



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

December 29, 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 November 30, 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,

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
November 30, 2021
(\$ in millions)

FISCAL
2022

Beginning Balance	\$ 2,200.3
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Revenues	
Ongoing:	
May 2021 Consensus Forecast	\$ 11,673.1
Venture MI Fund II - reverse revenue offset	\$ 75.0
Public Acts 108 and 109 of 2021 - Menstrual products sales/use tax exemption	\$ (4.1)
Local Government Program Payments	\$ (500.3)
Subtotal Ongoing Revenue	\$ 11,243.7
One-Time:	
Miscellaneous Adjustments	\$ (2.6)
Subtotal One-Time Revenue	\$ (2.6)
Total Revenue	\$ 11,241.1

Expenditures	
Ongoing:	
Public Acts 48, 86, and 87 of 2021	\$ 10,996.4
Subtotal Ongoing Expenditures	\$ 10,996.4
One-Time:	
Public Acts 48, 86, and 87 of 2021	\$ 781.2
Extension of enhanced FMAP through FY22 2nd Quarter	\$ (250.0)
Subtotal One-Time Expenditures	\$ 531.2
Total Expenditures	\$ 11,527.6

Ending Balance	\$ 1,913.8
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¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2021. Final year-end activity will be reflected in the fiscal year 2021 Annual Comprehensive Financial Report.

SCHOOL AID FUND
Fiscal Year 2022
Projected Revenues and Expenditures
November 30, 2021
(\$ in millions)

FISCAL
2022

Beginning Balance	\$ 1,710.3
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Revenues	
Ongoing:	
May 2021 Consensus Forecast	\$ 15,131.0
Marihuana Revenue Adjustment from CREC	\$ (7.0)
General Fund	\$ 40.0
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 1,822.5
Subtotal Ongoing Revenue	\$ 17,058.5
One-Time:	
General Fund	\$ 45.4
Federal Revenue - ARP	\$ 202.0
Subtotal One-Time Revenue	\$ 247.4
Total Revenue	\$ 17,305.9

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
Community Colleges - Public Act 86 of 2021	\$ 3.2
Subtotal One-Time Expenditures	\$ 750.8
Total Expenditures	\$ 17,770.9

Ending Balance	\$ 1,245.3
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¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2021. Final year-end activity will be reflected in the fiscal year 2021 Annual Comprehensive Financial Report.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE
November 30, 2021
(\$ 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)	Encumbrance, Work Project & Capital Outlay Carry Forwards (2)	Total Authorization	Expenditures & Encumbrances Year to Date FY 2022
35.5	118.5	Agriculture and Rural Development	155.6	5.2	25.4	186.2	39.3
13.5	96.8	Attorney General	106.8	2.1	20.0	128.9	15.3
54.4	304.7	Capital Outlay (3)	314.7	0.0	817.1	1,131.7	73.1
2.0	15.5	Civil Rights	17.8	1.5	1.9	21.2	2.1
278.5	1,470.9	Colleges and Universities	1,446.3	0.0	110.7	1,557.0	278.5
554.7	1,932.7	Corrections	2,055.8	2.5	238.7	2,297.0	486.3
119.9	563.0	Education	2,214.9	0.0	166.2	2,381.1	77.2
65.0	606.6	Environment, Great Lakes, and Energy	630.1	3.0	664.9	1,298.0	79.2
2.9	7.8	Executive Office	7.3	0.0	0.0	7.3	1.8
4,853.8	30,712.2	Health and Human Services	31,586.5	47.0	1,508.7	33,142.2	5,707.5
8.5	83.8	Insurance and Financial Service	73.0	1.6	0.0	74.6	14.9
29.9	272.2	Judiciary	320.5	0.3	7.3	328.1	32.7
106.2	1,017.0	Labor and Economic Opportunity	877.2	22.8	2,843.5	3,743.5	122.8
4.0	25.6	Legislative Auditor General	27.1	0.0	3.5	30.6	4.2
28.2	160.5	Legislature	183.2	0.0	112.7	295.9	31.2
146.8	374.2	Licensing and Regulatory Affairs	484.2	58.6	52.9	595.6	104.9
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
23.2	178.7	Michigan Strategic Fund	323.3	0.0	0.0	323.3	91.6
16.5	42.5	Michigan Veterans' Facility Authority	35.5	3.5	0.0	39.0	35.5
41.6	112.4	Military and Veterans Affairs	104.5	17.3	12.8	134.6	53.0
26.3	120.6	Natural Resources	141.7	5.0	44.6	191.3	32.0
47.5	251.3	State	252.2	12.1	87.5	351.7	45.0
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
102.6	800.6	State Police	828.6	325.8	514.9	1,669.3	137.0
159.2	1,334.6	Technology, Management and Budget (4)	503.4	6.1	378.2	887.7	62.5
0.0	2.8	Transportation	0.0	47.0	29.5	76.5	0.3
511.4	3,063.2	Treasury	2,098.6	57.3	187.3	2,343.2	490.4
\$7,232.2	\$43,668.6		\$44,788.9	\$618.6	\$7,858.4	\$53,265.9	\$8,018.1

