



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

August 30, 2022

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

The Honorable Thomas Albert, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending July 31, 2022. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

www.michigan.gov/budget under "Spending and Revenue Reports".

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

Sincerely,

Christopher M. Harkins
State Budget Director

Attachment

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

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

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2022
Projected Revenues and Expenditures
July 31, 2022
(\$ in millions)

	FISCAL 2022
Beginning Balance	\$ 4,362.8
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 14,179.7
Local Government Program Payments	\$ (500.3)
Subtotal Ongoing Revenue	\$ 13,679.4
One-Time:	
Miscellaneous Adjustments	\$ (2.6)
Subtotal One-Time Revenue	\$ (2.6)
Total Revenue	\$ 13,676.8
Expenditures	
Ongoing:	
Public Acts 48, 86, 87 of 2021	\$ 10,996.4
Subtotal Ongoing Expenditures	\$ 10,996.4
One-Time:	
Public Acts 48, 86, 87, 132, and 133 of 2021, and Public Acts 53, 61, 93, 144, and 166 of 2022	\$ 1,294.3
Subtotal One-Time Expenditures	\$ 1,294.3
Total Expenditures	\$ 12,290.7
Ending Balance	\$ 5,748.9

SCHOOL AID FUND
Fiscal Year 2022
Projected Revenues and Expenditures
July 31, 2022
(\$ in millions)

	FISCAL 2022
Beginning Balance	\$ 2,922.3
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 17,340.6
General Fund	\$ 37.3
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 1,822.5
Subtotal Ongoing Revenue	\$ 19,272.4
One-Time:	
General Fund	\$ 105.8
Federal Revenue - ARP	\$ 248.1
Other Federal One-Time Grants	\$ 374.7
Infrastructure Fund Deposit - Public Act 144 of 2022	\$ (475.0)
MI Fellowship Scholarship Fund Deposit - Public Act 144 of 2022	\$ (280.0)
Subtotal One-Time Revenue	\$ (26.4)
Total Revenue	\$ 19,246.0
Expenditures	
Ongoing:	
School Aid - Public Act 48 of 2021	\$ 16,230.5
Community Colleges - Public Act 86 of 2021	\$ 428.2
Universities - Public Act 86 of 2021	\$ 361.4
Subtotal Ongoing Expenditures	\$ 17,020.1
One-Time:	
School Aid - Public Act 48 of 2021	\$ 747.6
School Aid - Public Act 93 of 2022	\$ 37.3
School Aid - Public Act 144 of 2022	\$ 65.3
Community Colleges - Public Act 86 of 2021	\$ 3.2
Universities - Public Act 144 of 2022	\$ 300.0
Subtotal One-Time Expenditures	\$ 1,153.5
Total Expenditures	\$ 18,173.6
Ending Balance	\$ 3,994.8

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

July 31, 2022

(\$ in millions)

Fiscal Year 2021				Fiscal Year 2022			
Expenditures & Encumbrances Year to Date FY 2021	Fiscal Year End SEP 30, 2021	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1) (2)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2022
95.9	118.5	Agriculture and Rural Development	155.6	5.3	35.3	196.2	111.8
75.0	96.8	Attorney General	106.8	6.2	20.7	133.7	77.5
274.3	306.5	Capital Outlay (3)	314.7	886.1	793.6	1,994.4	287.3
11.6	15.6	Civil Rights	17.8	2.0	2.5	22.3	12.6
1,297.2	1,470.9	Colleges and Universities	1,446.3	0.0	110.7	1,557.0	1,294.6
1,623.1	1,939.3	Corrections	2,055.8	2.5	365.3	2,423.5	1,657.4
400.7	571.7	Education	2,214.9	58.0	174.7	2,447.6	1,250.0
423.2	606.6	Environment, Great Lakes, and Energy	630.1	1,967.3	850.8	3,448.2	385.1
6.1	7.8	Executive Office	7.3	0.0	0.1	7.4	6.1
24,004.5	30,300.0	Health and Human Services	31,586.5	1,677.6	2,035.9	35,300.0	25,374.1
50.1	83.8	Insurance and Financial Service	73.0	1.6	25.0	99.6	58.1
200.0	272.2	Judiciary	320.5	7.3	7.7	335.5	204.6
617.5	966.6	Labor and Economic Opportunity	877.2	2,085.5	3,414.9	6,377.6	2,355.5
21.0	25.6	Legislative Auditor General	27.1	0.0	7.2	34.3	21.1
129.9	160.5	Legislature	183.2	2.2	129.1	314.5	145.2
324.2	375.5	Licensing and Regulatory Affairs	484.2	84.7	95.1	663.9	307.0
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
162.5	178.7	Michigan Strategic Fund	323.3	84.0	0.0	407.3	396.1
29.8	42.5	Michigan Veterans' Facility Authority	35.5	3.8	0.0	39.3	35.8
99.0	119.9	Military and Veterans Affairs	104.5	17.3	10.1	131.9	106.8
103.9	120.2	Natural Resources	141.7	5.0	62.3	209.1	107.2
185.8	251.3	State	252.2	12.7	88.8	353.6	190.8
0.0	0.0	State Land Bank Authority	0.0	1.1	0.0	1.1	0.0
585.7	1,281.3	State Police	828.6	442.9	592.6	1,864.1	650.5
496.9	1,329.1	Technology, Management and Budget (4)	503.4	238.7	453.7	1,195.9	387.4
2.4	9.8	Transportation	0.0	47.0	29.5	76.5	1.5
1,914.1	4,189.6	Treasury	2,098.6	1,294.2	245.9	3,638.7	2,377.7
\$33,134.2	\$44,840.3		\$44,788.9	\$8,932.8	\$9,581.7	\$63,303.3	\$37,801.6

(1) Includes boilerplate appropriations.

(2) Does not include all amounts appropriated in PA 166 of 2022. Entry of the remaining amounts is expected in August 2022.

