



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

JOHN S. ROBERTS  
DIRECTOR

March 1, 2016

The Honorable Dave Hildenbrand, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Al Pscholka, 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 January 31, 2016. 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 S. Roberts  
State Budget Director

Attachment

c: Governor Rick Snyder  
Arlan Meekhof, Sen. Maj. Leader  
Jim Ananich, Senate Min. Leader  
Kevin Cotter, Speaker of the House  
Tim Greimel, House Min. Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency

House Fiscal Agency  
Jack Brandenburg, Chair, Senate Finance Com.  
Jeff Farrington, Chair, House Tax Policy Com.  
Beth Clement, Deputy Chief of Staff  
Dick Posthumus, Executive Office  
Mike Moody, Office of Financial Management  
Nancy Duncan, Deputy State Budget Director  
Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2016**  
**Projected Revenues and Expenditures**  
**January 31, 2016**  
(\$ in millions)

		<b>FISCAL 2016</b>
<b>Beginning Balance, October 1, 2015</b>		<b>see one-time revenue</b>
<b>Current Year GF/GP Revenues, January 2016 Consensus Estimate</b>		
	<b>\$</b>	<b>9,843.8</b>
<b>Revenue Adjustments:</b>		
Local Government Program Payments	\$	(462.7)
General Fund share of HMO use tax collections - PA 161 of 2014	\$	406.7
Other revenue adjustments	\$	2.0
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>(54.0)</b>
<b>Total FY Resources Available For Expenditure GF/GP - Ongoing</b>		
	<b>\$</b>	<b>9,789.8</b>
<b>Expenditures, Current Law:</b>		
FY 2016 Enacted with Vetoes	\$	9,517.8
<b>Total Expenditures Projected - Ongoing</b>		
	<b>\$</b>	<b>9,517.8</b>
<b>Current Year Revenues minus Ongoing Costs</b>		
	<b>\$</b>	<b>272.0</b>
<b>Beginning Balance (One-Time Revenue)</b>		
Local Government Program Payments	\$	(5.8)
<b>Total FY Resources Available For Expenditure GF/GP - One-Time</b>		
	<b>\$</b>	<b>688.9</b>
<b>One-Time Spending Items:</b>		
PA 79, PA 84, PA 143, PA 241, and PA 268 of 2015; PA 3 of 2016	\$	486.3
<b>One-Time Revenue minus One-Time Spending</b>		
	<b>\$</b>	<b>202.6</b>
<b>Projected Ending Balance, September 30, 2016</b>		
	<b>\$</b>	<b>474.6</b>

<sup>1</sup> On February 10, 2016, the Governor released his spending plan for fiscal year 2017 and fiscal year 2018, including \$381.7 million in supplemental funding needs for the fiscal year ending September 30, 2016. Spending adjustments will be reflected in the February monthly financial report.

**School Aid Fund  
Fiscal Year 2016  
Projected Revenues and Expenditures  
January 31, 2016  
(\$ in millions)**

**FISCAL  
2016**

<b>Beginning Balance , October 1, 2015</b>	see one-time revenue
<b>Current Year School Aid Fund Revenues, January 2016</b>	
<b>Consensus Estimate</b>	<b>\$ 12,131.6</b>
<b>Revenue Adjustments:</b>	
Use Tax Revision (PA 161 of 2014)	\$ 203.3
General Fund	\$ 45.9
Federal Revenue	\$ 1,775.8
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ 2,025.0</b>
<b>Total FY Resources Available for Expenditure School Aid Fund</b>	<b>\$ 14,156.6</b>
<b>School Aid Ongoing Costs</b>	
PA 85 of 2015	\$ 13,846.6
<b>Community Colleges Ongoing Costs</b>	
PA 85 of 2015	\$ 256.7
<b>Universities Ongoing Costs</b>	
PA 85 of 2015	\$ 205.2
<b>Total School Aid Fund Ongoing Costs Projected</b>	<b>\$ 14,308.5</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$ (151.9)</b>
<b>Beginning Balance (One-Time Revenue)</b>	
	<b>\$ 190.2</b>
<b>One-Time Spending Items</b>	
PA 85 of 2015 School Aid	\$ 49.8
PA 139 of 2015 School Aid	\$ 4.3
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$ 136.1</b>
<b>Projected Ending Balance, September 30, 2016</b>	<b>\$ (15.8)</b> <sup>1</sup>

<sup>1</sup>On February 10, 2016, the Governor released his spending plan for fiscal year 2017, including increased General Fund revenues of \$9.2 million and supplemental funding adjustments of \$(54.4) million. These adjustments will be reflected in the February monthly financial report.

## SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

January 31, 2016

(\$ IN MILLIONS)

### FISCAL YEAR 2015

### FISCAL YEAR 2016

Exp & Enc January 2015	Exp & Enc Yr-to-date FY 2015	Fiscal Year End***** SEP 30, 2015	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc January 2016	Exp & Enc Yr-to-date FY 2016
5.7	21.5	75.7	Agriculture and Rural Development	86.6	11.2	6.0	20.7
5.8	25.2	82.7	Attorney General	90.9	3.7	6.1	23.3
29.2	108.5	476.5	Capital Outlay**	324.0	0.0	20.8	96.8
1.2	4.4	15.2	Civil Rights	16.1	0.0	1.2	4.3
124.5	547.2	1,299.1	Colleges & Universities	1,460.7	0.0	124.6	545.6
155.7	614.6	1,971.9	Corrections	1,952.2	0.0	147.6	571.5
19.0	63.3	281.9	Education	305.9	9.0	16.1	65.6
10.9	43.0	163.5	Environmental Quality	463.6	42.9	11.0	48.6
0.8	2.7	5.7	Executive Office	5.5	0.0	0.8	2.0
1,782.9	7,147.4	23,498.2	Health and Human Services	24,967.9	545.9	1,824.3	7,305.2
3.3	13.6	50.6	Insurance and Financial Services	65.1	0.0	3.6	13.7
20.6	60.9	253.0	Judiciary	284.7	0.0	20.8	58.4
0.0	1.1	4.0	Land Bank Fast Track Authority	4.0	0.0	0.9	2.0
1.6	6.2	20.8	Legislative Auditor General	22.8	0.0	1.6	6.4
11.4	43.3	120.1	Legislature	133.4	11.4	10.4	42.2
30.3	129.9	261.0	Licensing and Regulatory Affairs	359.0	52.7	23.0	128.7
9.7	38.4	130.8	Military Affairs	140.7	0.0	10.8	38.0
6.2	20.6	91.3	Natural Resources	122.4	14.1	4.8	20.5
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
14.1	54.4	204.7	State	225.3	14.7	13.8	52.3
46.4	167.2	607.4	State Police	620.0	17.7	41.3	150.4
0.0	0.0	0.0	Talent and Economic Development	435.3	44.0	19.1	56.8
40.2	120.3	627.1	Technology, Management & Budget***	420.2	95.0	40.1	120.9
22.0	44.0	1.5	Transportation	398.5	0.0	40.3	100.5
45.3	687.3	3,168.1	Treasury****	1,879.3	49.3	22.4	704.9
90.6	132.1	221.1	Michigan Strategic Fund	171.3	0.0	28.0	95.2
<b>\$2,477.1</b>	<b>\$10,097.0</b>	<b>\$33,631.8</b>		<b>\$34,955.2</b>	<b>\$911.5</b>	<b>\$2,439.4</b>	<b>\$10,274.6</b>

\*Includes boilerplate appropriations.

\*\*Includes all capital outlay activity regardless of agency

\*\*\*Includes Civil Service Commission

\*\*\*\*Boilerplate appropriations, which are not included in the initial or supplemental appropriations, account for the majority of the difference between Treasury's total appropriations and total expenditure/encumbrances for the fiscal year.

\*\*\*\*\*FY15 Transportation and other agency expenditure totals within the September report are different as a result of changes in capital outlay appropriations.

# ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2016

January, 2016

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	16,794.5	19.3	16,813.8
Total state spending from state resources	30,216.6	44.1	30,260.7
Percentage of state spending from state resources paid to local units	55.58%		55.56%
Required payments to local units (48.97%)	14,797.1		14,818.7
<b>Surplus/(deficit)</b>	<b>\$1,997.4</b>		<b>\$1,995.1</b>

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
 October 1, 2015 Through January 31, 2016  
 (in thousands)

**REVENUES**

Miscellaneous	\$	184
Total Revenues		184

**EXPENDITURES**

Current:		
General government		-
Total Expenditures		-
Excess of Revenues over (under) Expenditures		184

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds		31,667
Transfers to other funds		-
Total Other Financing Sources (Uses)		31,667
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	31,851 <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, 2015 through January 31, 2016  
 (in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>6,076</u>
Total Revenues		<u>6,076</u>

**EXPENDITURES**

Current:		
General government		923
Conservation, environment, recreation, and agriculture		761
Capital outlay		<u>(1,546)</u>
Total Expenditures		<u>138</u>
Excess of Revenues over (under) Expenditures		<u>5,938</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		9
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>9</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>5,947</u></u> <sup>1</sup>

