



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

May 30, 2023

The Honorable Sarah Anthony, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Angela Witwer, 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, 2023. 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: Winnie Brinks, Senate Maj. Leader
Aric Nesbitt, Senate Min. Leader
Joe Tate, Speaker of the House
Matt Hall, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Mary Cavanagh, Chair, Senate Finance,
Insurance, & Consumer Protection Committee
Cynthia Neeley, Chair, House Tax Policy Com.
JoAnne Huls, Executive Office
Tricia Foster, Executive Office
Jen Flood, Executive Office
Kyle Guerrant, Deputy State Budget Director
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2023
Projected Revenues and Expenditures
April 30, 2023
(\$ in millions)

| | FISCAL 2023 |
|---------------------------------------|------------------------|
| Beginning Balance | \$ 7,463.5 |
| Revenues | |
| Ongoing: | |
| January 2023 Consensus Forecast | \$ 14,777.9 |
| Local Government Program Payments | \$ (525.6) |
| Subtotal Ongoing Revenue | \$ 14,252.3 |
| One-Time: | |
| One-time Revenue Reductions | \$ (7.5) |
| Subtotal One-Time Revenue | \$ (7.5) |
| Total Revenue | \$ 14,244.8 |
| Expenditures | |
| Ongoing: | |
| Public Acts 144 and 166 of 2022 | \$ 12,071.6 |
| Subtotal Ongoing Expenditures | \$ 12,071.6 |
| One-Time: | |
| Public Acts 144 and 166 of 2022 | \$ 3,234.2 |
| Public Acts 194 and 212 of 2022 | \$ 995.6 |
| Public Act 1 of 2023 | \$ 706.2 |
| Public Act 5 of 2023 | \$ 828.6 |
| Community District Trust Fund | \$ 19.5 |
| Subtotal One-Time Expenditures | \$ 5,784.1 |
| Total Expenditures | \$ 17,855.7 |
| Ending Balance | \$ 3,852.6 |

SCHOOL AID FUND
Fiscal Year 2023
Projected Revenues and Expenditures
April 30, 2023
(\$ in millions)

| | FISCAL 2023 |
|--|------------------------|
| Beginning Balance | \$ 4,622.5 |
| Revenues | |
| Ongoing: | |
| January 2023 Consensus Forecast | \$ 17,635.1 |
| General Fund | \$ 48.6 |
| Community District Trust Fund | \$ 72.0 |
| Federal Revenue | \$ 2,191.2 |
| Subtotal Ongoing Revenue | \$ 19,946.9 |
| One-Time: | |
| General Fund | \$ 75.6 |
| General Fund - Community District Trust Fund Revenue Deposit | \$ 19.5 |
| Federal Revenue - ARP/Safe Communities Grant | \$ 360.9 |
| MPSERS Reserve Fund Deposit - Public Act 144 of 2022 | \$ (425.0) |
| MPSERS Reserve Fund | \$ 140.4 |
| Subtotal One-Time Revenue | \$ 171.4 |
| Total Revenue | \$ 20,118.3 |
| Expenditures | |
| Ongoing: | |
| School Aid - Public Act 144 of 2022 | \$ 17,718.1 |
| Community Colleges - Public Act 144 of 2022 | \$ 448.6 |
| Universities - Public Act 144 of 2022 | \$ 347.9 |
| Subtotal Ongoing Expenditures | \$ 18,514.6 |
| One-Time: | |
| School Aid - Public Act 144 of 2022 | \$ 1,884.6 |
| School Aid - Public Act 212 of 2022 | \$ 12.2 |
| School Aid - Public Act 3 of 2023 | \$ 27.9 |
| Subtotal One-Time Expenditures | \$ 1,924.7 |
| Total Expenditures | \$ 20,439.3 |
| Ending Balance | \$ 4,301.5 |

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

April 30, 2023
(\$ in millions)

| Fiscal Year 2022 | | Fiscal Year 2023 | | | | | |
|--|------------------------------|---------------------------------------|----------------------------|--|---|---------------------|--|
| Expenditures & Encumbrances Year to Date FY 2022 | Fiscal Year End SEP 30, 2022 | Department | Initial Appropriations (1) | Executive Orders & Supplemental Appropriations (1) | Encumbrance, Work Project & Capital Outlay Carry Forwards | Total Authorization | Expenditures & Encumbrances Year to Date FY 2023 |
| 81.6 | 133.7 | Agriculture and Rural Development | 187.7 | 5.2 | 68.1 | 261.0 | 82.9 |
| 57.3 | 87.0 | Attorney General | 116.7 | 2.1 | 28.4 | 147.2 | 59.2 |
| 198.6 | 338.4 | Capital Outlay (2) | 1,049.7 | 380.0 | 1,783.0 | 3,212.7 | 960.8 |
| 9.6 | 15.6 | Civil Rights | 21.6 | 1.6 | 3.7 | 26.9 | 10.1 |
| 954.8 | 1,414.9 | Colleges and Universities | 1,749.9 | 256.0 | 110.7 | 2,116.6 | 933.6 |
| 1,242.0 | 1,985.3 | Corrections | 2,114.7 | 0.0 | 467.2 | 2,581.9 | 1,276.7 |
| 699.6 | 1,707.1 | Education | 865.6 | 38.9 | 742.4 | 1,646.9 | 408.2 |
| 282.2 | 601.3 | Environment, Great Lakes, and Energy | 657.7 | 207.2 | 2,945.2 | 3,810.2 | 630.1 |
| 5.1 | 7.2 | Executive Office | 8.5 | 0.0 | 0.1 | 8.6 | 5.5 |
| 17,883.7 | 32,139.8 | Health and Human Services | 33,299.7 | 360.5 | 3,687.1 | 37,347.3 | 19,370.2 |
| 40.1 | 68.8 | Insurance and Financial Service | 74.3 | 1.6 | 4.1 | 80.0 | 45.1 |
| 141.8 | 281.8 | Judiciary | 483.5 | 0.0 | 16.0 | 499.6 | 151.4 |
| 2,020.8 | 2,934.7 | Labor and Economic Opportunity | 1,363.1 | 1,376.0 | 1,388.2 | 4,127.3 | 1,157.2 |
| 15.0 | 25.9 | Legislative Auditor General | 28.6 | 0.0 | 11.4 | 40.0 | 15.9 |
| 107.0 | 177.1 | Legislature | 183.0 | 3.2 | 167.3 | 353.5 | 107.2 |
| 229.0 | 410.1 | Licensing and Regulatory Affairs | 504.8 | 58.5 | 193.8 | 757.1 | 285.9 |
| 0.0 | 0.0 | Marshall Plan for Talent | 0.0 | 0.0 | 30.3 | 30.3 | 0.0 |
| 352.5 | 404.7 | Michigan Strategic Fund | 774.8 | 696.4 | 0.0 | 1,471.1 | 1,444.8 |
| 35.5 | 39.2 | Michigan Veterans' Facility Authority | 36.6 | 1.0 | 0.0 | 37.6 | 36.6 |
| 84.8 | 118.3 | Military and Veterans Affairs | 105.3 | 20.5 | 10.4 | 136.2 | 83.4 |
| 71.2 | 126.2 | Natural Resources | 160.4 | 5.0 | 70.0 | 235.4 | 86.0 |
| 133.0 | 242.5 | State | 255.2 | 12.1 | 97.2 | 364.5 | 135.2 |
| 0.0 | 1.1 | State Land Bank Authority | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 415.6 | 1,163.9 | State Police | 821.8 | 90.6 | 842.1 | 1,754.6 | 546.5 |
| 264.9 | 777.0 | Technology, Management and Budget (3) | 586.6 | 6.1 | 531.5 | 1,124.2 | 317.4 |
| 0.9 | 2.6 | Transportation | 25.4 | 47.0 | 29.3 | 101.7 | 0.3 |
| 1,568.5 | 4,438.1 | Treasury | 3,157.6 | 121.9 | 539.5 | 3,819.1 | 1,720.3 |
| \$26,895.1 | \$49,642.1 | | \$48,633.1 | \$3,691.5 | \$13,767.0 | \$66,091.5 | \$29,870.3 |

