



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

May 27, 2022

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, 2022. 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,

Christopher M. Harkins
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 2022
Projected Revenues and Expenditures
April 30, 2022
(\$ in millions)

	FISCAL 2022
Beginning Balance	\$ 4,362.8
Revenues	
Ongoing:	
January 2022 Consensus Forecast	\$ 12,449.7
Local Government Program Payments	\$ (500.3)
Subtotal Ongoing Revenue	\$ 11,949.4
One-Time:	
Miscellaneous Adjustments	\$ (2.6)
Subtotal One-Time Revenue	\$ (2.6)
Total Revenue	\$ 11,946.8
Expenditures	
Ongoing:	
Public Acts 48, 86, and 87 of 2021	\$ 10,996.4
Subtotal Ongoing Expenditures	\$ 10,996.4
One-Time:	
Public Acts 48, 86, 87, 132, and 133 of 2021	\$ 1,926.4
Public Acts 53 and 61 of 2022	\$ 595.7
Extension of enhanced FMAP through FY22 4th Quarter	\$ (660.3)
Subtotal One-Time Expenditures	\$ 1,861.8
Total Expenditures	\$ 12,858.2
Ending Balance	\$ 3,451.4

SCHOOL AID FUND
Fiscal Year 2022
Projected Revenues and Expenditures
April 30, 2022
(\$ in millions)

FISCAL
2022

Beginning Balance	\$	2,922.3
Revenues		
Ongoing:		
January 2022 Consensus Forecast	\$	16,078.2
General Fund	\$	40.0
Community District Trust Fund	\$	72.0
Federal Revenue	\$	1,822.5
Subtotal Ongoing Revenue	\$	18,012.7
One-Time:		
General Fund	\$	45.4
Federal Revenue - ARP	\$	202.0
Subtotal One-Time Revenue	\$	247.4
Total Revenue	\$	18,260.1
Expenditures		
Ongoing:		
School Aid - Public Act 48 of 2021	\$	16,230.5
Community Colleges - Public Act 86 of 2021	\$	428.2
Universities - Public Act 86 of 2021	\$	361.4
Subtotal Ongoing Expenditures	\$	17,020.1
One-Time:		
School Aid - Public Act 48 of 2021	\$	747.6
Community Colleges - Public Act 86 of 2021	\$	3.2
Subtotal One-Time Expenditures	\$	750.8
Total Expenditures	\$	17,770.9
Ending Balance	\$	3,411.5

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

April 30, 2022
(\$ in millions)

Fiscal Year 2021			Fiscal Year 2022				
Expenditures & Encumbrances Year to Date FY 2021	Fiscal Year End SEP 30, 2021	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2022
71.5	118.5	Agriculture and Rural Development	155.6	5.3	35.3	196.2	81.6
52.3	96.8	Attorney General	106.8	6.2	20.7	133.7	57.3
195.4	306.5	Capital Outlay (2)	314.7	614.1	793.6	1,722.4	198.6
8.3	15.6	Civil Rights	17.8	1.5	2.5	21.8	9.6
932.3	1,470.9	Colleges and Universities	1,446.3	0.0	110.7	1,557.0	954.8
1,214.9	1,939.3	Corrections	2,055.8	2.5	365.3	2,423.5	1,242.0
308.1	571.7	Education	2,214.9	6.3	174.7	2,395.8	699.6
261.0	606.6	Environment, Great Lakes, and Energy	630.1	1,947.3	850.8	3,428.2	282.2
6.1	7.8	Executive Office	7.3	0.0	0.1	7.4	5.1
16,270.8	30,300.0	Health and Human Services	31,586.5	1,577.6	2,035.9	35,200.0	17,883.7
31.7	83.8	Insurance and Financial Service	73.0	1.6	25.0	99.6	40.1
133.8	272.2	Judiciary	320.5	0.3	7.7	328.5	141.8
291.8	966.6	Labor and Economic Opportunity	877.2	2,074.9	3,414.9	6,366.9	2,020.8
14.7	25.6	Legislative Auditor General	27.1	0.0	7.2	34.3	15.0
90.3	160.5	Legislature	183.2	3.0	126.1	312.3	107.0
270.4	375.5	Licensing and Regulatory Affairs	484.2	83.6	95.1	662.8	229.0
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
136.2	178.7	Michigan Strategic Fund	323.3	73.0	0.0	396.3	352.5
19.8	42.5	Michigan Veterans' Facility Authority	35.5	3.5	0.0	39.0	35.5
78.4	119.9	Military and Veterans Affairs	104.5	17.3	10.1	131.9	84.8
78.4	120.2	Natural Resources	141.7	5.0	62.3	209.1	71.2
133.1	251.3	State	252.2	12.1	88.8	353.0	133.0
0.0	0.0	State Land Bank Authority	0.0	1.1	0.0	1.1	0.0
364.9	1,281.3	State Police	828.6	339.4	592.6	1,760.6	415.6
358.1	1,329.1	Technology, Management and Budget (3)	503.4	42.9	453.7	1,000.1	264.9
2.3	9.8	Transportation	0.0	47.0	29.5	76.5	0.9
1,533.8	4,189.6	Treasury	2,098.6	1,126.9	245.9	3,471.3	1,568.5
\$22,858.5	\$44,840.3		\$44,788.9	\$7,992.2	\$9,578.7	\$62,359.7	\$26,895.1

(1) Includes boilerplate appropriations.
(2) Includes all capital outlay activity regardless of agency.
(3) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2022
April 30, 2022
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	20,443.9	178.9	20,622.8
Total state spending from state resources	37,930.7	1,754.7	39,685.4
Percentage of state spending from state resources paid to local units	53.90%	10.20%	51.97%
Required payments to local units (48.97%)	18,574.7	859.3	19,433.9
Surplus/(deficit)	\$1,869.2	(\$680.4)	\$1,188.9

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
April 30, 2022
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 1,383,373
Total Assets	<u>\$ 1,383,373</u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,383,373</u>
Total Fund Balances	<u>1,383,373</u>
Total Liabilities and Fund Balances	<u>\$ 1,383,373</u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2021 through April 30, 2022
(\$ in thousands)

