



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN E. NIXON, CPA
DIRECTOR

April 29, 2013

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

The Honorable Joseph Haveman, 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, 2013. 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,

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	Jeff Farrington, Chair, House Tax Policy Com.
Jase Bolger, Speaker of the House	John Roberts, Deputy Chief of Staff
Tim Greimel, 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 2013
Projected Revenues and Expenditures
March 31, 2013
(\$ in millions)

FISCAL
2013

Beginning Balance, October 1, 2012	see one-time revenue
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Current Year GF/GP Revenues, January 2013 Consensus Estimate	\$	8,969.2
Revenue Adjustments:		
Local Government Program Payments	\$	(350.6)
Other revenue adjustments	\$	3.2
Subtotal Additional Revenue Adjustments	\$	(347.4)
Total FY Resources Available For Expenditure GF/GP - Ongoing		8,621.8

Expenditures, Current Law:		
FY 2013 Enacted with Vetoes	\$	8,628.5
Proposed Supplemental Appropriations - Requests 2013-4 and 2013-5 (February 7, 2013)	\$	(44.9)
Total Expenditures Projected - Ongoing	\$	8,583.6

Current Year Revenues minus Ongoing Costs	\$	38.2
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Beginning Balance (One-Time Revenue)	\$	979.2
One-time revenue decreases (PA 200 of 2012)	\$	(22.0)
One-time impact of enacted tax law changes	\$	(177.0)
Total FY Resources Available For Expenditure GF/GP - One-Time	\$	780.2

One-Time Spending Items:		
PA 200, PA 201, PA 305, PA 348, PA 349, PA 436, and PA 518 of 2012; PA 9 of 2013	\$	548.2
Proposed Supplemental Appropriations - Request 2013-4 (February 7, 2013)	\$	2.5
Estimated lapses	\$	(17.4)
Total Expenditures Projected - One-Time	\$	533.3

One-Time Revenue minus One-Time Spending	\$	246.9
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¹ On February 28, 2013, the fiscal year 2012 Comprehensive Annual Financial Report was issued and indicated a final year-end balance for fiscal year 2012 of \$979.2 million.

SCHOOL AID FUND
Fiscal Year 2013
Projected Revenues and Expenditures
March 31, 2013
(\$ in millions)

FISCAL
2013

Beginning Balance , October 1, 2012	see one-time revenue
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Current Year School Aid Fund Revenues, January 2013 Consensus Estimate	\$	11,127.7
Revenue Adjustments:		
General Fund	\$	282.4
Federal Revenue	\$	1,701.0
Subtotal Additional Revenue Adjustments	\$	1,983.4
Total FY Resources Available for Expenditure School Aid Fund	\$	13,111.1

School Aid Ongoing Costs		
PA 201 of 2012	\$	12,750.2
Pending Supplemental	\$	(47.5)
Revised School Aid Ongoing Costs	\$	12,702.7
Community Colleges Ongoing Costs		
PA 201 of 2012	\$	197.6
Universities Ongoing Costs		
PA 201 of 2012	\$	200.5
Total School Aid Fund Ongoing Costs Projected	\$	13,100.8

Current Year Revenues minus Ongoing Costs	\$	10.3
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Beginning Balance (One-Time Revenue)	\$	254.1 ¹
One-Time Spending Items		
PA 201 of 2012	\$	194.3
PA 465 of 2012	\$	0.2
Pending Supplemental	\$	20.0
Revised One-Time Spending Items	\$	214.5
One-Time Revenue minus One-Time Spending	\$	39.7

Projected Ending Balance, September 30, 2013	\$	50.0
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¹The beginning balance reflects final revenue and expenditure data contained in the fiscal year 2012 Comprehensive Annual Financial Report issued on February 28, 2013.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

March 31, 2013

(\$ IN MILLIONS)