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for fiscal year 2021. Entry of these amounts is expected in December 2021 and January 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
November 30, 2021
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	21,429.0	0.0	21,429.0
Total state spending from state resources	37,930.7	0.0	37,930.7
Percentage of state spending from state resources paid to local units	56.50%	0.00%	56.50%
Required payments to local units (48.97%)	18,574.7	0.0	18,574.7
Surplus/(deficit)	\$2,854.3	\$0.0	\$2,854.3

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
November 30, 2021
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 1,382,349</u>
Total Assets	<u><u>\$ 1,382,349</u></u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,382,349</u>
Total Fund Balances	<u>1,382,349</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,382,349</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2021 through November 30, 2021
(\$ in thousands)

REVENUES

Miscellaneous	\$ -
	-
Total Revenues	-

EXPENDITURES

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

OTHER FINANCING SOURCES (USES)

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	-
	\$ - 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

November 30, 2021

(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 58,531
Investments	-
Other current assets	-
Total Current Assets	<u>58,531</u>

Noncurrent Assets:

Investments	<u>751,285</u>
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Total Assets	<u><u>\$ 809,816</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 11,378
Amounts due to other funds	9
Total Current Liabilities	<u>11,387</u>

Total Liabilities	<u>11,387</u>
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FUND BALANCES

Nonspendable	500,000
Restricted	<u>298,429</u>

Total Fund Balances	<u>798,429</u>
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Total Liabilities and Fund Balances	<u><u>\$ 809,816</u></u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2021 through November 30, 2021
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		2,172
		2,172
Total Revenues		2,172

EXPENDITURES

Current:		
General government		-
Conservation, environment, recreation, and agriculture		437
Capital outlay		4
		441
Total Expenditures		441
Excess of Revenues over (under) Expenditures		1,731

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		28
Transfers from other funds		-
Transfers to other funds		-
		28
Total Other Financing Sources (Uses)		28
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	1,759 ¹

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

REVENUE OVERVIEW

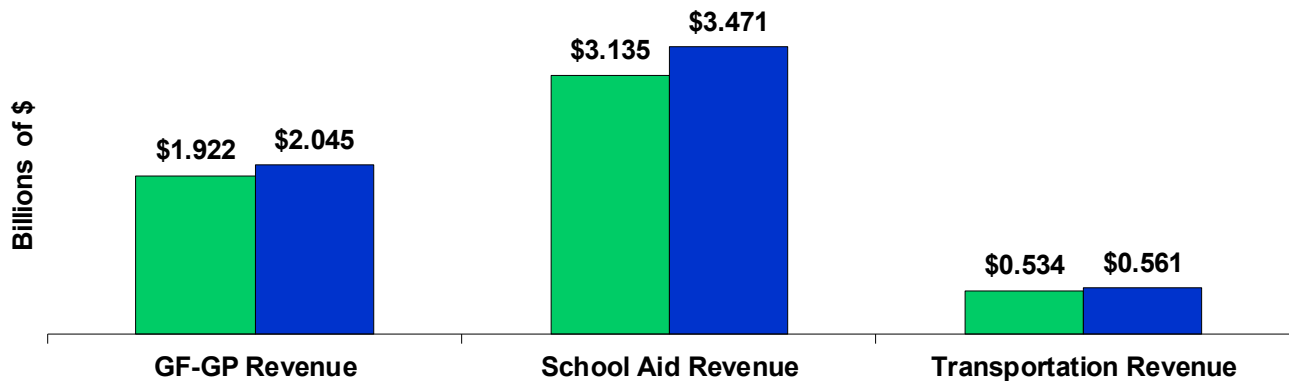
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose cash collections were \$16.4 million (1.7 percent) higher in November 2021 than in November 2020. The November 2021 School Aid Fund cash collections were \$251.6 million (22.7 percent) higher than in November 2020. November 2021 transportation collections were \$37.7 million (15.0 percent) higher than in November 2020 (see revenue summary table). November is the second 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 \$123.3 million (6.4 percent) from a year ago. School Aid Fund cash collections are up \$335.4 million (10.7 percent) and transportation collections are up \$27.1 million (5.1 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 21, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2021-22 is \$11,673.1 million and the net School Aid revenue forecast is \$15,131.0 million. The Transportation Funds revenue forecast is \$3,793.5 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

