



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

March 1, 2024

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 January 31, 2024. 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,

Kyle Guerrant
Deputy 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 Com.

Cynthia Neeley, Chair, House Tax Policy Com.
JoAnne Huls, Executive Office
Tricia Foster, Executive Office
Zack Pohl, Executive Office
Rachael Eubanks, State Treasurer
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2024
Projected Revenues and Expenditures
January 31, 2024
(\$ in millions)

FISCAL
2024

Beginning Balance	\$ 2,816.9
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Revenues	
Ongoing:	
January 2024 Consensus Forecast	\$ 13,597.4
Local Government Program Payments	\$ (552.2)
Subtotal Ongoing Revenue	\$ 13,045.2
One-Time:	
One-time Revenue Reductions	\$ (13.1)
Subtotal One-Time Revenue	\$ (13.1)
Total Revenue	\$ 13,032.1

Expenditures	
Ongoing:	
Public Acts 103 and 119 of 2023	\$ 12,756.6
Community District Trust Fund	\$ 28.2
Subtotal Ongoing Expenditures	\$ 12,784.8
One-Time:	
Public Acts 103 and 119 of 2023	\$ 2,537.0
Subtotal One-Time Expenditures	\$ 2,537.0
Total Expenditures	\$ 15,321.8

Ending Balance	\$ 527.2
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¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2023. Final year-end activity will be reflected in the fiscal year 2023 Annual Comprehensive Financial Report.

SCHOOL AID FUND
Fiscal Year 2024
Projected Revenues and Expenditures
January 31, 2024
(\$ in millions)

	FISCAL 2024
Beginning Balance	\$ 1,735.7
Revenues	
Ongoing:	
January 2024 Consensus Forecast	\$ 17,946.9
General Fund	\$ 48.8
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 2,200.8
Subtotal Ongoing Revenue	\$ 20,268.4
One-Time:	
General Fund	\$ 38.2
General Fund - Community District Trust Fund Revenue Deposit	\$ 28.2
Enrollment Stability Reserve Fund - Public Act 103 of 2023	\$ 71.0
MPSERS Reserve Fund - Public Act 103 of 2023	\$ 215.8
Transportation Reserve Fund - Public Act 103 of 2023	\$ 125.0
School Meals Reserve Fund - Public Act 103 of 2023	\$ 60.0
GSRP Reserve Fund - Public Act 103 of 2023	\$ 18.0
Infrastructure Reserve Fund - Public Act 103 of 2023	\$ 245.0
Subtotal One-Time Revenue	\$ 801.2
Total Revenue	\$ 21,069.6
Expenditures	
Ongoing:	
School Aid - Public Act 103 of 2023	\$ 19,135.2
Community Colleges - Public Act 103 of 2023	\$ 496.2
Universities - Public Act 103 of 2023	\$ 352.3
Subtotal Ongoing Expenditures	\$ 19,983.6
One-Time:	
School Aid - Public Act 103 of 2023	\$ 2,324.5
Community Colleges - Public Act 103 of 2023	\$ 48.4
Universities - Public Act 103 of 2023	\$ 130.0
MDE - Public Act 119 of 2023	\$ 40.0
Subtotal One-Time Expenditures	\$ 2,542.9
Total Expenditures	\$ 22,526.5
Ending Balance	\$ 278.9

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2023. Final year-end activity will be reflected in the fiscal year 2023 Annual Comprehensive Financial Report.

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

January 31, 2024

(\$ in millions)

Fiscal Year 2023			Fiscal Year 2024				
Expenditures & Encumbrances Year to Date FY 2023	Fiscal Year End SEP 30, 2023	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards (2)	Total Authorization	Expenditures & Encumbrances Year to Date FY 2024
60.4	138.1	Agriculture and Rural Development	168.6	5.2	132.9	306.7	59.3
31.8	116.6	Attorney General	141.2	2.6	34.0	177.9	48.1
288.6	1,313.1	Capital Outlay (3)	650.1	0.0	3,080.3	3,730.4	181.1
4.2	17.2	Civil Rights	31.7	2.0	7.4	41.1	6.7
541.8	1,660.8	Colleges and Universities	1,808.8	300.0	180.8	2,289.6	680.1
806.2	2,074.0	Corrections	2,076.2	0.0	581.0	2,657.2	838.6
220.5	897.8	Education	697.7	5.8	824.9	1,528.3	247.5
276.6	1,320.8	Environment, Great Lakes, and Energy	935.0	0.0	3,758.1	4,693.1	285.9
3.9	8.5	Executive Office	8.9	0.0	0.4	9.3	3.4
11,383.6	33,704.4	Health and Human Services	35,668.3	57.0	4,662.4	40,387.7	10,405.5
26.6	74.7	Insurance and Financial Service	74.1	2.2	1.6	78.0	28.5
72.8	305.6	Judiciary	355.9	0.0	170.4	526.3	77.4
295.3	3,007.1	Labor and Economic Opportunity	1,446.8	538.5	4,448.9	6,434.2	782.3
8.7	27.4	Legislative Auditor General	29.8	0.0	14.3	44.0	8.7
61.2	184.2	Legislature	188.6	0.0	207.4	396.0	60.4
185.6	519.2	Licensing and Regulatory Affairs	591.1	82.7	238.3	912.1	282.7
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
820.9	1,668.4	Michigan Strategic Fund	465.3	500.0	0.0	965.3	432.8
36.6	51.1	Michigan Veterans' Facility Authority	37.8	1.0	0.0	38.8	37.8
64.4	119.5	Military and Veterans Affairs	114.2	24.8	8.0	147.0	70.5
57.4	182.2	Natural Resources	192.3	5.0	86.2	283.6	70.6
79.2	248.4	State	304.2	12.1	118.3	434.6	91.7
0.0	0.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
292.6	987.2	State Police	891.5	58.0	863.0	1,812.5	341.4
201.6	770.6	Technology, Management and Budget (4)	820.3	1,440.0	757.5	3,017.8	203.2
0.2	10.2	Transportation	62.0	252.0	54.3	368.3	45.8
913.3	5,391.8	Treasury	2,546.6	79.0	526.1	3,151.6	971.4
\$16,733.9	\$54,798.6		\$50,308.9	\$3,367.8	\$20,786.9	\$74,463.7	\$16,261.3

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for fiscal year 2023. Entry of these amounts is expected to be complete by the end of February 2024.