FISCAL YEAR 2012

FISCAL YEAR 2013

Exp & Enc March 2012	Exp & Enc Yr-to-date FY 2012	Fiscal Year End SEP 30, 2012	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc March 2013	Exp & Enc Yr-to-date FY 2013
5.7	26.5	63.1	Agriculture and Rural Development	76.5	11.2	4.4	31.5
7.8	32.8	70.8	Attorney General	83.9	3.7	5.7	36.9
20.1	137.3	240.8	Capital Outlay**	320.3	0.0	19.6	137.8
1.3	5.9	12.8	Civil Rights	14.8	2.8	1.0	6.5
128.7	705.0	1,175.8	Colleges & Universities	1,295.2	0.0	126.9	735.9
273.9	6,071.9	13,915.9	Community Health	14,944.9	282.9	280.1	6,236.6
202.7	968.3	1,936.4	Corrections	1,983.3	36.6	148.2	949.5
8.5	39.0	364.8	Education	328.9	9.0	23.6	114.1
15.9	73.3	181.6	Environmental Quality	402.2	32.4	12.3	69.0
0.8	3.3	4.5	Executive Office	4.9	0.0	0.6	2.4
557.7	2,894.3	5,786.7	Human Services	6,519.6	436.1	500.5	2,844.1
13.7	87.3	231.6	Judiciary	273.8	0.0	19.5	92.0
2.0	8.2	17.9	Legislative Auditor General	18.7	0.0	1.5	9.4
10.7	50.0	104.5	Legislature	110.9	0.0	9.8	53.0
39.3	197.3	444.0	Licensing and Regulatory Affairs	606.6	(127.7)	22.3	131.2
12.4	58.0	127.4	Military Affairs	133.6	12.2	10.1	60.3
4.9	25.0	65.9	Natural Resources	101.7	14.6	5.2	30.6
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
19.3	78.5	179.6	State	219.6	9.7	13.6	81.8
48.2	200.5	499.3	State Police	577.3	15.2	40.0	220.0
42.1	228.4	662.1	Technology, Management & Budget***	338.6	143.0	26.1	180.3
0.0	0.0	0.5	Transportation	23.0	0.0	0.0	0.0
24.2	791.2	3,149.6	Treasury	1,645.7	97.2	31.3	833.2
1.2	18.4	137.7	Michigan Strategic Fund	173.5	24.1	1.8	19.6
\$1,441.1	\$12,700.4	\$29,373.1		\$30,197.5	\$1,002.9	\$1,304.2	\$12,875.9

*Includes boilerplate appropriations.

**Includes all capital outlay activity regardless of agency

***Includes Civil Service Commission

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2013

March, 2013

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,336.2	38.2	15,374.4
Total state spending from state resources	27,917.6	93.5	28,011.1
Percentage of state spending from state resources paid to local units	54.93%		54.89%
Required payments to local units (48.97%)	13,671.2		13,717.0
Surplus/(deficit)	\$1,665.0		\$1,657.4

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 OCTOBER 1, 2012 Through March 31, 2013
 (in thousands)

REVENUES

Miscellaneous	\$ <u>137</u>
Total Revenues	<u>137</u>

EXPENDITURES

Current:	
General government	<u>-</u>
Total Expenditures	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>137</u>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	70,000
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>70,000</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 70,137</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, 2012 through March 31, 2013
 (in thousands)

REVENUES

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	<u>6,699</u>
Total Revenues	<u>6,699</u>

EXPENDITURES

Current:	
General government	1,189
Conservation, environment, recreation, and agriculture	626
Capital outlay	<u>17,615</u>
Total Expenditures	<u>19,430</u>
Excess of Revenues over (under) Expenditures	<u>(12,731)</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>\$ (12,722) ¹</u>

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

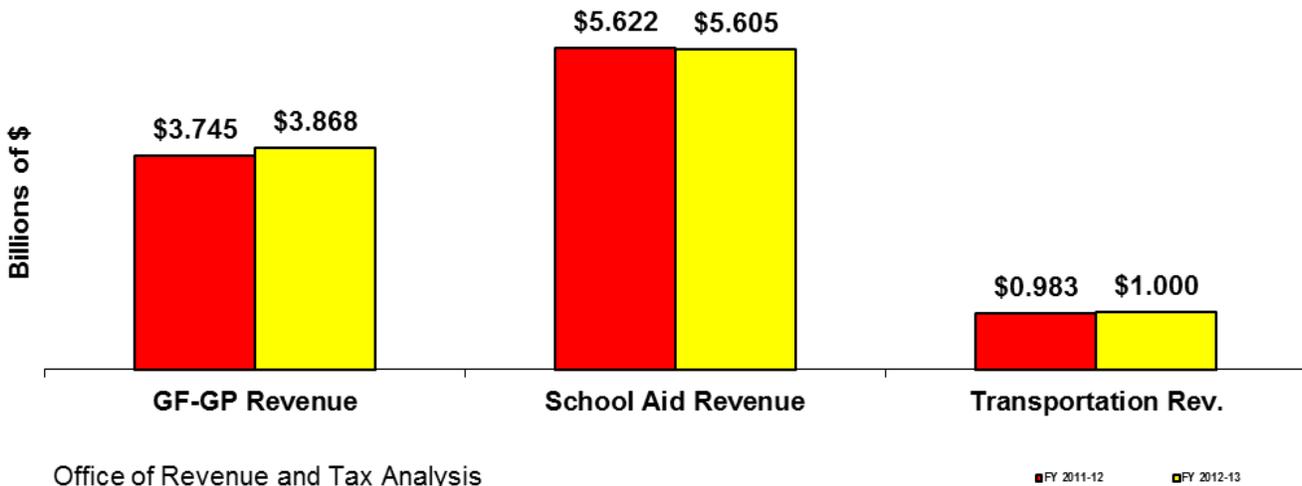
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for March 2013, representing some February and some March economic activity in Michigan.

