



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

September 30, 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 August 31, 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](http://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**  
**August 31, 2021**  
(\$ in millions)

	<b>FISCAL 2021</b>
<b>Beginning Balance</b>	<b>\$ 2,363.0</b>
<b>Revenues</b>	
<b>Ongoing:</b>	
May 2021 Consensus Forecast	\$ 11,276.8
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
<b>Subtotal Ongoing Revenue</b>	<b>\$ 10,861.7</b>
<b>One-Time:</b>	
Miscellaneous Adjustments	\$ 11.2
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.2</b>
<b>Total Revenue</b>	<b>\$ 10,872.9</b>
<b>Expenditures</b>	
<b>Ongoing:</b>	
Public Acts 165 and 166 of 2020	\$ 10,316.9
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 10,316.9</b>
<b>One-Time:</b>	
Public Acts 165 and 166 of 2020	\$ 285.3
Public Act 257 of 2020	\$ 243.3
Transfer to BSF	\$ 35.0
May Consensus Enhanced FMAP (FY21 Q2-Q4)	\$ (634.7)
May Consensus Caseload Adjustments	\$ 7.5
Public Acts 2, 30, 65, and 67 of 2021	\$ 140.0
Lapse excess funds - VMF II payoff	\$ (10.2)
<b>Subtotal One-Time Expenditures</b>	<b>\$ 66.2</b>
<b>Total Expenditures</b>	<b>\$ 10,383.1</b>
<b>Ending Balance</b>	<b>\$ 2,852.8</b>

**SCHOOL AID FUND**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**August 31, 2021**  
(\$ in millions)

**FISCAL**  
**2021**

<b>Beginning Balance</b>	<b>\$</b>	<b>1,190.5</b>
<b>Revenues</b>		
<b>Ongoing:</b>		
May 2021 Consensus Forecast	\$	15,032.4
General Fund	\$	40.0
Community District Trust Fund	\$	79.8
Federal Revenue	\$	1,811.5
<b>Subtotal Ongoing Revenue</b>	<b>\$</b>	<b>16,963.7</b>
<b>One-Time:</b>		
General Fund	\$	14.5
Federal Revenue - ESSER/GEER	\$	5,574.8
Other Federal Grants One Time	\$	481.3
<b>Subtotal One-Time Revenue</b>	<b>\$</b>	<b>6,070.6</b>
<b>Total Revenue</b>	<b>\$</b>	<b>23,034.3</b>
<b>Expenditures</b>		
<b>Ongoing:</b>		
School Aid - Public Act 165 of 2020	\$	15,340.1
School Aid - Public Act 48 of 2021	\$	(23.2)
Community Colleges - Public Act 165 of 2020	\$	425.7
Universities - Public Act 165 of 2020	\$	356.1
<b>Subtotal Ongoing Expenditures</b>	<b>\$</b>	<b>16,098.7</b>
<b>One-Time:</b>		
School Aid - Public Act 165 of 2020	\$	185.0
School Aid - Public Act 3 of 2021	\$	1,009.2
School Aid - Public Act 47 of 2021	\$	4,373.9
School Aid - Public Act 48 of 2021	\$	835.0
Community Colleges - Pending Supplemental (2021-6)	\$	12.7
<b>Subtotal One-Time Expenditures</b>	<b>\$</b>	<b>6,415.8</b>
<b>Total Expenditures</b>	<b>\$</b>	<b>22,514.5</b>
<b>Ending Balance</b>	<b>\$</b>	<b>1,710.3</b>

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

August 31, 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
98.4	110.5	Agriculture and Rural Development	121.3	5.2	23.8	150.3	103.4
83.5	93.2	Attorney General	105.3	2.1	20.0	127.4	85.0
354.3	389.6	Capital Outlay (2)	332.4	1.4	673.9	1,007.7	299.3
12.4	14.0	Civil Rights	18.0	1.5	1.9	21.4	13.6
1,430.8	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	1,413.6
1,857.3	2,017.3	Corrections	2,050.7	2.5	254.1	2,307.3	1,779.9
1,203.9	1,134.0	Education	516.7	125.4	155.7	797.8	500.0
426.5	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	510.5
7.1	7.4	Executive Office	7.1	0.0	0.9	8.1	6.8
22,842.6	26,614.3	Health and Human Services	28,453.2	3,090.4	1,192.2	32,735.8	26,599.3
48.7	53.9	Insurance and Financial Service	73.3	51.5	0.0	124.8	54.7
227.2	271.3	Judiciary	313.6	0.4	4.9	319.0	223.0
382.3	444.8	Labor and Economic Opportunity	745.2	683.4	2,850.0	4,278.6	653.3
21.7	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	22.9
138.4	154.3	Legislature	172.4	0.0	93.8	266.2	142.7
283.3	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	352.7
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
66.0	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	178.8
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.1	42.5	33.9
169.3	171.9	Military and Veterans Affairs	102.4	17.0	14.3	133.7	106.4
115.3	132.7	Natural Resources	136.5	5.0	58.2	199.7	111.9
213.2	252.4	State	254.3	12.1	88.1	354.5	215.7
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
748.1	837.6	State Police (3)	737.2	414.1	172.1	1,323.5	658.3
565.1	1,047.2	Technology, Management and Budget (4)	495.0	215.4	697.6	1,408.0	534.7
5.1	6.2	Transportation	0.0	47.0	29.5	76.5	2.5
2,024.7	3,758.1	Treasury	2,080.6	590.0	197.6	2,868.2	2,223.8
<b>\$33,325.1</b>	<b>\$39,893.1</b>		<b>\$39,180.9</b>	<b>\$5,385.7</b>	<b>\$7,371.7</b>	<b>\$51,938.3</b>	<b>\$36,826.7</b>

(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  
August 31, 2021  
(\$ in millions)**

	<b>INITIAL APPROPRIATIONS</b>	<b>EXEC. ORDER and SUPPLEMENTALS</b>	<b>TOTAL APPROPRIATIONS YEAR-TO-DATE</b>
Payments to local units of government	19,907.4	210.3	20,117.7
Total state spending from state resources	35,359.1	591.3	35,950.4
Percentage of state spending from state resources paid to local units	56.30%	35.57%	55.96%
Required payments to local units (48.97%)	17,315.4	289.6	17,604.9
<b>Surplus/(deficit)</b>	<b>\$2,592.0</b>	<b>(\$79.3)</b>	<b>\$2,512.8</b>