REVENUES

Miscellaneous	\$ <u>1,024</u>
Total Revenues	<u>1,024</u>

EXPENDITURES

Current:	
General government	<u>-</u>
Total Expenditures	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>1,024</u>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	-
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u><u>\$ 1,024</u></u> ¹

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, 2022
(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 49,764
Investments	-
Other current assets	-
Total Current Assets	<u>49,764</u>

Noncurrent Assets:

Investments	<u>739,513</u>
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Total Assets	<u><u>\$ 789,277</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 8,981
Amounts due to other funds	-
Total Current Liabilities	<u>8,981</u>

Total Liabilities	<u>8,981</u>
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FUND BALANCES

Nonspendable	500,000
Restricted	<u>280,296</u>

Total Fund Balances	<u>780,296</u>
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Total Liabilities and Fund Balances	<u><u>\$ 789,277</u></u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2021 through April 30, 2022
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		(1,149)
		(1,149)
Total Revenues		(1,149)

EXPENDITURES

Current:		
General government		2,754
Conservation, environment, recreation, and agriculture		9,753
Capital outlay		2,722
		2,722
Total Expenditures		15,228
Excess of Revenues over (under) Expenditures		(16,377)

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		28
Transfers from other funds		-
Transfers to other funds		(25)
		(25)
Total Other Financing Sources (Uses)		3
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		\$ (16,373) ¹

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

REVENUE OVERVIEW

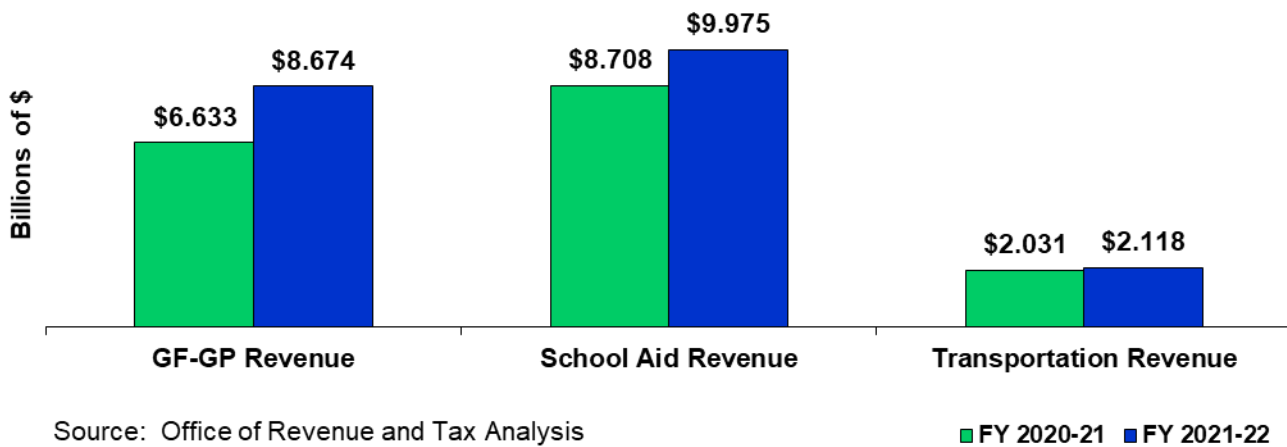
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2022, representing some March and some April economic activity in Michigan.

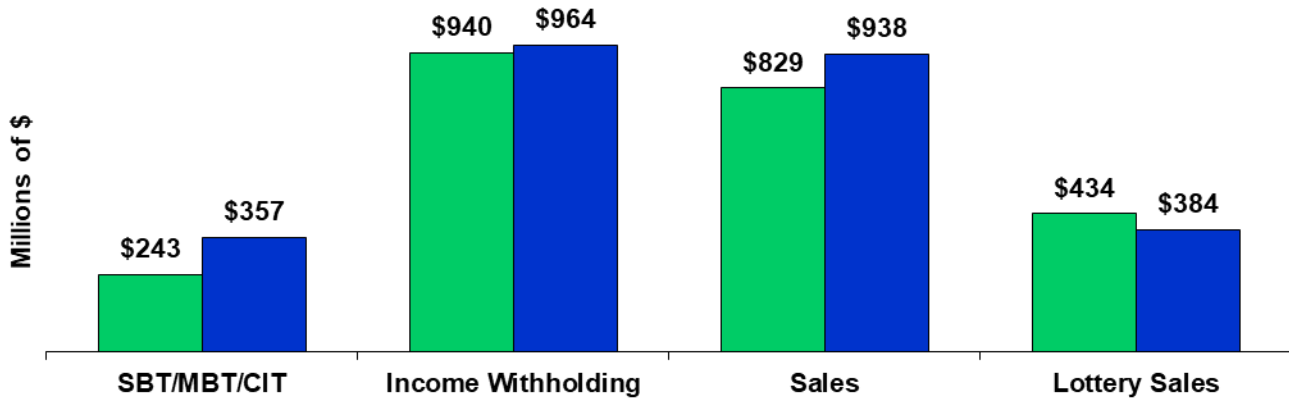
Strong personal income tax collections led to increased revenue in April. Total General Fund - General Purpose cash collections were \$594.3 million (45.4 percent) higher in April 2022 than in April 2021. The April 2022 School Aid Fund cash collections were \$270.4 million (21.6 percent) higher than in April 2021. April 2022 transportation collections were \$5.0 million (1.6 percent) lower than in April 2021 (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 \$2,041.6 million (30.8 percent) from a year ago. School Aid Fund cash collections are up \$1,266.6 million (14.5 percent) and transportation collections are up \$87.3 million (4.3 percent).