(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 2022
July 31, 2022
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	20,443.9	(267.6)	20,176.3
Total state spending from state resources	37,930.7	421.8	38,352.5
Percentage of state spending from state resources paid to local units	53.90%	-63.44%	52.61%
Required payments to local units (48.97%)	18,574.7	206.6	18,781.2
Surplus/(deficit)	\$1,869.2	(\$474.2)	\$1,395.1

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
July 31, 2022
(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 1,402,473
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Total Assets	<u>\$ 1,402,473</u>
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LIABILITIES

Current Liabilities:

Total Current Liabilities	<u>\$ -</u>
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Total Liabilities	<u>-</u>
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FUND BALANCES

Committed	<u>1,402,473</u>
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Total Fund Balances	<u>1,402,473</u>
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Total Liabilities and Fund Balances	<u>\$ 1,402,473</u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2021 through July 31, 2022
(\$ in thousands)

REVENUES

Miscellaneous	\$ 20,387
	<hr/>
Total Revenues	20,387
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EXPENDITURES

Current:	
General government	263
	<hr/>
Total Expenditures	263
	<hr/>
Excess of Revenues over (under)	
Expenditures	20,124
	<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	\$ 20,124 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
July 31, 2022
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 62,076
Investments	-
Other current assets	-
Total Current Assets	<u>62,076</u>
Noncurrent Assets:	
Investments	<u>681,981</u>
Total Assets	<u><u>\$ 744,057</u></u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 7,878
Amounts due to other funds	-
Total Current Liabilities	<u>7,878</u>
Total Liabilities	<u>7,878</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>236,179</u>
Total Fund Balances	<u>736,179</u>
Total Liabilities and Fund Balances	<u><u>\$ 744,057</u></u>

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

October 1, 2021 through July 31, 2022
(\$ in thousands)

REVENUES

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	<u>(40,362)</u>
Total Revenues	<u>(40,362)</u>

EXPENDITURES

Current:	
General government	2,906
Conservation, environment, recreation, and agriculture	13,918
Capital outlay	<u>3,307</u>
Total Expenditures	<u>20,131</u>
Excess of Revenues over (under) Expenditures	<u>(60,494)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues	-
Proceeds from sale of capital assets	28
Transfers from other funds	-
Transfers to other funds	<u>(25)</u>
Total Other Financing Sources (Uses)	<u>3</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u><u>\$ (60,490) ¹</u></u>

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

REVENUE OVERVIEW

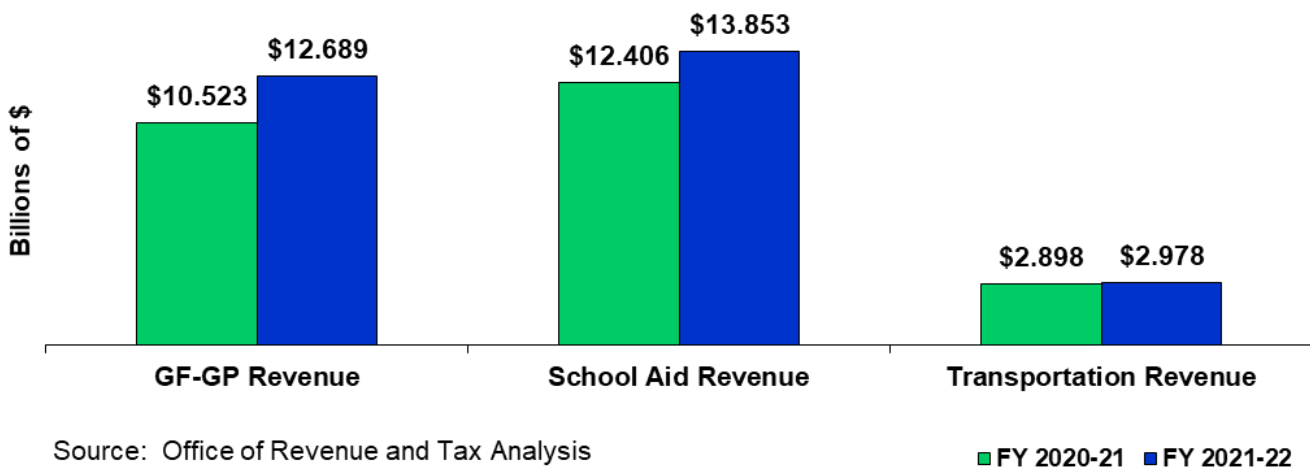
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

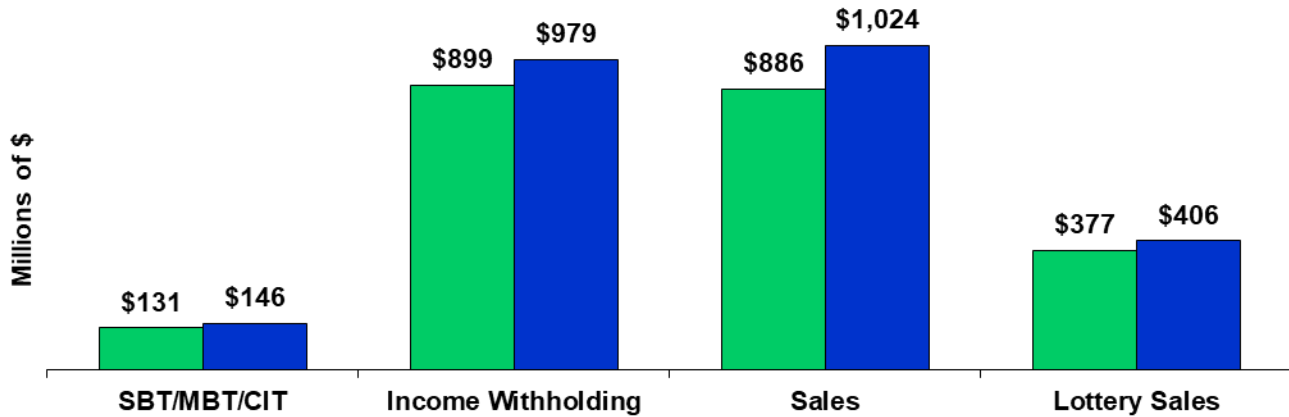
Total General Fund - General Purpose cash collections were \$95.8 million (7.9 percent) higher in July 2022 than in July 2021. The July 2022 School Aid Fund cash collections were \$134.1 million (11.6 percent) higher than in July 2021. July 2022 transportation collections were \$7.5 million (2.6 percent) higher than in July 2021 (see revenue summary table). July is the tenth month of the State's fiscal year (FY). Year-to-date General Fund - General Purpose cash collections are up \$2,165.8 million (20.6 percent) from a year ago. School Aid Fund cash collections are up \$1,446.9 million (11.7 percent) and transportation collections are up \$79.9 million (2.8 percent).