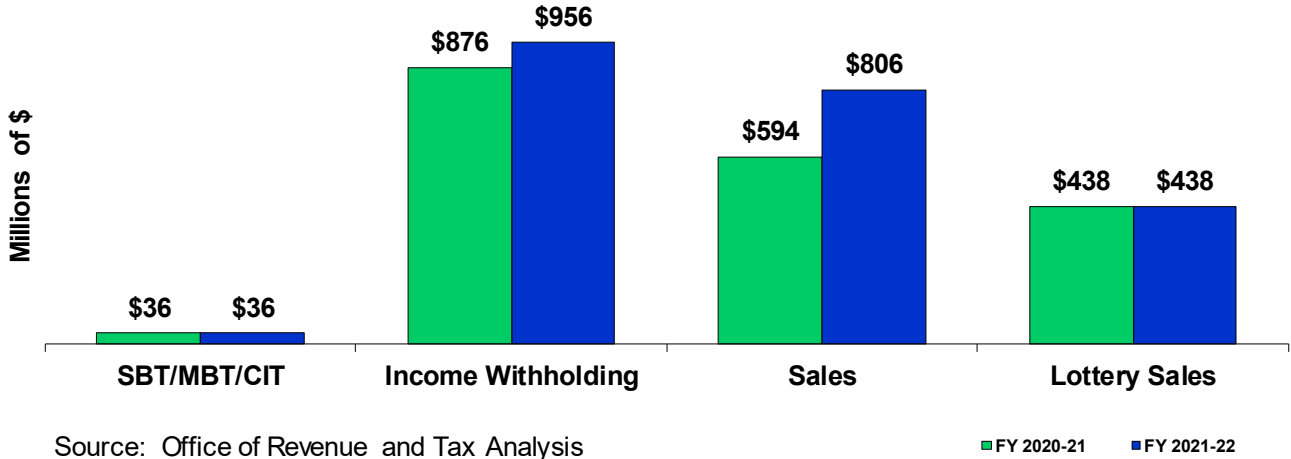
October through November Collections FY 2020-21 and FY 2021-22



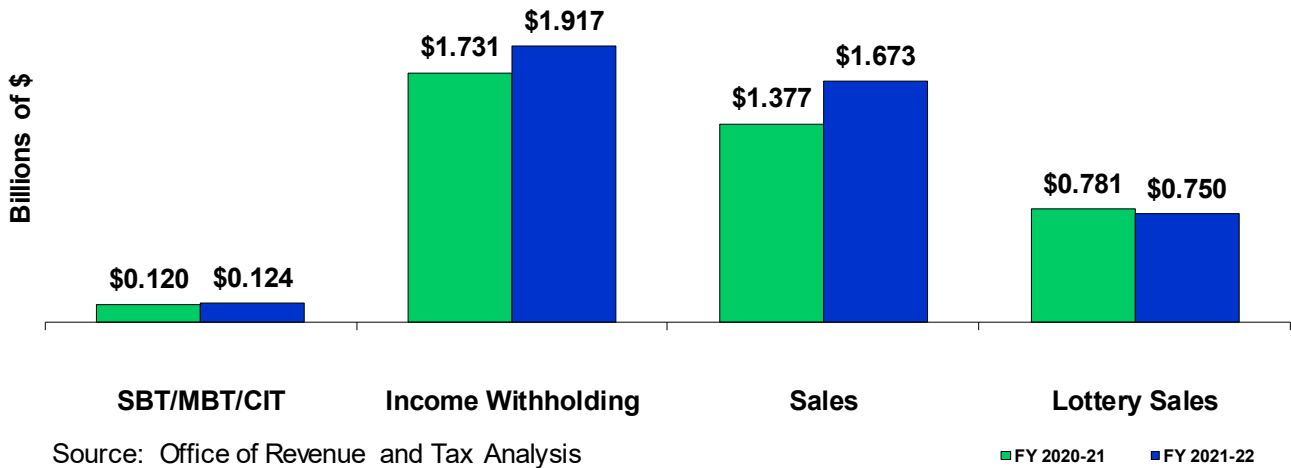
Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