(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 2023
April 30, 2023
(\$ in millions)**

| | INITIAL APPROPRIATIONS | EXEC. ORDER and SUPPLEMENTALS | TOTAL APPROPRIATIONS YEAR-TO-DATE |
|---|-----------------------------------|--|--|
| Payments to local units of government | 23,686.4 | 135.6 | 23,822.0 |
| Total state spending from state resources | 44,142.0 | 2,805.4 | 46,947.4 |
| Percentage of state spending from state resources paid to local units | 53.66% | 4.83% | 50.74% |
| Required payments to local units (48.97%) | 21,616.3 | 1,373.8 | 22,990.1 |
| Surplus/(deficit) | \$2,070.1 | (\$1,238.2) | \$831.9 |

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 April 30, 2023
 (\$ in thousands)

ASSETS

| | |
|-----------------------|----------------------------|
| Current Assets: | |
| Equity in common cash | <u>\$ 1,603,158</u> |
| Total Assets | <u><u>\$ 1,603,158</u></u> |

LIABILITIES

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

FUND BALANCES

| | |
|-------------------------------------|----------------------------|
| Committed | <u>1,603,158</u> |
| Total Fund Balances | <u>1,603,158</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 1,603,158</u></u> |

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2022 through April 30, 2023
(\$ in thousands)

REVENUES

| | |
|----------------|-----------|
| Miscellaneous | \$ 14,230 |
| | <hr/> |
| Total Revenues | 14,230 |
| | <hr/> |

EXPENDITURES

| | |
|---|--------|
| Current: | |
| General government | - |
| | <hr/> |
| Total Expenditures | - |
| | <hr/> |
| Excess of Revenues over (under) Expenditures | 14,230 |
| | <hr/> |

OTHER FINANCING SOURCES (USES)

| | |
|---|------------------------|
| Transfers from other funds | - |
| Transfers to other funds | - |
| | <hr/> |
| Total Other Financing Sources (Uses) | - |
| | <hr/> |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | \$ 14,230 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, 2023
(\$ in thousands)

ASSETS

| | |
|------------------------|--------------------------|
| Current Assets: | |
| Equity in common cash | \$ 28,824 |
| Investments | - |
| Other current assets | - |
| Total Current Assets | <u>28,824</u> |
| Noncurrent Assets: | |
| Investments | <u>709,291</u> |
| Total Assets | <u><u>\$ 738,115</u></u> |

LIABILITIES

| | |
|--|--------------|
| Current Liabilities: | |
| Accounts payable and other liabilities | \$ 6,357 |
| Amounts due to other funds | - |
| Total Current Liabilities | <u>6,357</u> |
| Total Liabilities | <u>6,357</u> |

FUND BALANCES

| | |
|---|--------------------------|
| Nonspendable | 500,000 |
| Restricted | <u>231,758</u> |
| Total Fund Balances | <u>731,758</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 738,115</u></u> |

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

October 1, 2022 through April 30, 2023
(\$ in thousands)

REVENUES

| | | |
|---------------------------|----|--------|
| Taxes | \$ | - |
| From federal agencies | | - |
| From licenses and permits | | - |
| Miscellaneous | | 49,578 |
| | | 49,578 |
| Total Revenues | | 49,578 |

EXPENDITURES

| | | |
|---|--|--------|
| Current: | | |
| General government | | 3,848 |
| Conservation, environment, recreation, and agriculture | | 12,621 |
| Capital outlay | | 4,419 |
| | | 4,419 |
| Total Expenditures | | 20,889 |
| Excess of Revenues over (under) Expenditures | | 28,690 |

OTHER FINANCING SOURCES (USES)

| | | |
|---|--|------------------------|
| Proceeds from bond issues | | - |
| Proceeds from sale of capital assets | | 27 |
| Transfers from other funds | | - |
| Transfers to other funds | | (24) |
| | | (24) |
| Total Other Financing Sources (Uses) | | 4 |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | | \$ 28,693 ¹ |

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

REVENUE OVERVIEW

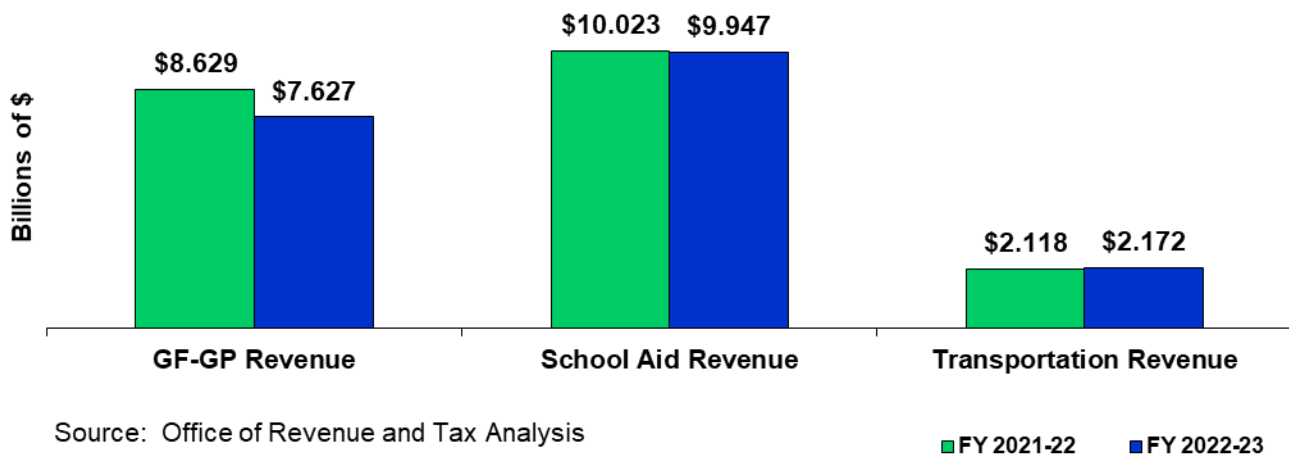
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2023, representing some March and some April economic activity in Michigan.