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

(4) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2024
January 31, 2024
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	25,556.3	0.0	25,556.3
Total state spending from state resources	47,013.5	0.0	47,013.5
Percentage of state spending from state resources paid to local units	54.36%	0.00%	54.36%
Required payments to local units (48.97%)	23,022.5	0.0	23,022.5
Surplus/(deficit)	\$2,533.8	\$0.0	\$2,533.8

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 January 31, 2024
 (\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 1,837,757</u>
Total Assets	<u><u>\$ 1,837,757</u></u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,837,757</u>
Total Fund Balances	<u>1,837,757</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,837,757</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2023 through January 31, 2024
 (\$ in thousands)

REVENUES

Miscellaneous	\$ 24,124
	24,124
Total Revenues	24,124

EXPENDITURES

Current:	
General government	-
Total Expenditures	-
Excess of Revenues over (under) Expenditures	24,124

OTHER FINANCING SOURCES (USES)

Transfers from other funds	33,333
Transfers to other funds	-
Total Other Financing Sources (Uses)	33,333
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 57,457 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

January 31, 2024

(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 44,253
Investments	-
Other current assets	-
Total Current Assets	<u>44,253</u>

Noncurrent Assets:

Investments	<u>725,789</u>
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Total Assets	<u><u>\$ 770,042</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 6,777
Amounts due to other funds	-
Total Current Liabilities	<u>6,777</u>

Total Liabilities	<u>6,777</u>
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FUND BALANCES

Nonspendable	500,000
Restricted	<u>263,266</u>

Total Fund Balances	<u>763,266</u>
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Total Liabilities and Fund Balances	<u><u>\$ 770,042</u></u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2023 through January 31, 2024
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		38,466
		38,466
Total Revenues		38,466

EXPENDITURES

Current:		
General government		626
Conservation, environment, recreation, and agriculture		2,012
Capital outlay		1,955
		4,593
Total Expenditures		4,593
Excess of Revenues over (under) Expenditures		33,872

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		3
Transfers from other funds		-
Transfers to other funds		-
		3
Total Other Financing Sources (Uses)		3
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		\$ 33,875 ¹

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

REVENUE OVERVIEW

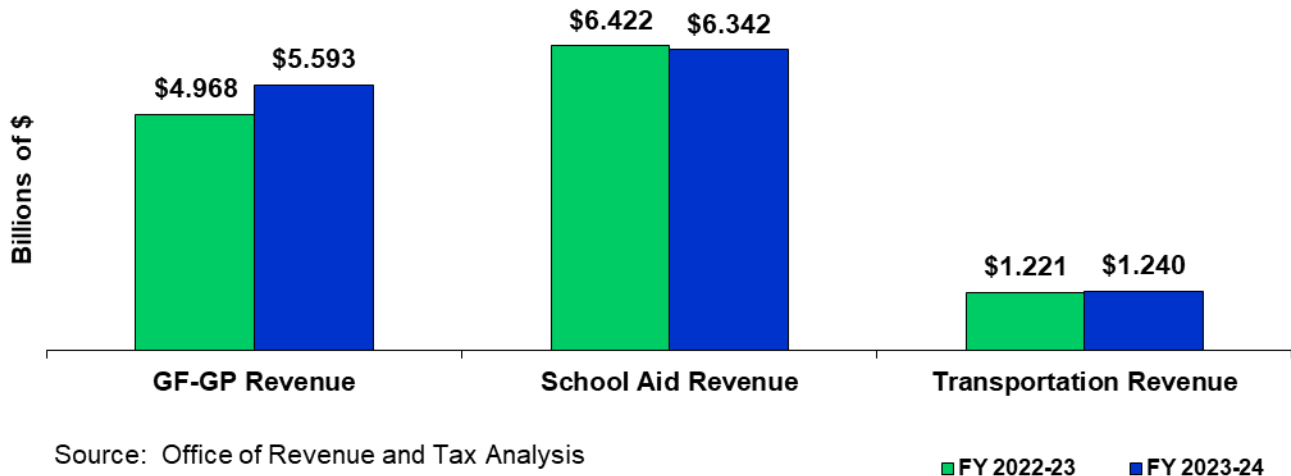
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for January 2024, representing some December and some January economic activity in Michigan.

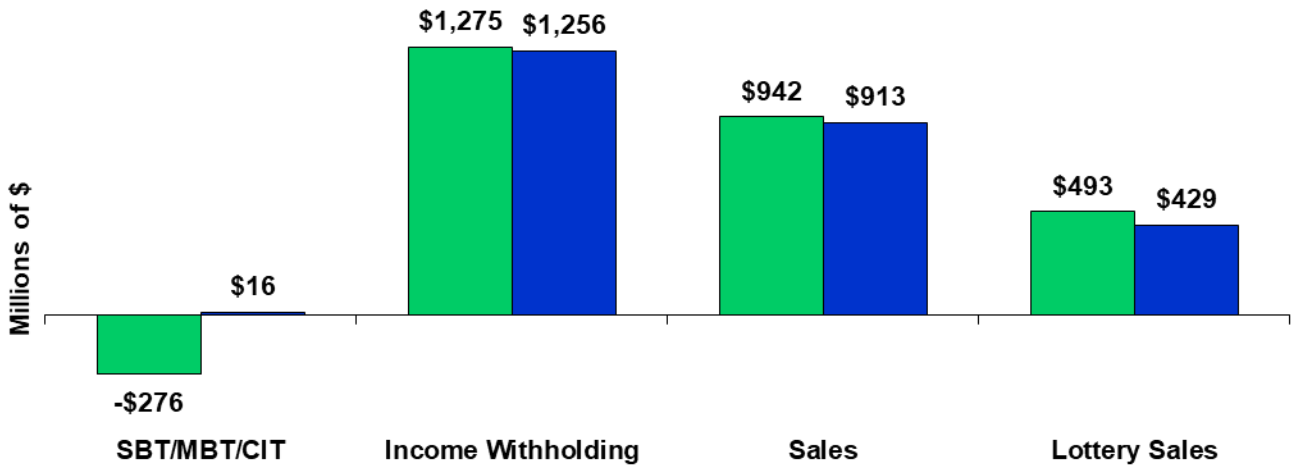
Total General Fund - General Purpose cash collections were \$398.5 million (28.3 percent) higher in January 2024 than in January 2023. The January 2024 School Aid Fund cash collections were \$116.3 million (8.1 percent) lower than in January 2023. January 2024 transportation collections were \$3.5 million (1.1 percent) lower than in January 2023 (see revenue summary table). January is the fourth 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 \$625.5 million (12.6 percent) from a year ago. School Aid Fund cash collections are down \$80.3 million (1.3 percent) and transportation collections are up \$19.5 million (1.6 percent).