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

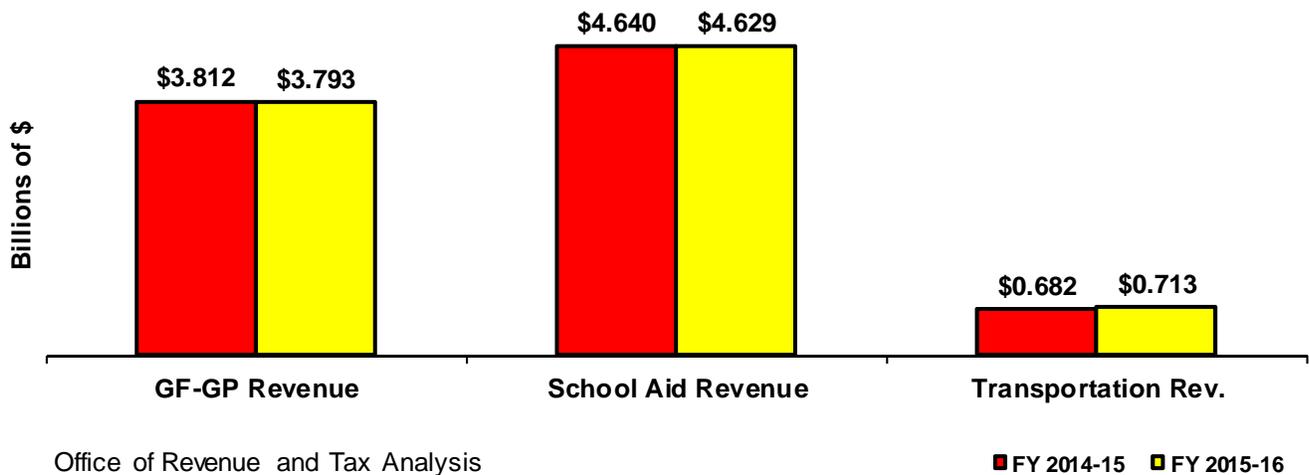
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for January 2016, representing some December 2015 and some January 2016 economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$49.7 million (4.0 percent) higher in January 2016 than in January 2015. The January 2016 School Aid Fund cash collections were \$32.1 million (3.3 percent) lower than in January 2015. January 2016 transportation collections were \$0.8 million (0.4 percent) lower than in January 2015 (see revenue table). January is the fourth 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 down \$18.9 million (0.5 percent) from a year ago. School Aid Fund cash collections are down \$11.0 million (0.2 percent) and transportation collections are up \$31.3 million (4.6 percent).

The FY 2015-16 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 14, 2016. The revenue estimate for net General Fund – General Purpose revenue for FY 2015-16 is \$9,843.8 million and the net School Aid revenue forecast is \$12,131.6 million. The Transportation Funds revenue forecast is \$2,274.7 million. The next regularly scheduled Consensus Revenue Estimating Conference will be in May 2016.