The FY 2021-22 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 14, 2022. The revenue estimate for net General Fund – General Purpose revenue for FY 2021-22 is \$12,449.7 million and the net School Aid revenue forecast is \$16,078.2 million. The Transportation Funds revenue forecast is \$3,838.2 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 2020-21 and FY 2021-22



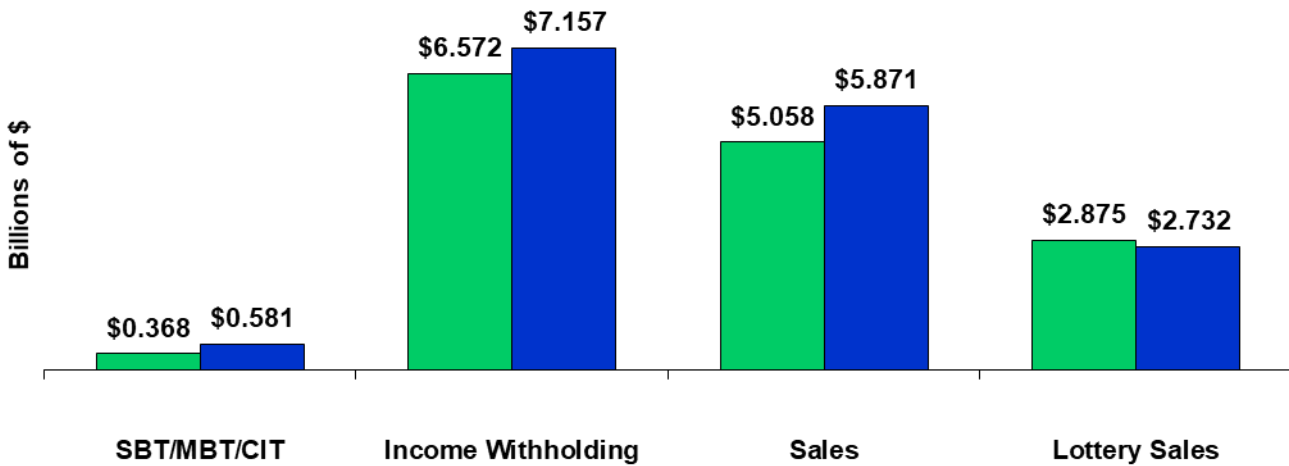
April Revenue Collections FY 2020-21 and FY 2021-22



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

October through April Collections FY 2020-21 and FY 2021-22



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

Revenue Summary FY 2021-22
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2022

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21 Total ⁽ⁱ⁾	FY 2021-22 Statutory Estimate	FY 2021-22 Jan 2022 Forecast
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent			
Income Taxes (j)											
\$939,988	\$963,583	\$23,596	2.5%	Withholding	\$6,571,706	\$7,156,662	\$584,956	8.9%	\$11,050,800	\$11,182,000	\$11,564,500
317,634	174,110	(143,523)	-45.2%	Quarterlies	872,028	709,461	(162,567)	-18.6%	1,706,000	1,331,500	785,200
0	224,590	224,590	na	Flow Through Entity Tax	0	1,432,054	1,432,054	na	na	na	1,193,500
411,768	1,057,824	646,056	157.0%	Annuals	692,155	1,341,448	649,294	93.8%	1,781,600	1,118,100	1,184,000
\$1,669,389	\$2,420,107	\$750,718	45.0%	Gross Collections	\$8,135,888	\$10,639,626	\$2,503,738	30.8%	\$14,538,400	\$13,631,600	\$14,727,200
545,456	666,024	120,568	22.1%	Less: Refunds	1,756,443	1,999,019	242,575	13.8%	2,696,900	2,427,300	2,838,200
0	0	0	na	Less: State Campaign Fund	0	0	0	na	600	800	800
\$1,123,933	\$1,754,084	\$630,150	56.1%	Net Personal Income	\$6,379,445	\$8,640,607	\$2,261,162	35.4%	\$11,840,900	\$11,203,500	\$11,888,200
50,000	50,000	0	0.0%	Less: Disbursements to MTF	350,000	350,000	0	0.0%	600,000	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
388,621	563,432	174,812	45.0%	Less: Disbursements to SAF	1,894,018	2,485,270	591,252	31.2%	3,458,300	3,245,400	3,506,300
\$679,563	\$1,134,901	\$455,338	67.0%	Net Personal Income To GF-GP	\$4,095,176	\$5,765,087	\$1,669,910	40.8%	\$7,713,600	\$7,289,100	\$7,712,900
Consumption Taxes											
\$132,081	\$149,759	\$17,677	13.4%	Sales (a)	\$823,909	\$937,708	\$113,798	13.8%	\$1,470,700	\$1,407,700	\$1,449,300
101,664	99,277	(2,387)	-2.3%	Use (a) (h)	701,800	691,069	(10,732)	-1.5%	1,258,300	1,124,100	1,169,100
14,589	13,398	(1,190)	-8.2%	Tobacco	100,129	92,024	(8,105)	-8.1%	177,000	172,600	175,000
8,477	7,799	(678)	-8.0%	Beer, Wine & Mixed Spirits	34,138	33,058	(1,079)	-3.2%	51,500	53,000	52,000
553	7,232	6,678	na	Liquor Specific	31,563	39,334	7,771	24.6%	80,500	69,000	77,000
\$257,364	\$277,465	\$20,101	7.8%	Total Consumption Taxes	\$1,691,539	\$1,793,193	\$101,654	6.0%	\$3,038,000	\$2,826,400	\$2,922,400
Other Taxes											
\$7	(\$1,638)	(\$1,645)	na	Single Business	(\$353)	(\$906)	(\$554)	157.0%	\$0	\$0	\$0
80,499	75,776	(4,723)	-5.9%	Insurance Premiums Taxes	\$259,422	283,974	24,552	9.5%	354,800	405,000	380,000
80,506	74,137	(6,369)	-7.9%	Sub-total SBT & Insurance	259,069	283,068	23,999	9.3%	354,800	405,000	380,000
(47,987)	14,159	62,146	na	Michigan Business Tax	(526,245)	(512,188)	14,058	2.7%	(490,500)	(592,900)	(594,300)
291,158	344,922	53,764	18.5%	Corporate Income Tax	894,873	1,094,359	199,486	22.3%	1,701,700	1,197,900	1,461,600
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
0	0	(0)	na	Telephone & Telegraph	11,087	10,237	(849)	-7.7%	32,400	32,000	32,000
1,732	2,082	350	20.2%	Oil & Gas Severance	9,990	20,849	10,859	109.0%	20,900	18,500	22,000
30,349	36,544	6,195	20.4%	Penalties & Interest	78,246	81,426	3,180	4.1%	134,600	132,000	136,000
728	883	155	21.4%	Essential Services Assessment	2,136	3,020	885	41.4%	125,800	135,000	135,000
8	0	(8)	-97.5%	Miscellaneous Other/Railroad	110	353	243	220.0%	2,900	2,000	3,000
(12,667)	(12,917)	(250)	-2.0%	Treasury Enforcement Programs (e)	(88,667)	(90,417)	(1,750)	-2.0%	(142,600)	(155,000)	(150,000)
\$343,827	\$459,810	\$115,983	33.7%	Total Other Taxes	\$640,598	\$890,709	\$250,110	39.0%	\$1,740,000	\$1,174,500	\$1,425,300
\$1,280,753	\$1,872,176	\$591,422	46.2%	Subtotal GF-GP Taxes	\$6,427,314	\$8,448,988	\$2,021,674	31.5%	\$12,491,600	\$11,290,000	\$12,060,600

