



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

DAVID P. MASSARON
DIRECTOR

June 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 May 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 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
May 31, 2021
(\$ in millions)

	FISCAL 2021
Beginning Balance	\$ 2,363.0
Revenues	
Ongoing:	
May 2021 Consensus Forecast	\$ 11,276.8
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
Subtotal Ongoing Revenue	\$ 10,861.7
One-Time:	
Miscellaneous Adjustments	\$ 11.2
Subtotal One-Time Revenue	\$ 11.2
Total Revenue	\$ 10,872.9
Expenditures	
Ongoing:	
Public Acts 165 and 166 of 2020	\$ 10,316.9
Subtotal Ongoing Expenditures	\$ 10,316.9
One-Time:	
Public Acts 165 and 166 of 2020	\$ 285.3
Public Act 257 of 2020	\$ 243.3
Public Act 2 of 2021	\$ 77.0
Transfer to BSF	\$ 35.0
May Consensus Enhanced FMAP (Fiscal Year 2021 Q2-Q4)	\$ (634.7)
May Consensus Caseload Adjustments	\$ 7.5
Subtotal One-Time Expenditures	\$ 13.4
Total Expenditures	\$ 10,330.3
Ending Balance	\$ 2,905.6

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

FISCAL
2021

Beginning Balance	\$	1,190.5
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Revenues		
Ongoing:		
May 2021 Consensus Forecast	\$	15,032.4
General Fund	\$	40.0
Community District Trust Fund	\$	79.8
Federal Revenue	\$	1,811.5
Subtotal Ongoing Revenue	\$	16,963.7
One-Time:		
General Fund	\$	11.0
General Fund - Pending Supplemental (Consensus)	\$	3.5
Federal Revenue - ESSER II/GEER II	\$	839.0
Other Federal Grants (Consensus)	\$	481.3
Subtotal One-Time Revenue	\$	1,334.8
Total Revenue	\$	18,298.5

Expenditures		
Ongoing:		
School Aid - PA 165 of 2020	\$	15,340.1
School Aid - Pending Supplemental (Consensus)	\$	(23.2)
Community Colleges - PA 165 of 2020	\$	425.7
Universities - PA 165 of 2020	\$	356.1
Subtotal Ongoing Expenditures	\$	16,098.7
One-Time:		
School Aid - PA 165 of 2020	\$	185.0
School Aid - PA 3 of 2021	\$	1,009.2
School Aid - Pending Supplemental (Consensus)	\$	465.3
Community Colleges - Pending Supplemental (2021-6)	\$	12.7
Subtotal One-Time Expenditures	\$	1,672.2
Total Expenditures	\$	17,770.9

Ending Balance	\$	1,718.1
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**SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE**

May 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
83.2	110.5	Agriculture and Rural Development	121.3	5.2	23.8	150.3	78.8
63.4	93.2	Attorney General	105.3	2.1	20.0	127.4	61.1
276.6	389.6	Capital Outlay (2)	332.4	1.4	673.9	1,007.7	219.4
10.0	14.0	Civil Rights	18.0	1.5	1.9	21.4	9.4
994.2	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	1,079.0
1,453.0	2,017.3	Corrections	2,050.7	2.5	254.1	2,307.3	1,377.3
245.9	1,134.0	Education	516.7	9.9	155.7	682.3	338.6
331.4	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	289.8
6.0	7.4	Executive Office	7.1	0.0	0.9	8.1	5.2
16,103.8	26,614.3	Health and Human Services	28,453.2	1,303.9	1,192.2	30,949.4	18,840.1
35.8	53.9	Insurance and Financial Service	73.3	1.5	0.0	74.8	37.2
167.6	271.3	Judiciary	313.6	0.4	4.9	319.0	153.7
286.3	444.8	Labor and Economic Opportunity	745.2	305.1	2,850.0	3,900.3	324.9
16.6	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	17.0
105.8	154.3	Legislature	172.4	0.0	93.8	266.2	105.9
235.9	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	283.2
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
62.4	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	160.6
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.1	42.5	27.7
139.6	171.9	Military and Veterans Affairs	102.4	22.3	14.3	139.0	86.1
89.7	132.7	Natural Resources	136.5	5.0	58.2	199.7	90.6
153.1	252.4	State	254.3	12.1	88.1	354.5	149.7
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
587.5	837.6	State Police (3)	737.2	36.2	172.1	945.6	424.3
510.6	1,047.2	Technology, Management and Budget (4)	495.0	194.4	697.6	1,387.0	384.8
3.4	6.2	Transportation	0.0	47.0	29.5	76.5	2.3
1,421.6	3,758.1	Treasury	2,080.6	148.4	197.6	2,426.6	1,582.4
\$23,383.4	\$39,893.1		\$39,180.9	\$2,220.2	\$7,371.7	\$48,772.8	\$26,129.2

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

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	19,907.4	170.2	20,077.6
Total state spending from state resources	35,359.1	490.5	35,849.6
Percentage of state spending from state resources paid to local units	56.30%	34.70%	56.01%
Required payments to local units (48.97%)	17,315.4	240.2	17,555.5
Surplus/(deficit)	\$2,592.0	(\$70.0)	\$2,522.1

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

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 870,143</u>
Total Assets	<u><u>\$ 870,143</u></u>

LIABILITIES

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

FUND BALANCES

Committed	<u>870,143</u>
Total Fund Balances	<u>870,143</u>
Total Liabilities and Fund Balances	<u><u>\$ 870,143</u></u>

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

REVENUES

Miscellaneous	\$ 17,992
	17,992
Total Revenues	17,992

EXPENDITURES

Current:	
General government	284
	284
Total Expenditures	284
Excess of Revenues over (under) Expenditures	17,708

OTHER FINANCING SOURCES (USES)

Transfers from other funds	23,333
Transfers to other funds	-
Total Other Financing Sources (Uses)	23,333
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 41,042 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**