The FY 2021-22 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on May 20, 2022. The revenue estimate for net General Fund – General Purpose revenue for FY 2021-22 is \$14,179.7 million and the net School Aid revenue forecast is \$17,340.6 million. The Transportation Funds revenue forecast is \$3,866.4 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

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



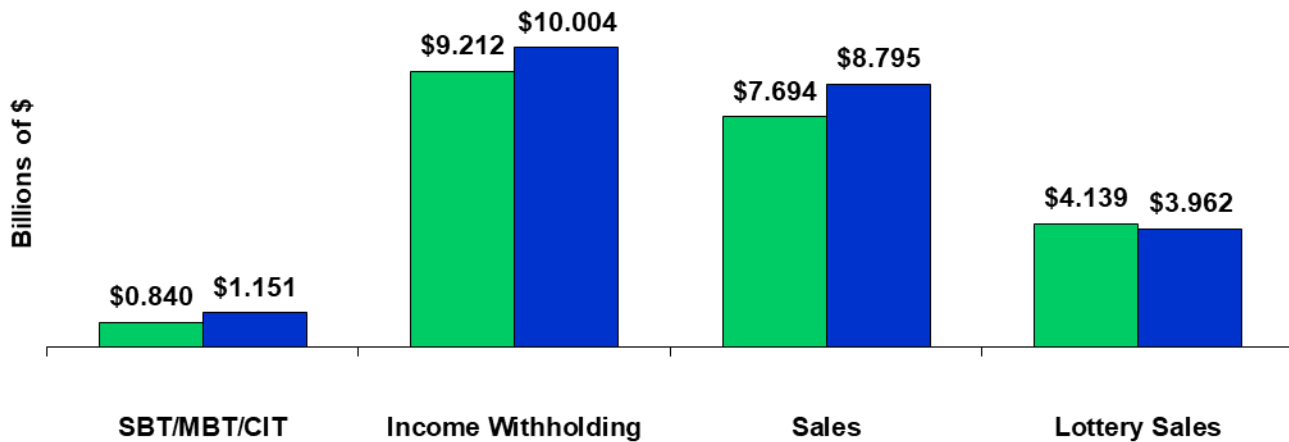
July Revenue Collections FY 2020-21 and FY 2021-22



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

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



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

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

For The Month Ended: July 31, 2022

Month-End Cash Collections Data				October Through July Cash Collections Data					Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ^(f)	Statutory Estimate	May 2022 Forecast
Income Taxes (j)											
\$898,945	\$979,138	\$80,192	8.9%	Withholding	\$9,212,332	\$10,004,214	\$791,881	8.6%	\$11,050,800	\$11,182,000	\$11,954,500
27,473	23,981	(3,492)	-12.7%	Quarterlies	1,278,501	1,049,407	(229,094)	-17.9%	1,706,000	1,331,500	983,900
0	8,836	8,836	na	Flow Through Entity Tax	0	1,642,008	1,642,008	na	na	na	2,048,800
20,969	26,105	5,136	24.5%	Annuals	1,725,786	1,742,548	16,762	1.0%	1,781,600	1,118,100	1,740,000
\$947,387	\$1,038,059	\$90,673	9.6%	Gross Collections	\$12,216,619	\$14,438,176	\$2,221,557	18.2%	\$14,538,400	\$13,631,600	\$16,727,200
74,610	72,024	(2,586)	-3.5%	Less: Refunds	2,331,541	2,321,031	(10,510)	-0.5%	2,696,900	2,427,300	3,244,200
0	0	0	na	Less: State Campaign Fund	0	0	0	na	600	800	800
\$872,776	\$966,035	\$93,259	10.7%	Net Personal Income	\$9,885,079	\$12,117,145	\$2,232,067	22.6%	\$11,840,900	\$11,203,500	\$13,482,200
50,000	50,000	0	0.0%	Less: Disbursements to MTF	500,000	500,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	57,500	57,500	0	0.0%	69,000	69,000	69,000
220,548	241,663	21,116	9.6%	Less: Disbursements to SAF	2,843,986	3,425,020	581,033	20.4%	3,458,300	3,245,400	3,982,500
\$596,479	\$668,622	\$72,143	12.1%	Net Personal Income To GF-GP	\$6,483,592	\$8,134,626	\$1,651,034	25.5%	\$7,713,600	\$7,289,100	\$8,830,700
Consumption Taxes											
\$141,634	\$158,884	\$17,250	12.2%	Sales (a)	\$1,247,733	\$1,391,855	\$144,122	11.6%	\$1,470,700	\$1,407,700	\$1,607,700
140,675	139,828	(847)	-0.6%	Use (a) (h)	1,015,244	994,339	(20,905)	-2.1%	1,258,300	1,124,100	1,212,400
13,920	14,628	708	5.1%	Tobacco	144,355	132,595	(11,759)	-8.1%	177,000	172,600	165,500
11,331	10,687	(643)	-5.7%	Beer, Wine & Mixed Spirits	48,098	46,568	(1,529)	-3.2%	51,500	53,000	52,000
8,778	8,065	(713)	-8.1%	Liquor Specific	59,553	59,257	(296)	-0.5%	80,500	69,000	79,000
\$316,338	\$332,093	\$15,755	5.0%	Total Consumption Taxes	\$2,514,983	\$2,624,615	\$109,631	4.4%	\$3,038,000	\$2,826,400	\$3,116,600
Other Taxes											
\$63	\$3,543	\$3,480	na	Single Business	(\$426)	\$2,639	\$3,066	na	\$0	\$0	\$0
104,944	93,309	(11,635)	-11.1%	Insurance Premiums Taxes	\$337,332	385,052	47,721	14.1%	354,800	405,000	385,000
105,007	96,851	(8,156)	-7.8%	Sub-total SBT & Insurance	336,905	387,692	50,787	15.1%	354,800	405,000	385,000
5,058	(1,738)	(6,795)	-134.4%	Michigan Business Tax	(507,847)	(508,363)	(516)	-0.1%	(490,500)	(592,900)	(594,300)
125,850	144,628	18,778	14.9%	Corporate Income Tax	1,348,033	1,656,519	308,486	22.9%	1,701,700	1,197,900	1,822,600
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
20,676	22,543	1,867	9.0%	Telephone & Telegraph	31,763	32,782	1,018	3.2%	32,400	32,000	32,000
2,107	5,492	3,385	161.0%	Oil & Gas Severance	15,712	33,754	18,042	115.0%	20,900	18,500	35,000
9,414	7,241	(2,174)	-23.1%	Penalties & Interest	104,141	102,773	(1,368)	-1.3%	134,600	132,000	140,000
21,111	20,341	(769)	-3.6%	Essential Services Assessment	29,707	33,081	3,375	11.4%	125,800	135,000	135,000
1,944	1,106	(839)	-43.1%	Miscellaneous Other/Railroad	2,056	1,480	(576)	-28.0%	2,900	2,000	3,000
(12,667)	(12,917)	(250)	-2.0%	Treasury Enforcement Programs (e)	(126,667)	(129,167)	(2,500)	-2.0%	(142,600)	(155,000)	(150,000)
\$278,500	\$283,547	\$5,047	1.8%	Total Other Taxes	\$1,233,803	\$1,610,551	\$376,748	30.5%	\$1,740,000	\$1,174,500	\$1,808,300
\$1,191,317	\$1,284,262	\$92,945	7.8%	Subtotal GF-GP Taxes	\$10,232,378	\$12,369,791	\$2,137,413	20.9%	\$12,491,600	\$11,290,000	\$13,755,600