continued

Revenue Summary FY 2021-22
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2022

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21 Total ^(f)	FY 2021-22 Statutory Estimate	FY 2021-22 Jan 2022 Forecast
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent			
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$5,833	\$5,833	\$0	0.0%	\$8,300	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	58	58	0	0.0%	100	100	100
583	583	0	0.0%	Services	4,083	4,083	0	0.0%	3,300	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	8,167	8,167	0	0.0%	22,400	14,000	14,000
(684)	(684)	0	0.0%	Investments/Interest Costs	2,789	2,789	0	0.0%	400	2,000	2,000
833	833	0	0.0%	Misc. Non-tax Revenue	5,833	5,833	0	0.0%	51,900	10,000	10,000
18,750	21,383	2,633	14.0%	Liquor Purchase Revolving Fund	131,250	149,683	18,433	14.0%	313,600	256,600	260,000
6,750	6,958	208	3.1%	From Other Funds-Lottery & Escheats	47,250	48,708	1,458	3.1%	99,400	83,500	86,000
<u>\$28,241</u>	<u>\$31,082</u>	<u>\$2,842</u>	<u>10.1%</u>	Total Non-Tax Revenue	<u>\$205,264</u>	<u>\$225,156</u>	<u>\$19,892</u>	<u>9.7%</u>	<u>\$499,400</u>	<u>\$383,200</u>	<u>\$389,100</u>
\$1,308,994	\$1,903,258	\$594,264	45.4%	Total GF-GP Revenue	\$6,632,578	\$8,674,144	\$2,041,566	30.8%	\$12,991,000	\$11,673,100	\$12,449,700
School Aid Fund											
\$338,626	\$385,462	\$46,836	13.8%	Sales Tax 4%	\$2,131,118	\$2,414,856	\$283,738	13.3%	\$3,836,000	\$3,683,200	\$3,834,800
265,002	295,320	30,318	11.4%	Sales Tax 2%	1,505,671	1,846,274	340,603	22.6%	3,021,600	2,882,900	3,022,900
71,300	71,351	51	0.1%	Use Tax 2%	513,436	497,665	(15,771)	-3.1%	876,100	824,900	847,900
18,904	19,580	676	3.6%	State Education Property Tax	1,507,408	1,540,022	32,614	2.2%	2,256,400	2,324,300	2,360,000
34,674	47,128	12,455	35.9%	Real Estate Transfer Tax	266,605	315,900	49,296	18.5%	490,300	402,400	487,500
90,000	90,000	0	0.0%	Lottery Transfer (b)	581,983	558,308	(23,675)	-4.1%	1,419,800	1,093,900	1,280,000
8,754	9,536	782	8.9%	Casino Wagering Tax	46,229	62,508	16,279	35.2%	181,100	181,700	227,000
0	6,794	6,794	na	Liquor Excise Tax	29,872	37,329	7,457	25.0%	76,700	68,600	76,600
29,617	27,201	(2,416)	-8.2%	Cigarette/Tobacco Tax	203,277	186,823	(16,454)	-8.1%	322,000	318,200	318,200
3,795	4,177	382	10.1%	Indus. & Comm. Facilities Taxes	22,992	24,510	1,518	6.6%	41,900	37,000	40,000
899	572	(326)	-36.3%	Specific Other	5,751	5,472	(279)	-4.9%	76,200	68,500	77,000
388,621	563,432	174,812	45.0%	Income Tax Earmarking	1,894,018	2,485,270	591,252	31.2%	3,458,300	3,245,400	3,506,300
<u>\$1,250,191</u>	<u>\$1,520,554</u>	<u>\$270,363</u>	<u>21.6%</u>	Total School Aid Fund	<u>\$8,708,360</u>	<u>\$9,974,937</u>	<u>\$1,266,577</u>	<u>14.5%</u>	<u>\$16,056,400</u>	<u>\$15,131,000</u>	<u>\$16,078,200</u>
Multi-Fund Revenue Summary											
\$829,379	\$937,758	\$108,378	13.1%	Sales Tax 6%	\$5,057,535	\$5,871,034	\$813,500	16.1%	\$9,414,800	\$9,000,800	\$9,412,600
564,377	642,437	78,060	13.8%	Sales Tax 4% (d)	3,551,864	4,024,760	472,896	13.3%	6,393,200	6,117,900	6,389,700
265,002	295,320	30,318	11.4%	Sales Tax 2%	1,505,671	1,846,274	340,603	22.6%	3,021,600	2,882,900	3,022,900
213,901	214,053	152	0.1%	Use Tax 6% (g)	1,540,308	1,492,995	(47,314)	-3.1%	2,623,000	2,470,300	2,539,300
20,132	31,123	10,991	54.6%	Recreational Marihuana	54,441	108,159	53,718	98.7%	120,472	120,000	142,900
73,309	67,329	(5,981)	-8.2%	Tobacco Taxes	503,161	462,433	(40,727)	-8.1%	890,145	868,000	878,000
236,817	242,978	6,161	2.6%	Tobacco Settlement	236,817	242,982	6,165	2.6%	na	na	na

continued

Revenue Summary FY 2021-22
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2022

