



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

DAVID P. MASSARON
DIRECTOR

May 28, 2021

The Honorable Jim Stamas, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Thomas Albert, 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 April 30, 2021. 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 "Spending and Revenue Reports".

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

Sincerely,

David P. Massaron
State Budget Director

Attachment

cc: Mike Shirkey, Senate Maj. Leader
Jim Ananich, Senate Min. Leader
Jason Wentworth, Speaker of the House
Donna Lasinski, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Jim Runestad, Chair, Senate Finance Com.
Matt Hall, Chair, House Tax Policy Com.
JoAnne Huls, Executive Office
Tricia Foster, Executive Office
Jen Flood, Executive Office
Bethany Wicksall, Deputy State Budget Director
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2021
Projected Revenues and Expenditures
April 30, 2021
(\$ in millions)

	FISCAL 2021
Beginning Balance	\$ 2,363.0
Revenues	
Ongoing:	
January 2021 Consensus Forecast	\$ 10,237.5
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
Subtotal Ongoing Revenue	\$ 9,822.4
One-Time:	
Miscellaneous Adjustments	\$ 11.2
Subtotal One-Time Revenue	\$ 11.2
Total Revenue	\$ 9,833.6
Expenditures	
Ongoing:	
Public Acts 165 and 166 of 2020	\$ 10,316.9
Subtotal Ongoing Expenditures	\$ 10,316.9
One-Time:	
Public Acts 165 and 166 of 2020	\$ 285.3
Public Act 257 of 2020	\$ 243.3
Public Act 2 of 2021	\$ 77.0
Transfer to BSF	\$ 35.0
Subtotal One-Time Expenditures	\$ 640.6
Total Expenditures	\$ 10,957.5
Ending Balance	\$ 1,239.1

SCHOOL AID FUND
Fiscal Year 2021
Projected Revenues and Expenditures
April 30, 2021
(\$ in millions)

FISCAL
2021

Beginning Balance	\$	1,190.5
Revenues		
Ongoing:		
January 2021 Consensus Forecast	\$	14,030.2
General Fund	\$	40.0
Community District Trust Fund	\$	79.8
Federal Revenue	\$	1,811.5
Subtotal Ongoing Revenue	\$	15,961.5
One-Time:		
General Fund	\$	11.0
General Fund - Pending Supplemental (2021-6)	\$	60.0
Federal Revenue - ESSER II/GEER II	\$	935.7
Subtotal One-Time Revenue	\$	1,006.7
Total Revenue	\$	16,968.2
Expenditures		
Ongoing:		
School Aid - PA 165 of 2020	\$	15,340.1
School Aid - Pending Supplemental (2021-6)	\$	(60.3)
Community Colleges - PA 165 of 2020	\$	425.7
Universities - PA 165 of 2020	\$	356.1
Subtotal Ongoing Expenditures	\$	16,061.6
One-Time:		
School Aid - PA 165 of 2020	\$	185.0
School Aid - PA 3 of 2021	\$	1,009.2
School Aid - Pending Supplemental (2021-4 and 6)	\$	135.8
Community Colleges - Pending Supplemental (2021-6)	\$	12.7
Subtotal One-Time Expenditures	\$	1,342.7
Total Expenditures	\$	17,404.3
Ending Balance	\$	754.4

**SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE**

April 30, 2021
(\$ in millions)

Fiscal Year 2020

Fiscal Year 2021

Expenditures & Encumbrances Year to Date FY 2020	Fiscal Year End SEP 30, 2020	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2021
75.0	110.5	Agriculture and Rural Development	121.3	5.2	24.2	150.7	71.5
54.9	93.2	Attorney General	105.3	2.1	20.0	127.4	52.3
247.5	389.6	Capital Outlay (2)	332.4	0.0	673.9	1,006.3	195.4
8.3	14.0	Civil Rights	18.0	1.5	1.9	21.4	8.3
877.4	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	932.3
1,287.9	2,017.3	Corrections	2,050.7	2.5	253.5	2,306.7	1,214.9
204.4	1,134.0	Education	516.7	9.9	155.7	682.3	308.1
290.0	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	261.0
4.8	7.4	Executive Office	7.1	0.0	0.9	8.1	6.1
13,834.2	26,614.3	Health and Human Services	28,453.2	1,303.9	1,247.4	31,004.5	16,270.8
31.3	53.9	Insurance and Financial Service	73.3	1.5	0.0	74.8	31.7
139.8	271.3	Judiciary	313.6	0.4	4.9	319.0	133.8
259.1	444.8	Labor and Economic Opportunity	745.2	305.1	2,850.0	3,900.3	291.8
14.6	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	14.7
91.1	154.3	Legislature	172.4	0.0	93.8	266.2	90.3
207.5	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	270.4
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
62.4	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	136.2
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.1	42.5	19.8
124.0	171.9	Military and Veterans Affairs	102.4	22.2	17.9	142.4	78.4
84.8	132.7	Natural Resources	136.5	5.0	58.5	199.9	78.4
137.0	252.4	State	254.3	12.1	88.1	354.5	133.1
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
395.5	837.6	State Police (3)	737.2	36.2	191.5	965.0	364.9
559.6	1,047.2	Technology, Management and Budget (4)	495.0	194.4	619.5	1,308.9	358.1
3.1	6.2	Transportation	0.0	47.0	29.5	76.5	2.3
1,383.0	3,758.1	Treasury	2,080.6	148.4	197.6	2,426.6	1,533.8
\$20,377.3	\$39,893.1		\$39,180.9	\$2,218.7	\$7,371.7	\$48,771.3	\$22,858.5

(1) Includes boilerplate appropriations.

(2) Includes all capital outlay activity regardless of agency.

(3) Does not include federal FEMA authorization and expenditures allocated to and included within the other departments.