The FY 2023-24 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 12, 2024. The revenue estimate for net General Fund – General Purpose revenue for FY 2023-24 is \$13,597.4 million and the net School Aid revenue forecast is \$17,946.9 million. The Transportation Funds revenue forecast is \$4,220.4 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

October through January Collections FY 2022-23 and FY 2023-24



January Revenue Collections FY 2022-23 and FY 2023-24



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

October through January Collections FY 2022-23 and FY 2023-24



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2024

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Income Taxes											
\$1,274,833	\$1,256,461	(\$18,371)	-1.4%	Withholding	\$4,350,155	\$4,329,249	(\$20,906)	-0.5%	\$12,206,000	\$12,376,900	\$12,381,900
293,566	263,857	(29,708)	-10.1%	Quarterlies	407,168	367,552	(39,615)	-9.7%	1,040,000	1,144,000	1,109,000
109,625	140,353	30,728	28.0%	Flow Through Entity Tax	295,540	287,042	(8,499)	-2.9%	975,700	972,800	972,800
17,178	8,549	(8,629)	-50.2%	Annuals	167,814	154,009	(13,804)	-8.2%	1,315,700	1,264,400	1,222,500
\$1,695,201	\$1,669,220	(\$25,981)	-1.5%	Gross Collections	\$5,220,677	\$5,137,853	(\$82,824)	-1.6%	\$15,537,400	\$15,758,100	\$15,686,200
72,813	40,125	(32,688)	-44.9%	Less: Refunds	475,916	227,639	(248,278)	-52.2%	2,810,000	3,510,000	3,347,000
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800
\$1,622,388	\$1,629,095	\$6,707	0.4%	Net Personal Income	\$4,744,761	\$4,910,214	\$165,453	3.5%	\$12,726,600	\$12,247,300	\$12,338,400
50,000	50,000	0	0.0%	Less: Disbursements to MTF	200,000	200,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	23,000	23,000	0	0.0%	69,000	69,000	69,000
403,611	397,430	(6,181)	-1.5%	Less: Disbursements to SAF	1,243,023	1,223,186	(19,837)	-1.6%	3,838,100	3,798,200	3,781,000
\$1,163,027	\$1,175,915	\$12,888	1.1%	Net Personal Income To GF-GP	\$3,278,738	\$3,464,028	\$185,290	5.7%	\$8,219,500	\$7,780,100	\$7,888,400
Consumption Taxes											
\$105,428	\$142,973	\$37,544	35.6%	Sales (a)	\$534,371	\$574,210	\$39,839	7.5%	\$1,679,300	\$1,666,000	\$1,627,000
154,828	167,031	12,203	7.9%	Use (a) (h)	408,554	445,004	36,450	8.9%	1,156,000	1,136,700	1,183,700
12,031	10,767	(1,264)	-10.5%	Tobacco	49,918	45,117	(4,801)	-9.6%	148,100	145,800	142,300
9,411	8,829	(582)	-6.2%	Beer, Wine & Mixed Spirits	22,184	20,803	(1,382)	-6.2%	49,000	50,000	48,000
7,454	8,103	650	8.7%	Liquor Specific	22,387	24,082	1,695	7.6%	65,000	65,300	67,600
\$289,152	\$337,703	\$48,551	16.8%	Total Consumption Taxes	\$1,037,414	\$1,109,216	\$71,802	6.9%	\$3,097,400	\$3,063,800	\$3,068,600
Other Taxes											
(\$172)	\$4	\$176	102.2%	Single Business	(\$164)	\$10	\$174	106.1%	\$0	\$0	\$0
98,023	122,977	24,954	25.5%	Insurance Premiums Taxes	\$219,706	240,897	21,191	9.6%	440,000	450,000	478,000
97,851	122,981	25,130	25.7%	Sub-total SBT & Insurance	219,542	240,907	21,365	9.7%	440,000	450,000	478,000
(411,777)	(169,138)	242,639	58.9%	Michigan Business Tax	(473,746)	(200,556)	273,190	57.7%	(527,000)	(509,700)	(494,600)
135,855	185,100	49,244	36.2%	Corporate Income Tax	661,350	697,531	36,181	5.5%	1,560,000	1,500,000	1,525,000
0	57	57	na	Telephone & Telegraph	7,701	13,354	5,653	73.4%	34,000	33,000	34,000
3,159	2,481	(677)	-21.4%	Oil & Gas Severance	13,287	9,926	(3,361)	-25.3%	35,000	34,000	30,000
6,540	6,643	104	1.6%	Penalties & Interest	29,644	32,389	2,744	9.3%	140,000	143,000	143,000
106	(892)	(998)	na	Essential Services Assessment	1,060	(464)	(1,524)	-143.8%	143,000	152,000	150,000
108	21	(88)	-80.9%	Miscellaneous Other/Railroad	328	276	(52)	-15.8%	3,000	3,000	15,000
(12,500)	(12,583)	(83)	-0.7%	Treasury Enforcement Programs (e)	(51,250)	(50,333)	917	1.8%	(150,000)	(151,000)	(151,000)
(\$180,658)	\$134,670	\$315,327	174.5%	Total Other Taxes	\$407,916	\$743,030	\$335,113	82.2%	\$1,678,000	\$1,654,300	\$1,729,400
\$1,271,521	\$1,648,288	\$376,766	29.6%	Subtotal GF-GP Taxes	\$4,724,068	\$5,316,273	\$592,205	12.5%	\$12,994,900	\$12,498,200	\$12,686,400