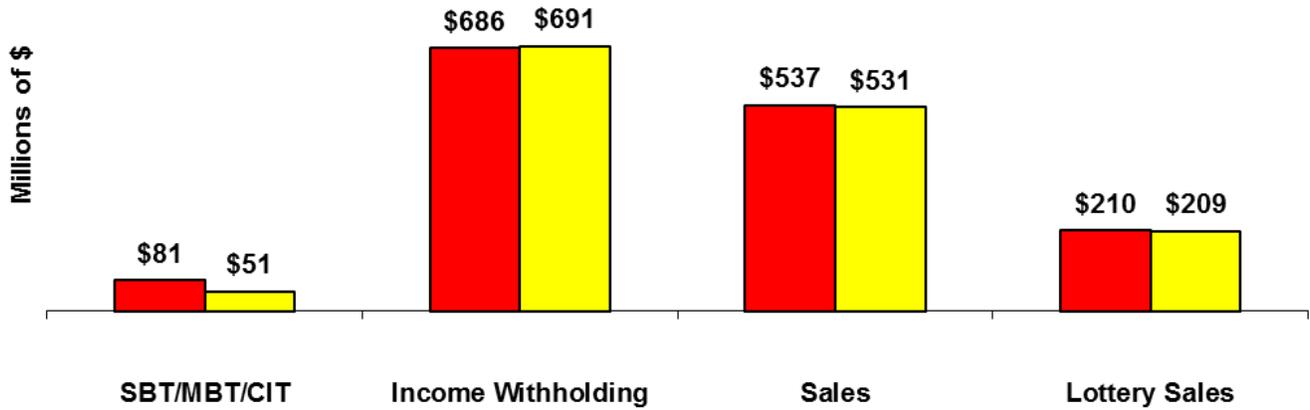
Total General Fund - General Purpose cash collections were \$124.9 million (70.5 percent) higher in March 2013 than in March 2012. This is mostly due to a reduction in Income Tax Refunds as a result of tax reforms. The March 2013 School Aid Fund cash collections were \$45.8 million (6.0 percent) lower than in March 2012. March 2013 transportation collections were \$5.9 million (3.9 percent) higher than in March 2012 (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 \$123.0 million (3.3 percent) from a year ago. School Aid Fund cash collections are down \$17.0 million (0.3 percent) and transportation collections are up \$17.0 million (1.7 percent).

The FY 2012-13 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 11, 2013. The revenue estimate for net General Fund – General Purpose revenue for FY 2012-13 is \$8,792.3 million and the net School Aid revenue forecast is \$11,127.7 million. The Transportation Funds revenue forecast is \$2,109.5 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held on May 15, 2013.