(4) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2021
April 30, 2021
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	19,907.4	170.2	20,077.6
Total state spending from state resources	35,359.1	490.5	35,849.6
Percentage of state spending from state resources paid to local units	56.30%	34.70%	56.01%
Required payments to local units (48.97%)	17,315.4	240.2	17,555.5
Surplus/(deficit)	\$2,592.0	(\$70.0)	\$2,522.1

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
April 30, 2021
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 867,226
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Total Assets	\$ 867,226
	<hr/> <hr/>

LIABILITIES

Current Liabilities:	
Total Current Liabilities	\$ -
	<hr/>
Total Liabilities	-
	<hr/>

FUND BALANCES

Committed	867,226
	<hr/>
Total Fund Balances	867,226
	<hr/>
Total Liabilities and Fund Balances	\$ 867,226
	<hr/> <hr/>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2020 through April 30, 2021
(\$ in thousands)

REVENUES

Miscellaneous	\$ 17,992
	<hr/>
Total Revenues	17,992
	<hr/>

EXPENDITURES

Current:	
General government	284
	<hr/>
Total Expenditures	284
	<hr/>
Excess of Revenues over (under) Expenditures	17,708
	<hr/>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	20,417
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	20,417
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 38,125 ¹
	<hr/> <hr/>

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

**STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
MICHIGAN NATURAL RESOURCES TRUST FUND**

April 30, 2021
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 16,728
Investments	-
Other current assets	-
Total Current Assets	<u>16,728</u>
 Noncurrent Assets:	
Investments	<u>767,353</u>
 Total Assets	<u><u>\$ 784,081</u></u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 8,326
Amounts due to other funds	-
Total Current Liabilities	<u>8,326</u>
 Total Liabilities	<u>8,326</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>275,755</u>
 Total Fund Balances	<u>775,755</u>
 Total Liabilities and Fund Balances	<u><u>\$ 784,081</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2020 through April 30, 2021
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		43,670
		43,670
Total Revenues		43,670

EXPENDITURES

Current:		
General government		2,406
Conservation, environment, recreation, and agriculture		8,300
Capital outlay		595
		11,300
Total Expenditures		11,300
Excess of Revenues over (under) Expenditures		32,370

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		-
		-
Total Other Financing Sources (Uses)		-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	32,370 ¹

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

REVENUE OVERVIEW

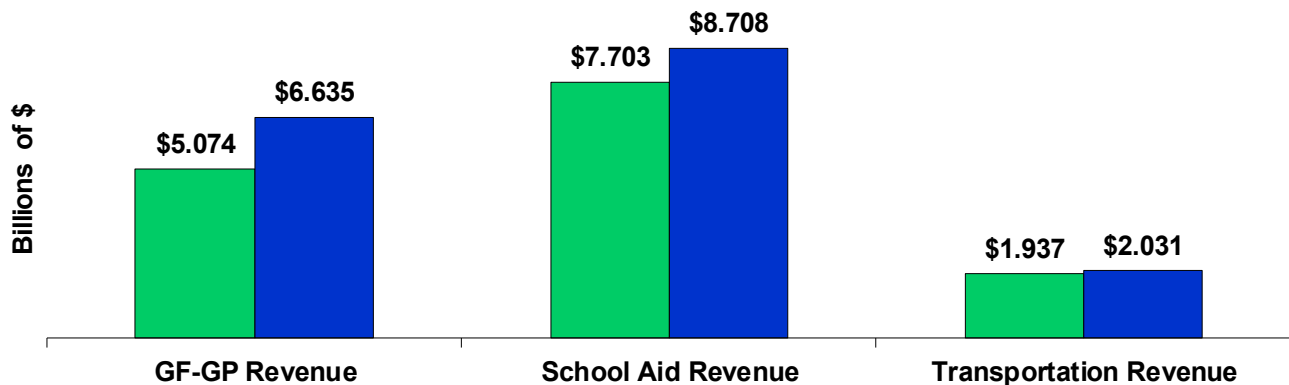
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2021, representing some March and some April economic activity in Michigan.

Due to the effects of the pandemic on revenues a year ago, growth rates are significantly different than usually observed. Total General Fund - General Purpose cash collections were \$630.9 million (93.0 percent) higher in April 2021 than in April 2020. The April 2021 School Aid Fund cash collections were \$522.0 million (71.7 percent) higher than in April 2020. April 2021 transportation collections were \$89.8 million (40.5 percent) higher than in April 2020 (see revenue summary table). April is the seventh 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 \$1,560.7 million (30.8 percent) from a year ago. School Aid Fund cash collections are up \$1,005.8 million (13.1 percent) and transportation collections are up \$94.0 million (4.9 percent).

The FY 2020-21 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 15, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2020-21 is \$10,237.5 million and the net School Aid revenue forecast is \$14,030.2 million. The Transportation Funds revenue forecast is \$3,680.9 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

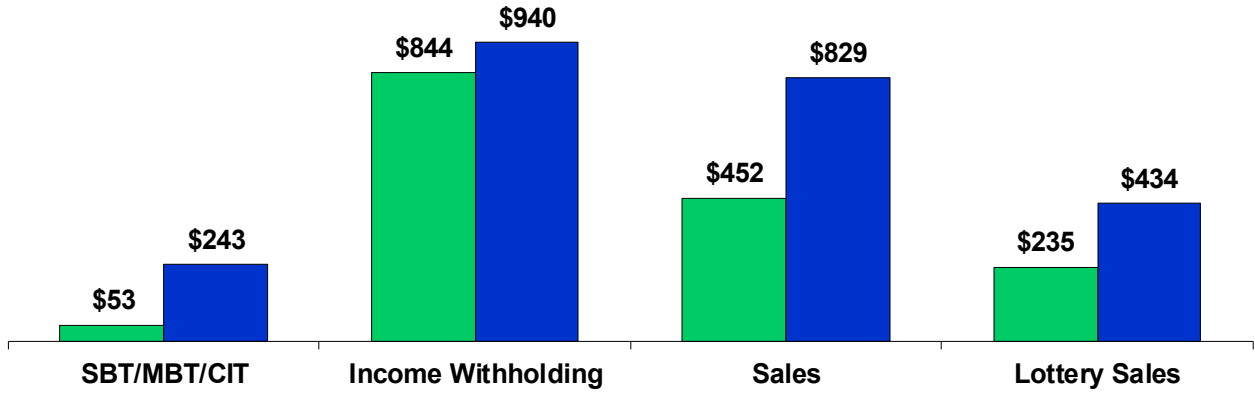
October through April Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