continued

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

For The Month Ended: July 31, 2022

Month-End Cash Collections Data				October Through July Cash Collections Data					Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ⁽¹⁾	Statutory Estimate	May 2022 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$8,333	\$8,333	\$0	0.0%	\$8,300	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	83	83	0	0.0%	100	100	100
583	583	0	0.0%	Services	5,833	5,833	0	0.0%	3,300	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	11,667	11,667	0	0.0%	22,400	14,000	14,000
(1,523)	(1,523)	0	0.0%	Investments/Interest Costs	1,266	1,266	0	0.0%	400	2,000	2,000
833	833	0	0.0%	Misc. Non-tax Revenue	8,333	8,333	0	0.0%	51,900	10,000	10,000
18,750	21,383	2,633	14.0%	Liquor Purchase Revolving Fund	187,500	213,833	26,333	14.0%	313,600	256,600	295,000
6,750	6,958	208	3.1%	From Other Funds-Lottery & Escheats	67,500	69,583	2,083	3.1%	99,400	83,500	86,000
\$27,402	\$30,243	\$2,842	10.4%	Total Non-Tax Revenue	\$290,516	\$318,932	\$28,417	9.8%	\$499,400	\$383,200	\$424,100
\$1,218,718	\$1,314,505	\$95,787	7.9%	Total GF-GP Revenue	\$10,522,894	\$12,688,724	\$2,165,830	20.6%	\$12,991,000	\$11,673,100	\$14,179,700
School Aid Fund											
\$364,432	\$413,162	\$48,730	13.4%	Sales Tax 4%	\$3,216,922	\$3,599,490	\$382,569	11.9%	\$3,836,000	\$3,683,200	\$4,202,500
278,751	335,502	56,751	20.4%	Sales Tax 2%	2,332,000	2,795,641	463,641	19.9%	3,021,600	2,882,900	3,302,500
83,259	84,310	1,051	1.3%	Use Tax 2%	731,565	714,436	(17,129)	-2.3%	876,100	824,900	869,600
11,593	12,339	746	6.4%	State Education Property Tax	1,572,251	1,599,084	26,834	1.7%	2,256,400	2,324,300	2,396,000
50,751	66,052	15,301	30.1%	Real Estate Transfer Tax	385,594	450,238	64,644	16.8%	490,300	402,400	527,000
90,000	80,000	(10,000)	-11.1%	Lottery Transfer (b)	851,983	808,308	(43,675)	-5.1%	1,419,800	1,093,900	1,240,000
9,416	8,629	(787)	-8.4%	Casino Wagering Tax	73,111	87,806	14,695	20.1%	181,100	181,700	320,800
7,962	7,718	(244)	-3.1%	Liquor Excise Tax	56,644	56,777	133	0.2%	76,700	68,600	78,600
28,259	29,696	1,437	5.1%	Cigarette/Tobacco Tax	293,062	269,188	(23,873)	-8.1%	322,000	318,200	299,900
1,321	1,930	609	46.1%	Indus. & Comm. Facilities Taxes	31,393	32,761	1,369	4.4%	41,900	37,000	42,000
8,015	7,442	(573)	-7.2%	Specific Other	17,702	14,393	(3,309)	-18.7%	76,200	68,500	79,200
220,548	241,663	21,116	9.6%	Income Tax Earmarking	2,843,986	3,425,020	581,033	20.4%	3,458,300	3,245,400	3,982,500
\$1,154,308	\$1,288,445	\$134,136	11.6%	Total School Aid Fund	\$12,406,212	\$13,853,143	\$1,446,931	11.7%	\$16,056,400	\$15,131,000	\$17,340,600
Multi-Fund Revenue Summary											
\$886,138	\$1,024,106	\$137,968	15.6%	Sales Tax 6%	\$7,693,536	\$8,794,791	\$1,101,255	14.3%	\$9,414,800	\$9,000,800	\$10,299,600
607,387	688,603	81,217	13.4%	Sales Tax 4% (d)	5,361,536	5,999,150	637,614	11.9%	6,393,200	6,117,900	6,997,100
278,751	335,502	56,751	20.4%	Sales Tax 2%	2,332,000	2,795,641	463,641	19.9%	3,021,600	2,882,900	3,302,500
249,778	252,931	3,154	1.3%	Use Tax 6% (g)	2,194,695	2,143,309	(51,386)	-2.3%	2,623,000	2,470,300	2,604,300
27,428	36,589	9,161	33.4%	Recreational Marihuana	85,883	156,294	70,411	82.0%	120,472	120,000	149,100
69,949	73,506	3,557	5.1%	Tobacco Taxes	725,400	666,308	(59,092)	-8.1%	890,145	868,000	830,700
0	4	4	na	Tobacco Settlement	236,821	242,986	6,165	2.6%	na	na	na