**STATE OF MICHIGAN**  
**YEAR-TO-DATE BALANCE SHEET**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
August 31, 2021  
(\$ in thousands)

**ASSETS**

Current Assets:		
Equity in common cash	\$	879,173
Total Assets	\$	879,173

**LIABILITIES**

Current Liabilities:		
Total Current Liabilities	\$	-
Total Liabilities		-

**FUND BALANCES**

Committed		879,173
Total Fund Balances		879,173
Total Liabilities and Fund Balances	\$	879,173

**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
October 1, 2020 through August 31, 2021  
(\$ in thousands)

**REVENUES**

Miscellaneous	\$ 18,272
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Total Revenues	18,272
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**EXPENDITURES**

Current:	
General government	284
	<hr/>
Total Expenditures	284
	<hr/>
Excess of Revenues over (under) Expenditures	17,988
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**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	32,083
Transfers to other funds	-
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Total Other Financing Sources (Uses)	32,083
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 50,071 <sup>1</sup>
	<hr/> <hr/>

<sup>1</sup> 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**

August 31, 2021

(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 90,795
Investments	-
Other current assets	-
Total Current Assets	<u>90,795</u>

Noncurrent Assets:

Investments	<u>731,725</u>
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Total Assets	<u><u>\$ 822,520</u></u>
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**LIABILITIES**

Current Liabilities:

Accounts payable and other liabilities	\$ 7,191
Amounts due to other funds	-
Total Current Liabilities	<u>7,191</u>

Total Liabilities	<u>7,191</u>
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**FUND BALANCES**

Nonspendable	500,000
Restricted	<u>315,329</u>

Total Fund Balances	<u>815,329</u>
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Total Liabilities and Fund Balances	<u><u>\$ 822,520</u></u>
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**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**MICHIGAN NATURAL RESOURCES TRUST FUND**  
October 1, 2020 through August 31, 2021  
(\$ in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>87,378</u>
Total Revenues		<u>87,378</u>

**EXPENDITURES**

Current:		
General government		2,960
Conservation, environment, recreation, and agriculture		12,804
Capital outlay		<u>1,208</u>
Total Expenditures		<u>16,972</u>
Excess of Revenues over (under) Expenditures		<u>70,406</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		1,539
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>1,539</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u><u>\$ 71,944</u></u> <sup>1</sup>

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

## REVENUE OVERVIEW

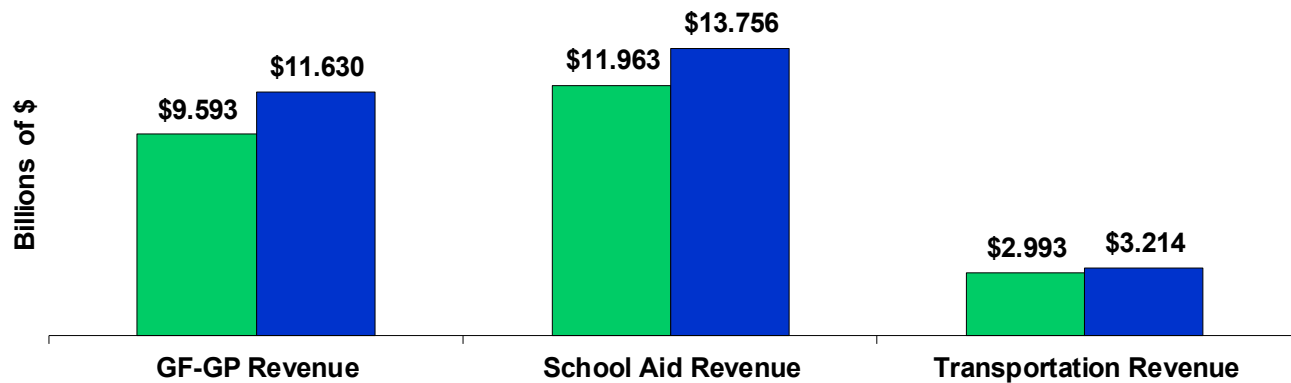
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

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

Due to the effects of the pandemic on revenues and a change in due dates for taxes from a year ago, growth rates are significantly different than usually observed. Total General Fund - General Purpose cash collections were \$129.7 million (13.3 percent) higher in August 2021 than in August 2020. The August 2021 School Aid Fund cash collections were \$123.5 million (10.1 percent) higher than in August 2020. August 2021 transportation collections were \$4.6 million (1.5 percent) higher than in August 2020 (see revenue summary table). August is the eleventh 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 \$2,036.7 million (21.2 percent) from a year ago. School Aid Fund cash collections are up \$1,792.4 million (15.0 percent) and transportation collections are up \$220.9 million (7.4 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 May 21, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2020-21 is \$11,276.8 million and the net School Aid revenue forecast is \$15,032.4 million. The Transportation Funds revenue forecast is \$3,684.5 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

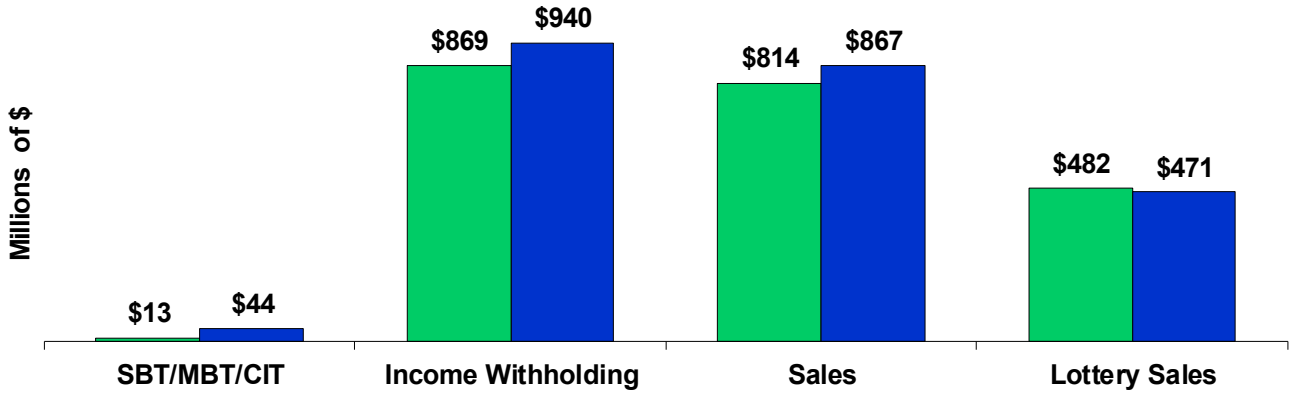
### October through August Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