May 31, 2021
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 27,478
Investments	-
Other current assets	-
Total Current Assets	<u>27,478</u>
 Noncurrent Assets:	
Investments	<u>787,100</u>
 Total Assets	<u>\$ 814,578</u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 8,038
Amounts due to other funds	-
Total Current Liabilities	<u>8,038</u>
 Total Liabilities	<u>8,038</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>306,540</u>
 Total Fund Balances	<u>806,540</u>
 Total Liabilities and Fund Balances	<u>\$ 814,578</u>

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

October 1, 2020 through May 31, 2021
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		74,965
		74,965
Total Revenues		74,965

EXPENDITURES

Current:		
General government		2,406
Conservation, environment, recreation, and agriculture		8,806
Capital outlay		599
		11,810
Total Expenditures		11,810
Excess of Revenues over (under) Expenditures		63,155

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		-
		-
Total Other Financing Sources (Uses)		-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	63,155 ¹

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

REVENUE OVERVIEW

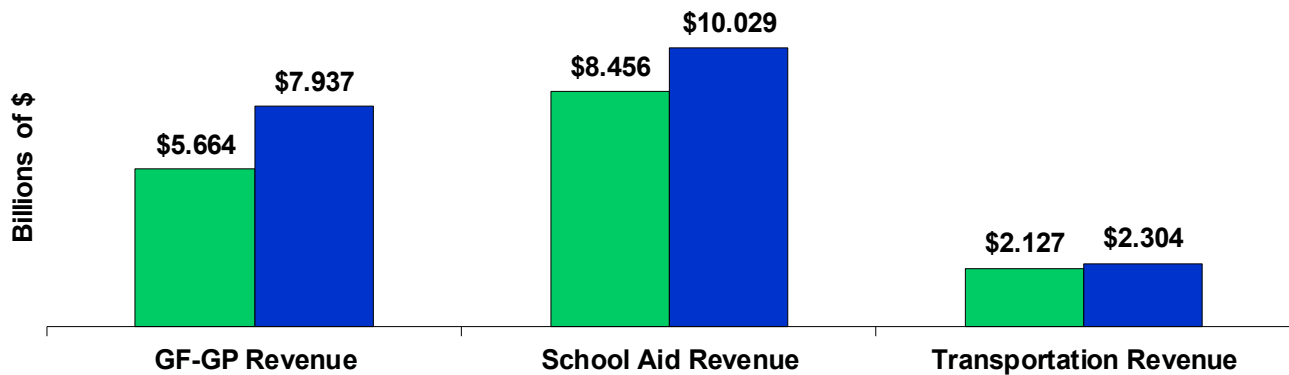
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Due to the effects of the pandemic on revenues a year ago, growth rates are significantly different than usually observed. Total General Fund - General Purpose cash collections were \$711.6 million (121.0 percent) higher in May 2021 than in May 2020. The May 2021 School Aid Fund cash collections were \$567.1 million (75.2 percent) higher than in May 2020. May 2021 transportation collections were \$83.1 million (43.6 percent) higher than in May 2020 (see revenue summary table). May is the eighth 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 \$2,272.3 million (40.1 percent) from a year ago. School Aid Fund cash collections are up \$1,572.9 million (18.6 percent) and transportation collections are up \$177.1 million (8.3 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.

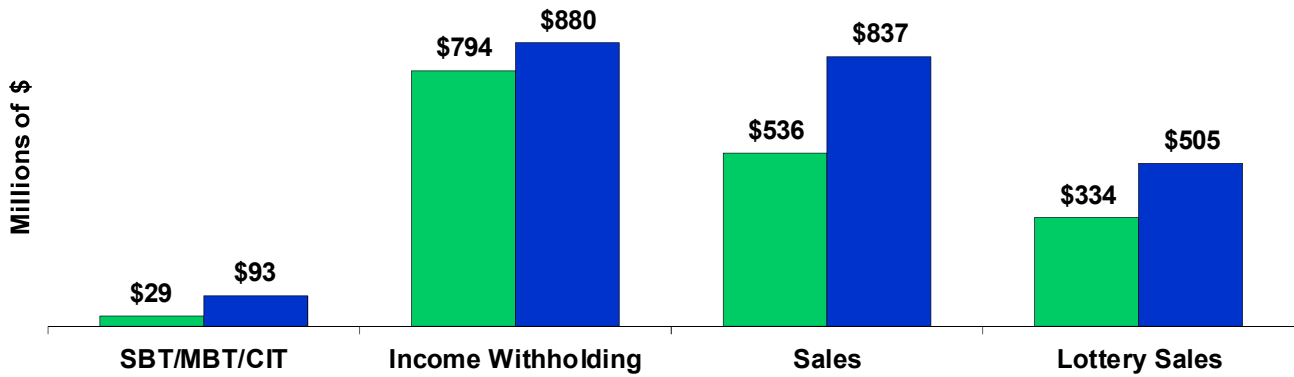
October through May Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

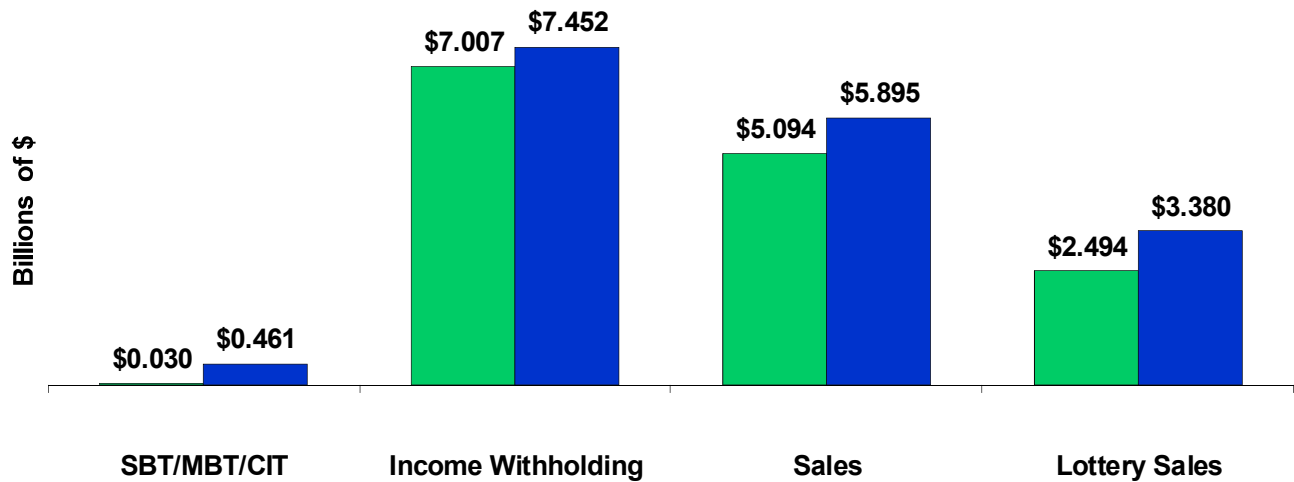
May Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

October through May 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: May 31, 2021

Month-End Cash Collections Data				October Through May Cash Collections Data					Revenue Projections		
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20	FY 2020-21	FY 2020-21
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Preliminary Total (j)	Statutory Estimate	May 2021 Forecast
Income Taxes											
\$794,196	\$879,794	\$85,598	10.8%	Withholding	\$7,006,754	\$7,451,500	\$444,746	6.3%	\$10,502,700	\$9,971,300	\$11,014,500
18,315	36,545	18,229	100.0%	Quarterlies	523,972	908,572	384,600	73.4%	1,208,400	1,019,500	1,358,400
37,632	973,855	936,223	2488.0%	Annuals	372,823	1,666,010	1,293,187	347.0%	1,298,100	1,147,600	1,017,400
\$850,144	\$1,890,194	\$1,040,050	122.0%	Gross Collections	\$7,903,549	\$10,026,082	\$2,122,533	26.9%	\$13,009,200	\$12,138,400	\$13,390,300
134,629	400,306	265,677	197.0%	Less: Refunds	1,926,919	2,156,749	229,830	11.9%	2,517,700	2,366,900	2,738,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$715,515	\$1,489,888	\$774,374	108.0%	Net Personal Income	\$5,976,631	\$7,869,333	\$1,892,703	31.7%	\$10,490,900	\$9,770,700	\$10,651,100
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	312,000	400,000	88,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	46,000	46,000	0	0.0%	69,000	69,000	69,000
197,911	440,033	242,122	122.0%	Less: Disbursements to SAF	1,839,962	2,334,051	494,090	26.9%	3,093,000	2,889,900	3,188,200
\$472,854	\$994,105	\$521,252	110.0%	Net Personal Income To GF-GP	\$3,778,669	\$5,089,282	\$1,310,613	34.7%	\$6,860,900	\$6,211,800	\$6,793,900
Consumption Taxes											
\$82,272	\$135,693	\$53,421	64.9%	Sales (a)	\$833,809	\$962,169	\$128,360	15.4%	\$1,299,800	\$1,250,200	\$1,356,900
(29,684)	41,385	71,069	na	Use (a) (h)	353,527	743,185	389,658	110.0%	735,300	654,500	1,158,300
14,514	13,786	(728)	-5.0%	Tobacco	113,411	113,915	505	0.4%	180,100	167,800	176,200
1,766	1,246	(520)	-29.4%	Beer, Wine & Mixed Spirits	27,129	35,384	8,254	30.4%	51,400	50,500	53,000
6,344	12,718	6,374	100.0%	Liquor Specific	38,179	44,282	6,102	16.0%	73,100	57,500	68,000
\$75,213	\$204,829	\$129,615	172.0%	Total Consumption Taxes	\$1,366,056	\$1,898,935	\$532,879	39.0%	\$2,339,700	\$2,180,500	\$2,812,400
Other Taxes											
\$6,322	\$216	(\$6,106)	-96.6%	Single Business	(\$2,141)	(\$137)	\$2,004	-93.6%	(\$5,400)	\$0	\$0
(4,562)	(18,293)	(13,731)	301.0%	Insurance Premiums Taxes	\$286,702	241,129	(45,573)	-15.9%	456,800	380,400	390,000
1,760	(18,077)	(19,837)	na	Sub-total SBT & Insurance	284,562	240,992	(43,569)	-15.3%	451,400	380,400	390,000
(3,383)	38	3,421	na	Michigan Business Tax	(531,159)	(526,207)	4,952	0.9%	(553,700)	(643,900)	(626,900)
26,230	92,691	66,461	253.0%	Corporate Income Tax	562,868	987,564	424,695	75.5%	1,104,800	912,800	1,384,100
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
0	0	0	na	Telephone & Telegraph	11,355	11,087	(268)	-2.4%	32,400	30,000	32,000
(270)	1,685	1,955	na	Oil & Gas Severance	10,866	11,675	809	7.4%	12,800	12,000	14,000
1,550	6,541	4,991	322.0%	Penalties & Interest	54,937	84,787	29,850	54.3%	90,700	127,000	130,000
946	3,595	2,649	280.0%	Essential Services Assessment	1,963	5,730	3,768	192.0%	122,000	125,000	126,000
1	1	0	16.4%	Miscellaneous Other/Railroad	177	111	(66)	-37.2%	3,800	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(93,333)	(101,333)	(8,000)	-8.6%	(139,800)	(152,000)	(152,000)
\$15,167	\$73,808	\$58,641	387.0%	Total Other Taxes	\$302,235	\$714,406	\$412,171	136.0%	\$1,124,400	\$793,300	\$1,299,200
\$563,234	\$1,272,742	\$709,508	126.0%	Subtotal GF-GP Taxes	\$5,446,959	\$7,702,622	\$2,255,663	41.4%	\$10,325,000	\$9,185,600	\$10,905,500

continued

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

For The Month Ended: May 31, 2021

Month-End Cash Collections Data				October Through May Cash Collections Data					Revenue Projections		
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20	FY 2020-21	FY 2020-21
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Preliminary Total (j)	Statutory Estimate	May 2021 Forecast
Non-Tax Revenue (e)											
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$10,000	\$6,667	(\$3,333)	-33.3%	\$3,900	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	67	67	0	0.0%	300	100	100
500	583	83	16.7%	Services	4,000	4,667	667	16.7%	3,800	7,000	7,000
1,000	1,167	167	16.7%	Licenses & Permits	8,000	9,333	1,333	16.7%	51,100	14,000	14,000
0	0	0	na	Investments/Interest Costs	2,789	2,789	0	0.0%	6,700	4,000	2,000
833	833	0	0.0%	Misc. Non-tax Revenue	6,667	6,667	0	0.0%	14,500	10,000	10,000
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	130,000	150,000	20,000	15.4%	290,300	225,000	250,000
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	56,000	54,000	(2,000)	-3.6%	75,100	81,000	78,200
<u>\$26,842</u>	<u>\$28,925</u>	<u>\$2,083</u>	<u>7.8%</u>	Total Non-Tax Revenue	<u>\$217,523</u>	<u>\$234,189</u>	<u>\$16,667</u>	<u>7.7%</u>	<u>\$445,700</u>	<u>\$351,100</u>	<u>\$371,300</u>
\$590,076	\$1,301,667	\$711,591	121.0%	Total GF-GP Revenue	\$5,664,482	\$7,936,811	\$2,272,329	40.1%	\$10,770,700	\$9,536,700	\$11,276,800
School Aid Fund											
\$221,650	\$345,863	\$124,213	56.0%	Sales Tax 4%	\$2,181,825	\$2,476,982	\$295,157	13.5%	\$3,387,600	\$3,344,700	\$3,644,400
166,634	260,721	94,087	56.5%	Sales Tax 2%	1,457,648	1,766,392	308,744	21.2%	2,656,400	2,604,600	2,852,000
31,380	69,177	37,797	120.0%	Use Tax 2%	358,894	582,614	223,720	62.3%	622,500	576,000	827,900
18,462	24,387	5,925	32.1%	State Education Property Tax	1,476,510	1,531,795	55,285	3.7%	2,189,900	2,163,000	2,267,600
18,874	37,956	19,082	101.0%	Real Estate Transfer Tax	211,052	304,560	93,508	44.3%	335,400	325,000	433,600
60,000	90,000	30,000	50.0%	Lottery Transfer (b)	581,822	671,983	90,161	15.5%	1,179,900	1,026,800	1,208,100
0	8,809	8,809	na	Casino Wagering Tax	54,422	55,038	617	1.1%	67,000	112,800	134,900
6,329	12,511	6,183	97.7%	Liquor Excise Tax	37,448	42,384	4,936	13.2%	70,900	57,100	67,600
29,466	27,988	(1,478)	-5.0%	Cigarette/Tobacco Tax	230,241	231,265	1,025	0.4%	331,800	314,900	325,300
2,595	2,709	115	4.4%	Indus. & Comm. Facilities Taxes	20,267	25,701	5,435	26.8%	40,900	33,000	37,000
395	643	249	63.0%	Specific Other	6,143	6,394	252	4.1%	27,000	54,100	45,800
197,911	440,033	242,122	122.0%	Income Tax Earmarking	1,839,962	2,334,051	494,090	26.9%	3,093,000	2,889,900	3,188,200
<u>\$753,695</u>	<u>\$1,320,800</u>	<u>\$567,104</u>	<u>75.2%</u>	Total School Aid Fund	<u>\$8,456,233</u>	<u>\$10,029,160</u>	<u>\$1,572,927</u>	<u>18.6%</u>	<u>\$14,002,300</u>	<u>\$13,501,900</u>	<u>\$15,032,400</u>
Multi-Fund Revenue Summary											
\$536,051	\$837,160	\$301,109	56.2%	Sales Tax 6%	\$5,094,023	\$5,894,695	\$800,672	15.7%	\$8,307,700	\$8,159,000	\$8,906,000
369,417	576,439	207,022	56.0%	Sales Tax 4% (d)	3,636,375	4,128,303	491,928	13.5%	5,651,300	5,554,400	6,054,000
166,634	260,721	94,087	56.5%	Sales Tax 2%	1,457,648	1,766,392	308,744	21.2%	2,656,400	2,604,600	2,852,000
94,140	207,532	113,392	120.0%	Use Tax 6% (g)	1,076,682	1,747,841	671,159	62.3%	1,813,200	1,722,000	2,477,700
618	1,662	1,044	169.0%	Recreational Marihuana	4,517	56,104	51,587	na	31,364	98,000	75,000
72,936	69,278	(3,658)	-5.0%	Tobacco Taxes	569,902	572,439	2,537	0.4%	904,100	847,100	886,000
0	0	0	na	Tobacco Settlement	217,815	236,817	19,002	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: May 31, 2021

Month-End Cash Collections Data				October Through May Cash Collections Data					Revenue Projections		
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20	FY 2020-21	FY 2020-21
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Preliminary Total (i)	Statutory Estimate	May 2021 Forecast
Major Transportation Revenues											
\$14,354	\$19,016	\$4,662	32.5%	Diesel Fuel / Motor Carrier Fuel Tax	\$151,659	\$159,132	\$7,473	4.9%	\$229,917	\$227,000	\$238,000
50,335	90,184	39,848	79.2%	Gasoline	720,048	703,032	(17,017)	-2.4%	1,086,857	1,150,000	1,155,000
76,548	101,528	24,979	32.6%	Motor Vehicle Registration	849,776	939,513	89,737	10.6%	1,345,111	1,373,000	1,373,000
1,687	4,205	2,517	149.0%	Other Taxes, Fees & Misc.	26,079	34,478	8,399	32.2%	119,062	217,996	182,419
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	67,775	68,293	518	0.8%	102,047	102,439	136,123
39,000	50,000	11,000	28.2%	Income Tax Earmarking	312,000	400,000	88,000	28.2%	468,000	600,000	600,000
<u>\$190,397</u>	<u>\$273,468</u>	<u>\$83,072</u>	<u>43.6%</u>	Total Major Trans. Revenues	<u>\$2,127,337</u>	<u>\$2,304,447</u>	<u>\$177,110</u>	<u>8.3%</u>	<u>\$3,350,994</u>	<u>\$3,670,435</u>	<u>\$3,684,542</u>
Lottery Sales By Games											
\$203,826	\$265,279	\$61,453	30.1%	Instant Games (f)	\$1,268,057	\$1,801,804	\$533,747	42.1%	na	na	na
79,851	115,525	35,674	44.7%	Daily Games	582,897	784,681	201,784	34.6%	na	na	na
26,309	48,599	22,290	84.7%	Lotto and Big Game (f)	220,289	347,262	126,973	57.6%	na	na	na
693	859	166	23.9%	Keno Game	5,479	6,017	538	9.8%	na	na	na
967	1,430	462	47.8%	Lucky For Life	8,491	9,591	1,100	13.0%	na	na	na
4,492	7,986	3,494	77.8%	Other (f)	63,772	54,390	(9,382)	-14.7%	na	na	na
17,741	65,787	48,046	271.0%	Club Games	344,657	376,481	31,824	9.2%	na	na	na
<u>\$333,880</u>	<u>\$505,465</u>	<u>\$171,585</u>	<u>51.4%</u>	Total Lottery Sales	<u>\$2,493,642</u>	<u>\$3,380,227</u>	<u>\$886,586</u>	<u>35.6%</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 2020 revenues were \$364.2 million and the year-to date 2021 revenues are \$422.0 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 \$364.2 million and the year-to-date 2021 LCSS revenues are \$422.0 million.
- (i) Official Comprehensive Annual Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.

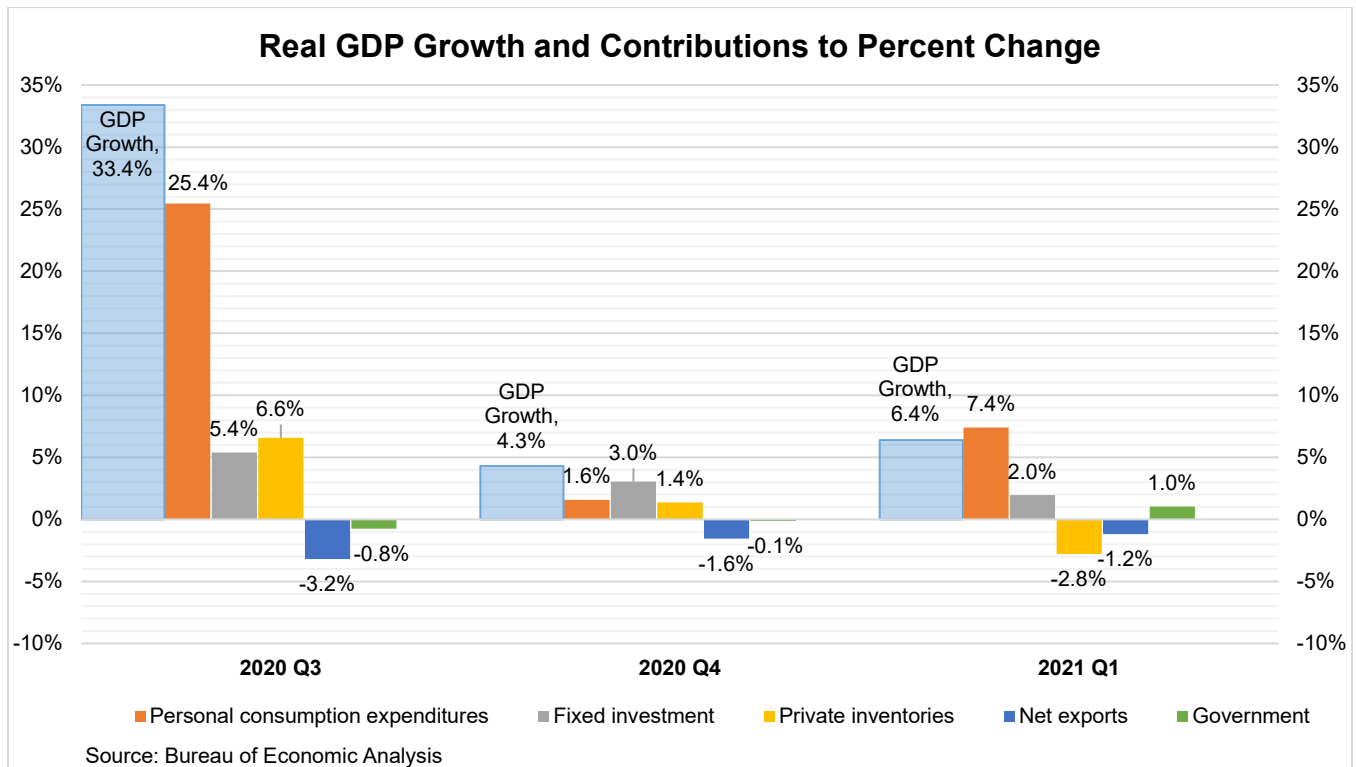
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 6.4 percent annual rate in the first quarter of 2021, according to the most recent estimate, up from the 4.3 percent annual rate in the fourth quarter of 2020. The coronavirus (COVID-19) pandemic that hit the U.S. in 2020 drove the significant swings in GDP. The 2020 quarterly contributions to the percent change in GDP are shown in the graph below. Annual real GDP decreased 3.5 percent in 2020, a decline from the 2.2 percent growth of 2019.

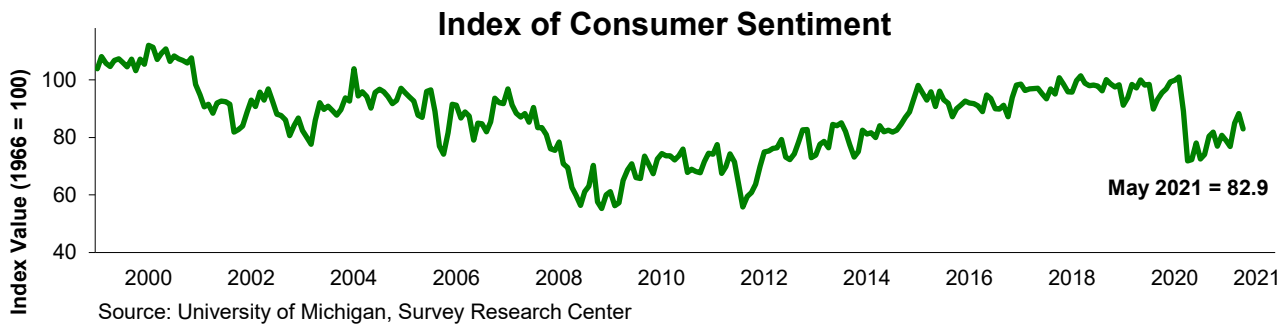


Personal consumption expenditures contributed significantly to the increase in GDP in the first quarter of 2021, along with fixed investment and government spending. Private inventories and net exports were both drags on the economy. Real final sales increased 9.4 percent in the first quarter while on the inflation front, the implicit price deflator increased by 4.3 percent.

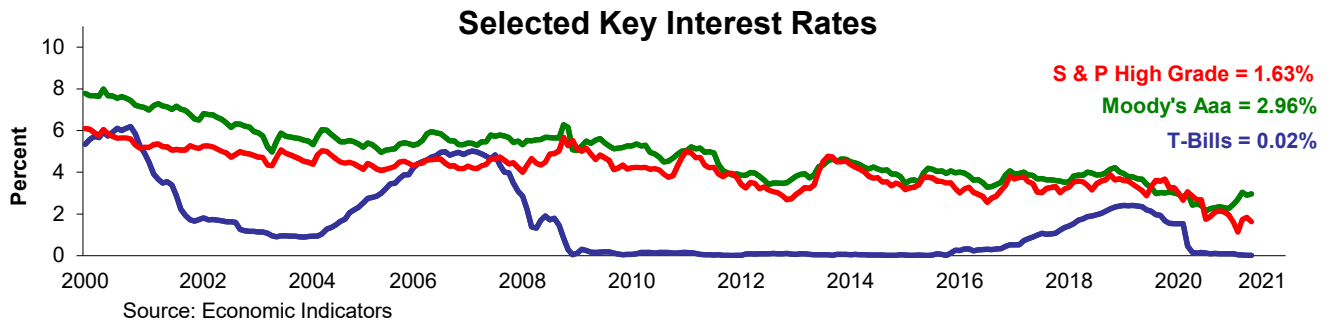
U.S. wage and salary employment increased by 559,000 jobs in May. Employment levels were still 7.6 million payroll jobs, or 5.0 percent, below the February 2020 level, prior to the pandemic. In May, sectors with the largest increases in employment include the leisure and hospitality sector with 292,000 jobs, education and health services with 87,000 jobs, government employment with 67,000 jobs, trade, transportation, and utilities with 37,000 jobs, and professional and business services with 35,000 jobs. The sector with the largest decline in employment was construction, with 20,000 jobs lost.

In May, the U.S. unemployment rate declined slightly to 5.8 percent, down from April's 6.1 percent. Civilian employment totaled 151.6 million, a slight increase from April's 151.2 million, while the number unemployed declined to 9.3 million. Of the unemployed, 1.8 million were reported as being on a temporary layoff, a decline of 0.3 million from April.

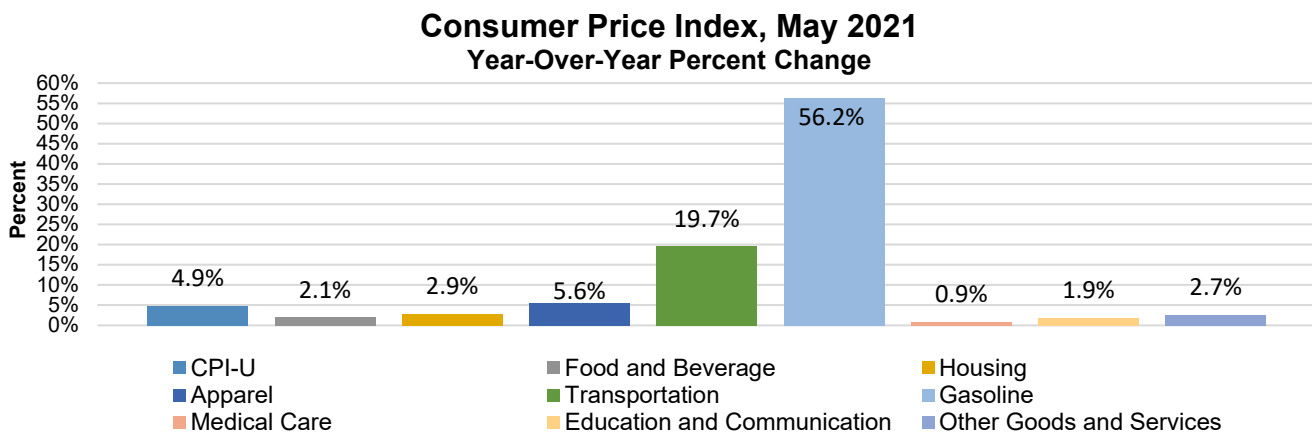
The **Index of Consumer Sentiment** declined 5.4 index-points from April, down to 82.9 in May. The year-over-year consumer sentiment is 10.6 index-points above May 2020 levels, which had plummeted from February 2020's high of 101.0 due to the start of the pandemic.



Short-term **interest rates** were flat in May, as the 3-month Treasury bill (T-bill) rate remained at 0.02 percent, the same as the level in April. Compared to one year ago, towards the start of the pandemic, the T-bill rate decreased 0.10 percentage points. The Aaa corporate bond rate increased 0.06 percentage points to an interest yield of 2.96 percent in May and was up 0.47 percentage points from its year-ago level. The interest rate on high-grade municipal bonds declined 0.21 percentage points to 1.63 percent in May and was down 1.06 percentage points from a year ago.

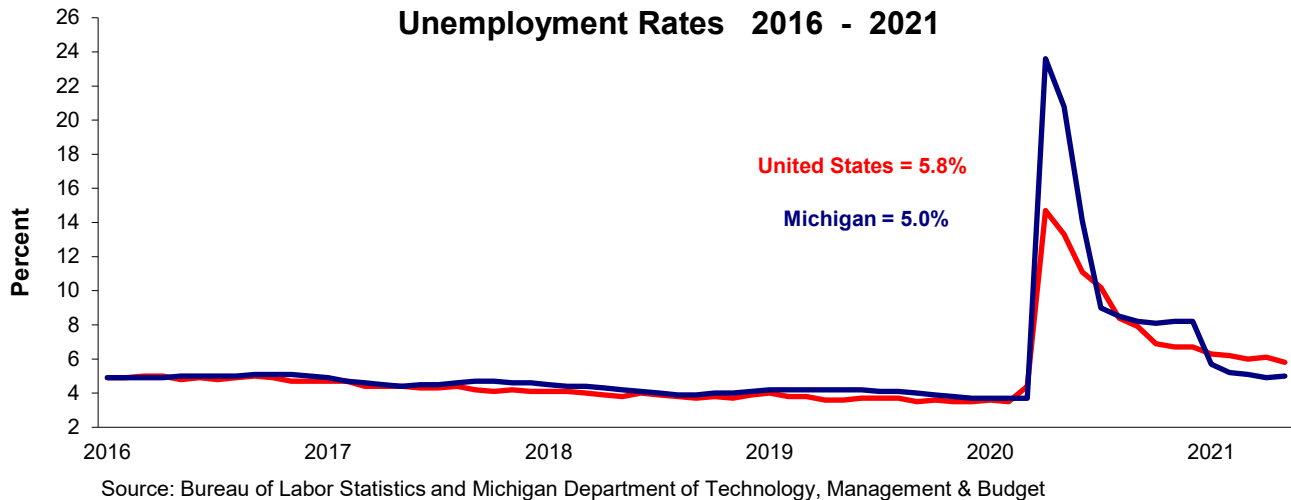


U.S. retail prices, as measured by the Consumer Price Index (CPI-U), are up 4.9 percent from May 2020 to May 2021. Gasoline experienced the largest year-over-year price increase (56.2 percent) due to the dramatic decline in gasoline prices at the start of the pandemic. Transportation was next in largest price increase (19.7 percent). Far lower year-over-year percent changes can be seen in apparel (5.6 percent), housing (2.9 percent), other goods and services (2.7 percent), food and beverage (2.1 percent), education and communication (1.9 percent), and medical care (0.9 percent).



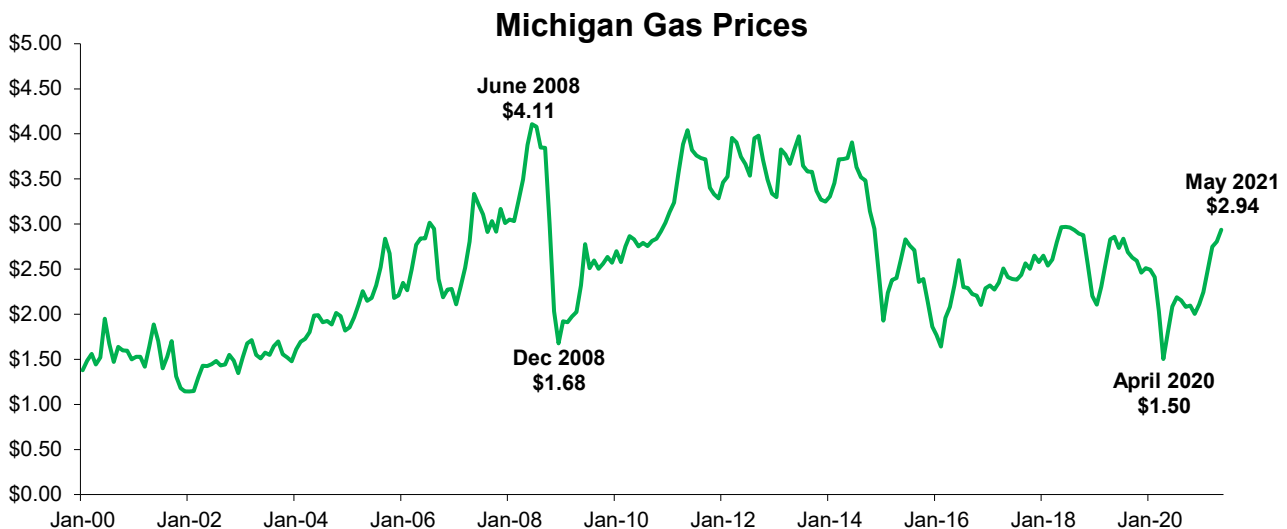
Michigan Economy

The **Michigan jobless rate** remained relatively flat, increasing 0.1 percentage points to 5.0 percent in May, down from April's 4.9 percent jobless rate. This is below the national unemployment rate of 5.8 percent. The civilian labor force increased by 9,000 in May, a 0.2 percent change from April. The number unemployed increased by 3,000, a 1.3 percent change, while the number employed increased by 6,000, a 0.1 percent change from April to May. The number unemployed is 75.9 percent lower than in May 2020, near the start of the pandemic in the U.S.



Michigan wage and salary employment declined in May by 2,000 jobs from April, but was up 593,000 jobs, or 16.8 percent, from May 2020. In May, most sectors had relatively flat employment changes. The sectors with the largest declines include trade, transportation, and utilities with 6,000 jobs lost, predominantly in retail trade, and leisure and hospitality services with 3,000 jobs lost. The manufacturing sector experienced the largest increase, gaining 5,000 jobs.

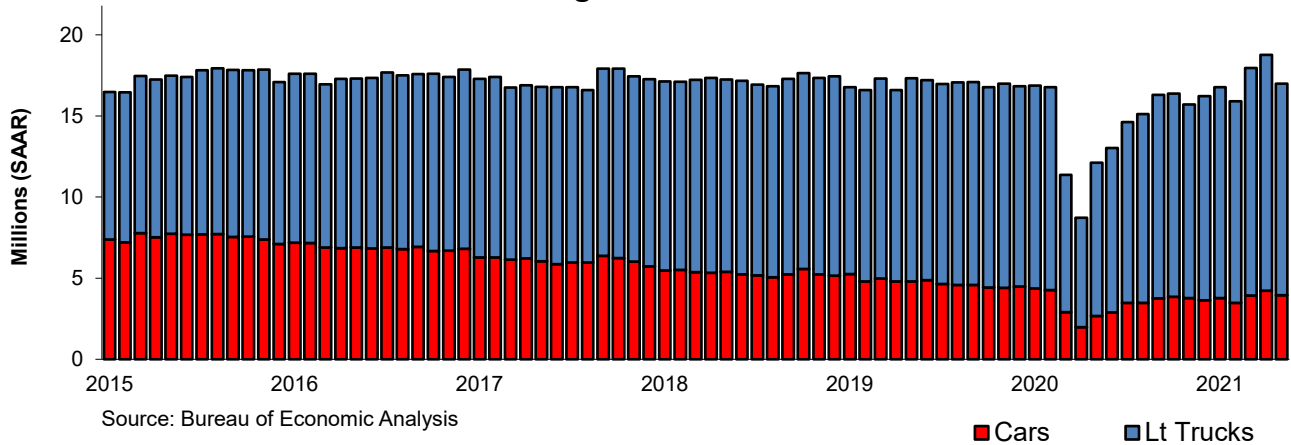
Michigan gasoline prices increased in May 2021 to \$2.94 per gallon, up 13.2 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$1.80 per gallon in May 2020, when they declined sharply at the start of the pandemic. May 2021 gas prices are 7.7 cents a gallon higher than they were two years ago in May 2019.



Motor Vehicle Sector

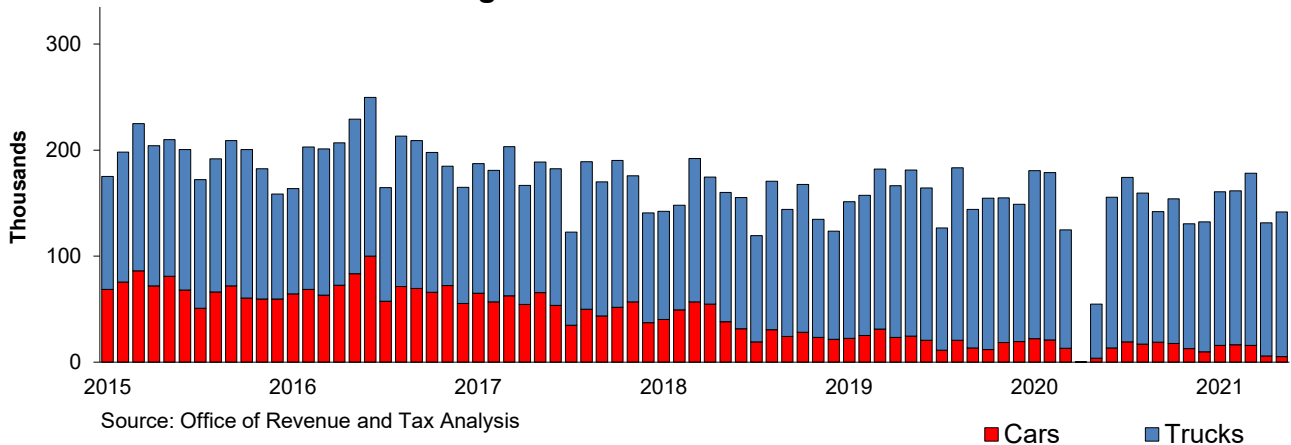
U.S. light vehicle sales (cars and light trucks) declined 9.5 percent in May from April, selling at a 17.0 million unit seasonally adjusted annual rate, but remain above sales levels from all of 2020. Domestic car sales declined 6.3 percent and light truck sales declined 11.4 percent from April. Import car sales and light truck sales declined 6.5 percent and 7.2 percent, respectively, from April. Compared to May 2020, light vehicle sales were up 40.3 percent. Domestic car sales increased 51.8 percent while light truck sales increased 38.1 percent from the year ago levels. Import car sales were up 38.3 percent while import light truck sales were up 38.1 percent from last year. For May 2021, domestic light vehicles recorded a 74.3 percent share of a 17.0 million unit market, down 0.7 percent from April.

U.S. Light Vehicle Sales



Michigan motor vehicle production was up in May, with 141,568 total units, 7.8 percent above April's production, and up dramatically from a year ago, when production was partially shut down due to the start of the pandemic in the U.S. Nationally, motor vehicle production totaled 720,643 units and was significantly higher than a year ago, when production was partially shut down and only 260,117 vehicles were produced. In May, Michigan's car production was 5,226 units while the state's truck production was 136,342 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)**

	Fiscal Year 2019-20 Estimate	Fiscal Year 2020-21 Estimate	Fiscal Year 2021-22 Estimate
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>
Amount Under (Over) Limit	\$11,417.6	\$10,457.2	\$13,282.5

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