**April Revenue Collections
FY 2019-20 and FY 2020-21**



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

**October through April Collections
FY 2019-20 and FY 2020-21**



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

Revenue Summary FY 2020-21
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2021

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20	FY 2020-21	FY 2020-21
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Preliminary Total (i)	Statutory Estimate	January 2021 Forecast
Income Taxes											
\$844,282	\$939,988	\$95,706	11.3%	Withholding	\$6,212,558	\$6,571,706	\$359,148	5.8%	\$10,502,700	\$9,971,300	\$10,364,500
47,143	317,634	270,490	574.0%	Quarterlies	505,657	872,028	366,370	72.5%	1,208,400	1,019,500	976,400
107,956	411,768	303,812	281.0%	Annuals	335,191	692,155	356,964	106.0%	1,298,100	1,147,600	1,229,600
\$999,381	\$1,669,389	\$670,009	67.0%	Gross Collections	\$7,053,406	\$8,135,888	\$1,082,482	15.3%	\$13,009,200	\$12,138,400	\$12,570,500
337,940	545,456	207,516	61.4%	Less: Refunds	1,792,290	1,756,443	(35,847)	-2.0%	2,517,700	2,366,900	2,416,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$661,441	\$1,123,933	\$462,492	69.9%	Net Personal Income	\$5,261,116	\$6,379,445	\$1,118,329	21.3%	\$10,490,900	\$9,770,700	\$10,153,300
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	273,000	350,000	77,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	40,250	40,250	0	0.0%	69,000	69,000	69,000
232,654	388,621	155,967	67.0%	Less: Disbursements to SAF	1,642,051	1,894,018	251,967	15.3%	3,093,000	2,889,900	2,993,000
\$384,037	\$679,563	\$295,525	77.0%	Net Personal Income To GF-GP	\$3,305,815	\$4,095,176	\$789,361	23.9%	\$6,860,900	\$6,211,800	\$6,491,300
Consumption Taxes											
\$89,517	\$132,448	\$42,931	48.0%	Sales (a)	\$751,537	\$826,476	\$74,939	10.0%	\$1,299,800	\$1,250,200	\$1,274,700
32,502	101,664	69,162	213.0%	Use (a) (h)	383,211	701,800	318,590	83.1%	735,300	654,500	818,300
15,100	14,589	(511)	-3.4%	Tobacco	98,896	100,129	1,233	1.2%	180,100	167,800	174,700
2,033	8,477	6,444	317.0%	Beer, Wine & Mixed Spirits	25,363	34,138	8,774	34.6%	51,400	50,500	53,000
5,098	553	(4,545)	-89.1%	Liquor Specific	31,835	31,563	(272)	-0.9%	73,100	57,500	68,000
\$144,250	\$257,730	\$113,480	78.7%	Total Consumption Taxes	\$1,290,842	\$1,694,106	\$403,264	31.2%	\$2,339,700	\$2,180,500	\$2,388,700
Other Taxes											
\$1,471	\$7	(\$1,464)	-99.5%	Single Business	(\$8,463)	(\$353)	\$8,110	-95.8%	(\$5,400)	\$0	\$0
75,430	80,499	5,069	6.7%	Insurance Premiums Taxes	\$291,264	259,422	(31,842)	-10.9%	456,800	380,400	398,700
76,901	80,506	3,605	4.7%	Sub-total SBT & Insurance	282,801	259,069	(23,732)	-8.4%	451,400	380,400	398,700
16,039	(47,987)	(64,026)	na	Michigan Business Tax	(527,776)	(526,245)	1,531	0.3%	(553,700)	(643,900)	(626,900)
35,014	291,158	256,143	732.0%	Corporate Income Tax	536,638	894,873	358,234	66.8%	1,104,800	912,800	1,074,400
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
0	0	0	na	Telephone & Telegraph	11,355	11,087	(268)	-2.4%	32,400	30,000	32,000
936	1,732	795	84.9%	Oil & Gas Severance	11,136	9,990	(1,146)	-10.3%	12,800	12,000	12,000
6,736	30,349	23,614	351.0%	Penalties & Interest	53,387	78,246	24,859	46.6%	90,700	127,000	120,000
82	728	645	785.0%	Essential Services Assessment	1,017	2,136	1,118	110.0%	122,000	125,000	126,000
0	8	8	na	Miscellaneous Other/Railroad	176	110	(66)	-37.4%	3,800	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(81,667)	(88,667)	(7,000)	-8.6%	(139,800)	(152,000)	(152,000)
\$124,042	\$343,827	\$219,785	177.0%	Total Other Taxes	\$287,068	\$640,598	\$353,530	123.0%	\$1,124,400	\$793,300	\$986,200
\$652,329	\$1,281,120	\$628,791	96.4%	Subtotal GF-GP Taxes	\$4,883,725	\$6,429,881	\$1,546,155	31.7%	\$10,325,000	\$9,185,600	\$9,866,200

continued

Revenue Summary FY 2020-21
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2021