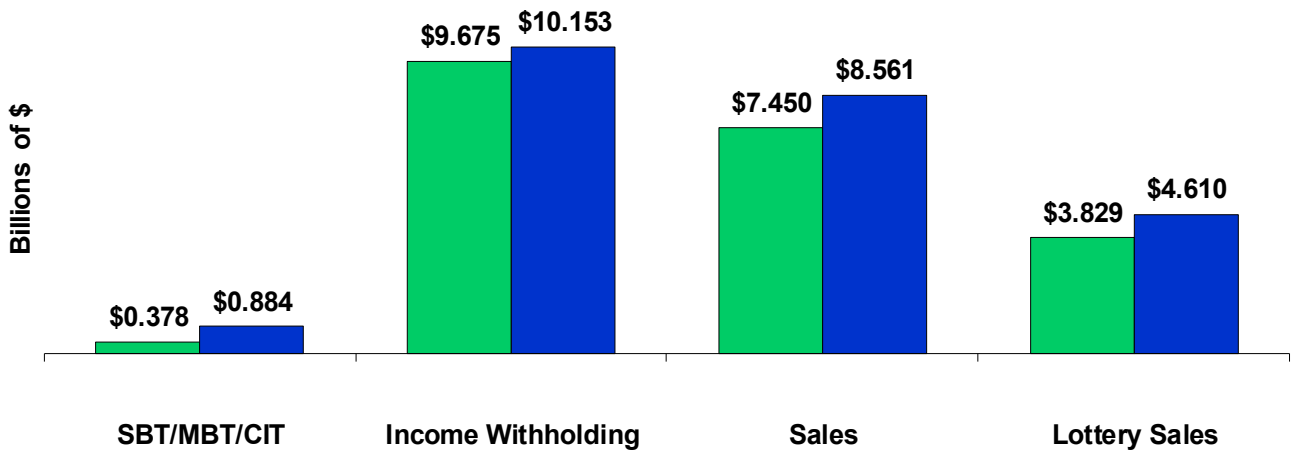
### August Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

### October through August 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: August 31, 2021**

Month-End Cash Collections Data				October Through August Cash Collections Data					Revenue Projections		
August		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
<b>Income Taxes</b>											
\$868,611	\$940,270	\$71,659	8.2%	Withholding	\$9,675,442	\$10,152,602	\$477,160	4.9%	\$10,511,500	\$9,971,300	\$11,014,500
26,003	29,873	3,870	14.9%	Quarterlies	897,065	1,308,374	411,308	45.9%	1,208,400	1,019,500	1,358,400
21,197	27,875	6,678	31.5%	Annuals	1,250,223	1,753,661	503,439	40.3%	1,298,100	1,147,600	1,017,400
\$915,811	\$998,018	\$82,207	9.0%	Gross Collections	\$11,822,730	\$13,214,637	\$1,391,907	11.8%	\$13,018,000	\$12,138,400	\$13,390,300
73,634	59,683	(13,952)	-18.9%	Less: Refunds	2,296,402	2,391,223	94,821	4.1%	2,517,700	2,366,900	2,738,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$842,177	\$938,335	\$96,159	11.4%	Net Personal Income	\$9,526,328	\$10,823,414	\$1,297,086	13.6%	\$10,499,700	\$9,770,700	\$10,651,100
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	429,000	550,000	121,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	63,250	63,250	0	0.0%	69,000	69,000	69,000
213,194	232,321	19,127	9.0%	Less: Disbursements to SAF	2,752,328	3,076,308	323,979	11.8%	3,093,000	2,889,900	3,188,200
\$584,232	\$650,264	\$66,032	11.3%	<b>Net Personal Income To GF-GP</b>	<b>\$6,281,750</b>	<b>\$7,133,856</b>	<b>\$852,107</b>	<b>13.6%</b>	<b>\$6,869,700</b>	<b>\$6,211,800</b>	<b>\$6,793,900</b>
<b>Consumption Taxes</b>											
\$133,406	\$140,638	\$7,232	5.4%	Sales (a)	\$1,212,970	\$1,392,038	\$179,069	14.8%	\$1,299,800	\$1,250,200	\$1,356,900
83,869	111,263	27,394	32.7%	Use (a) (h)	660,205	1,126,507	466,303	70.6%	747,500	654,500	1,158,300
17,637	17,937	300	1.7%	Tobacco	163,059	162,291	(768)	-0.5%	180,100	167,800	176,200
2,053	1,494	(559)	-27.2%	Beer, Wine & Mixed Spirits	43,137	49,592	6,454	15.0%	51,400	50,500	53,000
8,245	6,820	(1,425)	-17.3%	Liquor Specific	59,359	66,374	7,015	11.8%	73,100	57,500	68,000
\$245,210	\$278,152	\$32,942	13.4%	<b>Total Consumption Taxes</b>	<b>\$2,138,729</b>	<b>\$2,796,802</b>	<b>\$658,072</b>	<b>30.8%</b>	<b>\$2,351,900</b>	<b>\$2,180,500</b>	<b>\$2,812,400</b>
<b>Other Taxes</b>											
(\$9,668)	(\$26)	\$9,641	-99.7%	Single Business	(\$5,537)	(\$453)	\$5,085	-91.8%	(\$5,400)	\$0	\$0
9,139	9,460	320	3.5%	Insurance Premiums Taxes	\$397,033	346,791	(50,242)	-12.7%	456,800	380,400	390,000
(528)	9,433	9,961	na	Sub-total SBT & Insurance	391,496	346,338	(45,158)	-11.5%	451,400	380,400	390,000
(25,303)	(322)	24,981	-98.7%	Michigan Business Tax	(546,106)	(508,169)	37,937	6.9%	(553,700)	(643,900)	(626,900)
48,326	44,421	(3,905)	-8.1%	Corporate Income Tax	929,372	1,392,454	463,082	49.8%	1,100,100	912,800	1,384,100
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
4,999	972	(4,027)	-80.6%	Telephone & Telegraph	32,429	32,735	305	0.9%	32,700	30,000	32,000
1,098	2,583	1,486	135.0%	Oil & Gas Severance	13,297	18,295	4,998	37.6%	12,800	12,000	14,000
1,807	5,833	4,026	223.0%	Penalties & Interest	62,087	109,974	47,887	77.1%	90,700	127,000	130,000
97,836	95,054	(2,782)	-2.8%	Essential Services Assessment	119,693	124,760	5,068	4.2%	122,000	125,000	126,000
662	575	(87)	-13.2%	Miscellaneous Other/Railroad	2,129	2,630	501	23.6%	13,500	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(128,333)	(139,333)	(11,000)	-8.6%	(139,900)	(152,000)	(152,000)
\$117,230	\$145,881	\$28,652	24.4%	<b>Total Other Taxes</b>	<b>\$876,064</b>	<b>\$1,379,684</b>	<b>\$503,621</b>	<b>57.5%</b>	<b>\$1,129,600</b>	<b>\$793,300</b>	<b>\$1,299,200</b>
\$946,672	\$1,074,298	\$127,626	13.5%	<b>Subtotal GF-GP Taxes</b>	<b>\$9,296,543</b>	<b>\$11,310,342</b>	<b>\$2,013,799</b>	<b>21.7%</b>	<b>\$10,351,200</b>	<b>\$9,185,600</b>	<b>\$10,905,500</b>