Month-End Cash Collections Data				October Through April Cash Collections Data						Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21 Total ⁽ⁱ⁾	FY 2021-22 Statutory Estimate	FY 2021-22 Jan 2022 Forecast	
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent				
Major Transportation Revenues												
\$25,224	\$23,352	(\$1,872)	-7.4%	Diesel Fuel / Motor Carrier Fuel Tax	\$140,116	\$145,500	\$5,384	3.8%	\$240,846	\$241,500	\$245,000	
105,075	97,253	(7,822)	-7.4%	Gasoline	612,848	662,839	49,991	8.2%	1,111,575	1,196,000	1,165,200	
117,768	119,616	1,848	1.6%	Motor Vehicle Registration	837,985	851,117	13,131	1.6%	1,403,514	1,402,000	1,445,800	
4,848	4,780	(68)	-1.4%	Other Taxes, Fees & Misc.	30,273	28,473	(1,801)	-5.9%	155,878	216,258	239,357	
8,537	11,481	2,945	34.5%	Comprehensive Transportation (c)	59,756	80,368	20,612	34.5%	136,952	137,774	142,840	
50,000	50,000	0	0.0%	Income Tax Earmarking	350,000	350,000	0	0.0%	600,000	600,000	600,000	
\$311,451	\$306,482	(\$4,969)	-1.6%	Total Major Trans. Revenues	\$2,030,979	\$2,118,297	\$87,318	4.3%	\$3,648,765	\$3,793,532	\$3,838,197	
Lottery Sales By Games												
\$237,846	\$202,273	(\$35,573)	-15.0%	Instant Games (f)	\$1,536,525	\$1,398,662	(\$137,863)	-9.0%	na	na	na	
98,220	82,732	(15,488)	-15.8%	Daily Games	669,156	623,870	(45,286)	-6.8%	na	na	na	
30,025	35,086	5,061	16.9%	Lotto and Big Game (f)	298,663	240,781	(57,882)	-19.4%	na	na	na	
735	653	(82)	-11.1%	Keno Game	5,158	4,658	(500)	-9.7%	na	na	na	
1,173	2,875	1,703	145.0%	Lucky For Life	8,161	20,722	12,561	154.0%	na	na	na	
9,833	8,097	(1,736)	-17.7%	Other (f)	46,404	65,685	19,281	41.6%	na	na	na	
55,669	52,747	(2,922)	-5.2%	Club Games	310,695	377,257	66,562	21.4%	na	na	na	
\$433,501	\$384,464	(\$49,037)	-11.3%	Total Lottery Sales	\$2,874,762	\$2,731,635	(\$143,127)	-5.0%	na	na	na	

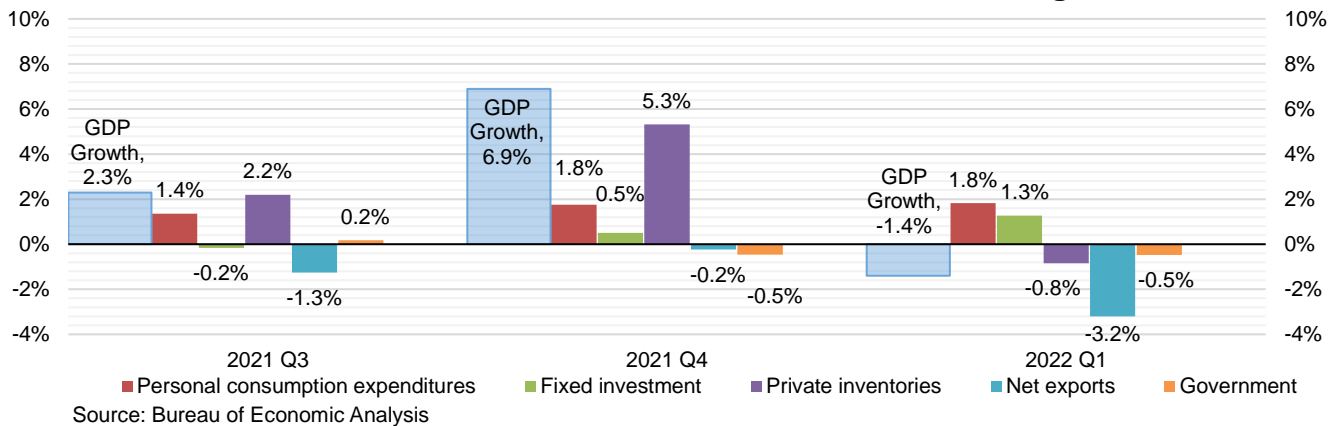
- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate 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 2021 revenues were \$325.1 million and the year-to date 2022 revenues are \$304.2 million. Per 2014 Public Act 80, the total fiscal year 2021 Local Community Stabilization Share (LCSS) was \$491.5 million and the total fiscal year 2022 LCSS is \$521.3 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2021 LCSS revenues were \$325.1 million and the year-to-date 2022 LCSS revenues are \$304.2 million.
- (i) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.
- (j) Implementation of the Flow Through Entity Tax retroactive to January 1, 2021 has resulted in fluctuating totals in Individual Income Tax annuals, quarterlies, and refunds in FY 2022.

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** decreased at a 1.4 percent annual rate in the first quarter of 2022, according to the advance estimate, down from the 6.9 percent annual rate in the fourth quarter of 2021. This decline in GDP is the first since the second quarter of 2020 at the beginning of the pandemic. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

Real GDP Growth and Contributions to Percent Change



Net exports drove the decline in GDP in the first quarter of 2022, while private inventories and government expenditures and investment made minor contributions. Real final sales declined by 0.6 percent in the first quarter, while on the inflation front, the implicit price deflator increased by 8.0 percent.

U.S. wage and salary employment increased by 428,000 jobs in April, the same increase in employment, of 428,000 jobs, experienced in March, according to the most recent estimates. April employment levels were 1.2 million payroll jobs, or 0.8 percent, below the February 2020 levels, prior to the pandemic. In April, sectors with the largest increases in employment include the trade, transportation, and utilities sector with 104,000 jobs, the leisure and hospitality sector with 78,000 jobs, education and health services with 59,000 jobs, manufacturing with 55,000 jobs, and professional and business services with 41,000 jobs.