**October through March Collections
FY 2011-12 and FY 2012-13**



March Revenue Collections FY 2011-12 and FY 2012-13



Office of Revenue and Tax Analysis

■ FY 2011-12 ■ FY 2012-13

October through March Collections FY 2011-12 and FY 2012-13



Office of Revenue and Tax Analysis

■ FY 2011-12 ■ FY 2012-13

Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2013 Consensus	
Income Taxes												
\$686,147	\$691,462	\$5,315	0.8%	Withholding	\$3,885,307	\$4,083,782	\$198,475	5.1%	\$7,604,200	\$7,826,900	\$7,661,800	
8,312	8,888	576	6.9%	Quarterlies	244,681	320,944	76,263	31.2%	766,200	744,600	816,800	
55,607	69,900	14,293	25.7%	Annuals	142,655	159,144	16,489	11.6%	682,500	888,000	844,200	
750,066	770,250	20,184	2.7%	Gross Collections	4,272,643	4,563,871	291,227	6.8%	\$9,052,900	\$9,459,500	\$9,322,800	
615,965	482,036	(133,929)	-21.7%	Less: Refunds	1,421,529	1,002,100	(419,428)	-29.5%	2,134,600	1,552,000	1,585,300	
0	0	0	na	State Campaign Fund	0	0	0	na	900	1,000	1,000	
134,102	288,214	154,113	115.0%	Net Personal Income	2,851,114	3,561,770	710,656	24.9%	\$6,917,400	\$7,906,500	\$7,736,500	
174,614	176,797	2,183	1.3%	Less: Disbursements to SAF	994,667	1,051,179	56,512	5.7%	\$2,100,200	\$2,239,100	\$2,216,300	
(\$40,512)	\$111,417	\$151,929	na	NET PERSONAL INCOME TO GF-GP	\$1,856,447	\$2,510,591	\$654,144	35.2%	\$4,817,200	\$5,667,400	\$5,520,200	
Consumption Taxes												
\$5,162	\$4,515	(\$647)	-12.5%	Sales (a)	\$34,941	\$34,867	(\$74)	-0.2%	\$1,081,200	\$1,134,700	\$1,014,600	
61,156	62,464	1,308	2.1%	Use (f)	318,639	380,156	61,518	19.3%	794,000	834,700	847,600	
14,303	14,774	471	3.3%	Tobacco	92,020	91,905	(115)	-0.1%	192,600	189,500	190,200	
3,608	4,024	416	11.5%	Beer, Wine & Mixed Spirits	22,596	23,318	723	3.2%	50,800	50,800	52,500	
2,755	2,906	151	5.5%	Liquor Specific	16,661	18,492	1,831	11.0%	41,800	41,200	42,400	
\$86,983	\$88,682	\$1,699	2.0%	TOTAL CONSUMPTION TAXES	\$484,856	\$548,738	\$63,882	13.2%	\$2,160,400	\$2,250,900	\$2,147,300	
Other Taxes												
\$930	\$1,543	\$613	66.0%	Single Business	\$10,074	\$27,691	\$17,617	175.0%	(\$66,200)	\$0	\$0	
10,862	12,001	1,139	10.5%	Insurance Premiums Taxes	154,902	149,520	(5,382)	-3.5%	290,200	311,400	307,000	
11,792	13,544	1,752	14.9%	Sub-total SBT & Insurance	164,976	177,210	12,235	7.4%	224,000	311,400	307,000	
63,150	(3,508)	(66,658)	na	Michigan Business Tax	981,070	4,082	(976,988)	-99.6%	798,300	(552,400)	(623,400)	
17,133	53,446	36,313	na	Corporate Income Tax	20,930	382,046	361,115	na	547,100	838,900	945,000	
6	50	44	na	Inheritance / Estate	59	78	19	32.4%	200	0	0	
0	0	0	na	Telephone & Telegraph	25,970	23,453	(2,518)	-9.7%	59,200	57,300	59,000	
5,186	4,535	(651)	-12.6%	Oil & Gas Severance	27,963	27,504	(459)	-1.6%	53,600	61,000	53,000	
11,589	12,848	1,259	10.9%	Penalties & Interest	51,238	64,072	12,833	25.0%	167,200	127,500	133,000	
0	2	2	na	Miscellaneous Other/Railroad	218	247	29	13.4%	1,700	1,000	1,000	
(10,583)	(10,667)	(83)	-0.8%	Treasury Enforcement Programs (e)	(63,500)	(64,000)	(500)	-0.8%	(130,200)	(128,000)	(128,000)	
\$98,272	\$70,251	(\$28,021)	-28.5%	TOTAL OTHER TAXES	\$1,208,924	\$614,692	(\$594,233)	-49.2%	\$1,721,100	\$716,700	\$746,600	
\$144,744	\$270,350	\$125,607	86.8%	SUBTOTAL GF-GP TAXES	\$3,550,228	\$3,674,021	\$123,793	3.5%	\$8,698,800	\$8,634,900	\$8,414,100	