continued

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

**For The Month Ended: August 31, 2021**

Month-End Cash Collections Data				October Through August Cash Collections Data						Revenue Projections		
August		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent				
<b>Non-Tax Revenue (e)</b>												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$13,750	\$9,167	(\$4,583)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	92	92	0	0.0%	400	100	100	
500	583	83	16.7%	Services	5,500	6,417	917	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	11,000	12,833	1,833	16.7%	51,100	14,000	14,000	
0	0	0	na	Investments/Interest Costs	1,266	1,266	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	9,167	9,167	0	0.0%	4,100	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	178,750	206,250	27,500	15.4%	279,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	77,000	74,250	(2,750)	-3.6%	75,200	81,000	78,200	
<b>\$26,842</b>	<b>\$28,925</b>	<b>\$2,083</b>	<b>7.8%</b>	<b>Total Non-Tax Revenue</b>	<b>\$296,524</b>	<b>\$319,441</b>	<b>\$22,917</b>	<b>7.7%</b>	<b>\$424,500</b>	<b>\$351,100</b>	<b>\$371,300</b>	
<b>\$973,513</b>	<b>\$1,103,223</b>	<b>\$129,709</b>	<b>13.3%</b>	<b>Total GF-GP Revenue</b>	<b>\$9,593,067</b>	<b>\$11,629,783</b>	<b>\$2,036,716</b>	<b>21.2%</b>	<b>\$10,775,700</b>	<b>\$9,536,700</b>	<b>\$11,276,800</b>	
<b>School Aid Fund</b>												
\$339,894	\$357,731	\$17,838	5.2%	Sales Tax 4%	\$3,150,969	\$3,574,653	\$423,683	13.4%	\$3,392,300	\$3,344,700	\$3,644,400	
248,000	270,880	22,880	9.2%	Sales Tax 2%	2,198,269	2,602,880	404,611	18.4%	2,656,400	2,604,600	2,852,000	
61,347	76,098	14,751	24.0%	Use Tax 2%	543,667	807,663	263,996	48.6%	613,000	576,000	827,900	
179,407	214,820	35,414	19.7%	State Education Property Tax	1,693,904	1,787,071	93,167	5.5%	2,182,800	2,163,000	2,267,600	
39,073	48,463	9,391	24.0%	Real Estate Transfer Tax	286,979	434,057	147,078	51.3%	335,400	325,000	433,600	
90,000	90,000	0	0.0%	Lottery Transfer (b)	841,822	941,983	100,161	11.9%	1,179,900	1,026,800	1,208,100	
5,695	9,148	3,453	60.6%	Casino Wagering Tax	60,117	82,259	22,142	36.8%	67,000	112,800	134,900	
8,004	6,510	(1,495)	-18.7%	Liquor Excise Tax	57,587	63,154	5,567	9.7%	70,900	57,100	67,600	
35,806	36,414	609	1.7%	Cigarette/Tobacco Tax	331,034	329,476	(1,558)	-0.5%	331,800	314,900	325,300	
1,500	3,292	1,792	119.0%	Indus. & Comm. Facilities Taxes	28,479	34,685	6,206	21.8%	40,900	33,000	37,000	
4,157	3,880	(277)	-6.7%	Specific Other	18,221	21,582	3,361	18.4%	27,000	54,100	45,800	
213,194	232,321	19,127	9.0%	Income Tax Earmarking	2,752,328	3,076,308	323,979	11.8%	3,093,000	2,889,900	3,188,200	
<b>\$1,226,078</b>	<b>\$1,349,558</b>	<b>\$123,481</b>	<b>10.1%</b>	<b>Total School Aid Fund</b>	<b>\$11,963,378</b>	<b>\$13,755,770</b>	<b>\$1,792,392</b>	<b>15.0%</b>	<b>\$13,990,400</b>	<b>\$13,501,900</b>	<b>\$15,032,400</b>	
<b>Multi-Fund Revenue Summary</b>												
\$814,490	\$867,099	\$52,609	6.5%	Sales Tax 6%	\$7,449,885	\$8,560,635	\$1,110,750	14.9%	\$8,307,500	\$8,159,000	\$8,906,000	
566,489	596,219	29,729	5.2%	Sales Tax 4% (d)	5,251,616	5,957,755	706,139	13.4%	5,651,100	5,554,400	6,054,000	
248,000	270,880	22,880	9.2%	Sales Tax 2%	2,198,269	2,602,880	404,611	18.4%	2,656,400	2,604,600	2,852,000	
184,041	228,294	44,252	24.0%	Use Tax 6% (g)	1,631,002	2,422,989	791,987	48.6%	1,826,400	1,722,000	2,477,700	
1,531	3,026	1,495	97.6%	Recreational Marihuana	15,857	88,910	73,052	na	31,364	98,000	75,000	
88,628	90,134	1,507	1.7%	Tobacco Taxes	819,392	815,534	(3,858)	-0.5%	904,100	847,100	886,000	
4	0	(4)	-100.0%	Tobacco Settlement	217,819	236,821	19,001	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: August 31, 2021**