continued

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

For The Month Ended: July 31, 2022

Month-End Cash Collections Data				October Through July Cash Collections Data					Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ⁽ⁱ⁾	Statutory Estimate	May 2022 Forecast
Major Transportation Revenues											
\$22,892	\$24,220	\$1,327	5.8%	Diesel Fuel / Motor Carrier Fuel Tax	\$201,151	\$206,609	\$5,458	2.7%	\$240,846	\$241,500	\$247,000
103,247	104,685	1,438	1.4%	Gasoline	904,931	950,619	45,688	5.0%	1,111,575	1,196,000	1,165,200
105,270	109,019	3,749	3.6%	Motor Vehicle Registration	1,162,431	1,186,141	23,709	2.0%	1,403,514	1,402,000	1,445,800
4,920	4,372	(549)	-11.1%	Other Taxes, Fees & Misc.	44,023	42,422	(1,601)	-3.6%	155,878	216,258	246,214
8,537	10,117	1,580	18.5%	Comprehensive Transportation (c)	85,366	91,967	6,601	7.7%	136,952	137,774	162,211
50,000	50,000	0	0.0%	Income Tax Earmarking	500,000	500,000	0	0.0%	600,000	600,000	600,000
\$294,866	\$302,412	\$7,546	2.6%	Total Major Trans. Revenues	\$2,897,902	\$2,977,757	\$79,855	2.8%	\$3,648,765	\$3,793,532	\$3,866,425
Lottery Sales By Games											
\$196,430	\$219,288	\$22,858	11.6%	Instant Games (f)	\$2,201,893	\$2,049,035	(\$152,858)	-6.9%	na	na	na
91,471	78,359	(13,112)	-14.3%	Daily Games	967,890	887,607	(80,283)	-8.3%	na	na	na
30,245	49,174	18,929	62.6%	Lotto and Big Game (f)	405,536	356,947	(48,590)	-12.0%	na	na	na
661	592	(69)	-10.4%	Keno Game	7,354	6,681	(673)	-9.2%	na	na	na
1,787	2,773	986	55.2%	Lucky For Life	12,504	29,959	17,455	140.0%	na	na	na
6,205	8,925	2,719	43.8%	Other (f)	66,564	89,879	23,315	35.0%	na	na	na
50,215	47,300	(2,915)	-5.8%	Club Games	477,726	541,961	64,235	13.4%	na	na	na
\$377,015	\$406,411	\$29,396	7.8%	Total Lottery Sales	\$4,139,468	\$3,962,069	(\$177,399)	-4.3%	na	na	na

- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.
- (c) The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).
- (d) 2% collections adjusted to reflect exemption on residential utilities.
- (e) Non-tax revenue items other than interest are estimates.
- (f) Lottery Sales include iLottery net win amounts; and Other lottery games includes the new Fast Cash games, which began in July 2017.
- (g) Gross Use tax collections include the transferred amounts to the Local Community Stabilization Authority, which are front-loaded at the beginning of the fiscal year. The year-to-date 2021 revenues were \$447.9 million and the year-to-date 2022 revenues are \$434.5 million. Per 2014 Public Act 80, the total fiscal year 2021 Local Community Stabilization Share (LCSS) was \$491.5 million and the total fiscal year 2022 LCSS is \$521.3 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2021 LCSS revenues were \$447.9 million and the year-to-date 2022 LCSS revenues are \$434.5 million.
- (i) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.
- (j) Implementation of the Flow Through Entity Tax retroactive to January 1, 2021 has resulted in fluctuating totals in Individual Income Tax annuals, quarterlies, and refunds in FY 2022.

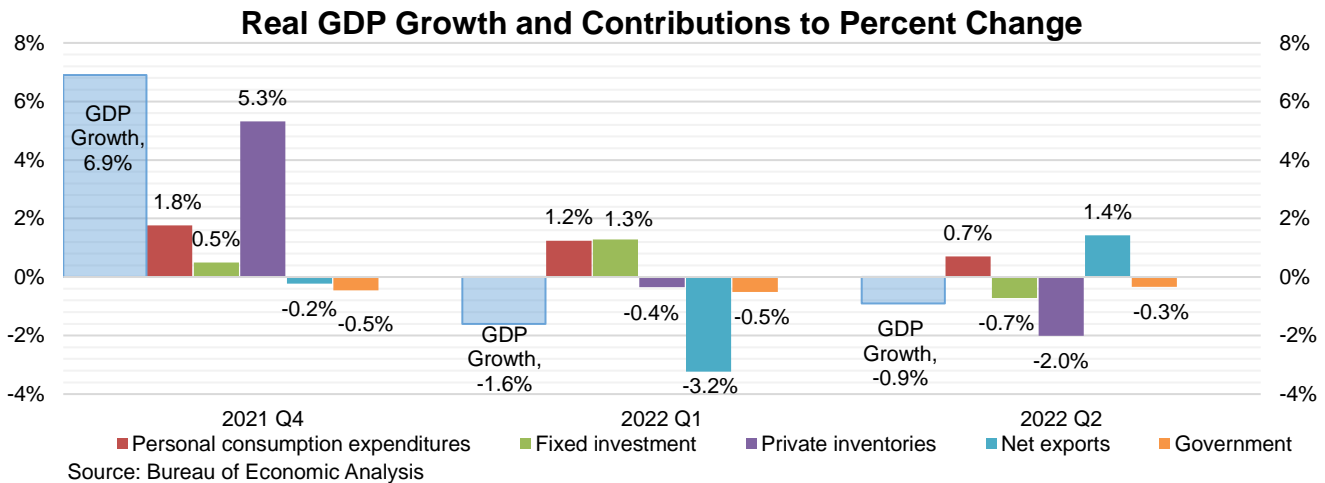
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** decreased at a 0.9 percent annual rate in the second quarter of 2022, according to the most recent estimate, up from the -1.6 percent annual rate in the first quarter of 2022. This is the second month in a row that GDP has been negative since the beginning of the pandemic. The past three quarterly contributions to the percent change in GDP are shown in the graph below.



Private inventories drove the decline in GDP in the second quarter of 2022, while fixed investment and government expenditures made minor contributions to the decline. Growth in net exports helped to hold GDP up from further decline. Real final sales increased by 1.1 percent in the second quarter, while on the inflation front, the implicit price deflator increased by 8.9 percent.