continued

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2024

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$3,333	\$3,333	\$0	0.0%	\$10,000	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	33	33	0	0.0%	100	100	100
583	583	0	0.0%	Services	2,333	2,333	0	0.0%	7,000	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	4,667	4,667	0	0.0%	20,000	14,000	14,000
100,234	118,025	17,791	17.7%	Investments/Interest Costs	100,234	118,025	17,791	17.7%	315,000	255,000	400,000
833	833	0	0.0%	Misc. Non-tax Revenue	3,333	3,333	0	0.0%	16,000	22,000	35,000
25,000	28,750	3,750	15.0%	Liquor Purchase Revolving Fund	100,000	115,000	15,000	15.0%	335,000	342,000	310,900
7,500	7,667	167	2.2%	From Other Funds-Lottery & Escheats	30,000	30,500	500	1.7%	90,000	90,000	134,000
<u>\$136,159</u>	<u>\$157,867</u>	<u>\$21,708</u>	<u>15.9%</u>	Total Non-Tax Revenue	<u>\$243,934</u>	<u>\$277,225</u>	<u>\$33,291</u>	<u>13.6%</u>	<u>\$793,100</u>	<u>\$740,100</u>	<u>\$911,000</u>
\$1,407,680	\$1,806,154	\$398,474	28.3%	Total GF-GP Revenue	\$4,968,002	\$5,593,498	\$625,496	12.6%	\$13,788,000	\$13,238,300	\$13,597,400
School Aid Fund											
\$275,428	\$372,911	\$97,483	35.4%	Sales Tax 4%	\$1,380,367	\$1,480,255	\$99,888	7.2%	\$4,432,300	\$4,471,700	\$4,423,100
483,160	291,166	(191,994)	-39.7%	Sales Tax 2%	1,378,471	1,107,138	(271,333)	-19.7%	3,488,400	3,501,800	3,472,400
85,445	85,993	548	0.6%	Use Tax 2%	295,732	316,245	20,513	6.9%	858,400	863,500	924,600
22,113	20,340	(1,773)	-8.0%	State Education Property Tax	1,515,615	1,627,627	112,012	7.4%	2,607,000	2,737,900	2,710,000
26,867	31,915	5,048	18.8%	Real Estate Transfer Tax	154,316	137,127	(17,189)	-11.1%	390,000	377,500	370,000
104,351	90,000	(14,351)	-13.8%	Lottery Transfer (b)	284,351	291,981	7,631	2.7%	1,220,000	1,212,700	1,300,000
8,376	7,625	(751)	-9.0%	Casino Wagering Tax	34,227	30,523	(3,704)	-10.8%	417,600	434,200	453,200
6,643	6,817	174	2.6%	Liquor Excise Tax	20,218	20,540	321	1.6%	75,800	76,800	79,100
24,426	21,859	(2,567)	-10.5%	Cigarette/Tobacco Tax	101,341	91,595	(9,747)	-9.6%	263,400	258,600	252,500
2,153	1,058	(1,095)	-50.9%	Indus. & Comm. Facilities Taxes	10,650	12,951	2,301	21.6%	42,000	42,500	45,000
1,429	622	(806)	-56.4%	Specific Other	4,072	2,880	(1,192)	-29.3%	108,600	112,700	136,000
403,611	397,430	(6,181)	-1.5%	Income Tax Earmarking	1,243,023	1,223,186	(19,837)	-1.6%	3,838,100	3,798,200	3,781,000
<u>\$1,444,000</u>	<u>\$1,327,736</u>	<u>(\$116,263)</u>	<u>-8.1%</u>	Total School Aid Fund	<u>\$6,422,384</u>	<u>\$6,342,047</u>	<u>(\$80,337)</u>	<u>-1.3%</u>	<u>\$17,741,600</u>	<u>\$17,888,100</u>	<u>\$17,946,900</u>
Multi-Fund Revenue Summary											
\$942,206	\$912,685	(\$29,522)	-3.1%	Sales Tax 6%	\$3,679,083	\$3,574,230	(\$104,853)	-2.8%	\$10,847,300	\$10,887,300	\$10,777,300
459,047	621,519	162,472	35.4%	Sales Tax 4% (d)	2,300,612	2,467,091	166,480	7.2%	7,358,900	7,385,500	7,304,900
483,160	291,166	(191,994)	-39.7%	Sales Tax 2%	1,378,471	1,107,138	(271,333)	-19.7%	3,488,400	3,501,800	3,472,400
256,335	257,980	1,645	0.6%	Use Tax 6% (g)	887,196	948,734	61,538	6.9%	2,562,400	2,561,900	2,670,000
41,135	53,068	11,933	29.0%	Recreational Marihuana	98,775	126,671	27,896	28.2%	238,100	244,900	308,600
60,460	54,107	(6,353)	-10.5%	Tobacco Taxes	250,845	226,719	(24,126)	-9.6%	743,300	733,400	716,000
0	0	0	na	Tobacco Settlement	0	0	0	na	na	na	na

continued

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2024

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Major Transportation Revenues											
\$21,017	\$21,795	\$777	3.7%	Diesel Fuel / Motor Carrier Fuel Tax	\$88,116	\$90,805	\$2,689	3.1%	\$260,000	\$269,500	\$273,000
92,385	96,969	4,583	5.0%	Gasoline	381,147	409,257	28,110	7.4%	1,200,000	1,256,000	1,259,000
148,408	140,811	(7,597)	-5.1%	Motor Vehicle Registration	490,857	483,593	(7,264)	-1.5%	1,449,000	1,482,000	1,542,000
3,860	3,712	(148)	-3.8%	Other Taxes, Fees & Misc.	14,559	15,185	626	4.3%	328,435	335,347	365,157
11,481	10,317	(1,165)	-10.1%	Comprehensive Transportation (c)	45,925	41,267	(4,658)	-10.1%	178,497	177,995	181,279
50,000	50,000	0	0.0%	Income Tax Earmarking	200,000	200,000	0	0.0%	600,000	600,000	600,000
<u>\$327,152</u>	<u>\$323,603</u>	<u>(\$3,549)</u>	<u>-1.1%</u>	Total Major Trans. Revenues	<u>\$1,220,603</u>	<u>\$1,240,107</u>	<u>\$19,504</u>	<u>1.6%</u>	<u>\$4,015,932</u>	<u>\$4,120,842</u>	<u>\$4,220,436</u>
Lottery Sales By Games											
\$243,239	\$226,294	(\$16,946)	-7.0%	Instant Games (f)	\$856,556	\$835,794	(\$20,762)	-2.4%	na	na	na
90,564	88,862	(1,701)	-1.9%	Daily Games	332,754	314,512	(18,242)	-5.5%	na	na	na
86,948	43,092	(43,856)	-50.4%	Lotto and Big Game (f)	270,732	175,129	(95,603)	-35.3%	na	na	na
718	711	(8)	-1.1%	Keno Game	2,545	2,440	(104)	-4.1%	na	na	na
3,612	3,779	167	4.6%	Lucky For Life	12,248	12,725	477	3.9%	na	na	na
7,416	5,486	(1,930)	-26.0%	Other (f)	24,367	23,316	(1,052)	-4.3%	na	na	na
60,420	60,781	361	0.6%	Club Games	208,043	206,285	(1,758)	-0.8%	na	na	na
<u>\$492,918</u>	<u>\$429,005</u>	<u>(\$63,913)</u>	<u>-13.0%</u>	Total Lottery Sales	<u>\$1,707,245</u>	<u>\$1,570,201</u>	<u>(\$137,043)</u>	<u>-8.0%</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 2023 revenues were \$182.9 million and the year-to date 2024 revenues are \$187.4 million. Per 2014 Public Act 80, the total fiscal year 2023 Local Community Stabilization Share (LCSS) was \$548.0 million and the total fiscal year 2024 LCSS is \$561.7 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2023 LCSS revenues were \$182.9 million and the year-to-date 2024 LCSS revenues are \$187.4 million.

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.

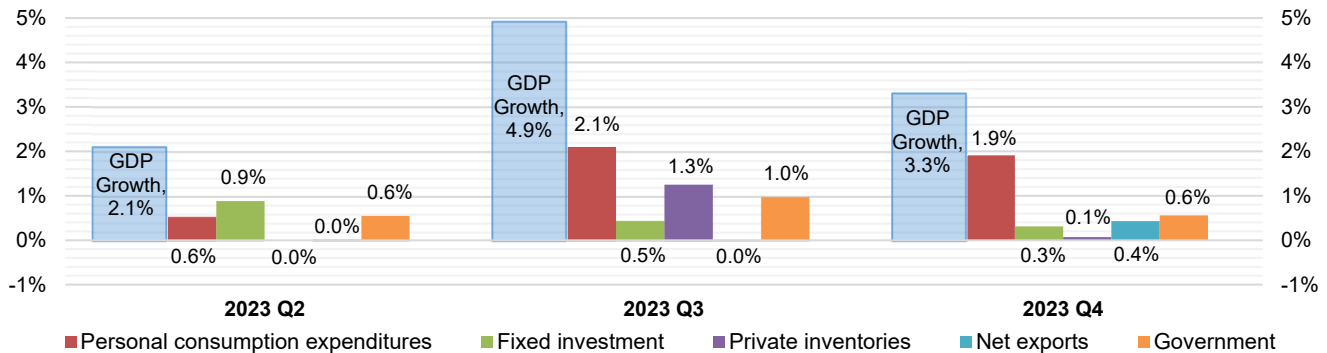
Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 3.3 percent annual rate in the fourth quarter of 2023, according to the “advance” estimate released by the Bureau of Economic Analysis, down from the 4.9 percent annual rate in the third quarter of 2023. 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



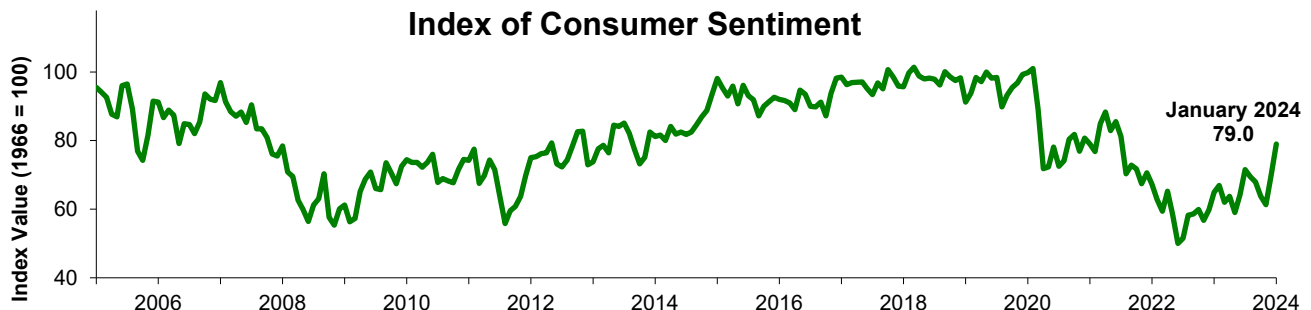
Source: Bureau of Economic Analysis

Personal consumption and government expenditures drove the increase in GDP in the fourth quarter of 2023, while fixed investments and net exports made minimal contributions. Private inventories remained basically unchanged in the fourth quarter GDP. Real final sales decreased from 3.6 percent in the third quarter to 3.2 percent in the fourth quarter, and the implicit price deflator decreased from 3.3 percent to 1.5 percent in the same period.

U.S. wage and salary employment increased by 353,000 jobs in January 2024, with total employment 5.4 million above the February 2020 pre-pandemic level. In January, sectors with the largest increases in employment include private education with a gain of 112,000 jobs, professional and business services with 74,000 jobs, and retail trade with 45,000 jobs. Mining and logging was the only sector that registered employment losses in January, with a decline of 6,000 jobs.