In April, the U.S. unemployment rate remained at 3.6 percent. Civilian employment declined to 158.1 million while the number of unemployed declined to 5.9 million.

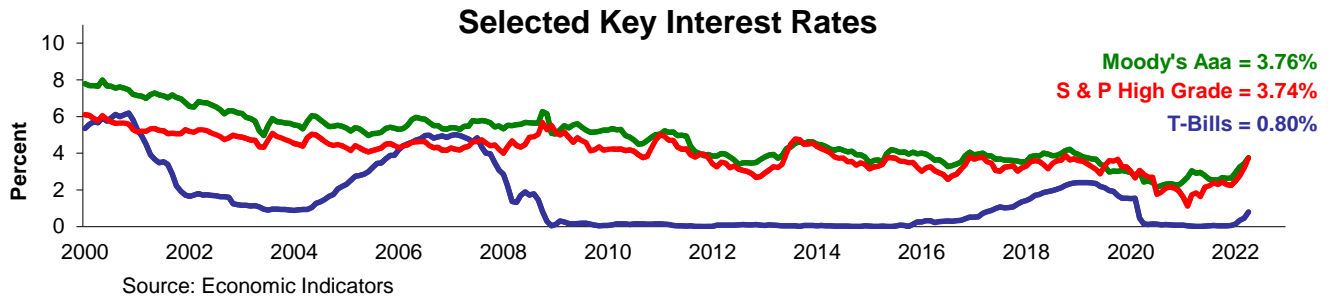
The **Index of Consumer Sentiment** increased 5.8 index-points from March, up to 65.2 in April 2022. The year-over-year consumer sentiment is 23.1 index-points below April 2021 levels.

Index of Consumer Sentiment

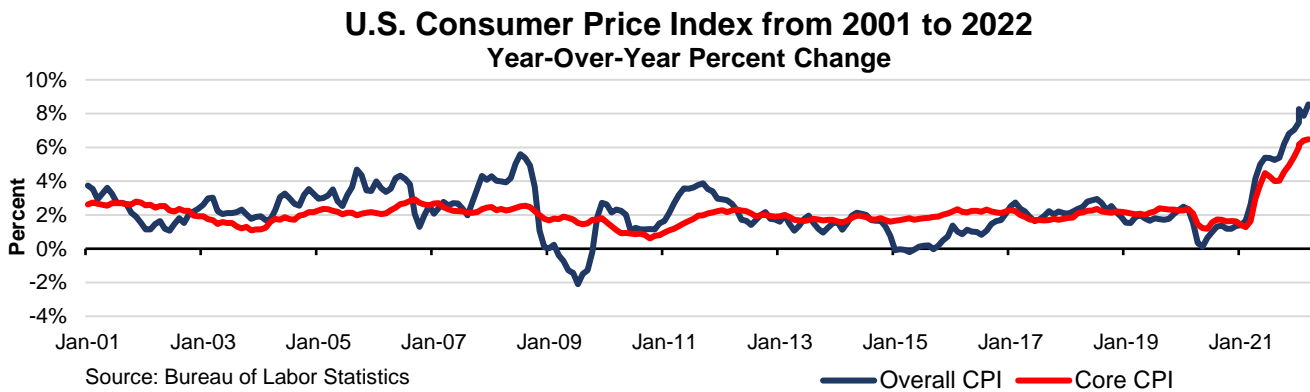


Source: University of Michigan, Survey Research Center

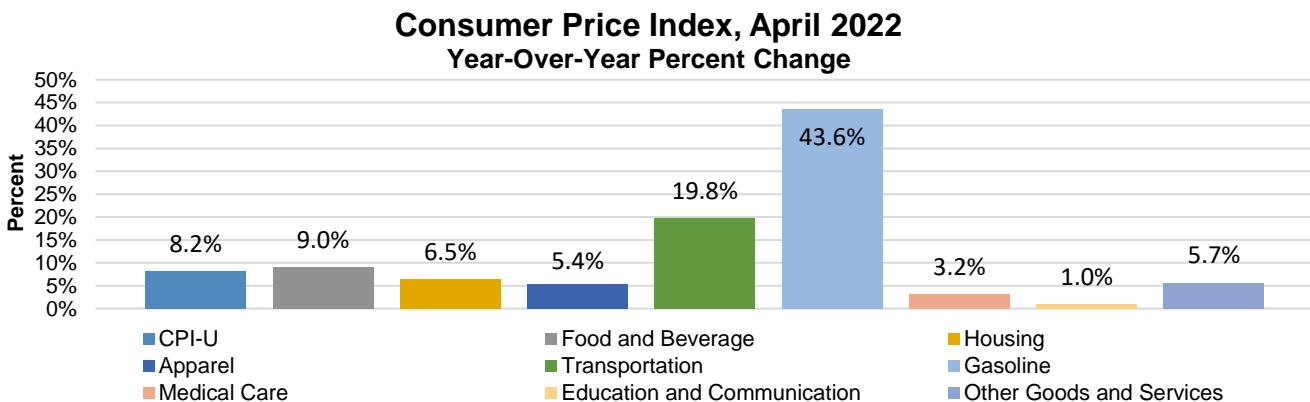
Short-term **interest rates** increased in April, as the 3-month Treasury bill (T-bill) rate increased 0.34 percentage points to 0.80 percent. Compared to one year ago, the T-bill rate increased 0.78 percentage points. The Aaa corporate bond rate increased 0.33 percentage points to an interest yield of 3.76 percent in April and was up 0.86 percentage points from its year-ago level. The interest rate on high-grade municipal bonds increased 0.52 percentage points to 3.74 percent in April and was up 1.90 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), are up 8.2 percent from April 2021 to April 2022. The CPI-U year-over-year change is at the highest level since 1982. The Consumer Price Index-Core (CPI-Core) measures the change in all consumer items aside from food and energy prices. The CPI-Core was up 6.1 percent from April 2021 to April 2022. Prior to the current year, the CPI-Core has not been this high since 1982. CPI data are not seasonally adjusted.

