged from February to April. The food index increased 0.1 percent from February to April while the energy index increased 2.2 percent. Compared to April 2008, the all-items index decreased 1.4 percent. For individual component items, the increases from one year ago were: food and beverages, 3.8 percent; other goods and services, 6.1 percent; apparel, 0.8 percent; medical care, 1.1 percent; education and communication, 2.8 percent; unadjusted decreases from one year ago were: housing, 1.3 percent; transportation, 10.6 percent.

Motor Vehicle Sector

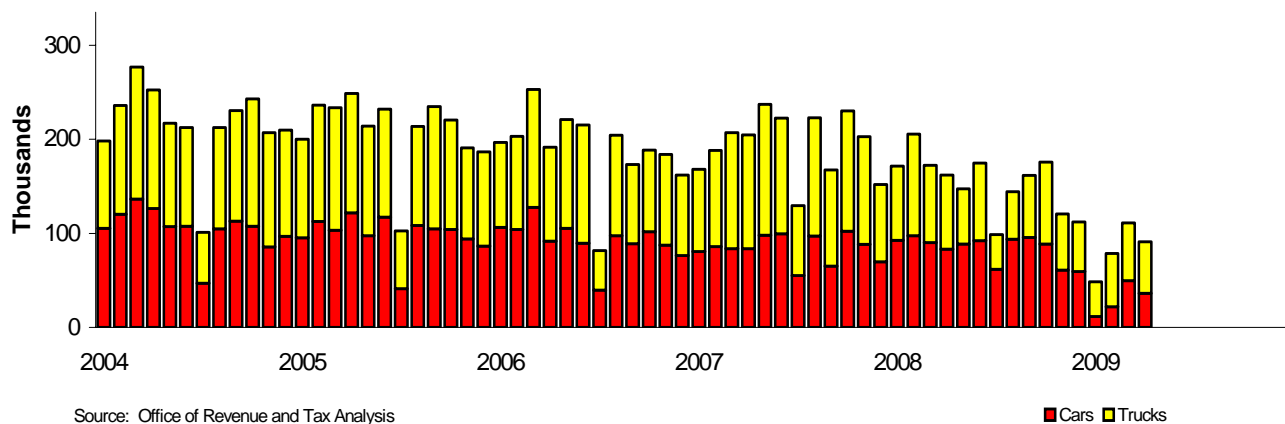
U. S. Light Vehicle Sales



U. S. light vehicle sales (cars + light trucks) decreased 0.5 million units in April compared to last month, selling at a 9.3 million unit seasonally adjusted annual rate. Domestic car sales decreased 3.5 percent while domestic light truck sales decreased 1.0 percent. Import car sales decreased 11.4 percent while import light truck sales decreased 18.6 percent. Compared to last year, light vehicle sales decreased 35.7 percent. Domestic car sales were down 35.9 percent while domestic light truck sales decreased 34.9 percent. Import car sales were down 36.7 percent while import truck sales decreased 37.0 percent from last year. As a result, the domestic share decreased 0.4 percentage points from a year ago. For fiscal year 2009 year-to-date, domestic light vehicles have recorded a 73.2 percent share of a 9.8 million-unit market.

Michigan motor vehicle production decreased to 90,795 units in April. From a year ago, motor vehicle production decreased 44 percent in Michigan and fell 45 percent nationally. In April, Michigan's car production was 36,222 units while the state's truck production was 54,573 units. Compared with a year ago, car production decreased 57 percent in Michigan and fell 51 percent nationwide. The state's truck production decreased 31 percent while national truck production decreased 41 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 9, 2009 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2006-2007 Actual	Fiscal Year 2007-2008 Actual	Fiscal Year 2008-2009 Estimate
Applicable Calendar Year Personal Income	\$331,304	\$341,075	\$345,885
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$31,440.7</u>	<u>\$32,368.0</u>	<u>\$32,824.5</u>
Revenue Limit	\$31,440.7	\$32,368.0	\$32,824.5
State Revenue Subject to Limit	<u>\$26,118.4</u>	<u>\$27,716.3</u>	<u>\$25,295.2</u>
Amount Under (Over) Limit	\$5,322.4	\$4,651.7	\$7,529.2

Sources:

Personal Income Estimate

The FY 2006-07 calculation uses the official personal income estimate for calendar year 2005 (Survey of Current Business, October 2006).

The FY 2007-08 calculation uses the official personal income estimate for calendar year 2006 (Survey of Current Business, October 2007).

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

Revenue Subject to the Limit

The FY 2006-07 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2007.

The FY 2007-08 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2008.

The FY 2008-09 calculation uses the January 9, 2009 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

Prepared By: Office of Revenue and Forecasting, Michigan Department of Treasury