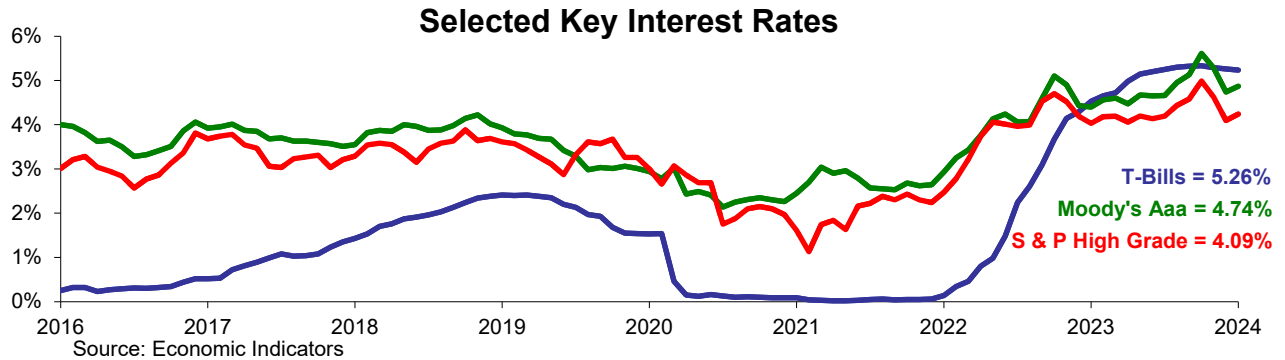
In January, the U.S. unemployment rate remained at 3.7 percent. Civilian employment decreased to 161.2 million, down 31,000 from December. The number unemployed decreased 144,000 from December, to 6.1 million in January. The labor force participation rate remained at 62.5 percent in January, 0.8 percentage points below the pre-pandemic rate in February 2020 of 63.3 percent.

The **Index of Consumer Sentiment** increased to 79.0 index-points in January, up 9.3 index-points from December. Consumer sentiment is 14.1 index-points above the year-ago level. The January Consumer Sentiment index reached its highest level since July 2021.

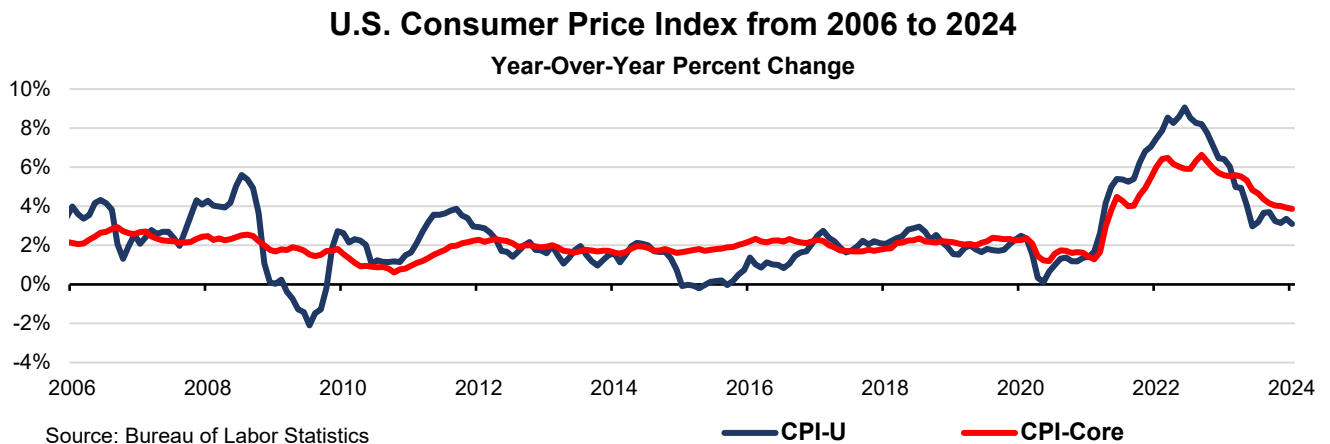


Source: University of Michigan, Survey Research Center

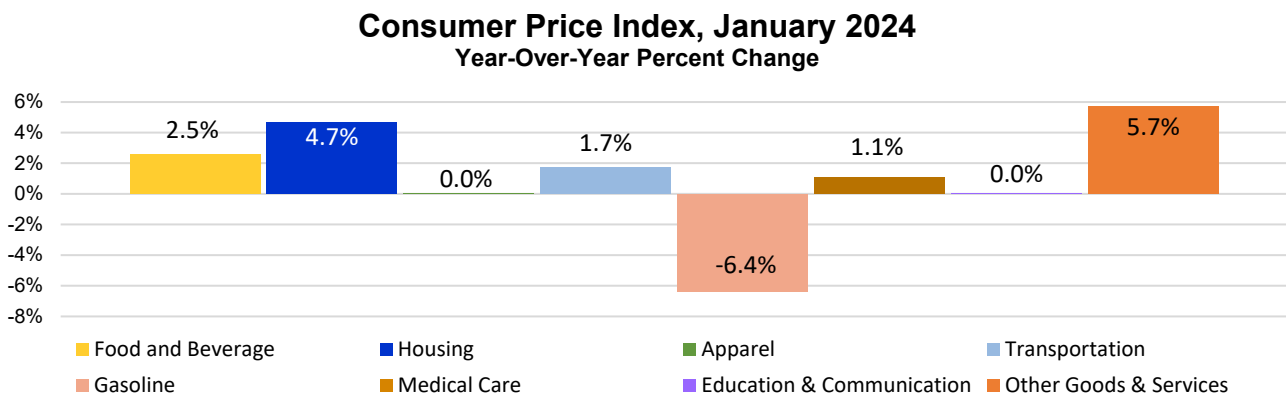
Short-term **interest rates** decreased by 3 basis points (where one basis point equals one-hundredth of one percent) in January, to a 3-month Treasury bill (T-bill) rate of 5.26 percent. The T-bill rate increased by 70 basis points from the 4.53 percent rate in January 2023. The Aaa corporate bond rate increased by 13 basis points in January to an interest rate of 4.74 percent, up 47 basis points from a year ago. The interest rate on S&P high-grade municipal bonds increased by 15 basis points in January to an interest rate of 4.09 percent, up 21 basis points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 3.1 percent from January 2023 to January 2024, lower than December's 3.4 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 rose 3.9 percent year-over-year in January, unchanged from December. CPI-U and CPI-Core data are not seasonally adjusted.

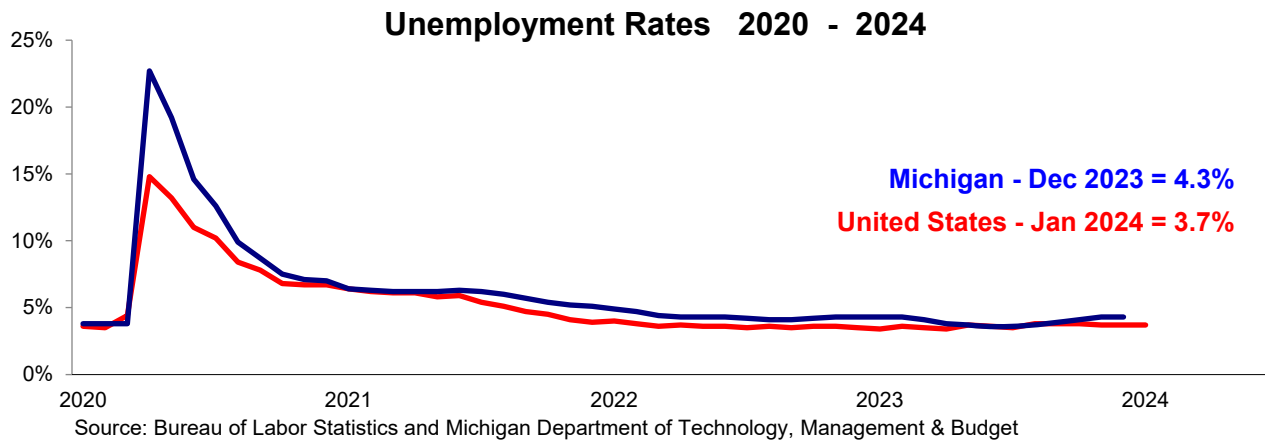


Other goods and services exhibited the largest year-over-year price increase at 5.7 percent for January, followed by housing with a 4.7 percent increase, and food and beverage with a 2.5 percent increase. Gasoline experienced a year-over-year price decline of 6.4 percent for January. These sector data are seasonally adjusted.



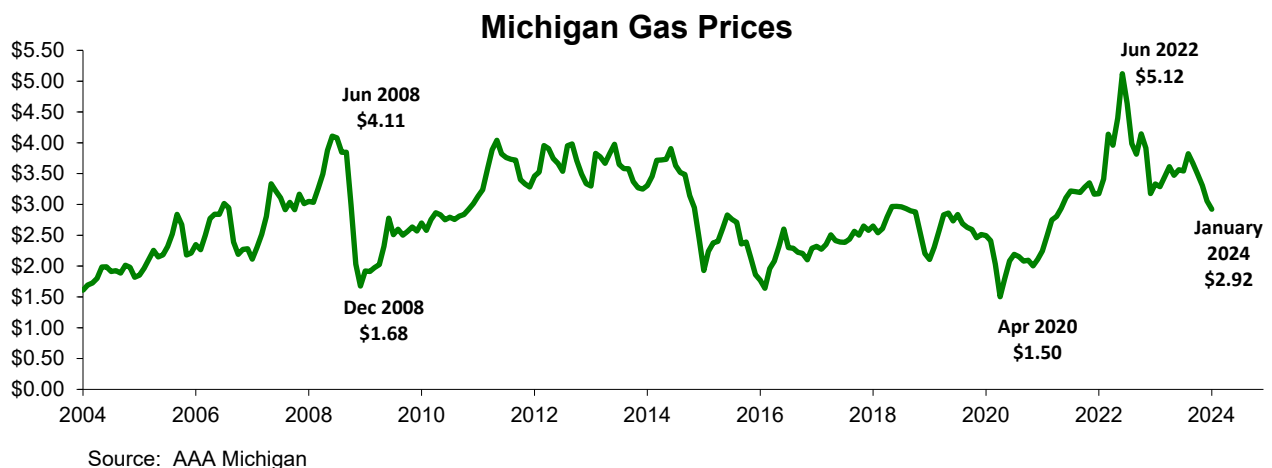
Michigan Economy

The **Michigan jobless rate** was 4.3 percent in December, unchanged from November's unemployment rate, according to the most recent available data. The national unemployment rate held at 3.7 percent in January, unchanged from the rate in December. The number employed in Michigan increased by 8,000 from November's levels, while the number of unemployed in December did not change from the prior month. The number employed is 4.4 percent higher, while the number unemployed is 3.3 percent higher than in December 2022. Michigan's unemployment rate of 4.3 percent is 0.5 percentage points higher than the February 2020 pre-pandemic rate of 3.8 percent.



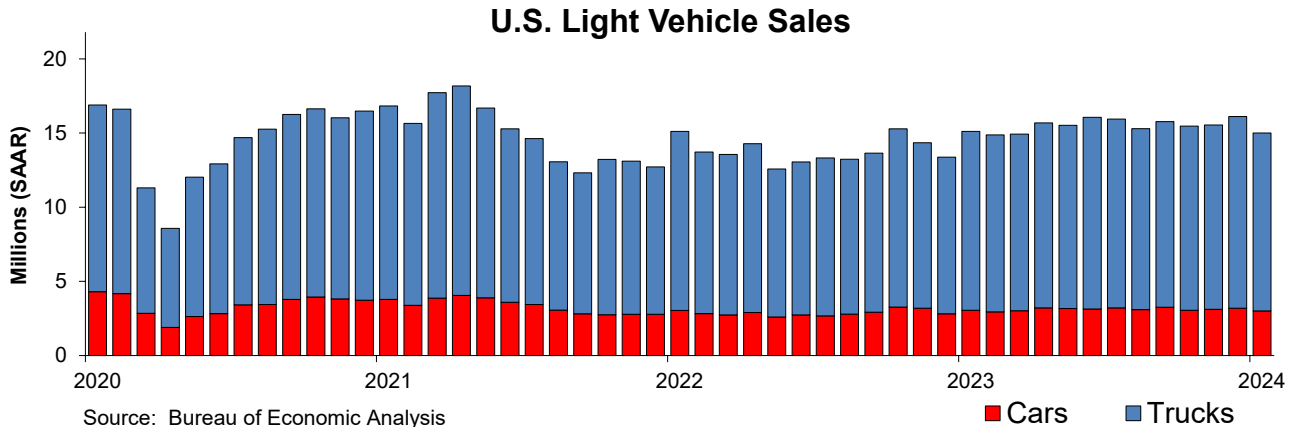
Michigan wage and salary employment increased by 8,900 jobs from November to a total of 4.4 million jobs in December, according to the most recent available data. Compared to last year, employment in December was up 45,700 jobs, or 1.0 percent from December 2022. The sectors with the largest employment increases in December were leisure and hospitality services with a gain of 3,700 jobs, construction with a gain of 3,300 jobs, and manufacturing with 2,000 additional jobs. The sectors with the largest employment declines in December were professional and business services with a decrease of 1,500 jobs, followed by financial activities, and education and health services, each with 400 fewer jobs.

Michigan gasoline prices decreased in January 2024 to \$2.92 per gallon, 13.5 cents a gallon below last month's average. Year-over-year gasoline prices were 40.9 cents per gallon lower than in January 2023. The last time gasoline prices were under \$3.00 was in May 2021 (\$2.94 per gallon). Diesel prices of \$3.88 per gallon in January 2024 decreased by 21.0 cents a gallon from December. Diesel prices were down 84.8 cents per gallon from the January 2023 price of \$4.72 per gallon.

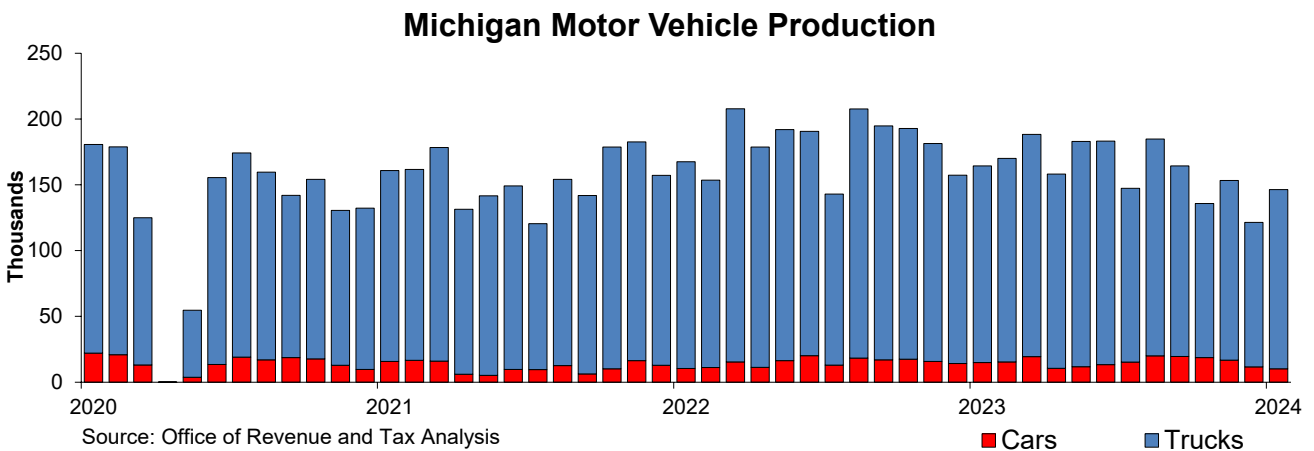


Motor Vehicle Sector

U.S. light vehicle sales (cars and light trucks) decreased by 6.9 percent in January from December, selling at a 15.0 million unit seasonally adjusted annual rate. Domestic car sales decreased 11.4 percent while light truck sales decreased 6.9 percent from December. Import car sales increased 9.4 percent while import light truck sales decreased 8.4 percent from December. Compared to January 2023, light vehicle sales were down 6.0 percent. Domestic car sales decreased 4.2 percent while light truck sales decreased 2.0 percent from the year ago levels. January import car sales increased 5.1 percent while import light truck sales increased 5.7 percent from last year. Domestic light vehicles recorded a 77.4 percent share of January 2024 sales, down 1.3 percentage points from January 2023.



Michigan motor vehicle production increased in January to 146,291 total units. Michigan's January production was 20.5 percent above December's production but 10.9 percent below the level in January 2023. Nationally, motor vehicle production totaled 868,039 units, 68,959 units higher than the 799,080 units from a year ago. In January, Michigan's car production was 10,226 units while the State's truck production was 136,065 units. Michigan motor vehicle production data are not seasonally adjusted.



**Summary Estimates of the Constitutional Revenue Limit
Based on the January 12, 2024 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2021-22 Actual	Fiscal Year 2022-23 Estimate	Fiscal Year 2023-24 Estimate
Applicable Calendar Year Personal Income	\$530,809	\$567,807	\$572,325
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$50,373.8</u>	<u>\$53,884.9</u>	<u>\$54,313.6</u>
Revenue Limit	\$50,373.8	\$53,884.9	\$54,313.6
State Revenue Subject to Limit	<u>\$42,937.4</u>	<u>\$41,985.2</u>	<u>\$41,959.2</u>
Amount Under (Over) Limit	\$7,436.4	\$11,899.6	\$12,354.4

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 official personal income estimate for calendar year 2022 (Survey of Current Business, October 2023).

Revenue Subject to the Limit

The FY 2021-22 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2022

The FY 2022-23 calculation uses the January 12, 2024 Consensus Revenue Agreement.

The FY 2023-24 calculation uses the January 12, 2024 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