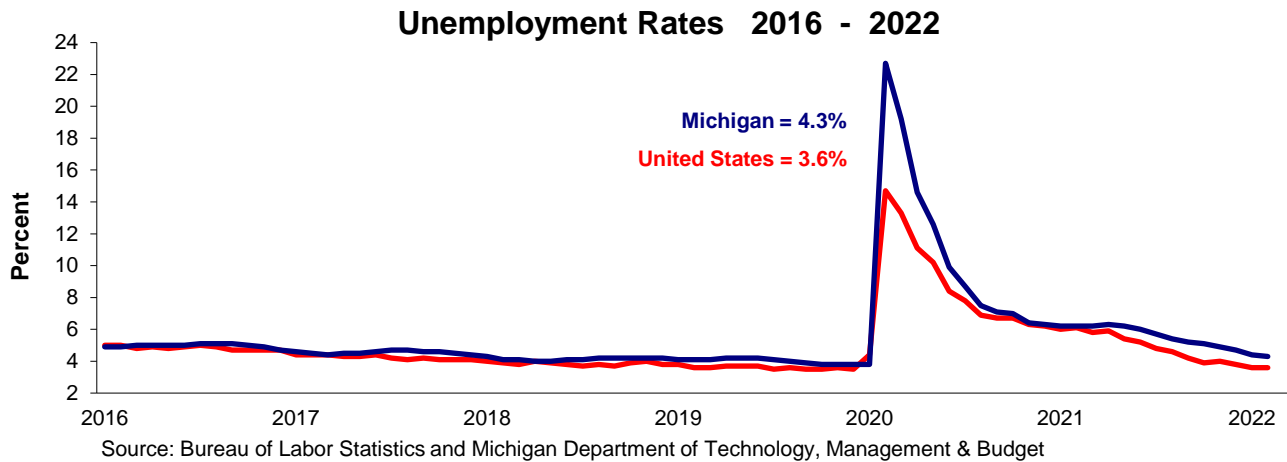


Gasoline, by far, experienced the largest year-over-year price increase (43.6 percent). Transportation was the next largest price increase (19.8 percent). Lower year-over-year percent increases can be seen in food and beverage (9.0 percent), housing (6.5 percent), and other goods and services (5.7 percent).



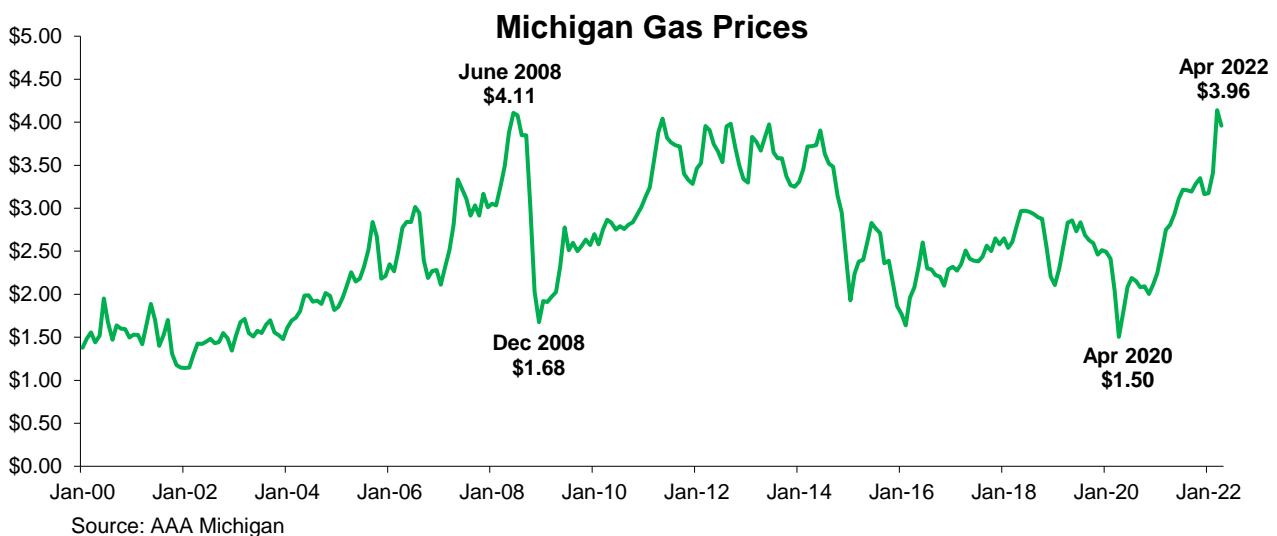
Michigan Economy

The **Michigan jobless rate** declined in April to 4.3 percent, according to the most recent data, down from March's unemployment rate of 4.4 percent. The national unemployment rate remained at 3.6 percent in April. The number unemployed in Michigan decreased by 5,000, a 2.3 percent decline, while the number employed increased by 19,000, a 0.4 percent change from March to April. The number unemployed is 29.6 percent lower than in April 2021 at the beginning of the second year of the pandemic. In April, Michigan's unemployment rate was 0.5 percentage points above the February 2020 pre-pandemic rate of 3.8 percent.



Michigan wage and salary employment remained virtually unchanged, declining in April by only 2,000 jobs from March's revised estimate. Employment was up 172,000 jobs, or 4.1 percent, from April 2021. In April, the sector with the largest one month increase in employment was the education and health services sector, which gained 3,000 jobs. The leisure and hospitality services sector lost 4,000 jobs.