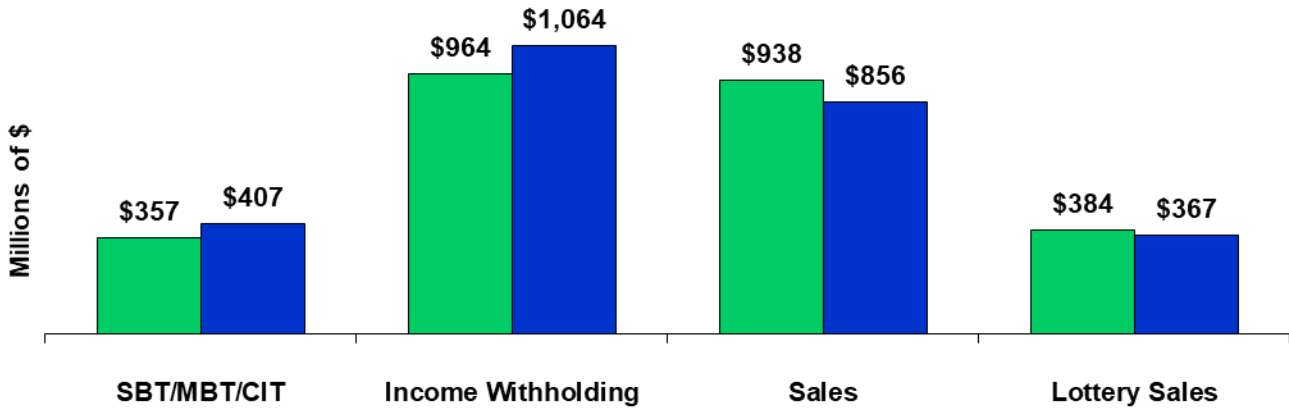
Total General Fund - General Purpose cash collections were \$279.4 million (14.7 percent) lower in April 2023 than in April 2022. The April 2023 School Aid Fund cash collections were \$200.5 million (13.1 percent) lower than in April 2022. April 2023 transportation collections were \$2.7 million (0.9 percent) lower than in April 2022 (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. Year-to-date General Fund - General Purpose cash collections are down \$1,001.5 million (11.6 percent) from a year ago. School Aid Fund cash collections are down \$75.9 million (0.8 percent) and transportation collections are up \$53.3 million (2.5 percent).

The FY 2022-23 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 13, 2023. The revenue estimate for net General Fund – General Purpose revenue for FY 2022-23 is \$14,777.9 million and the net School Aid revenue forecast is \$17,635.1 million. The Transportation Funds revenue forecast is \$3,999.6 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 2021-22 and FY 2022-23



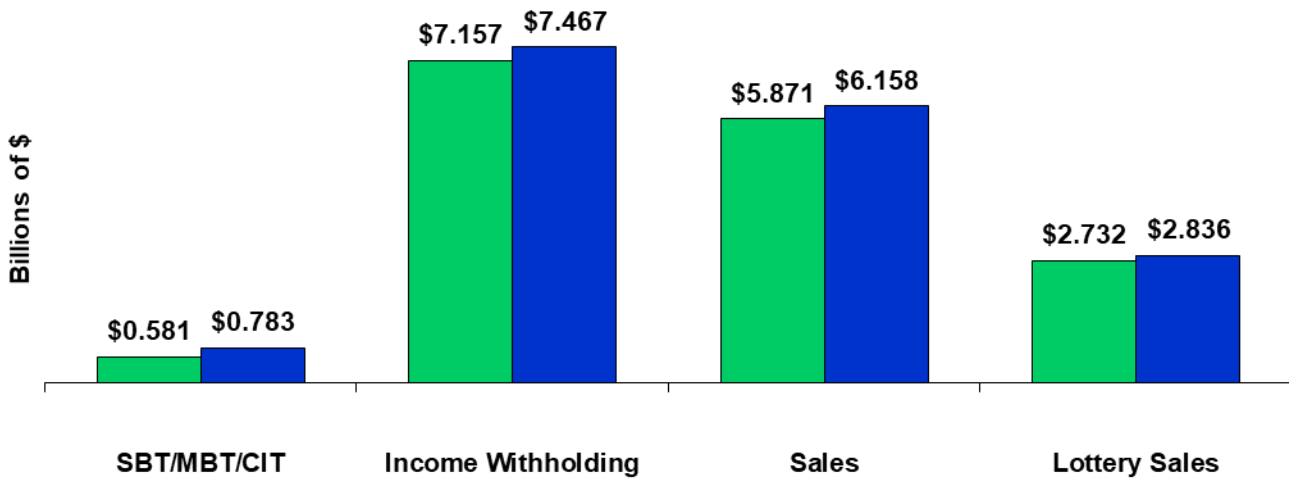
April Revenue Collections FY 2021-22 and FY 2022-23