continued

Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2013 Consensus
Non-Tax Revenue (e)											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$10,000	\$10,000	\$0	0.0%	\$54,800	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	500	500	0	0.0%	3,200	1,000	1,000
917	917	0	0.0%	Services	5,500	5,500	0	0.0%	10,500	11,000	11,000
1,667	1,667	0	0.0%	Licenses & Permits	10,000	10,000	0	0.0%	16,300	20,000	20,000
0	0	0	na	Investments/Interest Costs	(260)	(151)	108	41.8%	(1,900)	(3,200)	(3,200)
10,667	10,250	(417)	-3.9%	Misc. Non-tax Revenue	64,000	63,500	(500)	-0.8%	157,000	118,000	123,000
13,583	13,600	17	0.1%	Liquor Purchase Revolving Fund	81,500	82,300	800	1.0%	174,400	157,200	163,200
3,925	3,600	(325)	-8.3%	From Other Funds-Lottery & Escheats	23,550	22,300	(1,250)	-5.3%	152,100	11,000	43,200
\$32,508	\$31,783	(\$725)	-2.2%	TOTAL NON-TAX REVENUE	\$194,790	\$193,949	(\$842)	-0.4%	\$566,400	\$335,000	\$378,200
\$177,252	\$302,134	\$124,882	70.5%	TOTAL GF-GP REVENUE	\$3,745,018	\$3,867,970	\$122,952	3.3%	\$9,265,200	\$8,969,900	\$8,792,300
School Aid Fund											
\$220,187	\$217,806	(\$2,382)	-1.1%	Sales Tax 4%	\$1,385,530	\$1,412,705	\$27,174	2.0%	2,841,000	2,943,200	2,918,100
170,032	168,270	(1,762)	-1.0%	Sales Tax 2%	1,073,777	1,097,866	24,088	2.2%	2,216,000	2,288,700	2,271,600
61,441	31,232	(30,209)	-49.2%	Use Tax 2% (f)	343,752	188,736	(155,016)	-45.1%	412,600	417,300	423,900
16,720	21,776	5,056	30.2%	State Education Property Tax	1,167,901	1,178,817	10,916	0.9%	1,789,500	1,829,400	1,801,600
9,580	10,140	560	5.8%	Real Estate Transfer Tax	62,426	87,970	25,544	40.9%	150,100	133,600	169,600
65,000	45,000	(20,000)	-30.8%	Lottery Transfer (b)	305,000	300,000	(5,000)	-1.6%	778,400	744,700	750,000
10,962	10,916	(46)	-0.4%	Casino Wagering Tax	60,068	57,681	(2,387)	-4.0%	115,800	106,300	108,300
2,743	2,874	131	4.8%	Liquor Excise Tax	16,524	18,342	1,818	11.0%	41,300	41,200	42,400
29,037	29,993	956	3.3%	Cigarette/Tobacco Tax	186,814	186,580	(234)	-0.1%	374,100	364,800	364,900
3,670	3,558	(112)	-3.0%	Indus. & Comm. Facilities Taxes	21,560	18,172	(3,387)	-15.7%	35,700	43,900	37,900
709	584	(125)	-17.6%	Specific Other	3,732	6,710	2,977	79.8%	24,000	17,100	23,100
174,614	176,797	2,183	1.3%	Income Tax Earmarking	994,667	1,051,179	56,512	5.7%	\$2,100,200	\$2,239,100	\$2,216,300
\$764,695	\$718,945	(\$45,750)	-6.0%	TOTAL SCHOOL AID FUND	\$5,621,752	\$5,604,757	(\$16,995)	-0.3%	\$10,878,700	\$11,169,500	\$11,127,700
\$537,011	\$531,279	(\$5,732)	-1.1%	SALES TAX 6%	\$3,382,995	\$3,452,373	\$69,379	2.1%	\$6,952,800	\$7,194,100	\$7,134,700
366,979	363,009	(3,970)	-1.1%	SALES TAX 4%(d)	2,309,217	2,354,508	45,290	2.0%	4,736,800	4,905,400	4,863,100
170,032	168,270	(1,762)	-1.0%	SALES TAX 2%	1,073,777	1,097,866	24,088	2.2%	2,216,000	2,288,700	2,271,600
122,597	93,696	(28,901)	-23.6%	USE TAX 6% (f)	662,391	568,892	(93,498)	-14.1%	1,206,600	1,252,000	1,271,500
71,875	74,240	2,366	3.3%	TOBACCO TAXES	462,412	461,833	(579)	-0.1%	963,200	941,600	944,100
0	(186)	(186)	na	TOBACCO SETTLEMENT	0	12	12	na	na	na	na

continued

Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
March		Difference		Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13		
2012	2013	Amount	Percent	SOURCE OF REVENUE		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary	Statutory	January 2013
								Totals (g)		Estimate	Consensus	
Major Transportation Revenues												
\$2,183	\$9,228	\$7,045	na	Diesel Fuel / Motor Carrier Fuel Tax		\$57,965	\$64,476	\$6,511	11.2%	\$126,782	\$128,500	\$128,500
63,571	56,162	(7,408)	-11.7%	Gasoline		405,729	401,383	(4,347)	-1.1%	818,798	825,500	815,000
73,029	78,383	5,354	7.3%	Motor Vehicle Registration		449,181	459,468	10,287	2.3%	876,064	877,000	890,000
4,496	4,521	24	0.5%	Other Taxes, Fees & Misc.		21,317	21,331	15	0.1%	121,038	164,524	166,564
8,277	9,122	845	10.2%	Comprehensive Transportation (c)		48,903	53,446	4,544	9.3%	98,742	104,322	109,463
<u>\$151,556</u>	<u>\$157,415</u>	<u>\$5,859</u>	<u>3.9%</u>	TOTAL MAJOR TRANS. REVENUES		<u>\$983,094</u>	<u>\$1,000,105</u>	<u>\$17,011</u>	<u>1.7%</u>	<u>\$2,041,425</u>	<u>\$2,099,845</u>	<u>\$2,109,527</u>
Lottery Sales By Games												
71,807	67,948	(3,859)	-5.4%	Instant Games		374,989	390,311	15,321	4.1%	na	na	na
54,285	56,015	1,730	3.2%	Daily Games		335,285	319,732	(15,553)	-4.6%	na	na	na
37,284	33,665	(3,620)	-9.7%	Lotto and Big Game		182,421	180,584	(1,837)	-1.0%	na	na	na
981	934	(47)	-4.8%	Keno Game		6,121	5,606	(514)	-8.4%	na	na	na
(0)	0	0	-100.0%	Lucky Lines Game		1,625	0	(1,625)	-100.0%	na	na	na
(0)	2,183	2,183	na	Millionaires Raffle		6,788	3,293	(3,495)	-51.5%	na	na	na
45,528	48,082	2,554	5.6%	Club Games		271,520	279,456	7,936	2.9%	na	na	na
<u>\$209,886</u>	<u>\$208,828</u>	<u>(\$1,058)</u>	<u>-0.5%</u>	TOTAL LOTTERY SALES		<u>\$1,178,749</u>	<u>\$1,178,981</u>	<u>\$233</u>	<u>0.0%</u>	<u>na</u>	<u>na</u>	<u>na</u>