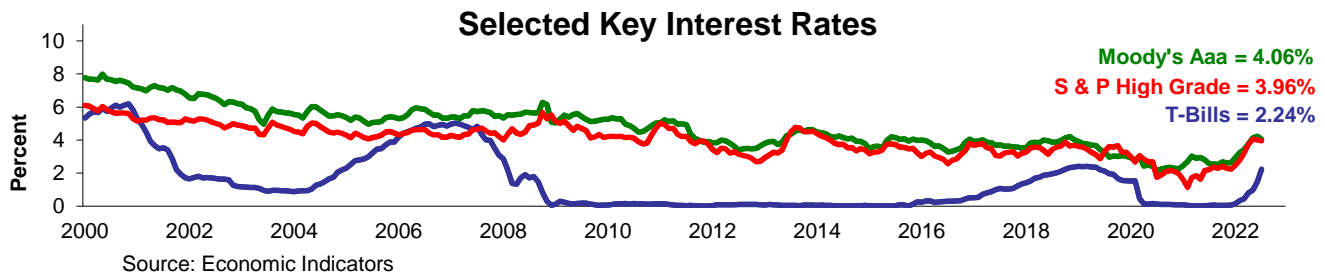
U.S. wage and salary employment increased by 528,000 jobs in July. With July's increase, employment levels have now returned to their February 2020 pre-pandemic levels. The labor force participation rate was 62.1 percent in July, still below the 63.4 percent participation rate in February 2020. In July, sectors with the largest increases in employment include the education and health services sector with 122,000 jobs, the leisure and hospitality sector with 96,000 jobs, the government services sector with 57,000 jobs, and the trade, transportation and utilities sector with 54,000 jobs.

In July, the U.S. unemployment rate declined slightly to 3.5 percent. Civilian employment increased slightly to 158.3 million, up 0.2 million from June. The number unemployed declined to 5.7 million in July.

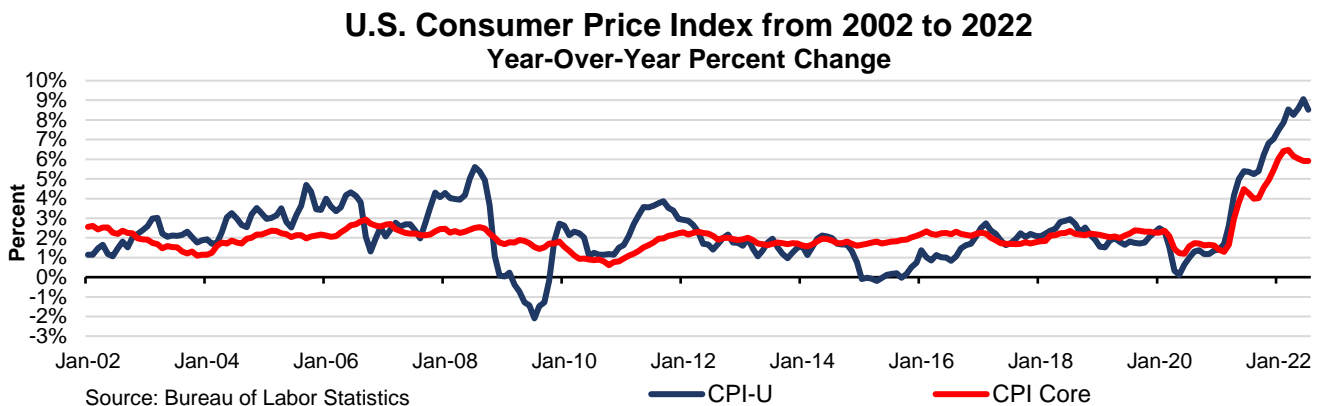
The **Index of Consumer Sentiment** increased 1.5 index-points from June, up to 51.5 in July 2022. This is the second lowest level of consumer sentiment since recording began, after June's record of 50.0. The year-over-year consumer sentiment is 31.4 index-points below July 2021 levels.



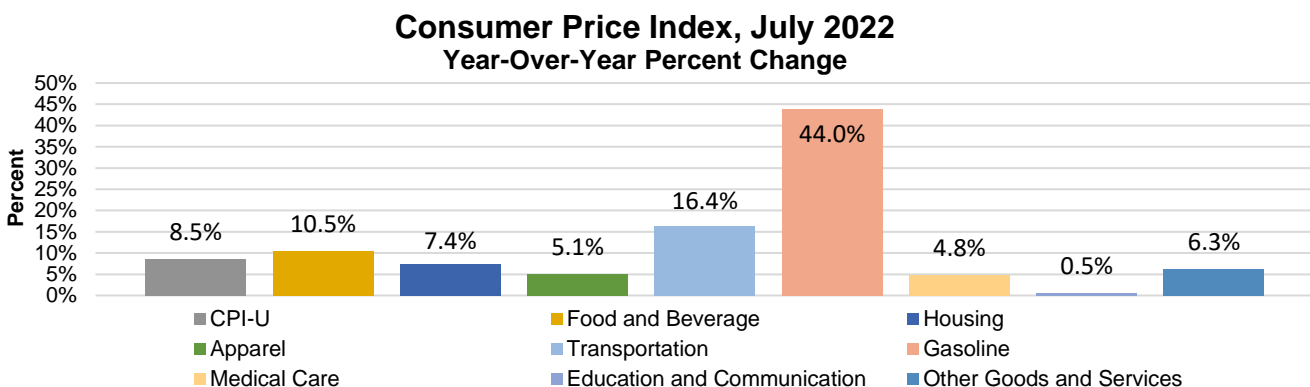
Short-term **interest rates** increased in July, as the 3-month Treasury bill (T-bill) rate increased 0.76 percentage points to 2.24 percent. Compared to one year ago, the T-bill rate increased 2.19 percentage points. The Aaa corporate bond rate decreased 0.18 percentage points to an interest yield of 4.06 percent in July and was up 1.49 percentage points from its year-ago level. The interest rate on high-grade municipal bonds decreased 0.05 percentage points to 3.96 percent in July and was up 1.74 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 8.5 percent from July 2021 to July 2022. This is a decline from last month's 9.1 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 5.9 percent from July 2021 to July 2022. Prior to the current year, growth in the CPI-Core has not been this high since 1982. CPI-U and CPI-Core data are not seasonally adjusted.