**October through January Collections  
FY 2014-15 and FY 2015-16**



### January Revenue Collections FY 2014-15 and FY 2015-16



### October through January Collections FY 2014-15 and FY 2015-16



**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JANUARY CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
January		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2015	2016	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	CAFR Totals (h)	Statutory Estimate	January 2016 Consensus
<b>Income Taxes</b>											
\$830,958	\$870,301	\$39,343	4.7%	Withholding	\$2,958,971	\$3,126,772	\$167,802	5.7%	\$8,678,300	\$8,898,300	\$9,003,800
236,737	266,125	29,388	12.4%	Quarterlies	364,372	400,944	36,573	10.0%	1,037,900	982,400	1,048,400
14,376	12,644	(1,732)	-12.0%	Annuals	83,691	94,563	10,872	13.0%	956,600	879,000	895,000
1,082,071	1,149,070	66,999	6.2%	Gross Collections	3,407,033	3,622,279	215,246	6.3%	\$10,672,800	\$10,759,700	\$10,947,200
40,274	23,382	(16,892)	-41.9%	Less: Refunds	140,409	145,829	5,420	3.9%	1,693,300	1,820,000	1,744,000
0	0	0	na	State Campaign Fund	0	0	0	na	0	800	800
1,041,797	1,125,688	83,891	8.1%	Net Personal Income	3,266,624	3,476,450	209,826	6.4%	\$8,979,500	\$8,938,900	\$9,202,400
247,730	260,125	12,395	5.0%	Less: Disbursements to SAF	784,746	830,848	46,102	5.9%	\$2,519,300	\$2,561,900	\$2,606,500
\$794,067	\$865,563	\$71,496	9.0%	<b>NET PERSONAL INCOME TO GF-GP</b>	<b>\$2,481,878</b>	<b>\$2,645,602</b>	<b>\$163,724</b>	<b>6.6%</b>	<b>\$6,460,200</b>	<b>\$6,377,000</b>	<b>\$6,595,900</b>
<b>Consumption Taxes</b>											
\$100,470	\$94,046	(\$6,424)	-6.4%	Sales (a)	\$399,489	\$379,041	(\$20,448)	-5.1%	\$1,118,800	\$1,247,100	\$1,200,100
79,546	85,510	5,964	7.5%	Use (f)	305,173	307,079	1,906	0.6%	958,200	898,900	866,900
15,345	15,527	183	1.2%	Tobacco	62,262	63,050	788	1.3%	188,100	180,500	185,700
3,875	5,011	1,136	29.3%	Beer, Wine & Mixed Spirits	16,569	17,793	1,223	7.4%	46,700	52,500	52,000
5,676	5,922	246	4.3%	Liquor Specific	14,031	14,764	733	5.2%	49,600	48,000	51,500
\$204,911	\$206,017	\$1,105	0.5%	<b>TOTAL CONSUMPTION TAXES</b>	<b>\$797,524</b>	<b>\$781,728</b>	<b>(\$15,796)</b>	<b>-2.0%</b>	<b>\$2,361,400</b>	<b>\$2,427,000</b>	<b>\$2,356,200</b>
<b>Other Taxes</b>											
\$4,168	\$3,222	(\$946)	-22.7%	Single Business	(\$2,843)	\$7,361	\$10,205	na	\$3,900	(\$10,000)	(\$10,000)
80,417	78,209	(2,208)	-2.7%	Insurance Premiums Taxes	173,650	139,171	(34,479)	-19.9%	322,400	412,500	310,000
84,585	81,431	(3,155)	-3.7%	Sub-total SBT & Insurance	170,807	146,532	(24,275)	-14.2%	326,300	402,500	300,000
(5,985)	(16,586)	(10,601)	na	Michigan Business Tax	(188,634)	(295,821)	(107,187)	-56.8%	(639,400)	(889,400)	(1,031,000)
142,705	133,387	(9,317)	-6.5%	Corporate Income Tax	404,514	379,420	(25,094)	-6.2%	1,077,700	1,060,200	1,116,000
0	0	(0)	-100.0%	Inheritance / Estate	(149)	10	158	na	0	0	0
0	0	0	na	Telephone & Telegraph	18,922	14,959	(3,962)	-20.9%	41,800	46,000	42,000
3,838	1,786	(2,051)	-53.4%	Oil & Gas Severance	14,764	7,160	(7,603)	-51.5%	30,400	41,300	30,400
7,722	8,229	507	6.6%	Penalties & Interest	35,873	34,916	(957)	-2.7%	124,600	139,500	135,000
0	0	0	na	Essential Services Assessment	0	0	0	na	0	55,000	55,000
0	(5)	(5)	na	Miscellaneous Other/Railroad	(353)	52	405	na	2,600	1,500	1,500
(11,583)	(12,250)	(667)	-5.8%	Treasury Enforcement Programs (e)	(45,083)	(45,750)	(667)	-1.5%	(149,300)	(140,000)	(147,000)
\$221,282	\$195,992	(\$25,289)	-11.4%	<b>TOTAL OTHER TAXES</b>	<b>\$410,662</b>	<b>\$241,479</b>	<b>(\$169,182)</b>	<b>-41.2%</b>	<b>\$814,700</b>	<b>\$716,600</b>	<b>\$501,900</b>
\$1,220,261	\$1,267,572	\$47,312	3.9%	<b>SUBTOTAL GF-GP TAXES</b>	<b>\$3,690,063</b>	<b>\$3,668,809</b>	<b>(\$21,254)</b>	<b>-0.6%</b>	<b>\$9,636,400</b>	<b>\$9,520,600</b>	<b>\$9,454,000</b>

continued

**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JANUARY CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
January		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2015	2016	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	CAFR Totals (h)	Statutory Estimate	January 2016 Consensus
<b>Non-Tax Revenue (e)</b>											
\$2,500	\$2,917	\$417	16.7%	Federal Aid	\$7,500	\$7,917	\$417	5.6%	\$38,500	\$30,000	\$35,000
83	8	(75)	-90.0%	Local Agencies	333	258	(75)	-22.5%	0	100	100
667	625	(42)	-6.2%	Services	3,167	3,125	(42)	-1.3%	7,200	8,000	7,500
1,083	958	(125)	-11.5%	Licenses & Permits	3,583	3,458	(125)	-3.5%	11,500	13,000	11,500
184	550	365	na	Investments/Interest Costs	184	550	365	na	400	(2,000)	(2,000)
6,783	6,433	(350)	-5.2%	Misc. Non-tax Revenue	32,033	31,683	(350)	-1.1%	75,100	78,700	77,200
14,875	16,333	1,458	9.8%	Liquor Purchase Revolving Fund	57,875	59,333	1,458	2.5%	194,700	182,500	196,000
4,667	5,375	708	15.2%	From Other Funds-Lottery & Escheats	17,417	18,125	708	4.1%	70,600	51,000	64,500
<b>\$30,842</b>	<b>\$33,200</b>	<b>\$2,357</b>	<b>7.6%</b>	<b>TOTAL NON-TAX REVENUE</b>	<b>\$122,092</b>	<b>\$124,450</b>	<b>\$2,357</b>	<b>1.9%</b>	<b>\$398,000</b>	<b>\$361,300</b>	<b>\$389,800</b>
<b>\$1,251,103</b>	<b>\$1,300,772</b>	<b>\$49,669</b>	<b>4.0%</b>	<b>TOTAL GF-GP REVENUE</b>	<b>\$3,812,156</b>	<b>\$3,793,259</b>	<b>(\$18,897)</b>	<b>-0.5%</b>	<b>\$10,034,400</b>	<b>\$9,881,900</b>	<b>\$9,843,800</b>
<b>School Aid Fund</b>											
\$262,227	\$245,931	(\$16,297)	-6.2%	Sales Tax 4%	\$1,046,173	\$996,219	(\$49,954)	-4.8%	2,960,100	3,196,200	3,080,000
203,369	191,495	(11,875)	-5.8%	Sales Tax 2%	810,996	775,595	(35,401)	-4.4%	2,305,500	2,494,600	2,396,700
78,489	91,239	12,750	16.2%	Use Tax 2% (f)	321,487	359,156	37,669	11.7%	476,400	497,500	481,600
20,512	18,924	(1,588)	-7.7%	State Education Property Tax	1,179,755	1,196,393	16,638	1.4%	1,857,600	1,861,900	1,890,100
23,430	21,174	(2,256)	-9.6%	Real Estate Transfer Tax	97,093	92,905	(4,188)	-4.3%	258,400	268,400	273,000
80,000	55,000	(25,000)	-31.3%	Lottery Transfer (b)	208,759	185,118	(23,642)	-11.3%	784,100	791,000	820,000
8,993	8,834	(158)	-1.8%	Casino Wagering Tax	36,798	37,600	803	2.2%	110,800	112,700	112,000
5,650	5,872	222	3.9%	Liquor Excise Tax	13,940	14,614	675	4.8%	49,100	47,600	51,100
31,152	31,523	371	1.2%	Cigarette/Tobacco Tax	126,401	128,001	1,600	1.3%	363,900	341,600	355,300
1,514	1,768	254	16.8%	Indus. & Comm. Facilities Taxes	11,573	10,712	(861)	-7.4%	34,700	37,600	36,000
1,143	205	(938)	-82.1%	Specific Other	2,591	2,196	(395)	-15.3%	27,300	31,900	29,300
247,730	260,125	12,395	5.0%	Income Tax Earmarking	784,746	830,848	46,102	5.9%	\$2,519,300	\$2,561,900	\$2,606,500
<b>\$964,209</b>	<b>\$932,090</b>	<b>(\$32,118)</b>	<b>-3.3%</b>	<b>TOTAL SCHOOL AID FUND</b>	<b>\$4,640,312</b>	<b>\$4,629,357</b>	<b>(\$10,955)</b>	<b>-0.2%</b>	<b>\$11,747,100</b>	<b>\$12,242,900</b>	<b>\$12,131,600</b>
\$640,415	\$601,379	(\$39,035)	-6.1%	SALES TAX 6%	\$2,554,617	\$2,435,960	(\$118,658)	-4.6%	\$7,246,400	\$7,821,700	\$7,530,000
437,045	409,884	(27,161)	-6.2%	SALES TAX 4%(d)	1,743,622	1,660,365	(83,257)	-4.8%	4,940,900	5,327,100	5,133,300
203,369	191,495	(11,875)	-5.8%	SALES TAX 2%	810,996	775,595	(35,401)	-4.4%	2,305,500	2,494,600	2,396,700
158,035	176,750	18,715	11.8%	USE TAX 6% (f)	626,660	666,236	39,575	6.3%	1,434,600	1,396,400	1,348,500
77,108	78,028	919	1.2%	TOBACCO TAXES	312,875	316,835	3,960	1.3%	953,600	913,800	941,700
0	0	0	na	TOBACCO SETTLEMENT	0	0	0	na	na	na	na

continued

**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JANUARY CASH COLLECTIONS DATA					REVENUE PROJECTIONS			
January		Difference		Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16		
2015	2016	Amount	Percent	SOURCE OF REVENUE		FY 2014-15	FY 2015-16	Amount	Percent	CAFR	Statutory	January 2016
								Totals (h)		Estimate	Consensus	
<b>Major Transportation Revenues</b>												
\$12,582	\$13,195	\$613	4.9%	Diesel Fuel / Motor Carrier Fuel Tax		\$48,813	\$51,349	\$2,536	5.2%	\$136,714	\$132,500	\$137,500
71,811	71,198	(613)	-0.9%	Gasoline		286,075	305,780	19,706	6.9%	866,609	811,500	848,000
91,824	91,506	(318)	-0.3%	Motor Vehicle Registration		297,383	306,477	9,094	3.1%	978,146	966,000	1,006,000
3,445	3,317	(128)	-3.7%	Other Taxes, Fees & Misc.		13,396	13,712	316	2.4%	132,672	178,263	182,305
8,746	8,409	(338)	-3.9%	Comprehensive Transportation (c)		36,228	35,890	(338)	-0.9%	91,516	110,719	100,905
<u>\$188,409</u>	<u>\$187,626</u>	<u>(\$783)</u>	<u>-0.4%</u>	<b>TOTAL MAJOR TRANS. REVENUES</b>		<u>\$681,895</u>	<u>\$713,209</u>	<u>\$31,314</u>	<u>4.6%</u>	<u>\$2,205,657</u>	<u>\$2,198,982</u>	<u>\$2,274,710</u>
<b>Lottery Sales By Games</b>												
72,860	86,194	13,334	18.3%	Instant Games (g)		321,501	371,802	50,301	15.6%	na	na	na
55,225	56,053	827	1.5%	Daily Games		238,626	251,201	12,575	5.3%	na	na	na
31,574	109,859	78,285	248.0%	Lotto and Big Game		117,935	184,226	66,291	56.2%	na	na	na
756	738	(19)	-2.5%	Keno Game		3,221	2,955	(266)	-8.3%	na	na	na
1,241	1,067	(174)	-14.0%	Other		5,727	6,934	1,207	21.1%	na	na	na
44,759	54,458	9,700	21.7%	Club Games		192,414	207,770	15,357	8.0%	na	na	na
<u>\$206,415</u>	<u>\$309,716</u>	<u>\$103,301</u>	<u>50.0%</u>	<b>TOTAL LOTTERY SALES</b>		<u>\$879,424</u>	<u>\$1,030,605</u>	<u>\$151,181</u>	<u>17.2%</u>	<u>na</u>	<u>na</u>	<u>na</u>

-11-

- a GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, and Constitutional Revenue shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.
- c The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).
- d 2% collections adjusted to reflect exemption on residential utilities.
- e Non-tax revenue items other than interest are estimates.
- f In June, 2014 Public Act 161 retroactively (back to April 2014) expanded the use tax to include Health Maintenance Organizations.
- g Beginning in October 2014, Instant Games includes iLottery net win amounts.
- h Official 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**

**Index of Consumer Sentiment**



Source: University of Michigan, Survey Research Center

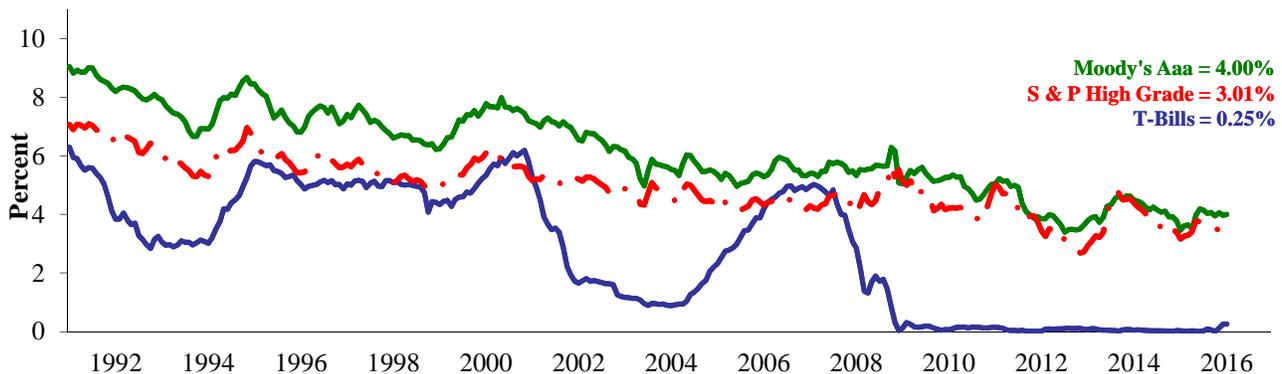
The **Index of Consumer Sentiment** increased in January to 92.0 index-points, 0.6 of an index-point below the December value and 6.1 index-point below January 2015. For the January survey, Survey Director Richard Curtin noted, “Although consumer confidence backtracked in the second half of the month, the January reading was just 0.6 Index-points below last month’s level. Most of the downward revisions that occurred in late January were due to stock market declines, reflected in the erosion of household wealth as well as weakened prospects for the national economy. To be sure, the overall level of confidence is below last January’s peak, but thus far the decline amounts to just a 6.2%, a drop that does not indicate an impending recession but rather a somewhat slower pace of economic growth in 2016.” Curtin observed, “The fewest consumers in a year reported that their finances had recently improved, and consumers expected the smallest gains in their nominal income since the summer of 2014.” On buying plans, Curtin reported, “Buying plans remained very favorable due to the availability of discounted prices and low interest rates. Buying conditions for household durables were rated favorably by 81% of all consumers for the past two months, the highest level since January 2006.” In January, consumers in two of the four regions reported an increase in confidence. Northeastern consumers reported the largest increase in confidence of 3.5 index-points, followed by the Midwestern region with an increase in confidence of 0.7 index-points. The gap across regions increased from last month to 7.0 index-points, with Midwestern consumers on top and Western consumers on the bottom.

The advance estimate of real **Gross Domestic Product** for the fourth quarter of 2015 is \$16,442.3 billion (chained 2005 dollars), an increase of 0.7 percent at an annual rate. In the third quarter of 2015, real gross domestic product increased 2.0 percent. The increase in fourth quarter real GDP was mainly due to personal consumption expenditures, residential fixed investment, and federal government spending. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 2.2 percent in the fourth quarter, compared to a 3.0 percent increase in the third quarter. Real residential fixed investment increased 8.1 percent in the fourth quarter compared to an increase of 8.2 percent in the third quarter. Real nonresidential fixed investment decreased 1.8 percent in the fourth quarter while real equipment expenditures decreased 2.5 percent. Real federal government spending increased 2.7 percent in the fourth quarter, compared to a 0.2 percent increase in the third quarter. Real state and local government spending decreased 0.6 percent in the fourth quarter, compared to a 2.8 percent increase in the third quarter. Exports of goods and services

decreased 2.5 percent in the fourth quarter, compared to a 0.7 percent increase in the third quarter. Imports increased 1.1 percent in the fourth quarter, compared to an increase of 2.3 percent in the third quarter. Private inventory investment increased \$68.6 billion in the fourth quarter, following a \$85.5 billion increase in the third quarter. Real final sales increased 1.2 percent in the fourth quarter compared to an increase of 2.7 percent in the third quarter. On the inflation front, the **implicit price deflator** increased 0.8 percent in the fourth quarter compared to a 1.3 percent increase observed in the third quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), remained unchanged in January, up from a 0.1 percent decrease in December. Energy prices decreased 2.8 percent in January, the same as in December, while the all-items less food and energy component increased 0.3 percent in January. Compared to January 2015, the all-items index increased 1.4 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 0.9 percent; medical care, 3.0 percent; apparel, -0.6 percent; education and communication, 1.4 percent; other goods and services, 1.6 percent; recreation, 0.7 percent; housing, 2.1 percent; and transportation, -0.6 percent, with gasoline prices down -7.3 percent.

### Selected Key Interest Rates

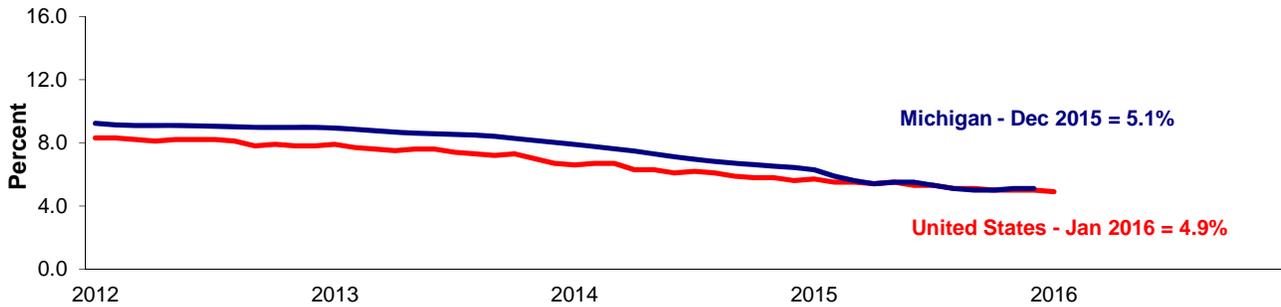


Source: Economic Indicators

Short-term **interest rates** decreased 0.01 percentage point in January as the 3-month Treasury bill (T-bill) rate was 0.25 percent. Compared to one year ago, the T-bill rate increased 0.22 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.03 percentage point to an interest yield of 4.00 percent in January. The Aaa bond yield was up 0.54 percentage point from its year-ago level. The interest rate on High-grade municipal bonds decreased 0.22 percentage point from the December level to 3.01 percent in January and was down 0.15 percentage point from its year-ago level. The Federal Open Market Committee, given the economic outlook, decided to maintain the target range for the federal funds rate at 0.25-0.50 percent for the January 27th meeting. The FOMC stated "In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation." The Committee "seeks to foster maximum employment and price stability."

In January, the **U. S. unemployment rate** decreased 0.1 percent from a month ago to 4.9 percent and was 0.8 percentage point lower than a year ago. Civilian employment totaled 150.5 million persons in January. The number unemployed was 7.8 million nationwide.