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- 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 Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.
- g Preliminary CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

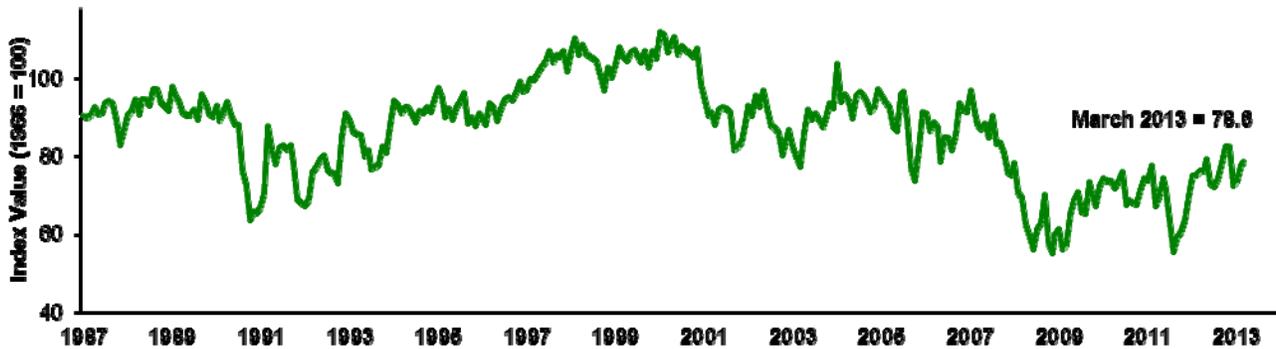
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U. S. Economy

Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

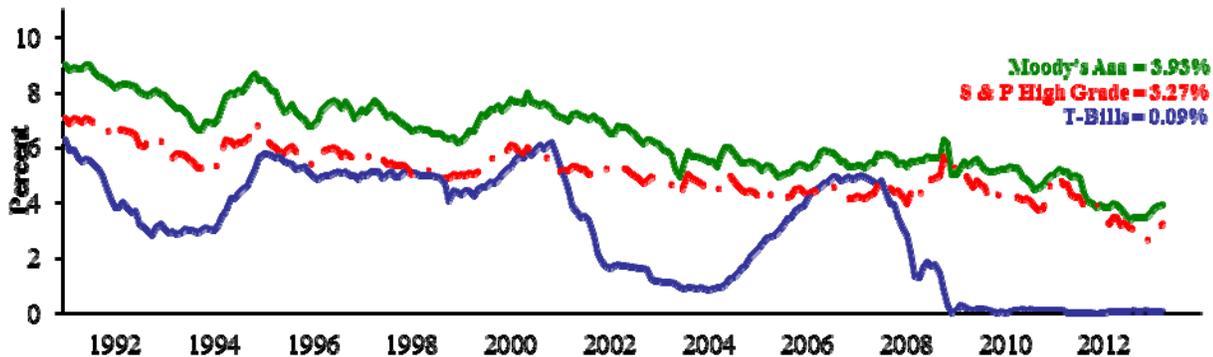
The *Index of Consumer Sentiment* rose in March to 78.6 index-points, 1.0 index-points above the February value and 2.4 index-points above March 2012. On the increase in confidence, Survey Director Richard Curtin observed, “Consumer confidence rose sharply in the second half of March erasing the entire decline in the first half of the month. Two factors appear to have caused the sudden revision at mid-month; consumers have discounted the administration’s warning that economic catastrophe would follow the reductions in federal spending, and consumers have renewed their expectation that gains in employment will accelerate through the rest of 2013.” Curtin reported, “The sole area that has remained positive throughout the past month has been buying plans. Purchases of household durables, vehicles, and homes have benefitted. Recent increases in home values were reported by the largest proportion of homeowners in more than five years, and gains in the value of their homes were expected by more homeowners than anytime since the March 2007 survey.” On vehicle purchases, Curtin noted, “Vehicle buying attitudes remained at very positive levels throughout the past six months due to favorable perceptions of prices and interest rates on vehicle loans. Despite the recent rise in gasoline prices, few consumers cited those increases as a disruptive force when asked about buying intentions.” In March, consumers in two of the four regions reported an increase in confidence. Midwestern consumers reported the largest increase in confidence of 7.0 index-points while Southern consumers reported an increase in confidence of 0.2 index-points. The gap across regions decreased from last month to 11.1 index-points, with Midwestern consumers on top and Southern consumers on the bottom.