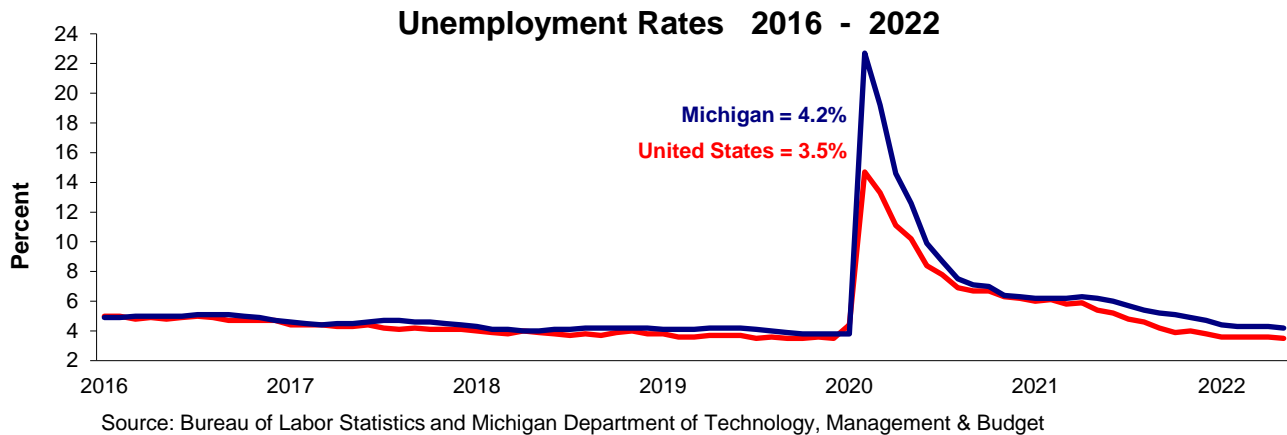


Gasoline continues to exhibit the largest year-over-year price increase, at 44.0 percent in July, down from the 59.9 percent change in June. Next is transportation with an increase of 16.4 percent. Lower year-over-year percent increases can be seen in food and beverage (10.5 percent), housing (7.4 percent), and other goods and services (6.3 percent). These data are seasonally adjusted.



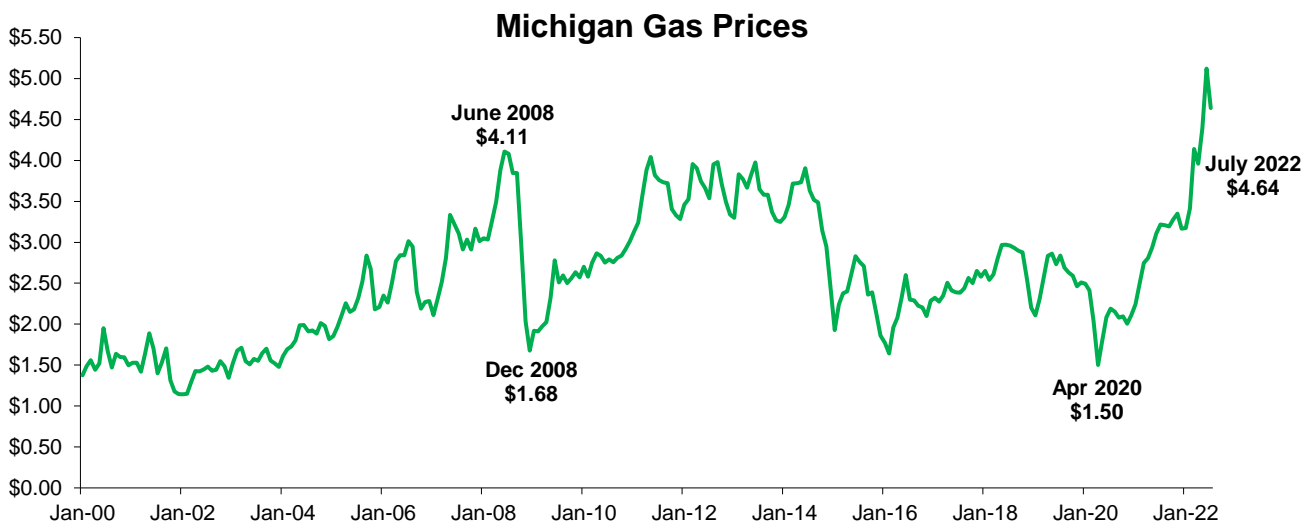
Michigan Economy

The **Michigan jobless rate** remained about the same, declining 0.1 percentage points to 4.2 percent in July. The national unemployment rate also declined 0.1 percentage points down to 3.5 percent in July. The number unemployed in Michigan declined by 5,000 while the number employed increased by 8,000, a 0.2 percent change from June to July. The number unemployed is 32.4 percent lower than in July 2021. In July, Michigan's unemployment rate was 0.4 percentage points above the February 2020 pre-pandemic rate of 3.8 percent.



Michigan wage and salary employment increased in July by 26,000 jobs from June's revised estimate. Employment was up 133,000 jobs, or 3.1 percent, from July 2021. In July, sectors with the largest increases in employment include the leisure and hospitality services sector with 10,000 jobs, the trade, transportation, and utilities sector with 4,000 jobs, and the professional and business services sector as well as the government sector with 3,000 jobs each. No major sectors experienced a decline in employment from June to July.

Michigan gasoline prices decreased in July 2022, down to \$4.64 per gallon, 48.2 cents a gallon below last month's average. Year-over-year gasoline prices remained elevated and were \$1.42 per gallon higher than in July 2021. July 2022 diesel prices were relatively flat at \$5.80 per gallon, a decline of 3.0 cents a gallon from June's average diesel price of \$5.83 per gallon. Diesel prices were up \$2.53 per gallon over the July 2021 price of \$3.27 per gallon.