Source: Office of Revenue and Tax Analysis

■ FY 2021-22 ■ FY 2022-23

October through April Collections FY 2021-22 and FY 2022-23



Source: Office of Revenue and Tax Analysis

■ FY 2021-22 ■ FY 2022-23

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2023

| Month-End Cash Collections Data | | | | October Through April Cash Collections Data | | | | | Revenue Projections | | |
|---------------------------------|-------------|-------------|---------|---|--------------------|--------------------|----------------------|---------------|---------------------|---------------------|-----------------------|
| April | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2021-22 | FY 2022-23 | FY 2022-23 |
| 2022 | 2023 | Amount | Percent | | FY 2021-22 | FY 2022-23 | Amount | Percent | Totals (j) | Statutory Estimate | January 2023 Forecast |
| Income Taxes (i) | | | | | | | | | | | |
| \$963,583 | \$1,064,306 | \$100,723 | 10.5% | Withholding | \$7,156,662 | \$7,467,060 | \$310,398 | 4.3% | \$12,045,800 | \$12,332,100 | \$12,480,100 |
| 174,110 | 121,734 | (52,376) | -30.1% | Quarterlies | 709,461 | 560,976 | (148,485) | -20.9% | 1,375,000 | 840,100 | 990,000 |
| 224,590 | 110,452 | (114,138) | -50.8% | Flow Through Entity Tax | 1,432,054 | 543,213 | (888,841) | -62.1% | 1,793,400 | 1,061,500 | 1,041,500 |
| 1,057,824 | 649,291 | (408,533) | -38.6% | Annuals | 1,341,448 | 967,448 | (374,000) | -27.9% | 1,885,600 | 1,465,700 | 1,415,700 |
| \$2,420,107 | \$1,945,783 | (\$474,324) | -19.6% | Gross Collections | \$10,639,626 | \$9,538,697 | (\$1,100,929) | -10.3% | \$17,099,800 | \$15,699,400 | \$15,927,300 |
| 666,024 | 735,892 | 69,868 | 10.5% | Less: Refunds | 1,999,019 | 2,616,292 | 617,273 | 30.9% | 3,170,900 | 2,479,200 | 2,432,800 |
| 0 | 0 | 0 | na | Less: State Campaign Fund | 0 | 0 | 0 | na | 1,100 | 800 | 800 |
| \$1,754,084 | \$1,209,891 | (\$544,192) | -31.0% | Net Personal Income | \$8,640,607 | \$6,922,405 | (\$1,718,202) | -19.9% | \$13,927,800 | \$13,219,400 | \$13,493,700 |
| 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 |
| 576,260 | 463,285 | (112,975) | -19.6% | Less: Disbursements to SAF | 2,533,308 | 2,271,131 | (262,176) | -10.3% | 4,059,700 | 3,737,700 | 3,791,800 |
| \$1,122,074 | \$690,856 | (\$431,218) | -38.4% | Net Personal Income To GF-GP | \$5,717,049 | \$4,261,024 | (\$1,456,026) | -25.5% | \$9,199,100 | \$8,812,700 | \$9,032,900 |
| Consumption Taxes | | | | | | | | | | | |
| \$149,342 | \$140,239 | (\$9,103) | -6.1% | Sales (a) | \$934,791 | \$945,926 | \$11,135 | 1.2% | \$1,694,400 | \$1,604,300 | \$1,686,200 |
| 99,277 | 109,674 | 10,396 | 10.5% | Use (a) (h) | 691,069 | 668,901 | (22,167) | -3.2% | 1,194,900 | 1,176,600 | 1,143,300 |
| 13,398 | 11,886 | (1,512) | -11.3% | Tobacco | 92,024 | 83,450 | (8,574) | -9.3% | 158,800 | 163,300 | 155,400 |
| 7,799 | 7,976 | 177 | 2.3% | Beer, Wine & Mixed Spirits | 33,058 | 31,954 | (1,105) | -3.3% | 49,200 | 53,000 | 49,000 |
| 7,232 | 7,616 | 385 | 5.3% | Liquor Specific | 39,334 | 40,320 | 986 | 2.5% | 65,200 | 80,000 | 65,000 |
| \$277,048 | \$277,391 | \$343 | 0.1% | Total Consumption Taxes | \$1,790,276 | \$1,770,551 | (\$19,725) | -1.1% | \$3,162,500 | \$3,077,200 | \$3,098,900 |
| Other Taxes | | | | | | | | | | | |
| (\$1,638) | \$0 | \$1,639 | 100.0% | Single Business | (\$906) | (\$3,453) | (\$2,546) | -281.0% | \$1,600 | \$0 | \$0 |
| 75,776 | 82,657 | 6,882 | 9.1% | Insurance Premiums Taxes | \$283,974 | 337,784 | 53,810 | 18.9% | 419,900 | 398,000 | 415,000 |
| 74,137 | 82,658 | 8,521 | 11.5% | Sub-total SBT & Insurance | 283,068 | 334,331 | 51,263 | 18.1% | 421,500 | 398,000 | 415,000 |
| 14,159 | 15,428 | 1,269 | 9.0% | Michigan Business Tax | (512,188) | (462,262) | 49,926 | 9.7% | (500,300) | (527,600) | (527,000) |
| 344,922 | 392,007 | 47,085 | 13.7% | Corporate Income Tax | 1,094,359 | 1,248,238 | 153,879 | 14.1% | 2,029,300 | 1,582,100 | 1,760,000 |
| 0 | 0 | 0 | na | Telephone & Telegraph | 10,237 | 7,701 | (2,536) | -24.8% | 35,000 | 32,000 | 34,000 |
| 2,082 | 1,948 | (134) | -6.4% | Oil & Gas Severance | 20,849 | 19,604 | (1,244) | -6.0% | 42,200 | 32,000 | 35,000 |
| 36,544 | 43,142 | 6,598 | 18.1% | Penalties & Interest | 81,426 | 95,093 | 13,667 | 16.8% | 139,800 | 140,000 | 140,000 |
| 883 | 251 | (632) | -71.6% | Essential Services Assessment | 3,020 | 1,602 | (1,418) | -47.0% | 135,400 | 143,000 | 143,000 |
| 0 | 22 | 22 | na | Miscellaneous Other/Railroad | 353 | 264 | (90) | -25.4% | 15,300 | 3,000 | 3,000 |
| (12,667) | (12,500) | 167 | 1.3% | Treasury Enforcement Programs (e) | (89,417) | (88,750) | 667 | 0.7% | (143,500) | (152,000) | (150,000) |
| \$460,060 | \$522,955 | \$62,896 | 13.7% | Total Other Taxes | \$891,709 | \$1,155,822 | \$264,113 | 29.6% | \$2,174,700 | \$1,650,500 | \$1,853,000 |
| \$1,859,182 | \$1,491,202 | (\$367,979) | -19.8% | Subtotal GF-GP Taxes | \$8,399,034 | \$7,187,397 | (\$1,211,637) | -14.4% | \$14,536,300 | \$13,540,400 | \$13,984,800 |

continued

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2023

| Month-End Cash Collections Data | | | | October Through April Cash Collections Data | | | | | Revenue Projections | | |
|-----------------------------------|--------------------|--------------------|---------------|---|---------------------|--------------------|----------------------|---------------|---------------------|---------------------|-----------------------|
| April | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2021-22 | FY 2022-23 | FY 2022-23 |
| 2022 | 2023 | Amount | Percent | | FY 2021-22 | FY 2022-23 | Amount | Percent | Totals (j) | Statutory Estimate | January 2023 Forecast |
| Non-Tax Revenue (e) | | | | | | | | | | | |
| \$833 | \$833 | \$0 | 0.0% | Federal Aid | \$5,833 | \$5,833 | \$0 | 0.0% | \$9,200 | \$10,000 | \$10,000 |
| 8 | 8 | 0 | 0.0% | Local Agencies | 58 | 58 | 0 | 0.0% | 0 | 100 | 100 |
| 583 | 583 | 0 | 0.0% | Services | 4,083 | 4,083 | 0 | 0.0% | 1,100 | 7,000 | 7,000 |
| 1,167 | 1,167 | 0 | 0.0% | Licenses & Permits | 8,167 | 8,167 | 0 | 0.0% | 10,700 | 14,000 | 20,000 |
| 3,826 | 88,237 | 84,411 | na | Investments/Interest Costs | 7,431 | 188,471 | 181,040 | | 76,400 | 2,000 | 315,000 |
| 833 | 833 | 0 | 0.0% | Misc. Non-tax Revenue | 5,833 | 5,833 | 0 | 0.0% | 106,100 | 12,000 | 16,000 |
| 21,383 | 25,000 | 3,617 | 16.9% | Liquor Purchase Revolving Fund | 149,683 | 175,000 | 25,317 | 16.9% | 327,200 | 300,000 | 335,000 |
| 6,958 | 7,500 | 542 | 7.8% | From Other Funds-Lottery & Escheats | 48,708 | 52,500 | 3,792 | 7.8% | 145,100 | 88,000 | 90,000 |
| \$35,593 | \$124,162 | \$88,569 | 249.0% | Total Non-Tax Revenue | \$229,798 | \$439,946 | \$210,148 | 91.4% | \$675,800 | \$433,100 | \$793,100 |
| \$1,894,774 | \$1,615,364 | (\$279,410) | -14.7% | Total GF-GP Revenue | \$8,628,832 | \$7,627,343 | (\$1,001,489) | -11.6% | \$15,212,100 | \$13,973,500 | \$14,777,900 |
| School Aid Fund | | | | | | | | | | | |
| \$385,462 | \$365,058 | (\$20,405) | -5.3% | Sales Tax 4% | \$2,414,856 | \$2,449,505 | \$34,649 | 1.4% | \$4,400,900 | \$4,175,200 | \$4,407,300 |
| 295,320 | 247,656 | (47,664) | -16.1% | Sales Tax 2% | 1,846,274 | 2,075,225 | 228,950 | 12.4% | 3,464,200 | 3,283,500 | 3,476,700 |
| 71,351 | 77,674 | 6,323 | 8.9% | Use Tax 2% | 497,665 | 494,398 | (3,266) | -0.7% | 859,400 | 865,100 | 848,400 |
| 19,580 | 20,836 | 1,256 | 6.4% | State Education Property Tax | 1,540,022 | 1,578,614 | 38,592 | 2.5% | 2,440,000 | 2,563,200 | 2,590,000 |
| 47,128 | 32,512 | (14,617) | -31.0% | Real Estate Transfer Tax | 315,900 | 237,862 | (78,039) | -24.7% | 546,600 | 496,900 | 435,000 |
| 90,000 | 80,000 | (10,000) | -11.1% | Lottery Transfer (b) | 558,308 | 544,351 | (13,957) | -2.5% | 1,248,600 | 1,240,000 | 1,190,000 |
| 9,536 | 8,884 | (652) | -6.8% | Casino Wagering Tax | 62,508 | 61,229 | (1,279) | -2.0% | 364,700 | 329,000 | 390,000 |
| 6,794 | 6,656 | (138) | -2.0% | Liquor Excise Tax | 37,329 | 36,505 | (825) | -2.2% | 76,200 | 79,600 | 79,600 |
| 27,201 | 24,131 | (3,070) | -11.3% | Cigarette/Tobacco Tax | 186,823 | 169,417 | (17,406) | -9.3% | 284,700 | 294,800 | 277,800 |
| 4,177 | 5,498 | 1,321 | 31.6% | Indus. & Comm. Facilities Taxes | 24,510 | 23,288 | (1,221) | -5.0% | 41,400 | 42,000 | 42,000 |
| 572 | 645 | 73 | 12.7% | Specific Other | 5,472 | 5,564 | 92 | 1.7% | 94,500 | 88,300 | 106,500 |
| 576,260 | 463,285 | (112,975) | -19.6% | Income Tax Earmarking | 2,533,308 | 2,271,131 | (262,176) | -10.3% | 4,059,700 | 3,737,700 | 3,791,800 |
| \$1,533,381 | \$1,332,835 | (\$200,547) | -13.1% | Total School Aid Fund | \$10,022,975 | \$9,947,089 | (\$75,886) | -0.8% | \$17,880,900 | \$17,195,300 | \$17,635,100 |
| Multi-Fund Revenue Summary | | | | | | | | | | | |
| \$937,758 | \$856,086 | (\$81,672) | -8.7% | Sales Tax 6% | \$5,871,034 | \$6,157,734 | \$286,699 | 4.9% | \$10,784,700 | \$10,232,500 | \$10,812,000 |
| 642,437 | 608,430 | (34,008) | -5.3% | Sales Tax 4% (d) | 4,024,760 | 4,082,509 | 57,749 | 1.4% | 7,320,500 | 6,949,000 | 7,335,300 |
| 295,320 | 247,656 | (47,664) | -16.1% | Sales Tax 2% | 1,846,274 | 2,075,225 | 228,950 | 12.4% | 3,464,200 | 3,283,500 | 3,476,700 |
| 214,053 | 233,023 | 18,970 | 8.9% | Use Tax 6% (g) | 1,492,995 | 1,483,195 | (9,799) | -0.7% | 2,572,800 | 2,590,700 | 2,539,700 |
| 31,123 | 41,719 | 10,597 | 34.0% | Recreational Marihuana | 108,159 | 157,943 | 49,784 | 46.0% | 186,600 | 175,100 | 222,400 |
| 67,329 | 59,729 | (7,600) | -11.3% | Tobacco Taxes | 462,433 | 419,349 | (43,084) | -9.3% | 797,600 | 819,400 | 779,500 |
| 242,978 | 0 | (242,978) | -100.0% | Tobacco Settlement | 242,982 | 4 | (242,977) | -100.0% | na | na | na |

continued

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2023

| Month-End Cash Collections Data | | | | October Through April Cash Collections Data | | | | Revenue Projections | | | |
|--------------------------------------|------------------|-------------------|--------------|---|--------------------|--------------------|------------------|---------------------|--------------------|--------------------|-----------------------|
| April | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2021-22 | FY 2022-23 | FY 2022-23 |
| 2022 | 2023 | Amount | Percent | | FY 2021-22 | FY 2022-23 | Amount | Percent | Totals (j) | Statutory Estimate | January 2023 Forecast |
| Major Transportation Revenues | | | | | | | | | | | |
| \$23,352 | \$21,857 | (\$1,495) | -6.4% | Diesel Fuel / Motor Carrier Fuel Tax | \$145,500 | \$146,673 | \$1,173 | 0.8% | \$254,600 | \$258,000 | \$260,000 |
| 97,253 | 91,867 | (5,386) | -5.5% | Gasoline | 662,839 | 654,732 | (8,107) | -1.2% | 1,177,600 | 1,224,700 | 1,208,000 |
| 119,616 | 124,072 | 4,456 | 3.7% | Motor Vehicle Registration | 851,117 | 912,887 | 61,770 | 7.3% | 1,402,900 | 1,487,300 | 1,443,000 |
| 4,780 | 4,501 | (279) | -5.8% | Other Taxes, Fees & Misc. | 28,473 | 26,933 | (1,539) | -5.4% | 197,200 | 273,541 | 312,135 |
| 11,481 | 11,481 | 0 | 0.0% | Comprehensive Transportation (c) | 80,368 | 80,368 | 0 | 0.0% | 164,100 | 159,735 | 176,497 |
| 50,000 | 50,000 | 0 | 0.0% | Income Tax Earmarking | 350,000 | 350,000 | 0 | 0.0% | 600,000 | 600,000 | 600,000 |
| <u>\$306,482</u> | <u>\$303,778</u> | <u>(\$2,705)</u> | <u>-0.9%</u> | Total Major Trans. Revenues | <u>\$2,118,297</u> | <u>\$2,171,594</u> | <u>\$53,297</u> | <u>2.5%</u> | <u>\$3,796,400</u> | <u>\$4,003,276</u> | <u>\$3,999,632</u> |
| Lottery Sales By Games | | | | | | | | | | | |
| \$202,273 | \$199,033 | (\$3,240) | -1.6% | Instant Games (f) | \$1,398,662 | \$1,475,395 | \$76,733 | 5.5% | na | na | na |
| 82,732 | 76,928 | (5,804) | -7.0% | Daily Games | 623,870 | 561,471 | (62,399) | -10.0% | na | na | na |
| 35,086 | 30,458 | (4,627) | -13.2% | Lotto and Big Game (f) | 240,781 | 362,743 | 121,962 | 50.7% | na | na | na |
| 653 | 584 | (69) | -10.6% | Keno Game | 4,658 | 4,329 | (329) | -7.1% | na | na | na |
| 2,875 | 2,824 | (51) | -1.8% | Lucky For Life | 20,722 | 20,822 | 100 | 0.5% | na | na | na |
| 8,097 | 7,331 | (766) | -9.5% | Other (f) | 65,685 | 47,667 | (18,018) | -27.4% | na | na | na |
| 52,747 | 49,379 | (3,368) | -6.4% | Club Games | 377,257 | 363,642 | (13,615) | -3.6% | na | na | na |
| <u>\$384,464</u> | <u>\$366,536</u> | <u>(\$17,928)</u> | <u>-4.7%</u> | Total Lottery Sales | <u>\$2,731,635</u> | <u>\$2,836,068</u> | <u>\$104,434</u> | <u>3.8%</u> | <u>na</u> | <u>na</u> | <u>na</u> |

- (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 2022 revenues were \$304.2 million and the year-to date 2023 revenues are \$319.8 million. Per 2014 Public Act 80, the total fiscal year 2022 Local Community Stabilization Share (LCSS) was \$521.3 million and the total fiscal year 2023 LCSS is \$548.0 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2022 LCSS revenues were \$304.2 million and the year-to-date 2023 LCSS revenues are \$319.8 million.
- (i) 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.
- (j) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates

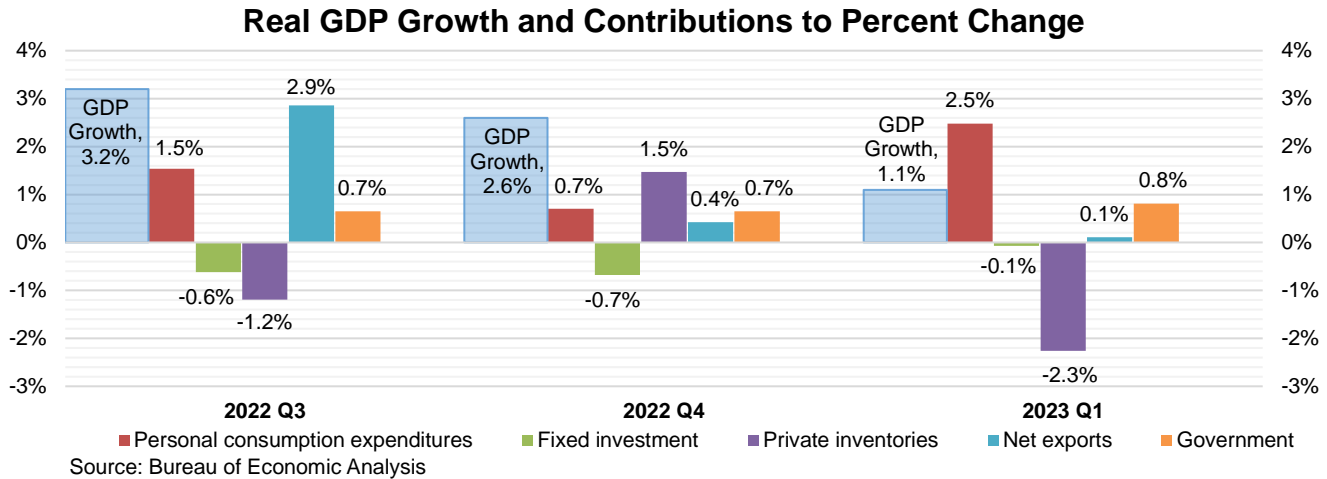
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 1.1 percent annual rate in the first quarter of 2023, according to the most recent estimate, down from the 2.6 percent annual rate in the fourth quarter of 2022. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

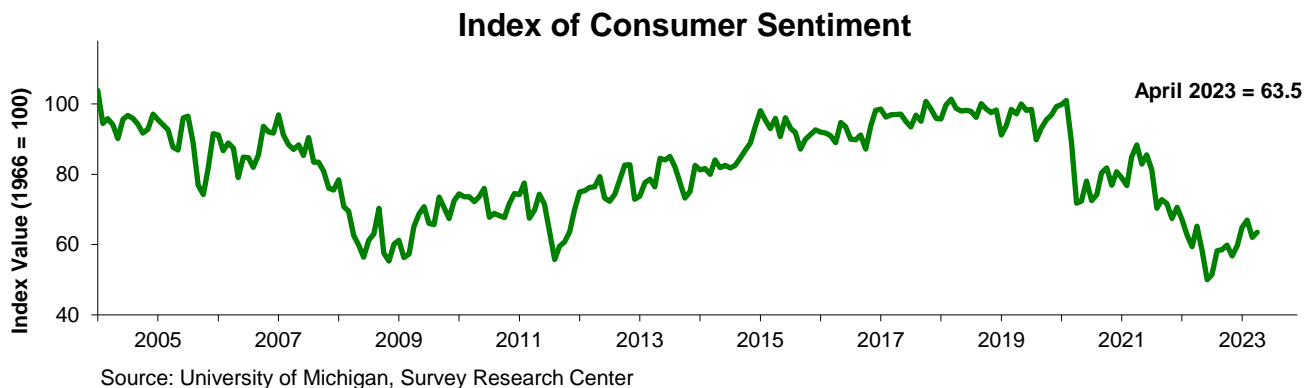


Personal consumption expenditures, and government expenditures drove the increase in GDP in the first quarter of 2023. Declines in private inventories reduced the first quarter GDP growth. Real final sales increased by 3.4 percent in the first quarter, while the implicit price deflator increased by 4.0 percent.

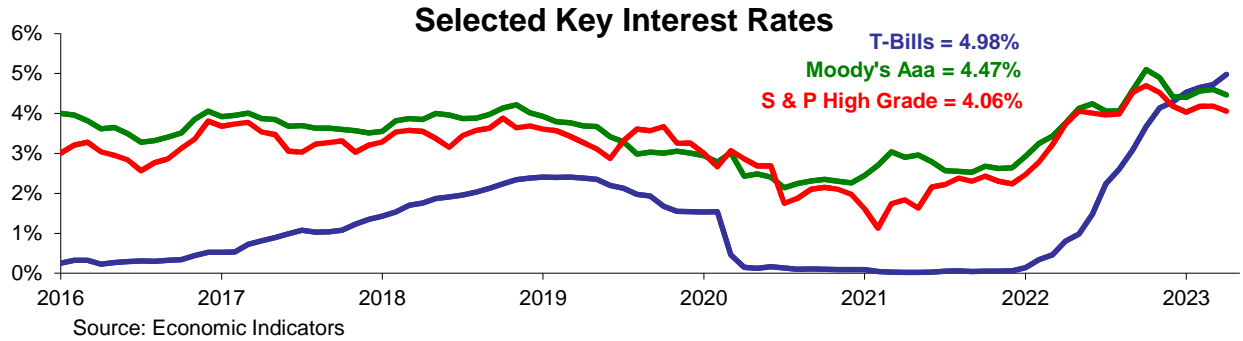
U.S. wage and salary employment increased by 253,000 jobs in April 2023, with total employment 3.3 million above the February 2020 pre-pandemic level. In April, sectors with the largest increases in employment include private education and health services with 77,000 jobs, professional and business services with 43,000 jobs, and leisure and hospitality with 31,000 jobs.

In April, the U.S. unemployment rate declined slightly to 3.4 percent. Civilian employment increased to 161.0 million, up 0.1 million from March. The number unemployed declined slightly to 5.7 million in April. The labor force participation rate was unchanged at 62.6 percent in April, remaining 0.7 percentage points below the pre-pandemic rate in February 2020 of 63.3 percent.

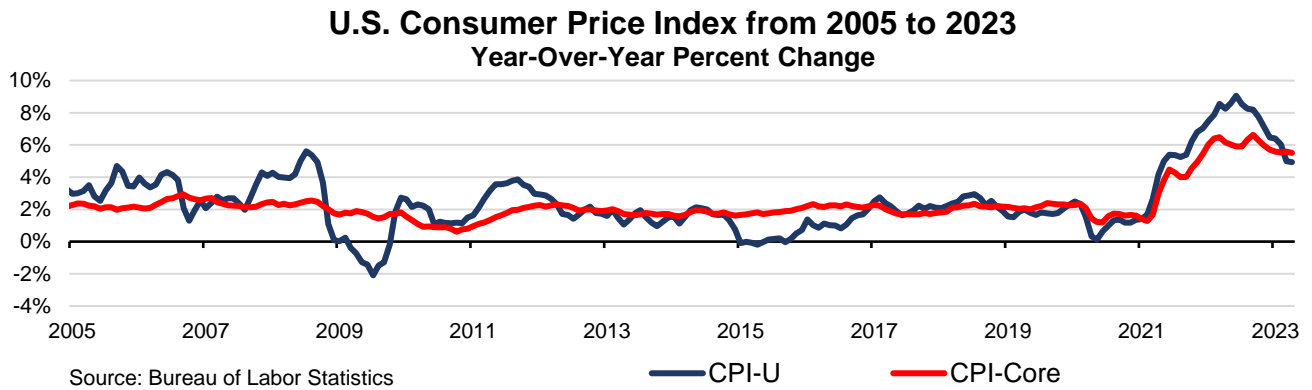
The **Index of Consumer Sentiment** increased to 63.5 index-points in April, up 1.5 index-points from March. Consumer sentiment is 1.7 index-points below the year-ago level.



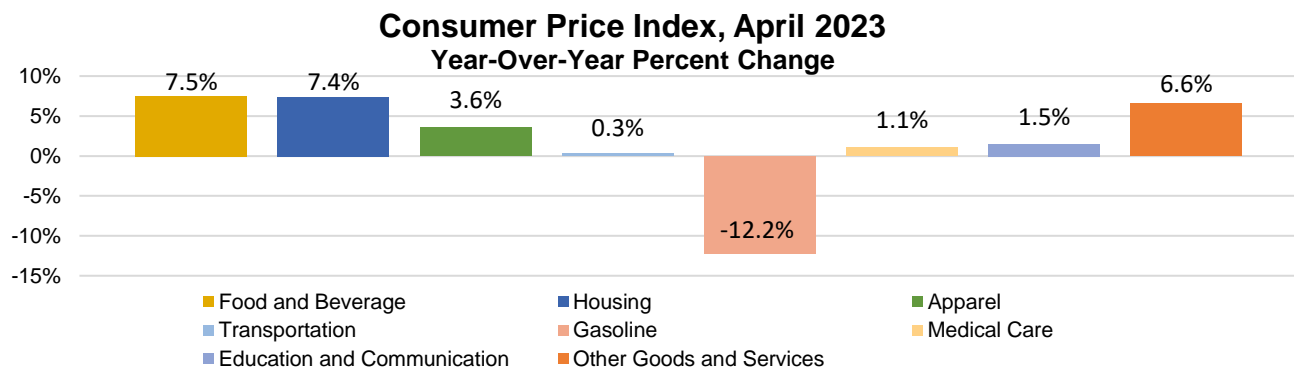
Short-term **interest rates** increased by 0.26 percentage points in April, to a 3-month Treasury bill (T-bill) rate of 4.98 percent. The T-bill rate increased 4.18 percentage points from a year ago. The Aaa corporate bond rate decreased 0.13 percentage points to an interest rate of 4.47 percent in April and was up 0.71 percentage points from a year ago. The interest rate on S&P high-grade municipal bonds decreased 0.13 percentage points to 4.06 percent and was up 0.32 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 4.9 percent from April 2022 to April 2023, a decline from March's 5.0 percent year-over-year change. 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 5.5 percent year-over-year in April, a 0.1 percentage point decline from March's 5.6 percent. CPI-U and CPI-Core data are not seasonally adjusted.



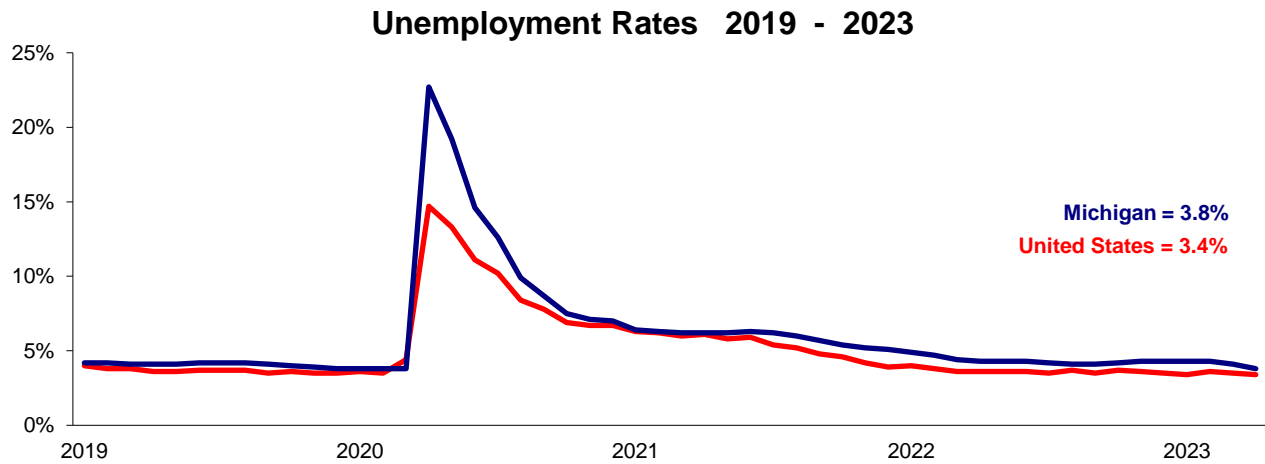
Food and beverage exhibited the largest year-over-year price increase at 7.5 percent for April, followed by housing with a 7.4 percent increase and other goods and services with a 6.6 percent increase. Gasoline experienced a year-over-year price decline of 12.2 percent for April. These sector data are seasonally adjusted.



Source: Bureau of Labor Statistics

Michigan Economy

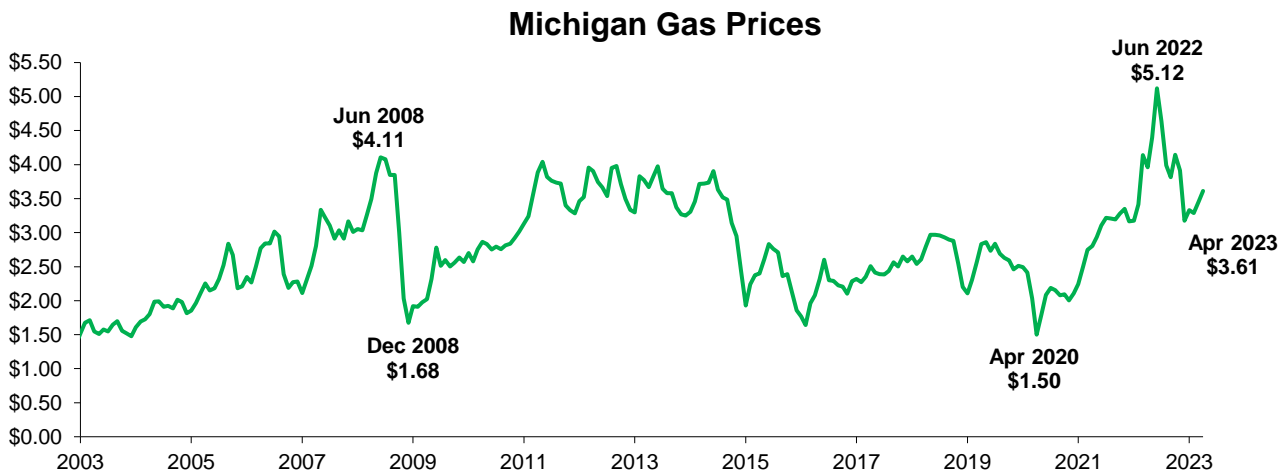
The **Michigan jobless rate** declined to 3.8 percent in April, down from March's 4.1 percent unemployment rate, according to the most recent data. The national unemployment rate declined slightly to 3.4 percent in April, down from March's 3.5 percent unemployment rate. The number unemployed in Michigan declined by 14,000 in April while the number employed increased by 30,000 from March's levels. The number employed is 0.7 percent higher, while the number unemployed is 3.6 percent lower than in April 2022. In April, Michigan's unemployment rate returned to the February 2020 pre-pandemic unemployment rate of 3.8 percent.



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

Michigan wage and salary employment remained flat in April at 4.4 million jobs, with an increase of 5,000 jobs from March. Employment was up 61,000 jobs, or 1.4 percent, from April 2022. In April, the sector with the largest increase in employment was the professional and business services sector with a gain of 3,000 jobs, followed by the education and health services sector with a gain of 2,000 jobs. The leisure and hospitality services sector experienced the greatest decline with a loss of 2,000 jobs. All other major sectors gained or lost 1,000 jobs or less.

Michigan gasoline prices increased in April 2023, up to \$3.61 per gallon, 16.2 cents a gallon above last month's average. Year-over-year gasoline prices were 34.7 cents per gallon lower than in April 2022. April 2023 diesel prices declined by 13.9 cents a gallon from March to April's price of \$4.23 per gallon. Diesel prices were down 68.0 cents per gallon over the April 2022 price of \$4.91 per gallon.

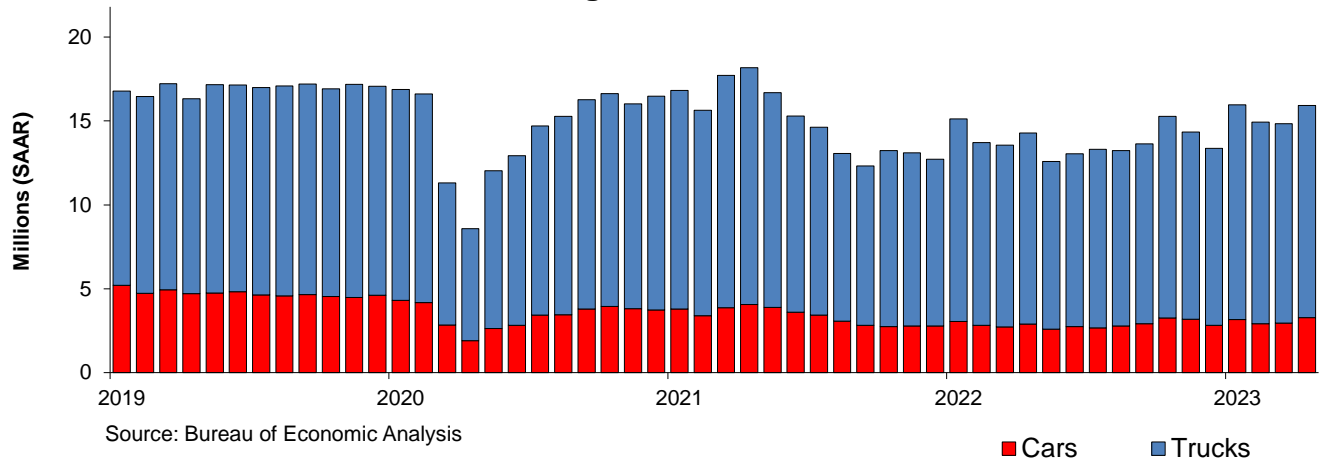


Source: AAA Michigan

Motor Vehicle Sector

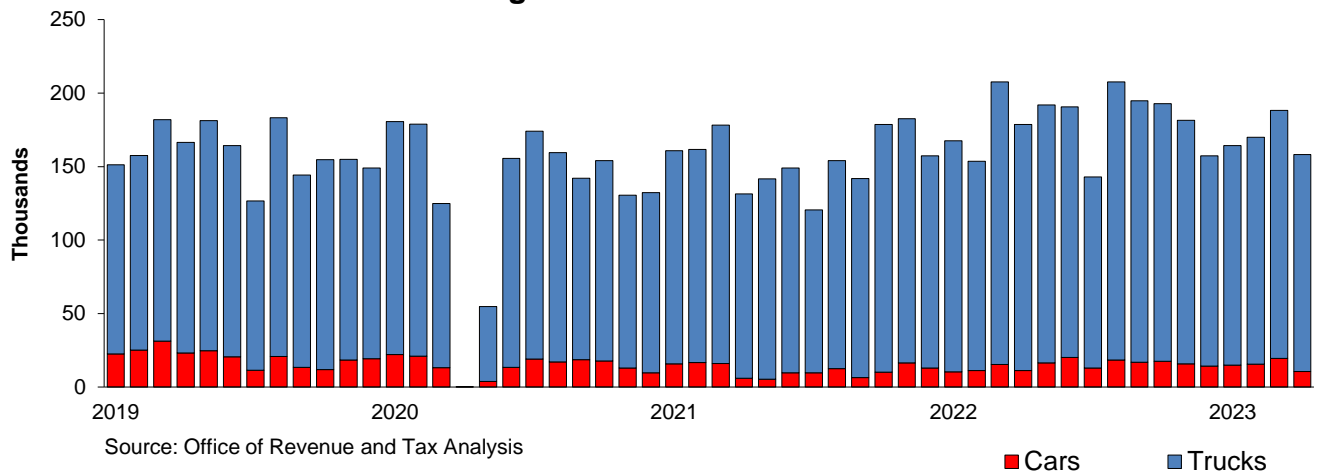
U.S. light vehicle sales (cars and light trucks) increased by 7.2 percent in April from March, selling at a 15.9 million unit seasonally adjusted annual rate, according to the most recent estimates. Domestic car sales increased 13.2 percent while light truck sales increased 6.4 percent from March. Import car sales increased 4.2 percent while import light truck sales increased 6.2 percent from March. Compared to April 2022, light vehicle sales were up 11.4 percent. Domestic car sales increased 19.0 percent while light truck sales increased 10.9 percent from the year ago levels. April import car sales decreased 1.2 percent while import light truck sales increased 11.0 percent from last year. Domestic light vehicles recorded a 80.0 percent share of April 2023 sales, up 0.7 percentage points from April 2022.

U.S. Light Vehicle Sales



Michigan motor vehicle production declined in April, to 158,109 total units. Michigan’s April production was 16.0 percent below March’s production and 11.5 percent below the level in April 2022, according to the most recently available data. Nationally, motor vehicle production totaled 841,899 units, which was down 12.4 percent from a year ago. In April, Michigan's car production was 10,537 units while the State's truck production was 147,572 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 13, 2023 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

| | Fiscal Year 2021-22 Estimate | Fiscal Year 2022-23 Estimate | Fiscal Year 2023-24 Estimate |
|--|---|---|---|
| Applicable Calendar Year Personal Income | \$530,809 | \$567,807 | \$568,375 |
| Section 26 Base Ratio | 9.49% | 9.49% | 9.49% |
| Revenue Limit | <u>\$50,373.8</u> | <u>\$53,884.9</u> | <u>\$53,938.8</u> |
| | | | |
| Revenue Limit | \$50,373.8 | \$53,884.9 | \$53,938.8 |
| State Revenue Subject to Limit | <u>\$43,267.5</u> | <u>\$42,884.4</u> | <u>\$43,573.0</u> |
| | | | |
| Amount Under (Over) Limit | \$7,106.3 | \$11,000.5 | \$10,365.8 |

Sources:

Personal Income Estimate

The FY 2021-22 calculation uses the official personal income estimate for calendar year 2020 (Survey of Current Business, October 2021).
The FY 2022-23 calculation uses the official personal income estimate for calendar year 2021 (Survey of Current Business, October 2022).
The FY 2023-24 calculation uses the January 13, 2023 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2021-22 calculation uses the January 13, 2023 Consensus Revenue Agreement.
The FY 2022-23 calculation uses the January 13, 2023 Consensus Revenue Agreement.
The FY 2023-24 calculation uses the January 13, 2023 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