The revised estimate of real *Gross Domestic Product* for the fourth quarter of 2012 is \$13,665.4 billion (chained 2005 dollars), an increase of 0.4 percent at an annual rate. In the third quarter of 2012, real gross domestic product increased 3.1 percent. The increase in fourth quarter real GDP was mainly due to personal consumption expenditures, nonresidential fixed investment, and residential fixed investment. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 1.8 percent in the fourth quarter, compared to a 1.6 percent increase in the third quarter. Real residential fixed investment increased 17.6 percent in the fourth quarter compared to an increase of 13.5 percent in the third quarter. Real nonresidential fixed investment increased 13.2 percent in the fourth quarter while equipment and software increased 11.8 percent. Real federal government expenditures decreased 14.8 percent in the fourth quarter, compared to a 9.5 percent increase in the third quarter. Real state and local government spending

decreased 1.5 percent in the fourth quarter, compared to an increase of 0.3 percent in the third quarter. Exports of goods and services decreased 2.8 percent in the fourth quarter, compared to a 1.9 percent increase in the third quarter. Imports decreased 4.2 percent in the fourth quarter compared to a decrease of 0.6 percent in the third quarter. Private inventory investment increased \$13.3 billion in the fourth quarter, following a \$60.3 billion increase in the third quarter. Real final sales increased 1.9 percent in the fourth quarter compared to an increase of 2.4 percent in the third quarter. On the inflation front, the **implicit price deflator** increased 1.0 percent in the fourth quarter compared to a 2.7 percent increase observed in the third quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), decreased 0.2 percent in March, down from an increase of 0.7 percent in February. Energy prices decreased by 2.6 percent in March, down from a 5.4 percent increase in February, while the all-items less food and energy component increased 0.1 percent in March. Compared to March 2012, the all-items index increased 1.5 percent. For major component groups, the unadjusted increases from one year ago were: food and beverages, 1.5 percent; medical care, 3.1 percent; apparel, 0.8 percent; education and communication, 1.8 percent; other goods and services, 1.8 percent; housing, 1.9 percent; recreation, 0.6 percent; and transportation, 0.1 percent, with gasoline prices down 3.1 percent.

Selected Key Interest Rates

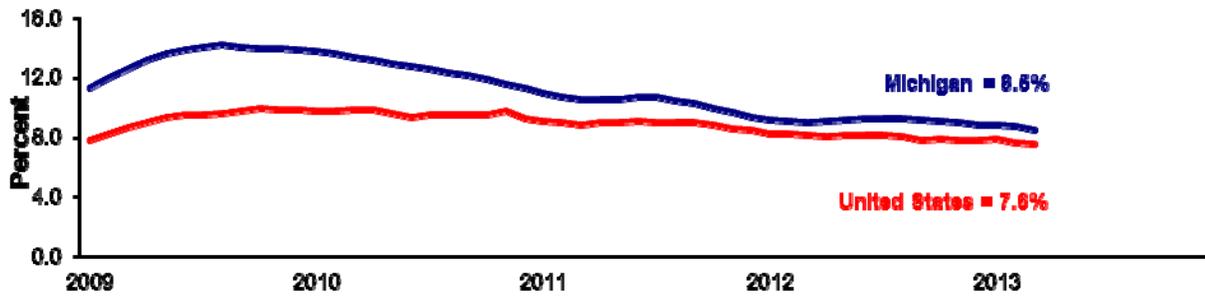


Source: Economic Indicators

Short-term **interest rates** decreased 0.01 percentage point in March as the 3-month Treasury bill (T-bill) rate was 0.10 percent. Compared to one year ago, the T-bill rate remained the same. The Aaa corporate bond rate, a long-term interest rate, increased 0.03 percentage point to an interest yield of 3.90 percent in January. The Aaa bond yield was down 0.05 percentage point from its year-ago level. The interest rate on High-grade municipal bonds increased 0.18 percentage point from the February level to 3.09 percent in March, and was down 0.24 percentage point 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 20th meeting. The FOMC stated “the Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.” The Committee “will closely monitor incoming information on economic and financial developments in coming months.”

In March, the **U. S. unemployment rate** decreased 0.1 percentage point from a month ago to 7.6 percent and was 0.6 of a percentage point lower than a year ago. Civilian employment totaled 143.3 million persons in March. The number unemployed was 11.7 million nationwide.