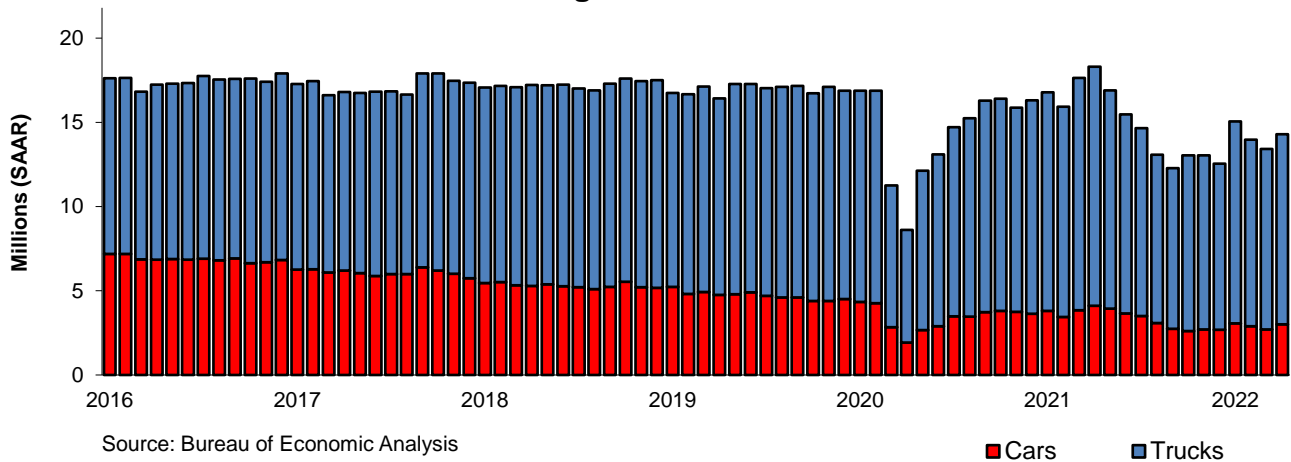
Michigan gasoline prices declined slightly in April 2022, down to \$3.96 per gallon, down 18.0 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$2.81 per gallon in April 2021, when they were rising after the pandemic lows. April 2022 diesel prices were \$4.91 per gallon, an increase of 5.1 cents a gallon from March's average diesel prices. Diesel prices were last over \$4.00 per gallon in the spring of 2014.



Motor Vehicle Sector

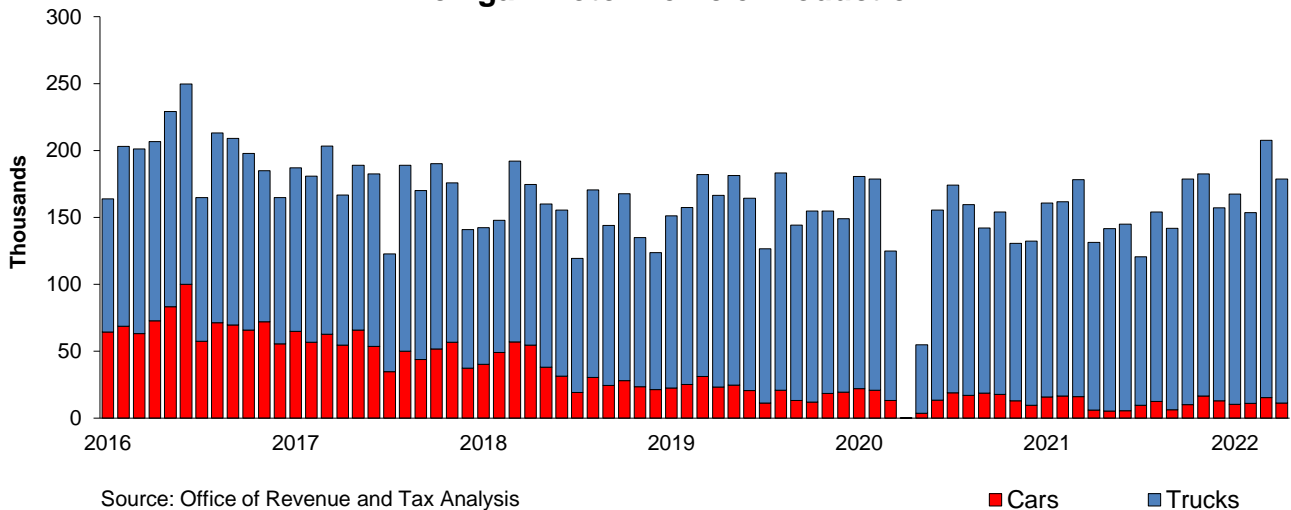
U.S. light vehicle sales (cars and light trucks) increased by 6.7 percent in April from March, selling at a 14.3 million unit seasonally adjusted annual rate. Domestic car sales increased 8.9 percent and light truck sales increased 8.2 percent from March. Import car sales increased 17.0 percent, while import light truck sales declined 4.8 percent from March. Compared to April 2021, light vehicle sales were down 21.9 percent. Domestic car sales decreased 23.6 percent while light truck sales decreased 15.5 percent from the year ago levels. April import car sales were down 34.8 percent while import light truck sales were down 36.3 percent from last year. Demand for vehicles remains high, with declining sales numbers resulting from supply chain issues, particularly the global semiconductor shortage. Domestic light vehicles recorded a 79.5 percent share of April 2022 sales, up 1.2 percentage points from March.

U.S. Light Vehicle Sales



Michigan motor vehicle production was down slightly in April, with 178,631 total units. Michigan's April production was 14.0 percent below March's production but still 36.0 percent above the level in April 2021. Nationally, motor vehicle production totaled 851,796 units, which was up 19.6 percent from a year ago. In April, Michigan's car production was 11,225 units while the State's truck production was 167,406 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 14, 2022 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	<u>Fiscal Year 2020-21 Estimate</u>	<u>Fiscal Year 2021-22 Estimate</u>	<u>Fiscal Year 2022-23 Estimate</u>
Applicable Calendar Year Personal Income	\$491,632	\$530,809	\$558,411
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$46,655.9</u>	<u>\$50,373.8</u>	<u>\$52,993.2</u>
Revenue Limit	\$46,655.9	\$50,373.8	\$52,993.2
State Revenue Subject to Limit	<u>\$38,370.1</u>	<u>\$38,208.8</u>	<u>\$38,994.2</u>
Amount Under (Over) Limit	\$8,285.8	\$12,165.0	\$13,999.0

Sources:

Personal Income Estimate

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 14, 2022 Consensus Revenue Agreement.
The FY 2022-23 calculation uses the January 14, 2022 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2020-21 calculation uses the January 14, 2022 Consensus Revenue Agreement.
The FY 2021-22 calculation uses the January 14, 2022 Consensus Revenue Agreement.
The FY 2022-23 calculation uses the January 14, 2022 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