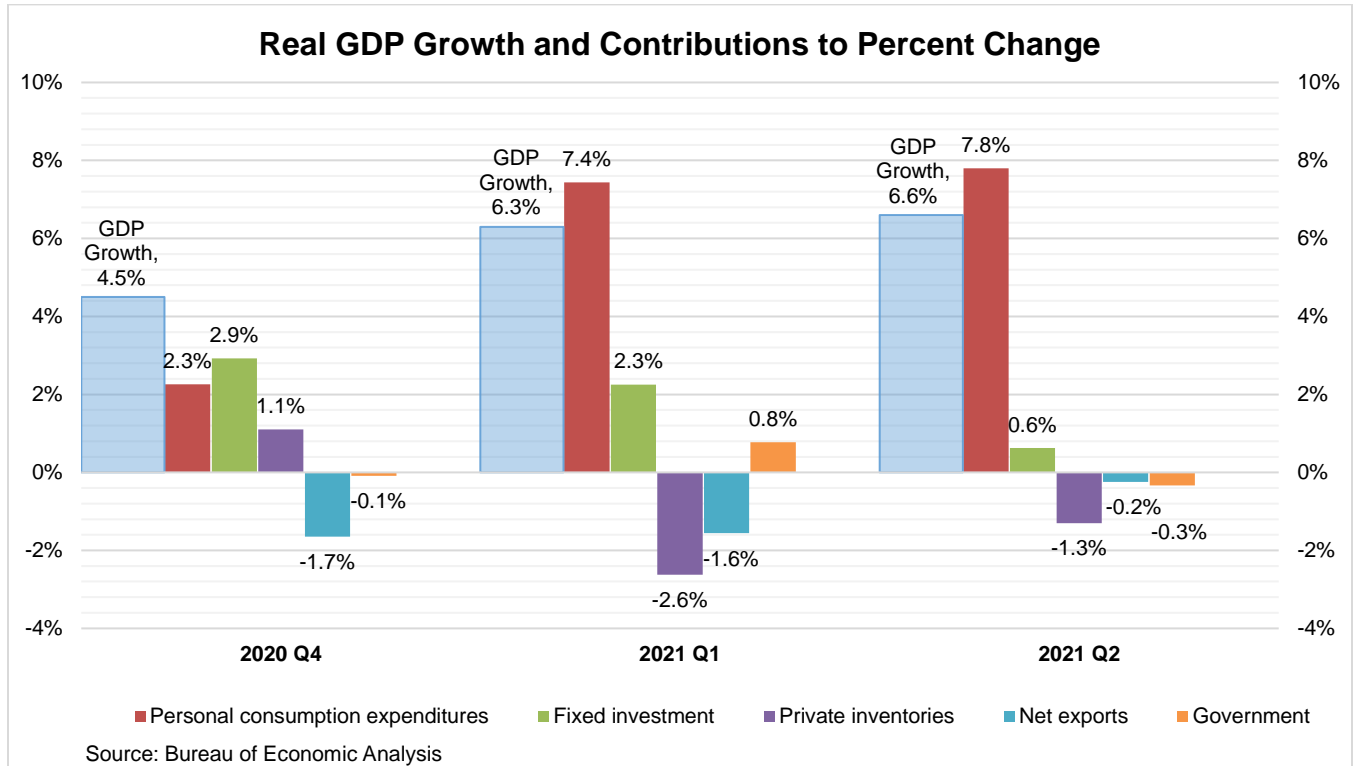
Month-End Cash Collections Data				October Through August Cash Collections Data					Revenue Projections		
August		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
<b>Major Transportation Revenues</b>											
\$23,330	\$20,935	(\$2,395)	-10.3%	Diesel Fuel / Motor Carrier Fuel Tax	\$209,789	\$222,086	\$12,297	5.9%	\$229,917	\$227,000	\$238,000
116,896	107,584	(9,312)	-8.0%	Gasoline	989,036	1,012,515	23,479	2.4%	1,086,857	1,150,000	1,155,000
118,772	123,143	4,371	3.7%	Motor Vehicle Registration	1,231,417	1,285,574	54,157	4.4%	1,345,111	1,373,000	1,373,000
4,517	5,401	884	19.6%	Other Taxes, Fees & Misc.	40,161	49,424	9,262	23.1%	119,062	217,996	182,419
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	93,190	93,902	712	0.8%	102,047	102,439	136,123
39,000	50,000	11,000	28.2%	Income Tax Earmarking	429,000	550,000	121,000	28.2%	468,000	600,000	600,000
\$310,986	\$315,599	\$4,613	1.5%	<b>Total Major Trans. Revenues</b>	<b>\$2,992,594</b>	<b>\$3,213,501</b>	<b>\$220,907</b>	<b>7.4%</b>	<b>\$3,350,994</b>	<b>\$3,670,435</b>	<b>\$3,684,542</b>
<b>Lottery Sales By Games</b>											
\$262,070	\$247,133	(\$14,937)	-5.7%	Instant Games (f)	\$2,015,999	\$2,449,027	\$433,027	21.5%	na	na	na
109,745	108,998	(746)	-0.7%	Daily Games	885,763	1,076,888	191,125	21.6%	na	na	na
36,537	39,307	2,770	7.6%	Lotto and Big Game (f)	320,576	444,843	124,267	38.8%	na	na	na
828	643	(185)	-22.4%	Keno Game	7,866	7,997	131	1.7%	na	na	na
1,309	3,378	2,069	158.0%	Lucky For Life	12,151	15,882	3,731	30.7%	na	na	na
9,262	9,399	136	1.5%	Other (f)	88,149	75,963	(12,187)	-13.8%	na	na	na
61,916	62,081	165	0.3%	Club Games	498,273	539,807	41,534	8.3%	na	na	na
\$481,667	\$470,939	(\$10,728)	-2.2%	<b>Total Lottery Sales</b>	<b>\$3,828,778</b>	<b>\$4,610,407</b>	<b>\$781,629</b>	<b>20.4%</b>	<b>na</b>	<b>na</b>	<b>na</b>

- (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 \$427.1 million and the year-to date 2021 revenues are \$488.8 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 \$427.1 million and the year-to-date 2021 LCSS revenues are \$488.8 million.
- (i) 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 6.6 percent annual rate in the second quarter of 2021, according to the most recent estimate, up from the 6.3 percent annual rate in the first quarter of 2021. The past three quarterly contributions to the percent change in GDP are shown in the graph below. Annual real GDP decreased 3.4 percent in 2020, a decline from the 2.3 percent growth of 2019.