Unemployment Rates 2009 - 2013

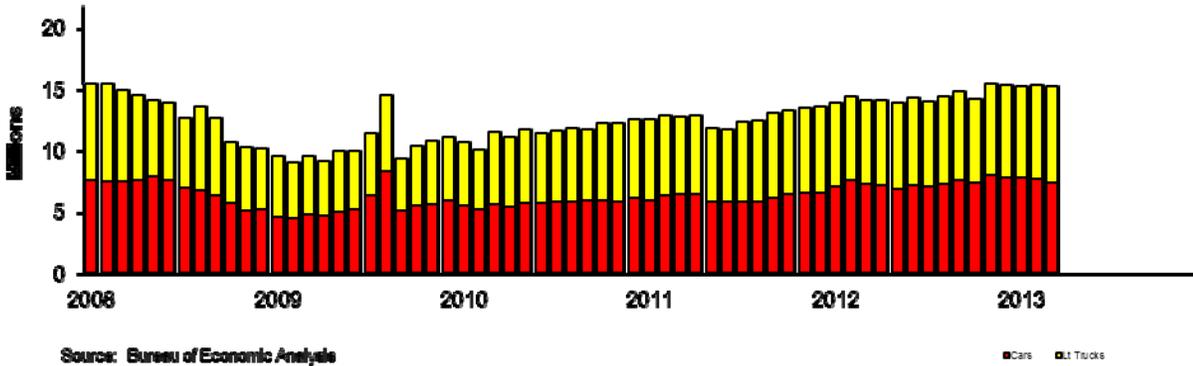


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In March, the latest data available, the **Michigan jobless rate** decreased 0.3 percentage point to 8.5 percent from February. The March unemployment rate is 0.5 of a percentage point below the year ago level. In March, the labor force increased by 3,000 to 4,657,000, while the number of people employed increased by 17,000 to 4,261,000. In March, there were 396,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

Motor Vehicle Sector

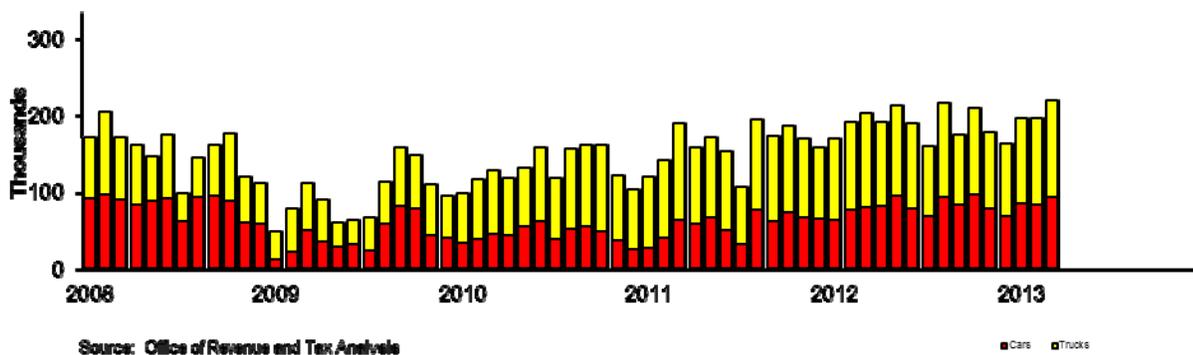
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) increased 0.7 percent in March compared to February, selling at a 15.2 million unit seasonally adjusted annual rate. Domestic car sales decreased 2.9 percent while domestic light truck sales increased 2.6 percent. Import car sales decreased 6.6 percent while import light truck sales increased 1.6 percent. Compared to last year, light vehicle sales increased 7.9 percent. Domestic car sales were up 4.4 percent while domestic light truck sales increased 15.3 percent. Import car sales were down 5.1 percent from last year while import truck sales increased 11.4 percent. As a result, the domestic share of U.S. light vehicle sales increased 1.6 percentage points from a year ago. For fiscal year 2013 year-to-date, domestic light vehicles recorded a 78.4 percent share of a 15.1 million-unit market.

Michigan motor vehicle production increased to 219,499 units in March from 195,519 units in February. From a year ago, motor vehicle production increased 8 percent in Michigan and remained unchanged nationally. In March, Michigan's car production was 93,795 units while the state's truck production was 125,704 units. Compared with a year ago, car production increased 18 percent in Michigan and rose 5 percent nationwide. The state's truck production increased 2 percent while national truck production decreased 3 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 11, 2013 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2010-11 Actual	Fiscal Year 2011-12 Estimate	Fiscal Year 2012-13 Estimate
Applicable Calendar Year Personal Income	\$345,933	\$342,663	\$358,152
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,829.0</u>	<u>\$32,518.7</u>	<u>\$33,988.6</u>
Revenue Limit	\$32,829.0	\$32,518.7	\$33,988.6
State Revenue Subject to Limit	<u>\$27,248.2</u>	<u>\$27,228.6</u>	<u>\$27,088.5</u>
Amount Under (Over) Limit	\$5,580.8	\$5,290.1	\$6,900.1

Sources:

Personal Income Estimate

The FY 2010-11 calculation uses the official personal income estimate for calendar year 2009 (Survey of Current Business, October 2010).

The FY 2011-12 calculation uses the official personal income estimate for calendar year 2010 (Survey of Current Business, October 2011).

The FY 2012-13 calculation uses the January 11, 2013 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2010-11 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2011.

The FY 2011-12 calculation uses the January 11, 2013 Consensus Revenue Agreement.

The FY 2012-13 calculation uses the January 11, 2013 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