Month-End Cash Collections Data				October Through April Cash Collections Data						Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20	FY 2020-21	FY 2020-21	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Preliminary Total (i)	Statutory Estimate	January 2021 Forecast	
Non-Tax Revenue (e)												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$8,750	\$5,833	(\$2,917)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	58	58	0	0.0%	300	100	100	
500	583	83	16.7%	Services	3,500	4,083	583	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	7,000	8,167	1,167	16.7%	51,100	14,000	14,000	
(684)	(684)	0	0.0%	Investments/Interest Costs	2,789	2,789	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	5,833	5,833	0	0.0%	14,500	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	113,750	131,250	17,500	15.4%	290,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	49,000	47,250	(1,750)	-3.6%	75,100	81,000	78,200	
\$26,157	\$28,241	\$2,083	8.0%	Total Non-Tax Revenue	\$190,681	\$205,264	\$14,583	7.6%	\$445,700	\$351,100	\$371,300	
\$678,487	\$1,309,361	\$630,874	93.0%	Total GF-GP Revenue	\$5,074,406	\$6,635,145	\$1,560,739	30.8%	\$10,770,700	\$9,536,700	\$10,237,500	
School Aid Fund												
\$240,581	\$338,626	\$98,046	40.8%	Sales Tax 4%	\$1,960,175	\$2,131,118	\$170,944	8.7%	\$3,387,600	\$3,344,700	\$3,444,400	
51,039	265,002	213,963	419.0%	Sales Tax 2%	1,291,014	1,505,671	214,657	16.6%	2,656,400	2,604,600	2,686,400	
35,669	71,300	35,631	100.0%	Use Tax 2%	327,514	513,436	185,922	56.8%	622,500	576,000	657,900	
17,140	18,904	1,764	10.3%	State Education Property Tax	1,458,048	1,507,408	49,360	3.4%	2,189,900	2,163,000	2,237,600	
21,564	34,674	13,109	60.8%	Real Estate Transfer Tax	192,179	266,605	74,426	38.7%	335,400	325,000	363,600	
90,000	90,000	0	0.0%	Lottery Transfer (b)	521,822	581,983	60,161	11.5%	1,179,900	1,026,800	1,058,100	
0	8,754	8,754	na	Casino Wagering Tax	54,422	46,229	(8,193)	-15.1%	67,000	112,800	116,500	
4,940	0	(4,940)	-100.0%	Liquor Excise Tax	31,119	29,872	(1,247)	-4.0%	70,900	57,100	67,600	
30,655	29,617	(1,038)	-3.4%	Cigarette/Tobacco Tax	200,774	203,277	2,502	1.2%	331,800	314,900	322,300	
2,200	3,795	1,595	72.5%	Indus. & Comm. Facilities Taxes	17,672	22,992	5,320	30.1%	40,900	33,000	37,000	
1,725	899	(827)	-47.9%	Specific Other	5,748	5,751	3	0.1%	27,000	54,100	45,800	
232,654	388,621	155,967	67.0%	Income Tax Earmarking	1,642,051	1,894,018	251,967	15.3%	3,093,000	2,889,900	2,993,000	
\$728,168	\$1,250,191	\$522,023	71.7%	Total School Aid Fund	\$7,702,538	\$8,708,360	\$1,005,822	13.1%	\$14,002,300	\$13,501,900	\$14,030,200	
Multi-Fund Revenue Summary												
\$452,007	\$829,379	\$377,372	83.5%	Sales Tax 6%	\$4,557,972	\$5,057,535	\$499,563	11.0%	\$8,307,700	\$8,159,000	\$8,406,000	
400,968	564,377	163,409	40.8%	Sales Tax 4% (d)	3,266,958	3,551,864	284,906	8.7%	5,651,300	5,554,400	5,719,600	
51,039	265,002	213,963	419.0%	Sales Tax 2%	1,291,014	1,505,671	214,657	16.6%	2,656,400	2,604,600	2,686,400	
107,008	213,901	106,892	100.0%	Use Tax 6% (g)	982,541	1,540,308	557,767	56.8%	1,813,200	1,722,000	1,967,700	
2,295	20,132	17,837	777.0%	Recreational Marihuana	3,899	54,441	50,542	na	31,364	98,000	75,000	
75,879	73,309	(2,570)	-3.4%	Tobacco Taxes	496,966	503,161	6,194	1.2%	904,100	847,100	879,000	
211,270	236,817	25,546	12.1%	Tobacco Settlement	217,815	236,817	19,002	8.7%	na	na	na	

continued

Revenue Summary FY 2020-21
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2021

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
Major Transportation Revenues											
\$18,742	\$25,224	\$6,482	34.6%	Diesel Fuel / Motor Carrier Fuel Tax	\$137,305	\$140,116	\$2,811	2.0%	\$229,917	\$227,000	\$238,000
84,830	105,075	20,245	23.9%	Gasoline	669,713	612,848	(56,865)	-8.5%	1,086,857	1,150,000	1,155,000
69,533	117,768	48,235	69.4%	Motor Vehicle Registration	773,228	837,985	64,757	8.4%	1,345,111	1,373,000	1,373,000
1,089	4,848	3,759	345.0%	Other Taxes, Fees & Misc.	24,392	30,273	5,881	24.1%	119,062	217,996	182,419
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	59,303	59,756	453	0.8%	102,047	102,439	132,523
39,000	50,000	11,000	28.2%	Income Tax Earmarking	273,000	350,000	77,000	28.2%	468,000	600,000	600,000
\$221,665	\$311,451	\$89,787	40.5%	Total Major Trans. Revenues	\$1,936,941	\$2,030,979	\$94,038	4.9%	\$3,350,994	\$3,670,435	\$3,680,942
Lottery Sales By Games											
\$136,602	\$237,846	\$101,244	74.1%	Instant Games (f)	\$1,064,231	\$1,536,525	\$472,294	44.4%	na	na	na
60,396	98,220	37,824	62.6%	Daily Games	503,046	669,156	166,110	33.0%	na	na	na
19,584	30,025	10,441	53.3%	Lotto and Big Game (f)	193,980	298,663	104,683	54.0%	na	na	na
589	735	146	24.7%	Keno Game	4,785	5,158	373	7.8%	na	na	na
829	1,173	344	41.5%	Lucky For Life	7,523	8,161	638	8.5%	na	na	na
3,361	9,833	6,472	193.0%	Other (f)	59,280	46,404	(12,876)	-21.7%	na	na	na
13,377	55,669	42,292	316.0%	Club Games	326,916	310,695	(16,221)	-5.0%	na	na	na
\$234,738	\$433,501	\$198,763	84.7%	Total Lottery Sales	\$2,159,761	\$2,874,762	\$715,001	33.1%	na	na	na

- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (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) Lottery Sales include iLottery net win amounts; and Other lottery games includes the new Fast Cash games, which began in July 2017.
- (g) Gross Use tax collections include the transferred amounts to the Local Community Stabilization Authority, which are front-loaded at the beginning of the fiscal year. The year-to-date 2020 revenues were \$271.8 million and the year-to date 2021 revenues are \$325.1 million. Per 2014 Public Act 80, the total fiscal year 2020 Local Community Stabilization Share (LCSS) was \$465.9 million and the total fiscal year 2021 LCSS is \$491.5 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2020 LCSS revenues were \$271.8 million and the year-to-date 2021 LCSS revenues are \$325.1 million.
- (i) Official Comprehensive Annual Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.

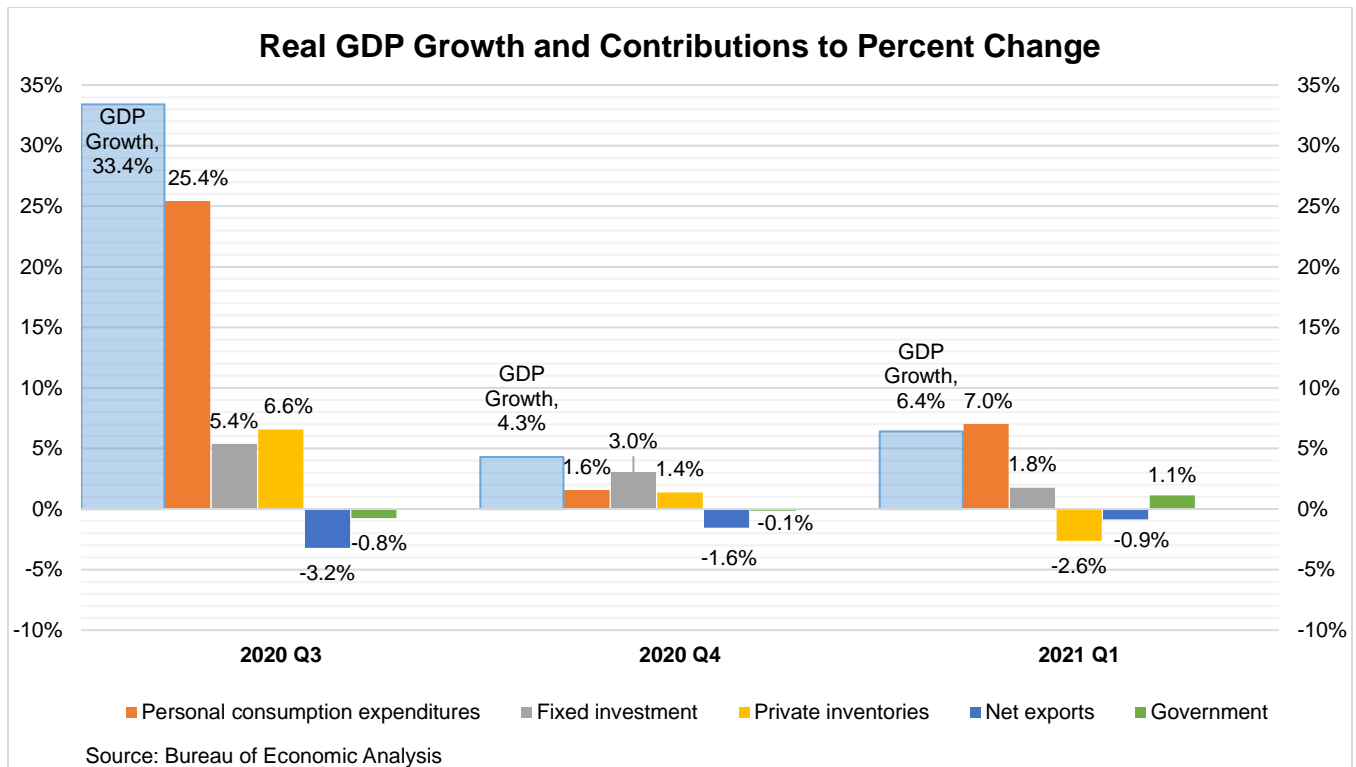
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 6.4 percent annual rate in the first quarter of 2021, according to the advance estimate, up from the 4.3 percent annual rate in the fourth quarter of 2020. The coronavirus (COVID-19) pandemic that hit the U.S. in 2020 drove the significant swings in GDP. The 2020 quarterly contributions to the percent change in GDP are shown in the graph below. Annual real GDP decreased 3.5 percent in 2020, a decline from the 2.2 percent growth of 2019.

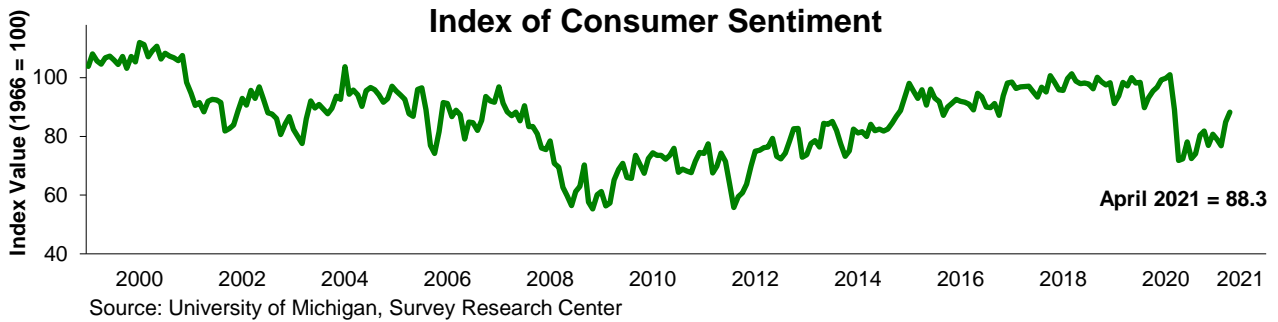


Personal consumption expenditures contributed significantly to the increase in GDP in the first quarter of 2021, along with fixed investment and government spending. Private inventories and net exports were both drags on the economy. Real final sales increased 9.2 percent in the first quarter while on the inflation front, the implicit price deflator increased by 4.1 percent.

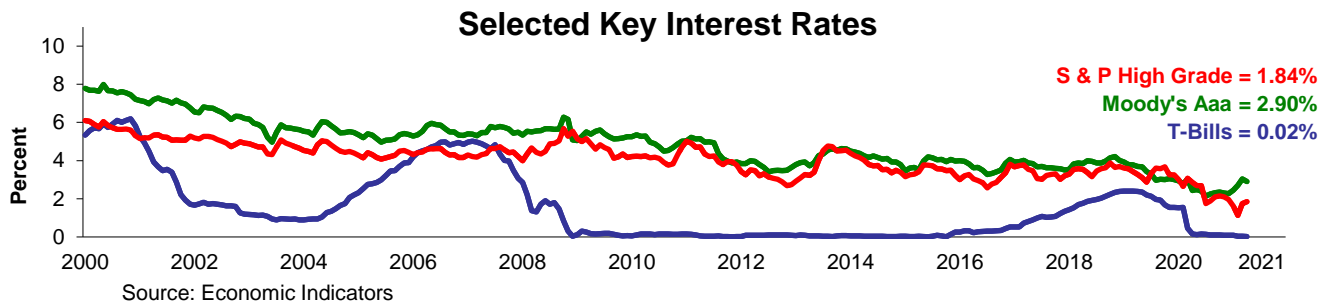
U.S. wage and salary employment increased by 266,000 jobs in April. Employment levels were still 8.2 million payroll jobs, or 5.4 percent, below the February 2020 level, prior to the pandemic. In April, sectors with the largest increases in employment include the leisure and hospitality sector with 331,000 jobs, government employment with 48,000 jobs, and other services with 44,000 jobs. Of the increases in government employment, most was in local government education, which increased 31,100 jobs. Sectors with the largest declines in employment include trade, transportation, and utilities with 81,000 jobs lost, and professional and business services with 79,000 jobs lost.

In April, the U.S. unemployment rate increased slightly to 6.1 percent, up from March's 6.0 percent. Civilian employment totaled 151.2 million, a slight increase from March's 150.8 million, while the number unemployed increased slightly to 9.8 million. Of the unemployed, 2.1 million were reported as being on a temporary layoff, an increase of 0.1 million from March.

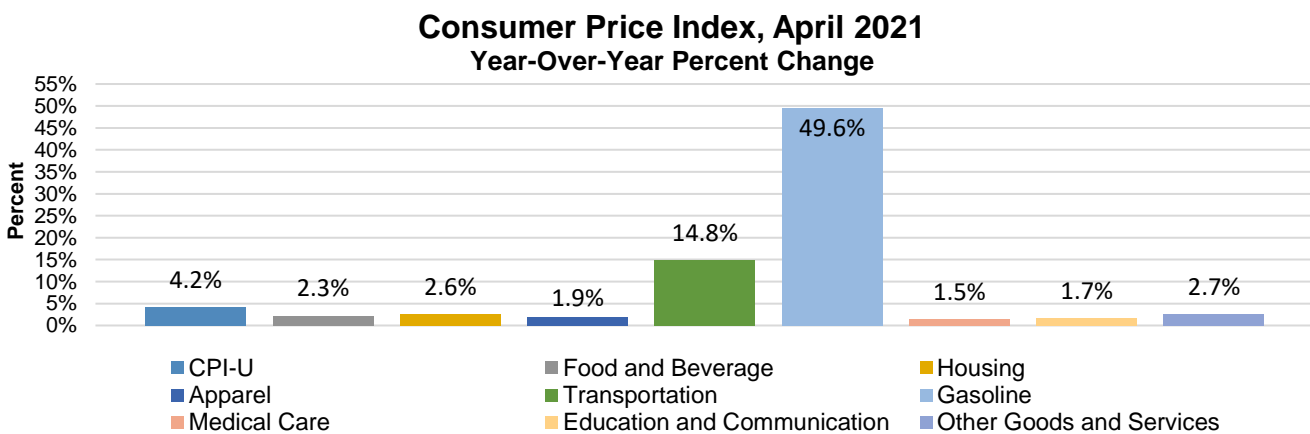
The **Index of Consumer Sentiment** increased 3.4 index-points from March, up to 88.3 in April. The year-over-year consumer sentiment is 16.5 index-points above April 2020 levels, which had plummeted from February 2020's high of 101.0 due to the start of the pandemic.



Short-term **interest rates** declined in April, as the 3-month Treasury bill (T-bill) rate dropped to 0.02 percent, 0.01 percentage point lower than March's 0.03 percent. Compared to one year ago, at the start of the pandemic, the T-bill rate decreased 0.13 percentage points. The Aaa corporate bond rate decreased 0.14 percentage points to an interest yield of 2.90 percent in April and was up 0.47 percentage points from its year-ago level. The interest rate on high-grade municipal bonds increased 0.10 percentage points to 1.84 percent in April but was down 1.02 percentage points from a year ago.

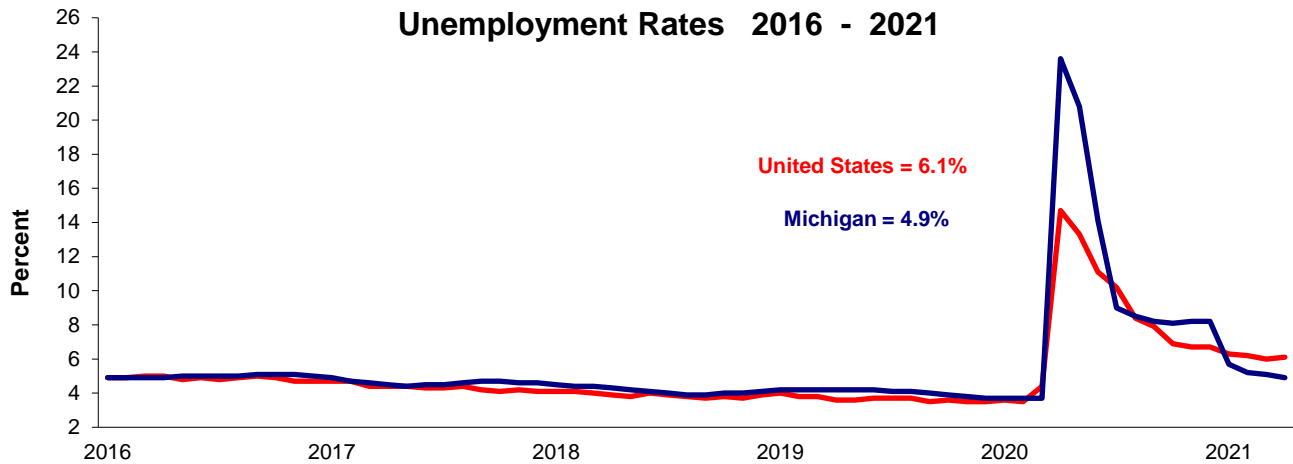


U.S. retail prices, as measured by the Consumer Price Index (CPI-U), are up 4.2 percent from April 2020 to April 2021. Gasoline experienced the largest year-over-year price increase (49.6 percent) due to the dramatic decline in gasoline prices at the start of the pandemic. Transportation was next in largest price increase (14.8 percent). Far lower year-over-year percent changes can be seen in other goods and services (2.7 percent), housing (2.6 percent), food and beverage (2.3 percent), apparel (1.9 percent), education and communication (1.7 percent), and medical care (1.5 percent).



Michigan Economy

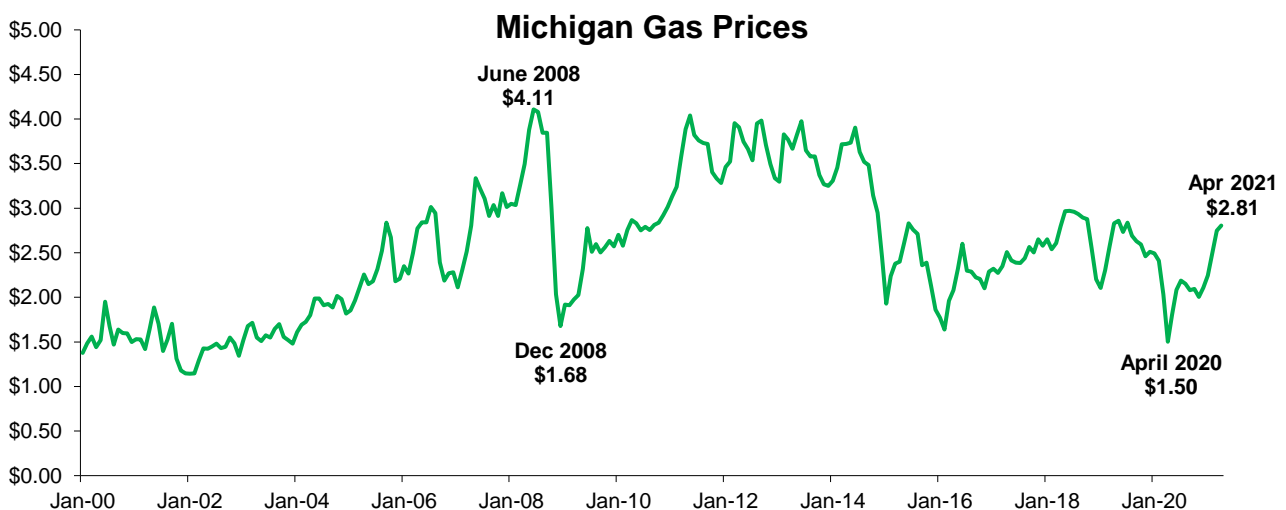
The **Michigan jobless rate** declined 0.2 percentage points to 4.9 percent in April, down from March's 5.1 percent jobless rate. This is the lowest unemployment rate since March 2020 and below the national unemployment rate of 6.1 percent. The civilian labor force remained flat, declining by only 2,000 in April, a 0.0 percent change from March. The number unemployed decreased by 8,000, a 3.3 percent decline, while the number employed increased by only 6,000, a 0.1 percent increase from March to April. The number unemployed is 78.7 percent lower than in April 2020, at the start of the pandemic in the U.S.



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

Michigan wage and salary employment declined in April by 19,000 jobs from March, but was up 717,000 jobs, or 21.1 percent, from April 2020 which was the low point of the pandemic. In April, most sectors had relatively flat employment changes. The sectors with the largest declines include manufacturing with 11,000 jobs lost, leisure and hospitality services with 6,000 jobs lost, and education and health services with 4,000 jobs lost.

Michigan gasoline prices increased in April 2021 to \$2.81 per gallon, up 5.6 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$1.50 per gallon in April 2020, when they declined sharply at the start of the pandemic.

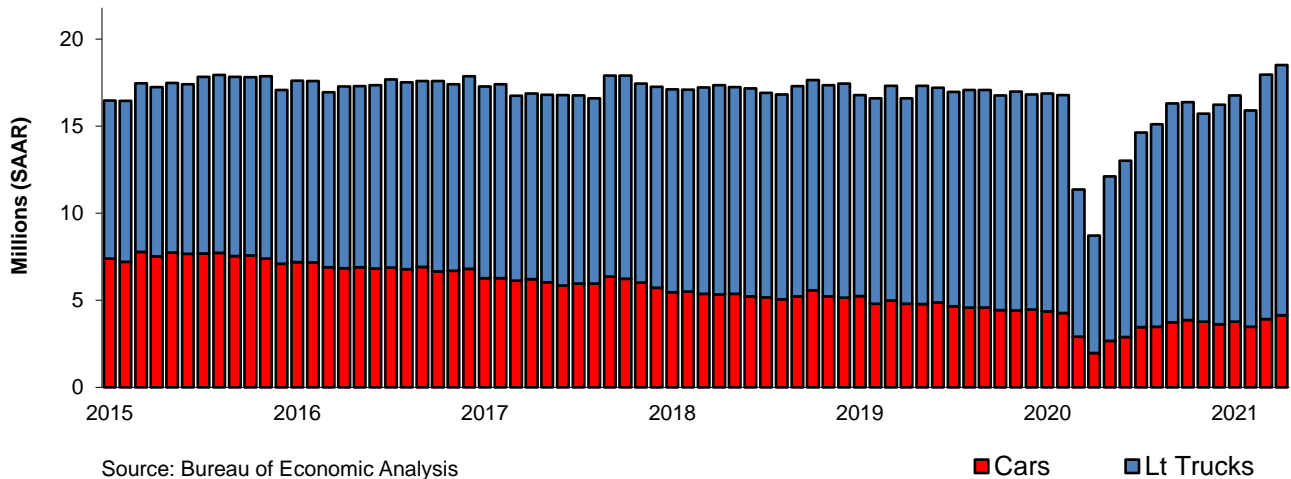


Source: AAA Michigan

Motor Vehicle Sector

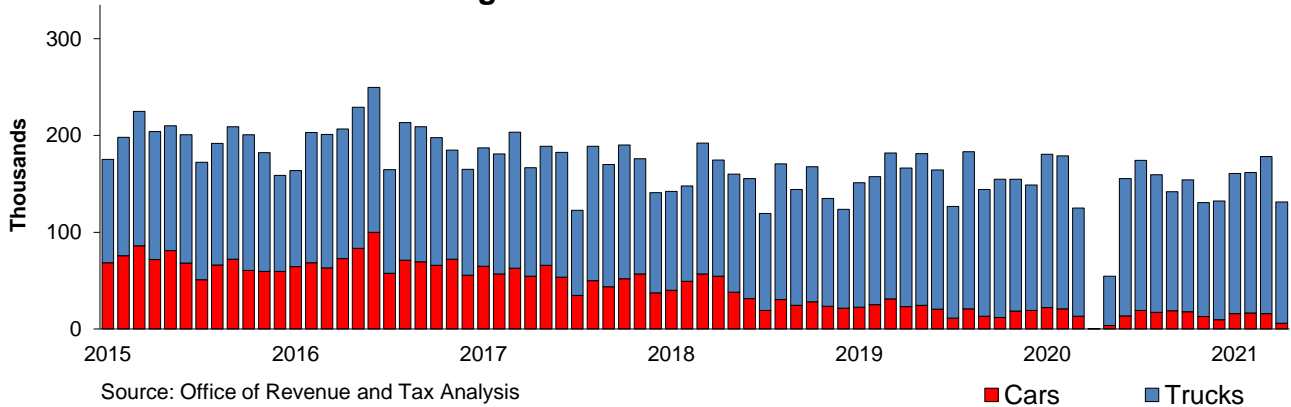
U.S. light vehicle sales (cars and light trucks) increased 3.1 percent in April from March, selling at an 18.5 million unit seasonally adjusted annual rate, the highest monthly sales rate in over 15 years. Domestic car sales increased 6.3 percent and light truck sales increased 0.5 percent from March. Import car sales and light truck sales increased 2.7 percent and 8.8 percent, respectively, from March. Compared to April 2020, when the pandemic began in the U.S., light vehicle sales in April were up dramatically, increasing 112.2 percent. Domestic car sales increased 101.8 percent while light truck sales increased 102.5 percent from the year ago levels. Import car sales were up 132.6 percent while import light truck sales were up 141.5 percent from last year. For March 2021, domestic light vehicles recorded a 74.8 percent share of an 18.5 million unit market, down 1.0 percent from March.

U.S. Light Vehicle Sales



Michigan motor vehicle production was down in April, with 131,375 total units, 26.3 percent below March's production, and up dramatically from a year ago, when production was shut down due to the start of the pandemic in the U.S. Nationally, motor vehicle production was significantly higher than a year ago, when production was shut down and less than 2,000 vehicles were produced. In April, Michigan's car production was 5,999 units while the state's truck production was 131,375 units. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit
Based on the January 15, 2021 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	<u>Fiscal Year 2019-20 Estimate</u>	<u>Fiscal Year 2020-21 Estimate</u>	<u>Fiscal Year 2021-22 Estimate</u>
Applicable Calendar Year Personal Income	\$484,030	\$491,632	\$521,130
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$45,934.4</u>	<u>\$46,655.9</u>	<u>\$49,455.2</u>
Revenue Limit	\$45,934.4	\$46,655.9	\$49,455.2
State Revenue Subject to Limit	<u>\$34,527.8</u>	<u>\$34,135.5</u>	<u>\$35,332.8</u>
Amount Under (Over) Limit	\$11,406.6	\$12,520.4	\$14,122.4

Sources:

Personal Income Estimate

The FY 2019-20 calculation uses the official personal income estimate for calendar year 2018 (Survey of Current Business, October 2019).

The FY 2020-21 calculation uses the official personal income estimate for calendar year 2019 (Survey of Current Business, October 2020).

The FY 2021-22 calculation uses the January 15, 2021 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2019-20 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2020-21 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2021-22 calculation uses the January 15, 2021 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