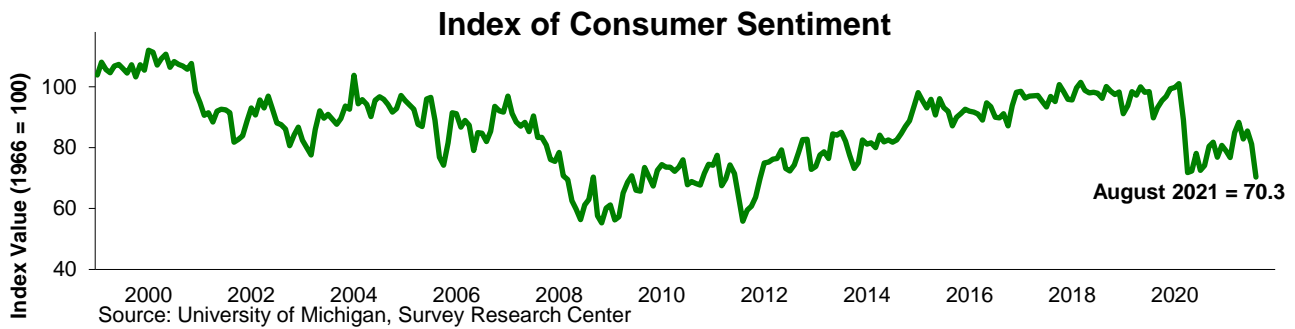


Personal consumption expenditures contributed significantly to the increase in GDP in the second quarter of 2021, as it did in the first quarter of 2021. Fixed investment made minor contributions to the increase in GDP. Private inventories, net exports, and government spending were drags on the economy. Real final sales increased 7.9 percent in the second quarter according to the most recent estimate while on the inflation front, the implicit price deflator increased by 6.2 percent.

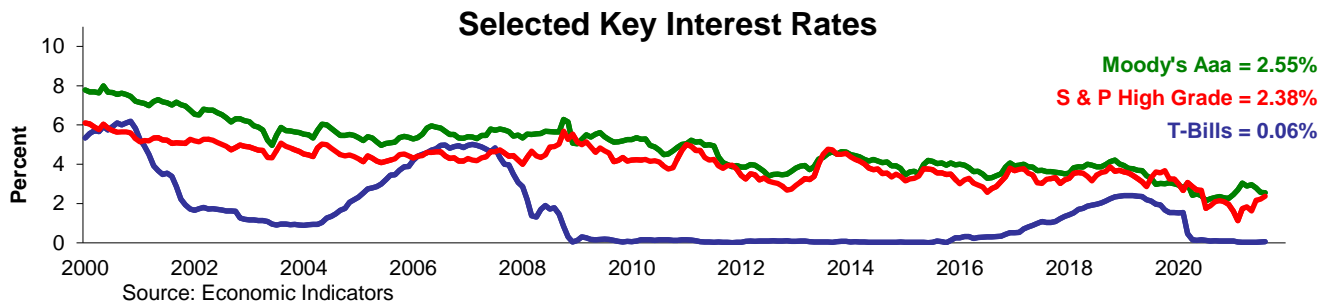
**U.S. wage and salary employment** increased by 235,000 jobs in August, after gaining 962,000 jobs in July, according to revised estimates. Employment levels were still 5.3 million payroll jobs, or 3.5 percent, below the February 2020 level, prior to the pandemic. In August, sectors with the largest increases in employment include professional and business services with 74,000 jobs, manufacturing with 37,000 jobs, other services with 37,000 jobs, education and health services with 35,000 jobs, and trade, transportation, and utilities with 24,000 jobs of which 53,200 jobs were in transportation and warehousing which made up for the job losses in the retail trade sector. The leisure and hospitality sector remained flat in August.

In August, the U.S. unemployment rate declined to 5.2 percent, down from July's 5.4 percent. Civilian employment increased slightly to 153.2 million in August, while the number unemployed decreased to 8.4 million. Of the unemployed, 1.3 million were reported as being on a temporary layoff in August, a slight increase from July's 1.2 million.

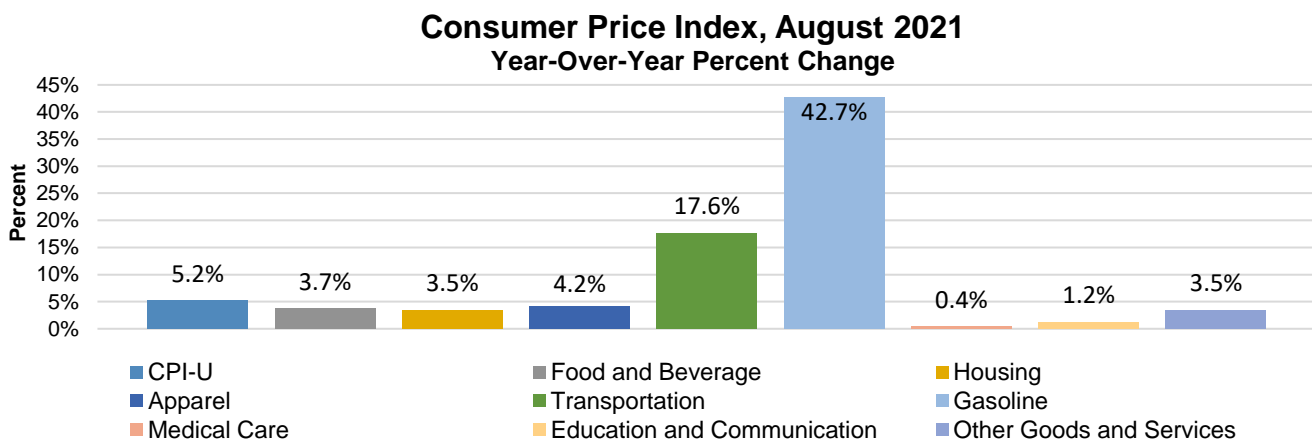
The **Index of Consumer Sentiment** declined significantly by 10.9 index-points from July, down to 70.3 in August. The year-over-year consumer sentiment is 3.8 index-points below August 2020 levels, which had plummeted from February 2020's high of 101.0 due to the pandemic.



Short-term **interest rates** increased slightly in August, as the 3-month Treasury bill (T-bill) rate increased to 0.06 percent, up 0.01 percentage points from July. Compared to one year ago, the T-bill rate decreased 0.04 percentage points. The Aaa corporate bond rate decreased 0.02 percentage points to an interest yield of 2.55 percent in August but was up 0.30 percentage points from its year-ago level. The interest rate on high-grade municipal bonds increased 0.16 percentage points to 2.38 percent in August and was up 0.50 percentage points from a year ago.



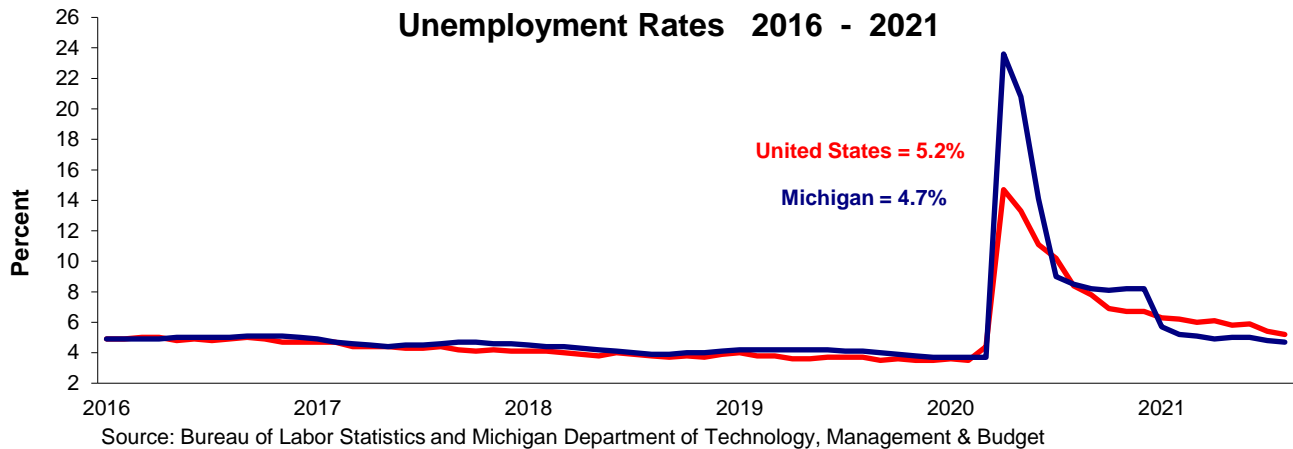
**U.S. retail prices**, as measured by the Consumer Price Index (CPI-U), are up 5.2 percent from August 2020 to August 2021, just a slight decline in the 5.3 percent year-over-year increase in July. Gasoline experienced the largest year-over-year price increase (42.7 percent) due in part to the dramatic decline in gasoline prices for much of 2020 due to the pandemic. Transportation was next in largest price increase (17.6 percent). Far lower year-over-year percent changes can be seen in apparel (4.2 percent), food and beverage (3.7 percent), housing (3.5 percent), and other goods and services (3.5 percent).





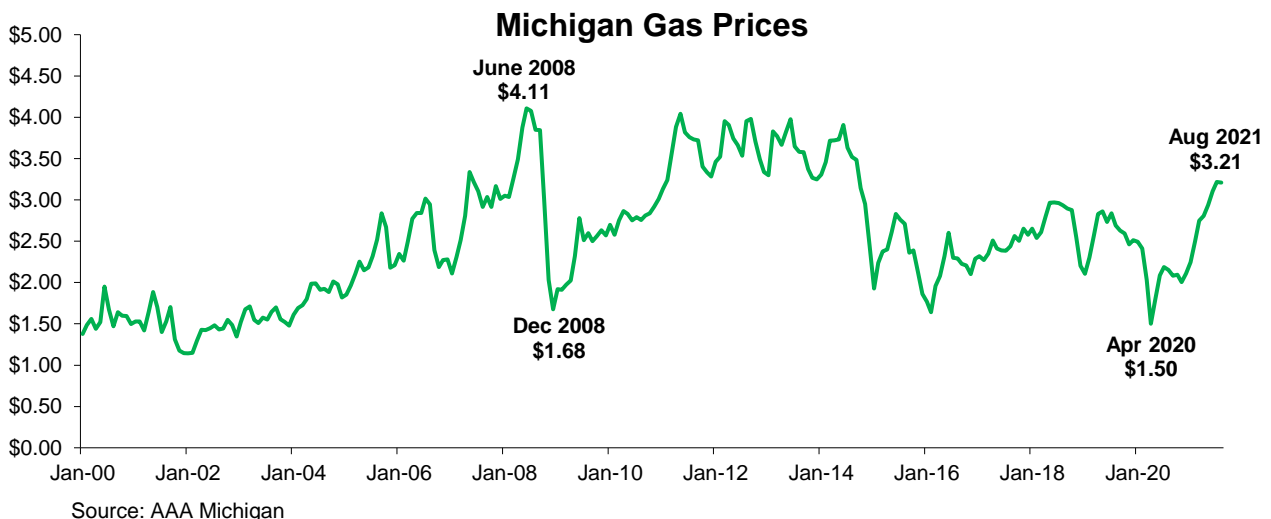
## Michigan Economy

The **Michigan jobless rate** declined slightly to 4.7 percent in August, down from July's 4.8 percent jobless rate. This is below the national unemployment rate which declined to 5.2 percent in August. The civilian labor force increased by 11,000 in August, a 0.2 percent change from July. The number unemployed decreased by 3,000 in August, a -1.3 percent change, while the number employed increased by 14,000, a 0.3 percent change from July to August. The number unemployed is 45.8 percent lower than in August 2020, when large losses in employment occurred during the first part of the pandemic in the U.S.



**Michigan wage and salary employment** increased in August by 5,000 jobs from July's revised estimate, and was up 129,000 jobs, or 3.2 percent, from August 2020. In August, the sectors with the largest increases in employment include leisure and hospitality services with 3,000 jobs gained, and professional and business services, education and health services, and manufacturing each with 2,000 jobs gained. In August, the sector with the largest decline in employment was government with 2,000 jobs lost. All other major sectors gained or lost less than 1,000 jobs.

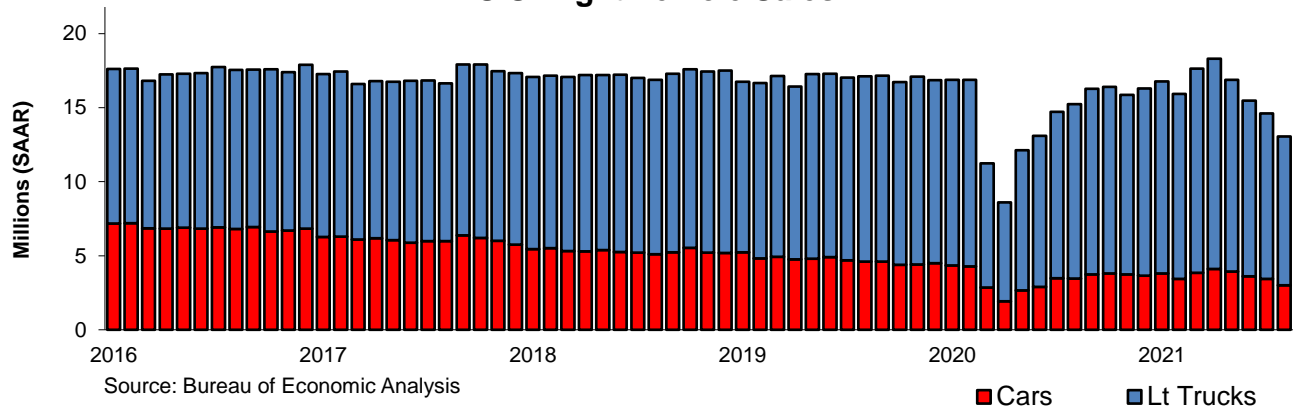
**Michigan gasoline prices** decreased slightly in August 2021 to \$3.21 per gallon, down 0.8 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$2.15 per gallon in August 2020, when they were still low due to the pandemic. August 2021 gas prices are 52.0 cents a gallon higher than they were two years ago in August 2019 and are similar to prices last seen in 2014.



## Motor Vehicle Sector

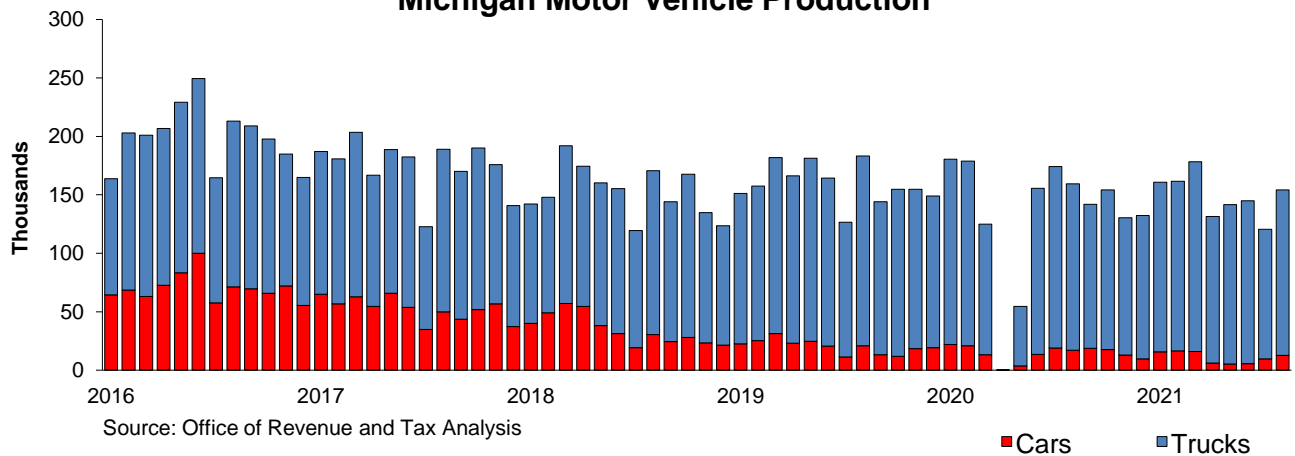
**U.S. light vehicle sales** (cars and light trucks) declined 10.7 percent in August from July, selling at a 13.1 million unit seasonally adjusted annual rate. Domestic car sales declined 15.3 percent and light truck sales declined 9.4 percent from July. Import car sales and light truck sales declined 4.7 percent and 12.7 percent, respectively, from July. Compared to August 2020, light vehicle sales were down 14.4 percent. Domestic car sales decreased 22.3 percent while light truck sales decreased 16.8 percent from the year ago levels. Import car sales were up 16.2 percent while import light truck sales were down 6.9 percent from last year. Domestic light vehicles recorded a 74.9 percent share of August 2021 sales, down 0.1 percentage points from July.

### U.S. Light Vehicle Sales



**Michigan motor vehicle production** was up in August, with 154,073 total units, the highest level of production since March of this year. Michigan's August production was 27.9 percent above July's production, but still down 3.4 percent from a year ago. This production increase is occurring at a time when several factories have temporarily suspended production due to the semiconductor shortage. Nationally, motor vehicle production totaled 818,292 units, which was down 13.1 percent from a year ago. In August, Michigan's car production was 12,585 units while the state's truck production was 141,488 units. Michigan motor vehicle production data are not seasonally adjusted.

### Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit  
Based on the May 21, 2021 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<b>Fiscal Year 2019-20 Estimate</b>	<b>Fiscal Year 2020-21 Estimate</b>	<b>Fiscal Year 2021-22 Estimate</b>
Applicable Calendar Year Personal Income	\$484,030	\$491,632	\$528,093
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$45,934.4</u>	<u>\$46,655.9</u>	<u>\$50,116.0</u>
Revenue Limit	\$45,934.4	\$46,655.9	\$50,116.0
State Revenue Subject to Limit	<u>\$34,516.9</u>	<u>\$36,198.7</u>	<u>\$36,833.5</u>
<b>Amount Under (Over) Limit</b>	<b>\$11,417.6</b>	<b>\$10,457.2</b>	<b>\$13,282.5</b>

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 May 21, 2021 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2019-20 calculation uses the May 21, 2021 Consensus Revenue Agreement.

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

The FY 2021-22 calculation uses the May 21, 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