## Unemployment Rates 2012 - 2016

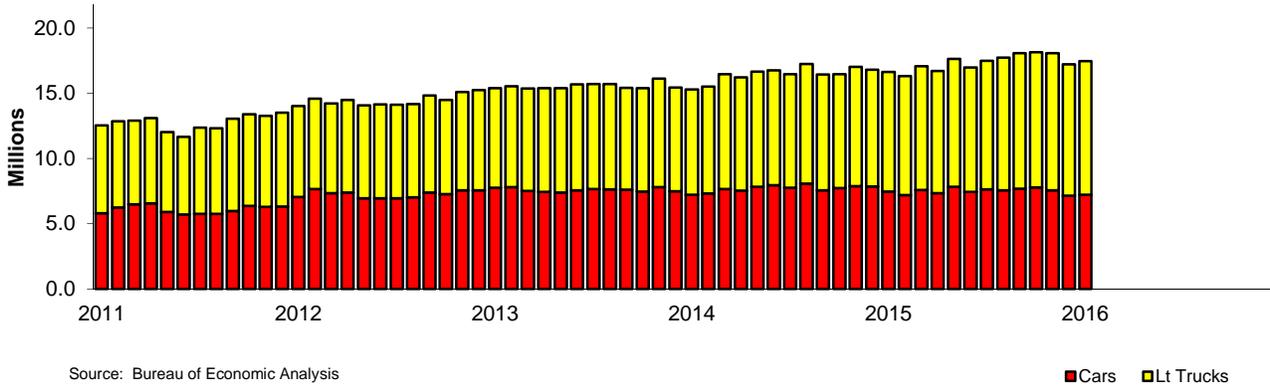


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In December, the latest data available, the **Michigan jobless rate** remained unchanged at 5.1 percent. The December unemployment rate is 1.3 percentage points below the year ago level. In December, the labor force grew 22,000 to 4,787,000, while the number of people employed increased 20,000 to 4,541,000. In December, there were 246,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

## Motor Vehicle Sector

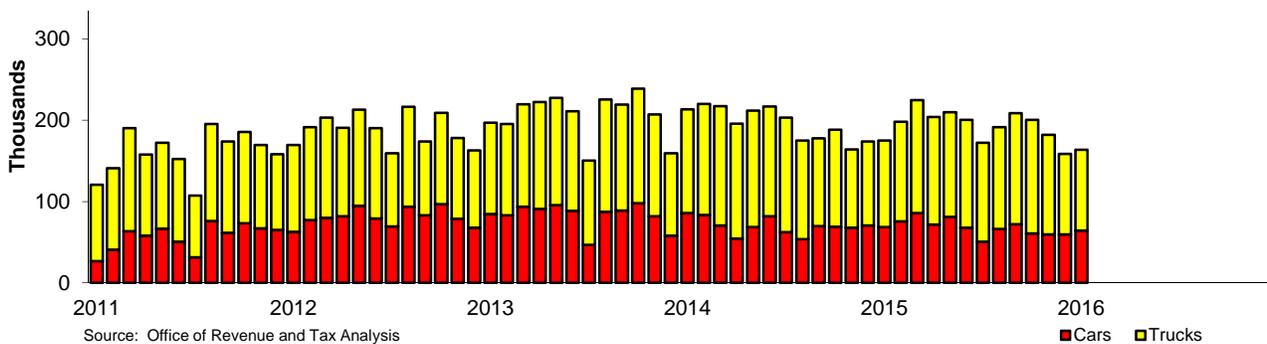
### U. S. Light Vehicle Sales



**U.S. light vehicle sales** (cars + light trucks) increased 1.4 percent in January compared to December, selling at a 17.5 million unit seasonally adjusted annual rate. Domestic car sales increased 0.5 percent from December while domestic light truck sales increased 3.5 percent. Import car sales increased 2.2 percent while import light truck sales decreased 4.7 percent. Compared to last year, light vehicle sales increased 5.0 percent. Domestic car sales decreased 1.4 percent from the year ago level while domestic light truck sales increased 6.6 percent. Import car sales were down 9.0 percent from last year while import truck sales increased 41.3 percent. As a result, the domestic share of U.S. light vehicle sales decreased 1.2 percentage points from a year ago. For fiscal year 2016 year-to-date, domestic light vehicles recorded a 78.3 percent share of a 17.7 million-unit market.

**Michigan motor vehicle production** increased to 163,765 units in January from 158,649 units in December. From a year ago, motor vehicle production decreased 7 percent in Michigan and decreased 2 percent nationally. In January, Michigan's car production was 64,404 units while the state's truck production was 99,361 units. Compared with a year ago, car production decreased 6 percent in Michigan and also fell 6 percent nationwide. The state's truck production decreased 7 percent while national truck production increased 1 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, 2016 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<b>Fiscal Year 2013-14 Actual</b>	<b>Fiscal Year 2014-15 Estimate</b>	<b>Fiscal Year 2015-16 Estimate</b>
Applicable Calendar Year Personal Income	\$378,443	\$386,471	\$403,726
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$35,914.2</u>	<u>\$36,676.1</u>	<u>\$38,313.6</u>
Revenue Limit	\$35,914.2	\$36,676.1	\$38,313.6
State Revenue Subject to Limit	<u>\$27,432.5</u>	<u>\$28,844.3</u>	<u>\$29,190.2</u>
<b>Amount Under (Over) Limit</b>	<b>\$8,481.7</b>	<b>\$7,831.8</b>	<b>\$9,123.4</b>

Sources:

Personal Income Estimate

The FY 2013-14 calculation uses the official personal income estimate for calendar year 2012 (Survey of Current Business, October 2013).

The FY 2014-15 calculation uses the official personal income estimate for calendar year 2013 (Survey of Current Business, October 2014).

The FY 2015-16 calculation uses the January 14, 2016 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2013-14 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2014.

The FY 2014-15 calculation uses the January 14, 2016 Consensus Revenue Agreement.

The FY 2015-16 calculation uses the January 14, 2016 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

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