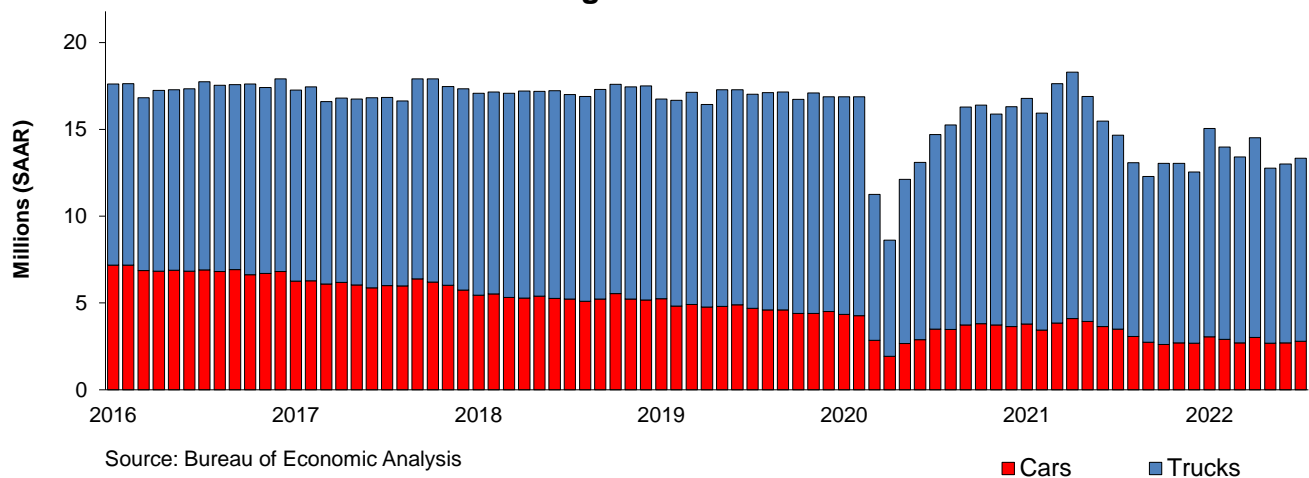


Source: AAA Michigan

Motor Vehicle Sector

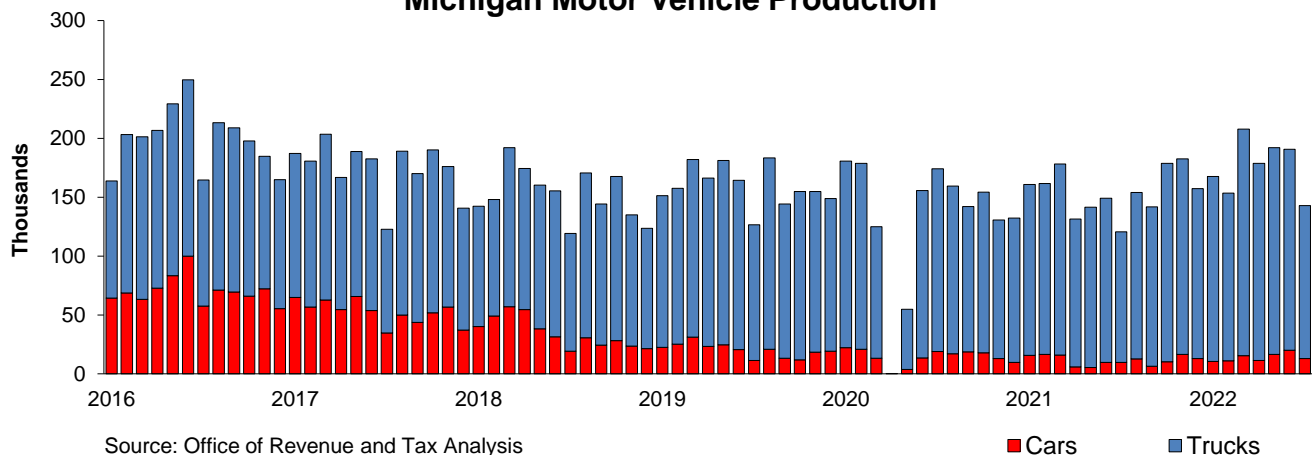
U.S. light vehicle sales (cars and light trucks) increased slightly, by 2.3 percent in July from June, selling at a 13.0 million unit seasonally adjusted annual rate. Domestic car sales declined 1.5 percent while light truck sales increased 4.3 percent from June. Import car sales increased 17.7 percent while import light truck sales declined 5.8 percent from June. Compared to July 2021, light vehicle sales were down 9.5 percent. Domestic car sales decreased 17.8 percent while light truck sales increased 1.4 percent from the year ago levels. July import car sales were up 17.7 percent while import light truck sales were down 28.1 percent from last year. Demand for vehicles remains elevated, with declining sales numbers resulting from supply chain issues, particularly the global semiconductor shortage. High fuel prices are increasing the demand for fuel efficient vehicles. Domestic light vehicles recorded an 80.4 percent share of July 2022 sales, up 5.5 percentage points from July 2021.

U.S. Light Vehicle Sales



Michigan motor vehicle production declined in July, with 142,925 total units. Michigan's July production was 25.0 percent below June's production but 18.6 percent above the level in July 2021, according to the most recently available data. Nationally, motor vehicle production totaled 655,637 units, which was up 5.7 percent from a year ago. In July, Michigan's car production was 12,979 units while the State's truck production was 129,946 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 20, 2022 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2020-21 Actual	Fiscal Year 2021-22 Estimate	Fiscal Year 2022-23 Estimate
Applicable Calendar Year Personal Income	\$491,632	\$530,809	\$558,330
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$46,655.9</u>	<u>\$50,373.8</u>	<u>\$52,985.5</u>
Revenue Limit	\$46,655.9	\$50,373.8	\$52,985.5
State Revenue Subject to Limit	<u>\$38,890.0</u>	<u>\$41,615.3</u>	<u>\$41,494.0</u>
Amount Under (Over) Limit	\$7,765.9	\$8,758.5	\$11,491.5

Sources:

Personal Income Estimate

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

The FY 2020-21 calculation uses the official personal income estimate for calendar year 2020 (Survey of Current Business, October 2021).

The FY 2022-23 calculation uses the May 20, 2022 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2020-21 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2021.

The FY 2021-22 calculation uses the May 20, 2022 Consensus Revenue Agreement.

The FY 2022-23 calculation uses the May 20, 2022 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury