



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

June 28, 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 May 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,

Jennifer L. Flood
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
Kyle Guerrant, Deputy State Budget Director
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

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

	FISCAL 2024
Beginning Balance	\$ 3,925.3
Revenues	
Ongoing:	
May 2024 Consensus Forecast	\$ 13,948.8
Local Government Program Payments	\$ (552.2)
Subtotal Ongoing Revenue	\$ 13,396.6
One-Time:	
One-time Revenue Reductions	\$ (13.1)
Subtotal One-Time Revenue	\$ (13.1)
Total Revenue	\$ 13,383.5
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, 119, and 321 of 2023	\$ 2,640.7
Subtotal One-Time Expenditures	\$ 2,640.7
Total Expenditures	\$ 15,425.5
Ending Balance	\$ 1,883.3

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

		FISCAL 2024
Beginning Balance	\$	2,192.5
Revenues		
Ongoing:		
May 2024 Consensus Forecast	\$	17,783.6
General Fund	\$	48.8
Community District Trust Fund	\$	72.0
Federal Revenue	\$	2,200.8
Subtotal Ongoing Revenue	\$	20,105.1
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
MPERS 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	\$	248.0
Federal Revenue - Public Act 320 of 2023	\$	4.0
Subtotal One-Time Revenue	\$	808.2
Total Revenue	\$	20,913.3
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
School Aid - Public Act 320 of 2023	\$	4.0
Community Colleges - Public Act 103 of 2023	\$	48.4
Community Colleges - Public Act 320 of 2023	\$	5.0
Universities - Public Act 103 of 2023	\$	130.0
MDE - Public Act 119 of 2023	\$	40.0
MDE - Public Act 321 of 2023	\$	3.0
Treasury - Public Act 321 of 2023	\$	114.1
Subtotal One-Time Expenditures	\$	2,669.0
Total Expenditures	\$	22,652.6
Ending Balance	\$	453.3

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

May 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	Total Authorization	Expenditures & Encumbrances Year to Date FY 2024
95.4	138.1	Agriculture and Rural Development	168.6	5.2	132.9	306.7	112.0
67.2	116.6	Attorney General	141.2	2.6	34.0	177.9	90.4
1,050.2	1,313.1	Capital Outlay (2)	650.1	3.9	3,080.3	3,734.3	403.4
11.2	17.2	Civil Rights	31.7	2.0	7.4	41.1	15.0
1,061.1	1,660.8	Colleges and Universities	1,808.8	306.0	180.8	2,295.6	1,605.4
1,413.1	2,074.0	Corrections	2,076.2	3.5	581.0	2,660.7	1,482.9
483.3	897.8	Education	697.7	33.0	825.2	1,555.8	505.7
664.9	1,320.8	Environment, Great Lakes, and Energy	935.0	105.0	3,760.1	4,800.1	1,025.2
6.4	8.5	Executive Office	8.9	0.0	0.4	9.3	6.8
22,013.6	33,704.4	Health and Human Services	35,668.3	56.7	4,702.5	40,427.4	22,512.4
50.9	74.7	Insurance and Financial Service	74.1	2.2	1.6	78.0	50.1
171.7	305.6	Judiciary	355.9	0.0	170.4	526.3	188.3
1,494.6	3,007.1	Labor and Economic Opportunity	1,446.8	562.7	4,448.9	6,458.4	1,194.2
17.9	27.4	Legislative Auditor General	29.8	0.0	14.3	44.0	18.6
120.6	184.2	Legislature	188.6	0.0	207.4	396.0	116.4
301.7	519.2	Licensing and Regulatory Affairs	591.1	82.3	238.3	911.7	426.9
0.0	0.0	Lifelong Education, Advancement, and Potential	0.0	6.5	0.0	6.5	0.2
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
1,444.8	1,668.4	Michigan Strategic Fund	465.3	501.6	0.0	966.9	469.7
36.6	51.1	Michigan Veterans' Facility Authority	37.8	1.0	0.0	38.8	37.8
90.6	119.5	Military and Veterans Affairs	114.2	24.8	8.0	147.0	99.3
100.4	182.2	Natural Resources	192.3	4.5	88.2	285.1	145.0
154.0	248.4	State	304.2	12.1	118.3	434.6	182.1
0.0	0.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
617.6	987.2	State Police	891.5	76.9	863.0	1,831.4	656.0
350.4	770.6	Technology, Management and Budget (3)	820.3	1,447.5	757.5	3,025.3	685.1
0.2	10.2	Transportation	62.0	147.3	54.3	263.6	44.3
1,759.2	5,391.8	Treasury	2,546.6	92.0	526.1	3,164.6	1,716.0
\$33,577.6	\$54,798.6		\$50,308.9	\$3,479.2	\$20,831.2	\$74,619.3	\$33,789.3

(1) Includes boilerplate appropriations.

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

(3) Includes Civil Service Commission.

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

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	25,556.3	154.0	25,710.3
Total state spending from state resources	47,013.5	226.4	47,239.9
Percentage of state spending from state resources paid to local units	54.36%	68.02%	54.42%
Required payments to local units (48.97%)	23,022.5	110.9	23,133.4
Surplus/(deficit)	\$2,533.8	\$43.1	\$2,576.9

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

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 1,894,374</u>
Total Assets	<u><u>\$ 1,894,374</u></u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,894,374</u>
Total Fund Balances	<u>1,894,374</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,894,374</u></u>

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

REVENUES

Miscellaneous	\$ 47,713
	<hr/>
Total Revenues	47,713
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EXPENDITURES

Current:	
General government	307
	<hr/>
Total Expenditures	307
	<hr/>
Excess of Revenues over (under) Expenditures	47,407
	<hr/>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	66,667
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	66,667
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 114,073 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

May 31, 2024
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 54,811
Investments	-
Other current assets	-
Total Current Assets	<u>54,811</u>
 Noncurrent Assets:	
Investments	<u>721,161</u>
 Total Assets	<u><u>\$ 775,972</u></u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 5,492
Amounts due to other funds	-
Total Current Liabilities	<u>5,492</u>
 Total Liabilities	<u>5,492</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>270,480</u>
 Total Fund Balances	<u>770,480</u>
 Total Liabilities and Fund Balances	<u><u>\$ 775,972</u></u>

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

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

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		56,061
		<hr/>
Total Revenues		56,061
		<hr/>

EXPENDITURES

Current:		
General government		3,809
Conservation, environment, recreation, and agriculture		7,134
Capital outlay		4,009
		<hr/>
Total Expenditures		14,951
		<hr/>
Excess of Revenues over (under) Expenditures		41,110
		<hr/>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		3
Transfers from other funds		-
Transfers to other funds		(24)
		<hr/>
Total Other Financing Sources (Uses)		(21)
		<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		\$ 41,089 ¹
		<hr/> <hr/>

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

REVENUE OVERVIEW

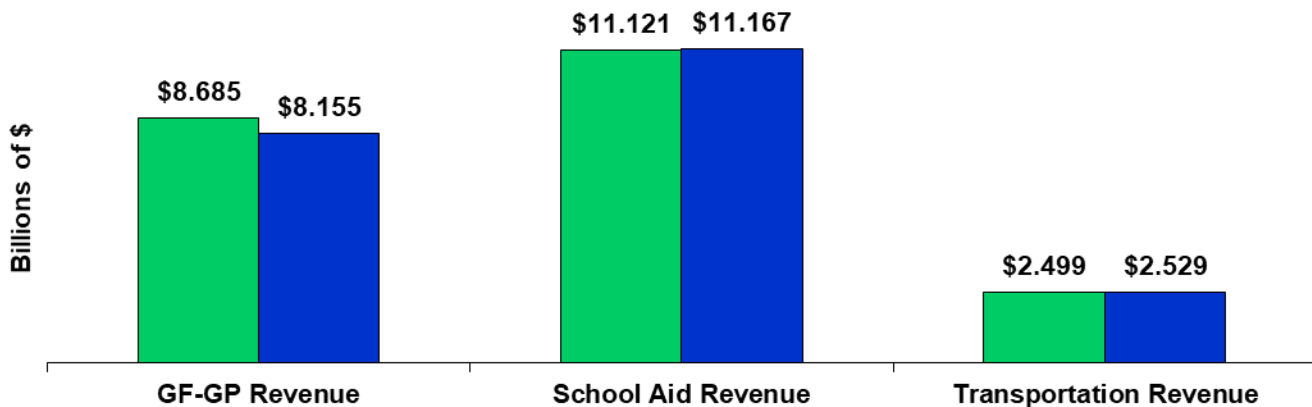
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose (GF-GP) cash collections were \$60.1 million (5.7 percent) higher in May 2024 than in May 2023. The May 2024 School Aid Fund cash collections were \$69.5 million (5.9 percent) higher than in May 2023. May 2024 transportation collections were \$15.2 million (4.6 percent) lower than in May 2023 (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 GF-GP cash collections are down \$529.5 million (6.1 percent) from a year ago. School Aid Fund cash collections are up \$45.8 million (0.4 percent) and transportation collections are up \$30.2 million (1.2 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 May 17, 2024. The revenue estimate for net GF-GP revenue for FY 2023-24 is \$13,948.8 million and the net School Aid revenue forecast is \$17,783.6 million. The Transportation Funds revenue forecast is \$4,228.0 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

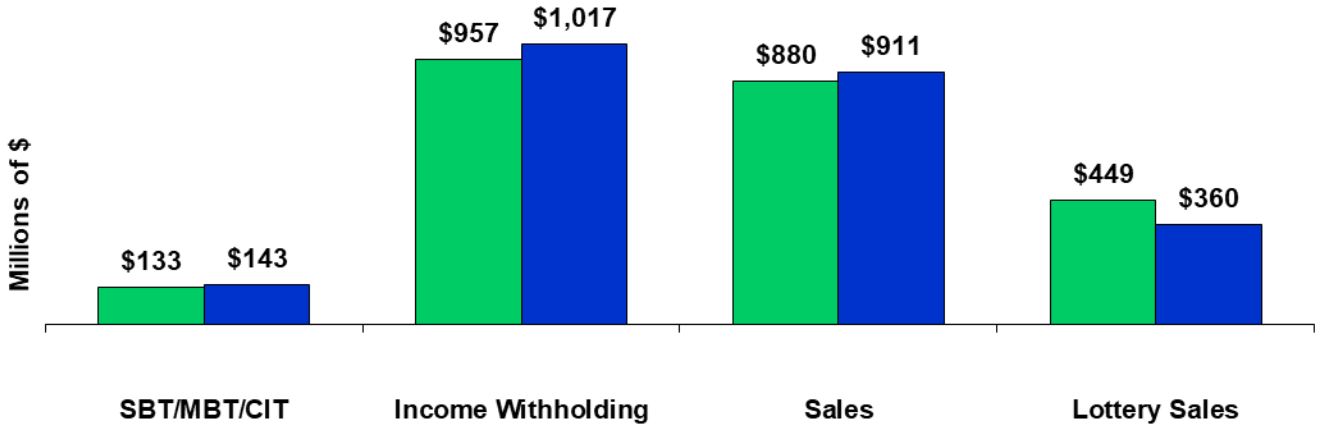
October through May Collections FY 2022-23 and FY 2023-24



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

**May Revenue Collections
FY 2022-23 and FY 2023-24**



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

**October through May 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: May 31, 2024

Month-End Cash Collections Data				October Through May Cash Collections Data					Revenue Projections		
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23 Totals (i)	FY 2023-24 Statutory Estimate	FY 2023-24 May 2024 Forecast
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent			
Income Taxes											
\$957,445	\$1,016,731	\$59,286	6.2%	Withholding	\$8,424,506	\$8,655,767	\$231,261	2.7%	\$12,226,200	\$12,376,900	\$12,581,900
41,051	48,321	7,270	17.7%	Quarterlies	602,027	570,324	(31,703)	-5.3%	1,078,100	1,144,000	999,000
(15,779)	(30,895)	(15,116)	-95.8%	Flow Through Entity Tax	527,434	554,344	26,910	5.1%	999,100	972,800	972,800
237,947	241,679	3,732	1.6%	Annuals	1,205,396	1,095,121	(110,275)	-9.1%	1,316,300	1,264,400	1,152,500
\$1,220,665	\$1,275,836	\$55,171	4.5%	Gross Collections	\$10,759,362	\$10,875,555	\$116,193	1.1%	\$15,619,500	\$15,758,100	\$15,706,200
191,191	195,692	4,500	2.4%	Less: Refunds	2,807,483	3,667,281	859,798	30.6%	3,278,200	3,510,000	3,317,000
0	0	0	0.0%	Less: State Campaign Fund	0	0	0	0.0%	0	800	800
\$1,029,474	\$1,080,145	\$50,671	4.9%	Net Personal Income	\$7,951,879	\$7,208,274	(\$743,605)	-9.4%	\$12,341,300	\$12,247,300	\$12,388,400
50,000	50,000	0	0.0%	Less: Disbursements to MTF	400,000	400,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disburse to Renew Michigan/GJFM	46,000	46,000	0	0.0%	71,300	69,000	69,000
290,587	303,777	13,190	4.5%	Less: Disbursements to SAF	2,561,719	2,589,313	27,594	1.1%	3,907,700	3,798,200	3,785,700
\$683,136	\$720,618	\$37,481	5.5%	Net Personal Income To GF-GP	\$4,944,160	\$4,172,961	(\$771,199)	-15.6%	\$7,762,300	\$7,780,100	\$7,933,700
Consumption Taxes											
\$148,036	\$146,505	(\$1,532)	-1.0%	Sales (a)	\$1,093,962	\$1,095,622	\$1,659	0.2%	\$1,096,100	\$1,666,000	\$1,566,200
36,813	41,047	4,234	11.5%	Use (a) (h)	705,714	765,141	59,427	8.4%	1,251,600	1,136,700	1,280,400
11,045	10,724	(322)	-2.9%	Tobacco	94,496	86,560	(7,936)	-8.4%	143,400	145,800	137,300
932	1,114	182	19.5%	Beer, Wine & Mixed Spirits	32,886	31,288	(1,597)	-4.9%	46,300	50,000	46,000
5,724	5,678	(46)	-0.8%	Liquor Specific	46,044	47,676	1,632	3.5%	67,900	65,300	65,600
\$202,551	\$205,067	\$2,516	1.2%	Total Consumption Taxes	\$1,973,102	\$2,026,287	\$53,185	2.7%	\$2,605,300	\$3,063,800	\$3,095,500
Other Taxes											
\$1	(\$307)	(\$308)	na	Single Business	(\$3,452)	(\$291)	\$3,160	91.6%	(\$3,500)	\$0	\$0
5,317	4,630	(687)	-12.9%	Insurance Premiums Taxes	\$343,101	385,359	42,258	12.3%	465,900	450,000	523,000
5,318	4,323	(995)	-18.7%	Sub-total SBT & Insurance	339,650	385,067	45,418	13.4%	462,400	450,000	523,000
(13,922)	3,426	17,349	124.6%	Michigan Business Tax	(476,184)	(366,249)	109,935	23.1%	(434,100)	(509,700)	(494,600)
146,759	139,655	(7,103)	-4.8%	Corporate Income Tax	1,394,997	1,379,607	(15,390)	-1.1%	1,609,900	1,500,000	1,625,000
0	3	3	na	Telephone & Telegraph	7,702	13,430	5,729	74.4%	35,900	33,000	34,000
1,659	1,887	228	13.7%	Oil & Gas Severance	21,264	16,997	(4,267)	-20.1%	27,100	34,000	27,000
7,392	8,470	1,078	14.6%	Penalties & Interest	102,485	95,778	(6,708)	-6.5%	141,200	143,000	143,000
1,338	6,998	5,660	423.0%	Essential Services Assessment	2,940	6,917	3,977	135.0%	141,800	152,000	150,000
0	13	13	na	Miscellaneous Other/Railroad	264	504	241	91.3%	32,200	3,000	15,000
(12,500)	(12,583)	(83)	-0.7%	Treasury Enforcement Programs (e)	(101,250)	(100,667)	583	0.6%	(145,600)	(151,000)	(151,000)
\$136,044	\$152,192	\$16,148	11.9%	Total Other Taxes	\$1,291,866	\$1,431,384	\$139,518	10.8%	\$1,870,800	\$1,654,300	\$1,871,400
\$1,021,732	\$1,077,876	\$56,145	5.5%	Subtotal GF-GP Taxes	\$8,209,128	\$7,630,632	(\$578,497)	-7.0%	\$12,238,400	\$12,498,200	\$12,900,600

continued

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

For The Month Ended: May 31, 2024

Month-End Cash Collections Data				October Through May Cash Collections Data					Revenue Projections		
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23 Totals (i)	FY 2023-24 Statutory Estimate	FY 2023-24 May 2024 Forecast
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent			
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$6,667	\$6,667	\$0	0.0%	\$13,900	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	67	67	0	0.0%	0	100	100
583	583	0	0.0%	Services	4,667	4,667	0	0.0%	3,900	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	9,333	9,333	0	0.0%	11,200	14,000	14,000
0	0	0	0.0%	Investments/Interest Costs	188,471	206,262	17,791	9.4%	613,800	255,000	550,000
833	833	0	0.0%	Misc. Non-tax Revenue	6,667	6,667	0	0.0%	59,600	22,000	35,000
25,000	28,750	3,750	15.0%	Liquor Purchase Revolving Fund	200,000	230,000	30,000	15.0%	309,000	342,000	298,100
7,500	7,667	167	2.2%	From Other Funds-Lottery & Escheats	60,000	61,167	1,167	1.9%	183,800	90,000	134,000
\$35,925	\$39,842	\$3,917	10.9%	Total Non-Tax Revenue	\$475,871	\$524,829	\$48,958	10.3%	\$1,195,200	\$740,100	\$1,048,200
\$1,057,657	\$1,117,718	\$60,062	5.7%	Total GF-GP Revenue	\$8,684,999	\$8,155,460	(\$529,539)	-6.1%	\$13,433,600	\$13,238,300	\$13,948,800
School Aid Fund											
\$377,688	\$374,011	(\$3,676)	-1.0%	Sales Tax 4%	\$2,827,193	\$2,827,408	\$215	0.0%	\$4,376,100	\$4,471,700	\$4,307,100
250,484	287,807	37,323	14.9%	Sales Tax 2%	2,325,709	2,164,012	(161,696)	-7.0%	3,430,800	3,501,800	3,375,800
72,658	76,078	3,420	4.7%	Use Tax 2%	567,056	602,045	34,989	6.2%	909,500	863,500	972,900
20,883	29,045	8,163	39.1%	State Education Property Tax	1,599,497	1,742,574	143,077	8.9%	2,559,600	2,737,900	2,715,000
27,621	30,013	2,391	8.7%	Real Estate Transfer Tax	265,483	244,134	(21,350)	-8.0%	389,200	377,500	370,000
90,000	100,000	10,000	11.1%	Lottery Transfer (b)	634,351	671,981	37,631	5.9%	1,351,900	1,212,700	1,270,000
8,517	9,089	572	6.7%	Casino Wagering Tax	69,746	66,854	(2,892)	-4.1%	429,900	434,200	479,200
5,516	5,456	(60)	-1.1%	Liquor Excise Tax	42,021	42,517	497	1.2%	75,000	76,800	77,100
22,424	21,770	(654)	-2.9%	Cigarette/Tobacco Tax	191,841	175,729	(16,112)	-8.4%	254,700	258,600	242,100
7,428	5,800	(1,628)	-21.9%	Indus. & Comm. Facilities Taxes	30,716	34,986	4,271	13.9%	44,600	42,500	45,000
527	963	436	82.6%	Specific Other	6,091	5,622	(469)	-7.7%	131,000	112,700	143,600
290,587	303,777	13,190	4.5%	Income Tax Earmarking	2,561,719	2,589,313	27,594	1.1%	3,907,700	3,798,200	3,785,700
\$1,174,333	\$1,243,810	\$69,476	5.9%	Total School Aid Fund	\$11,121,422	\$11,167,177	\$45,755	0.4%	\$17,860,000	\$17,888,100	\$17,783,600
Multi-Fund Revenue Summary											
\$879,963	\$911,159	\$31,196	3.5%	Sales Tax 6%	\$7,037,697	\$6,876,360	(\$161,338)	-2.3%	\$10,674,400	\$10,887,300	\$10,487,300
629,479	623,352	(6,127)	-1.0%	Sales Tax 4% (d)	4,711,988	4,712,347	359	0.0%	7,243,600	7,385,500	7,111,500
250,484	287,807	37,323	14.9%	Sales Tax 2%	2,325,709	2,164,012	(161,696)	-7.0%	3,430,800	3,501,800	3,375,800
217,974	228,235	10,261	4.7%	Use Tax 6% (g)	1,701,169	1,806,136	104,967	6.2%	2,709,100	2,561,900	2,815,000
10,909	13,590	2,681	24.6%	Recreational Marijuana	168,851	214,595	45,744	27.1%	269,034	244,900	330,300
55,505	53,887	(1,618)	-2.9%	Tobacco Taxes	474,854	434,974	(39,880)	-8.4%	724,320	733,400	691,000
0	0	0	0.0%	Tobacco Settlement	242,982	197,802	(45,180)	-18.6%	na	na	na

continued

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

For The Month Ended: May 31, 2024

Month-End Cash Collections Data				October Through May Cash Collections Data				Revenue Projections			
May		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23 Totals (i)	FY 2023-24 Statutory Estimate	FY 2023-24 May 2024 Forecast
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent			
Major Transportation Revenues											
\$23,257	\$21,575	(\$1,681)	-7.2%	Diesel Fuel / Motor Carrier Fuel Tax	\$169,930	\$171,912	\$1,982	1.2%	\$270,182	\$269,500	\$273,000
115,678	105,709	(9,969)	-8.6%	Gasoline	770,410	810,578	40,168	5.2%	1,222,357	1,256,000	1,259,000
121,690	119,330	(2,360)	-1.9%	Motor Vehicle Registration	1,034,577	1,029,634	(4,943)	-0.5%	1,503,546	1,482,000	1,542,000
4,922	5,083	161	3.3%	Other Taxes, Fees & Misc.	31,855	34,351	2,496	7.8%	359,235	335,347	372,757
11,650	10,317	(1,333)	-11.4%	Comprehensive Transportation (c)	92,018	82,533	(9,485)	-10.3%	195,751	177,995	181,279
50,000	50,000	0	0.0%	Income Tax Earmarking	400,000	400,000	0	0.0%	600,000	600,000	600,000
<u>\$327,196</u>	<u>\$312,014</u>	<u>(\$15,183)</u>	<u>-4.6%</u>	Total Major Trans. Revenues	<u>\$2,498,790</u>	<u>\$2,529,009</u>	<u>\$30,218</u>	<u>1.2%</u>	<u>\$4,151,071</u>	<u>\$4,120,842</u>	<u>\$4,228,036</u>
Lottery Sales By Games											
\$240,467	\$189,481	(\$50,986)	-21.2%	Instant Games (f)	\$1,715,862	\$1,662,827	(\$53,035)	-3.1%	na	na	na
94,321	76,621	(17,700)	-18.8%	Daily Games	655,793	641,401	(14,391)	-2.2%	na	na	na
30,760	31,758	998	3.2%	Lotto and Big Game (f)	393,503	368,869	(24,634)	-6.3%	na	na	na
722	540	(182)	-25.2%	Keno Game	5,051	4,836	(215)	-4.3%	na	na	na
3,543	3,114	(429)	-12.1%	Lucky For Life	24,365	26,170	1,805	7.4%	na	na	na
15,073	4,879	(10,194)	-67.6%	Other (f)	62,740	47,808	(14,932)	-23.8%	na	na	na
63,976	53,617	(10,359)	-16.2%	Club Games	427,618	434,716	7,097	1.7%	na	na	na
<u>\$448,863</u>	<u>\$360,010</u>	<u>(\$88,853)</u>	<u>-19.8%</u>	Total Lottery Sales	<u>\$3,284,931</u>	<u>\$3,186,626</u>	<u>(\$98,305)</u>	<u>-3.0%</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 \$428.3 million and the year-to date 2024 revenues are \$438.9 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 \$428.3 million and the year-to-date 2024 LCSS revenues are \$438.9 million.
- (i) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates

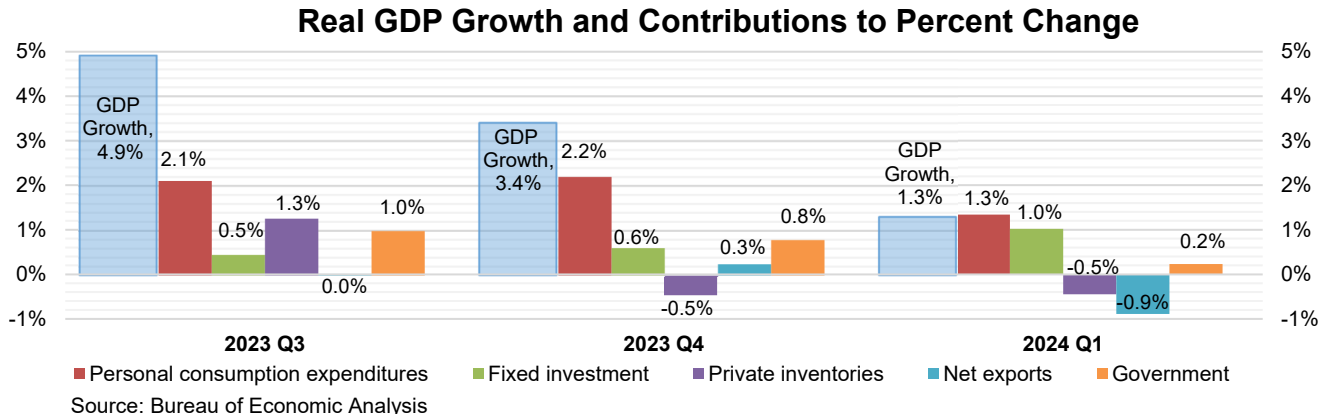
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 1.3 percent annual rate in the first quarter of 2024, according to the “second” estimate released by the Bureau of Economic Analysis, down from the 3.4 percent annual rate in the fourth quarter of 2023. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

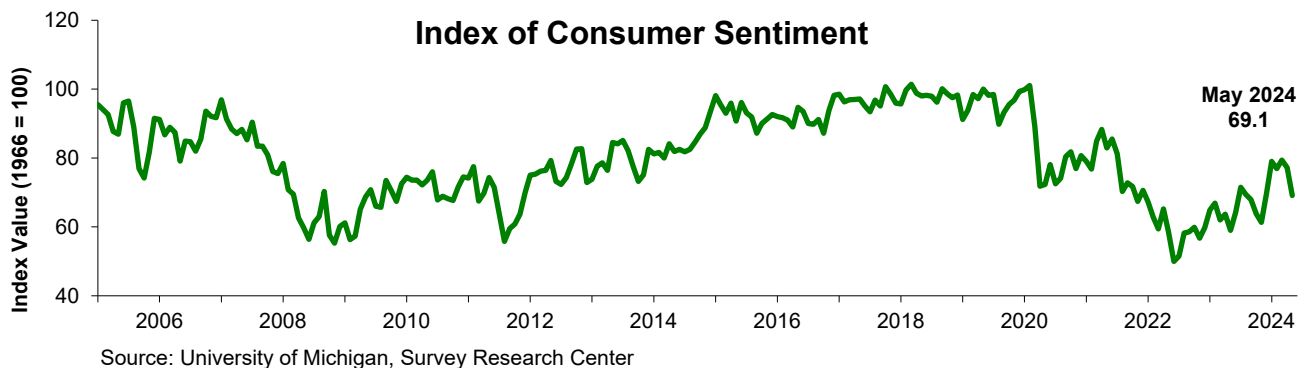


Personal consumption and fixed investment expenditures drove the increase in GDP in the first quarter of 2024, while government expenditures made minimal contribution. Decline in private inventories and net exports reduced the first quarter GDP growth. Real final sales increased by 1.7 percent in the first quarter, while the implicit price deflator increased by 3.1 percent in the same period.

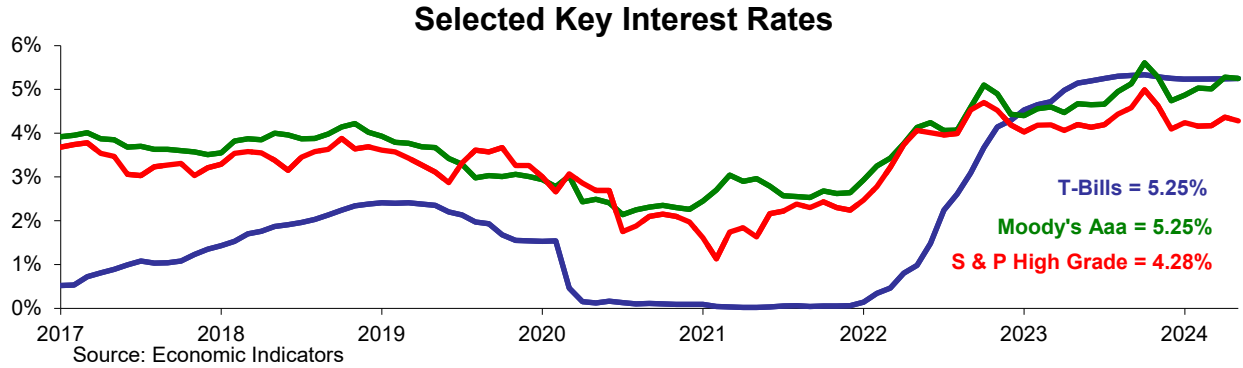
U.S. wage and salary employment increased by 272,000 jobs in May 2024, with total employment 6.2 million above the February 2020 pre-pandemic level. In May, sectors with the largest increases in employment include private education with a gain of 86,000 jobs, leisure and hospitality services with a gain of 42,000 jobs, and government services with 43,000 additional jobs. The only sector registering employment decline in May was mining and logging with 4,000 fewer jobs.

In May, the U.S. unemployment rate increased to 4.0 percent. Civilian employment decreased to 161.1 million, down 408,000 from April. The number unemployed increased 157,000 from April, to 6.6 million in May. The labor force participation rate declined to 62.5 percent in May, 0.8 percentage points below the pre-pandemic rate in February 2020 of 63.3 percent.

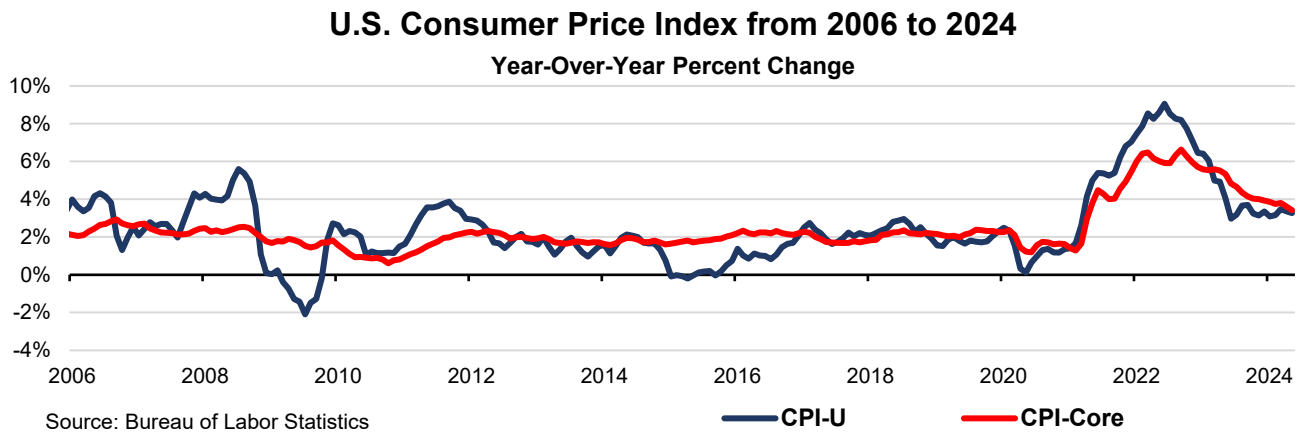
The **Index of Consumer Sentiment** decreased to 69.1 index-points in May, down 8.1 index-points from April. Consumer sentiment is 10.1 index-points above the year-ago level.



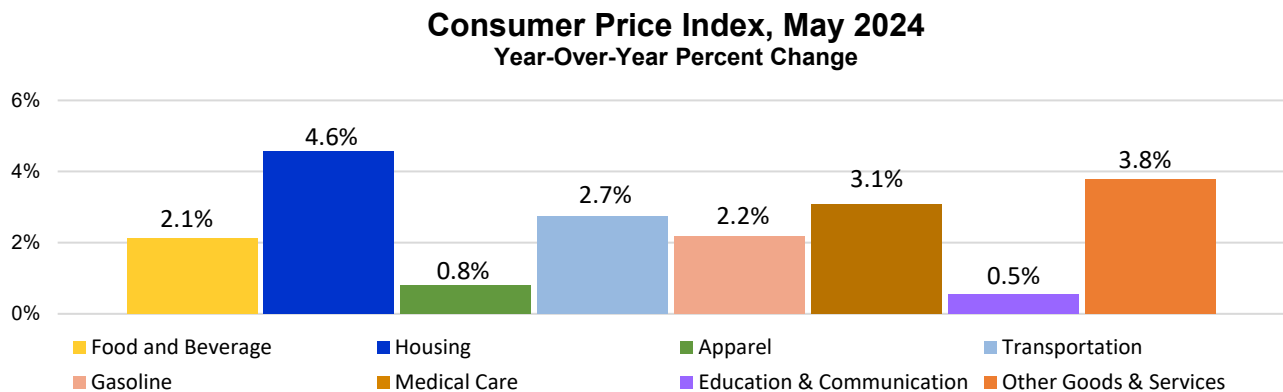
Short-term **interest rates** increased in May, with a 3-month Treasury bill (T-bill) rate of 5.25 percent. The T-bill rate increased by 11 basis points (where one basis point equals one-hundredth of one percent) from the 5.14 percent rate in May 2023. The Aaa corporate bond rate decreased by 3 basis points in May to an interest rate of 5.25 percent, up 58 basis points from a year ago. The interest rate on S&P high-grade municipal bonds decreased by 8 basis points in May to an interest rate of 4.28 percent, up 9 basis points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 3.3 percent from May 2023 to May 2024, a 0.1 percentage point decline from April's 3.4 percent. The Consumer Price Index-Core (CPI-Core) measures the change in all consumer items aside from food and energy prices. The CPI-Core rose 3.4 percent year-over-year in May, lower than April's 3.6 percent rate. CPI-U and CPI-Core data are not seasonally adjusted.

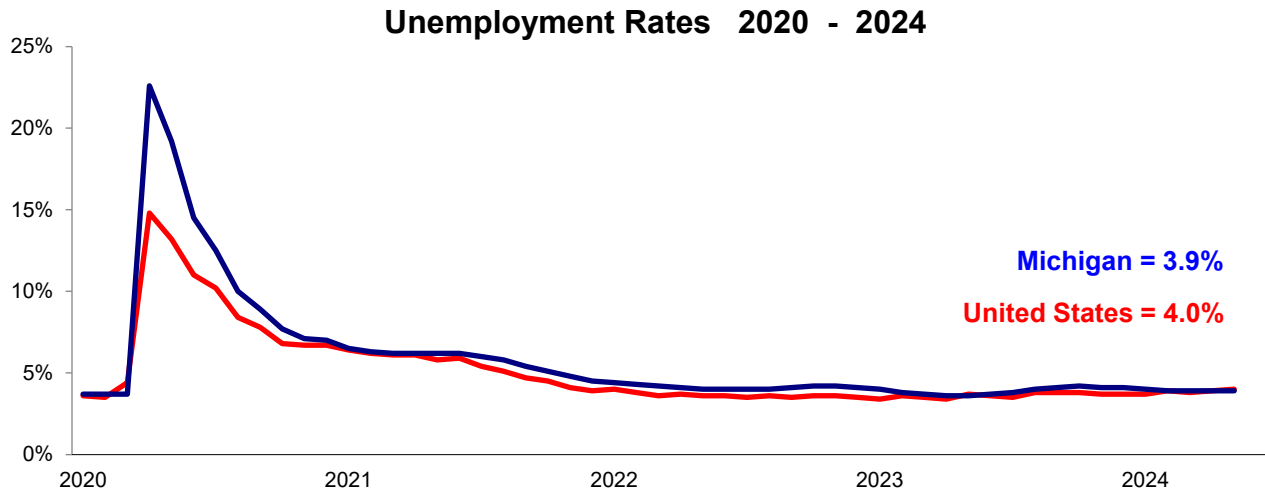


Housing exhibited the largest year-over-year price increase at 4.6 percent for May, followed by other goods and services with a 3.8 percent increase, and medical care with a 3.1 percent increase. Lower year-over-year percent increases can be seen in education and communication (0.5 percent), and apparel (0.8 percent). These sector data are seasonally adjusted.



Michigan Economy

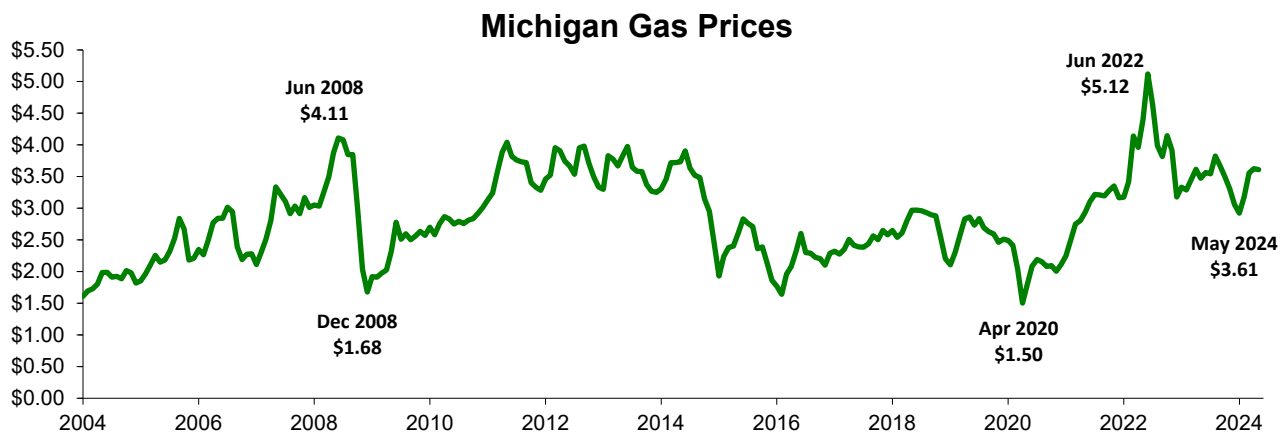
The **Michigan jobless rate** was 3.9 percent in May, unchanged since February. The national unemployment rate was 4.0 percent in May, 0.1 percentage point higher than April's rate. The number employed in Michigan increased by 1,000 from April's levels, while the number of unemployed in May increased by 1,000 from the prior month. The number employed is 0.8 percent higher, while the number unemployed is 8.9 percent higher than in May 2023. Michigan's unemployment rate of 3.9 percent is 0.2 percentage points higher than the February 2020 pre-pandemic rate of 3.7 percent.



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

Michigan wage and salary employment increased by 7,900 jobs from April to a total of 4.5 million jobs in May. Compared to last year, employment in May was up 41,400 jobs, or 0.9 percent from May 2023. The sectors with the largest employment increases in May were leisure and hospitality services with a gain of 5,600 jobs, education and health services, and trade, transportation, and utilities services, both sectors tied with 1,400 additional jobs. The sectors with employment declines in May were professional and business services with a loss of 1,200 jobs, manufacturing with 1,000 jobs lost, and other services with 200 fewer jobs.

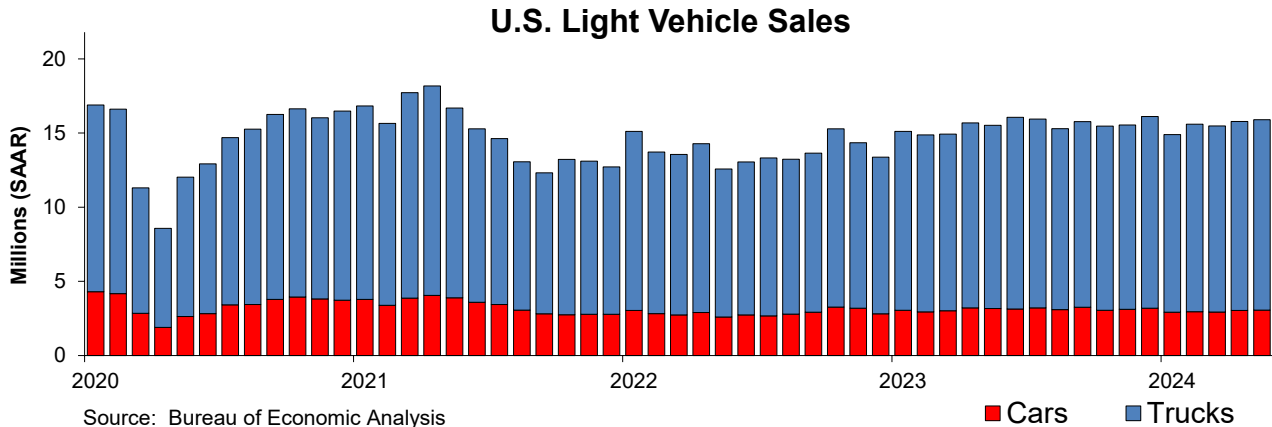
Michigan gasoline prices decreased in May to \$3.61 per gallon, 1.5 cents a gallon below last month's average. Year-over-year gasoline prices were 13.7 cents per gallon higher than in May 2023. Diesel prices of \$3.89 per gallon in May decreased by 16.8 cents a gallon from April. Diesel prices were down 16.0 cents per gallon from the May 2023 price of \$4.05 per gallon.



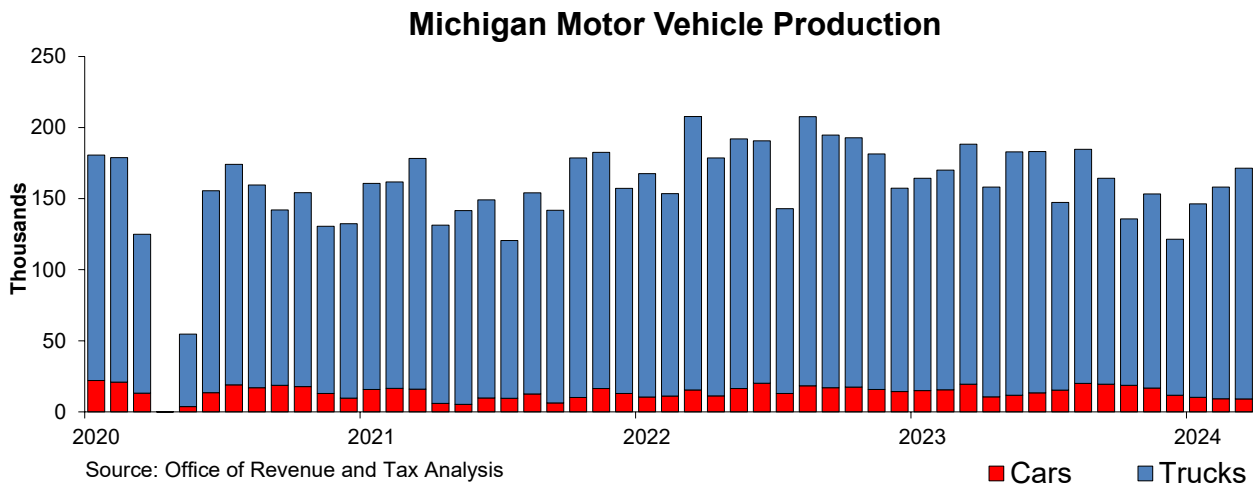
Source: AAA Michigan

Motor Vehicle Sector

U.S. light vehicle sales (cars and light trucks) increased by 0.8 percent in May from April, selling at a 15.9 million unit seasonally adjusted annual rate. Domestic car sales increased 5.6 percent while light truck sales increased 2.8 percent from April. Import car sales decreased 9.7 percent while import light truck sales decreased 6.7 percent from April. Compared to May 2023, light vehicle sales were up 2.5 percent. Domestic car sales decreased 4.4 percent while light truck sales increased 1.9 percent from the year ago levels. May import car sales increased 0.3 percent while import light truck sales increased 12.4 percent from last year. Domestic light vehicles recorded a 78.1 percent share of May 2024 sales, down 1.3 percentage points from May 2023.



Michigan motor vehicle production increased in May to 183,332 total units. Michigan's May production was 12.0 percent higher than April's production and 0.2 percent above the level in May 2023. Nationally, motor vehicle production totaled 981,131 units, 21,637 units higher than the 959,494 units from a year ago. In May, Michigan's car production was 8,111 units while the State's truck production was 175,221 units. Michigan motor vehicle production data are not seasonally adjusted.



**Summary Estimates of the Constitutional Revenue Limit
Based on the May 17, 2024 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	<u>Fiscal Year 2022-23 Estimate</u>	<u>Fiscal Year 2023-24 Estimate</u>	<u>Fiscal Year 2024-25 Estimate</u>
Applicable Calendar Year Personal Income	\$567,807	\$572,325	\$599,366
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$53,884.9</u>	<u>\$54,313.6</u>	<u>\$56,879.8</u>
Revenue Limit	\$53,884.9	\$54,313.6	\$56,879.8
State Revenue Subject to Limit	<u>\$43,610.7</u>	<u>\$43,677.3</u>	<u>\$44,445.0</u>
Amount Under (Over) Limit	\$10,274.2	\$10,636.3	\$12,434.8

Sources:

Personal Income Estimate

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).
The FY 2024-25 calculation uses the uses the May 17, 2024 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2022-23 calculation uses the May 17, 2024 Consensus Revenue Agreement.
The FY 2023-24 calculation uses the May 17, 2024 Consensus Revenue Agreement.
The FY 2024-25 calculation uses the May 17, 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