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



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



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

For The Month Ended: November 30, 2021

Month-End Cash Collections Data				October Through November Cash Collections Data					Revenue Projections		
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2020	2021	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	May 2021 Forecast	Statutory Estimate	May 2021 Forecast
Income Taxes											
\$876,352	\$955,758	\$79,406	9.1%	Withholding	\$1,731,321	\$1,916,891	\$185,571	10.7%	\$11,014,500	\$11,182,000	\$11,182,000
16,156	19,810	3,654	22.6%	Quarterlies	52,871	51,806	(1,065)	-2.0%	1,358,400	1,331,500	1,331,500
17,368	16,036	(1,332)	-7.7%	Annuals	98,276	91,901	(6,375)	-6.5%	1,017,400	1,118,100	1,118,100
\$909,876	\$991,604	\$81,728	9.0%	Gross Collections	\$1,882,467	\$2,060,599	\$178,131	9.5%	\$13,390,300	\$13,631,600	\$13,631,600
27,971	37,350	9,379	33.5%	Less: Refunds	101,658	112,521	10,863	10.7%	2,738,400	2,427,300	2,427,300
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800
\$881,905	\$954,255	\$72,349	8.2%	Net Personal Income	\$1,780,810	\$1,948,078	\$167,268	9.4%	\$10,651,100	\$11,203,500	\$11,203,500
50,000	50,000	0	0.0%	Less: Disbursements to MTF	100,000	100,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	11,500	11,500	0	0.0%	69,000	69,000	69,000
211,821	230,849	19,028	9.0%	Less: Disbursements to SAF	438,239	479,708	41,469	9.5%	3,188,200	3,245,400	3,245,400
\$614,334	\$667,656	\$53,322	8.7%	Net Personal Income To GF-GP	\$1,231,071	\$1,356,870	\$125,799	10.2%	\$6,793,900	\$7,289,100	\$7,289,100
Consumption Taxes											
\$96,205	\$131,748	\$35,543	36.9%	Sales (a)	\$232,942	\$269,136	\$36,194	15.5%	\$1,356,900	\$1,407,700	\$1,407,700
156,449	93,348	(63,102)	-40.3%	Use (a) (h)	132,892	91,987	(40,905)	-30.8%	1,158,300	1,124,100	1,124,100
15,354	13,491	(1,863)	-12.1%	Tobacco	31,164	28,340	(2,824)	-9.1%	176,200	172,600	172,600
1,465	1,149	(316)	-21.6%	Beer, Wine & Mixed Spirits	12,526	12,232	(294)	-2.4%	53,000	53,000	53,000
6,833	74	(6,759)	-98.9%	Liquor Specific	7,246	844	(6,402)	-88.4%	68,000	69,000	69,000
\$276,306	\$239,810	(\$36,496)	-13.2%	Total Consumption Taxes	\$416,770	\$402,539	(\$14,232)	-3.4%	\$2,812,400	\$2,826,400	\$2,826,400
Other Taxes											
\$608	\$3	(\$605)	-99.5%	Single Business	\$379	\$1,259	\$880	232.0%	\$0	\$0	\$0
809	61	(748)	-92.4%	Insurance Premiums Taxes	\$92,369	97,210	4,841	5.2%	390,000	405,000	405,000
1,417	64	(1,353)	-95.5%	Sub-total SBT & Insurance	92,749	98,469	5,720	6.2%	390,000	405,000	405,000
(68,992)	(18,952)	50,040	-72.5%	Michigan Business Tax	(72,495)	(67,103)	5,392	7.4%	(626,900)	(592,900)	(592,900)
104,810	55,027	(49,783)	-47.5%	Corporate Income Tax	191,648	190,236	(1,412)	-0.7%	1,384,100	1,197,900	1,197,900
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
8,016	6,220	(1,796)	-22.4%	Telephone & Telegraph	10,006	9,183	(823)	-8.2%	32,000	32,000	32,000
574	3,059	2,485	433.0%	Oil & Gas Severance	1,587	5,942	4,354	274.0%	14,000	18,500	18,500
7,022	4,355	(2,666)	-38.0%	Penalties & Interest	16,873	9,502	(7,371)	-43.7%	130,000	132,000	132,000
277	205	(71)	-25.8%	Essential Services Assessment	800	1,344	544	67.9%	126,000	135,000	135,000
1	166	165	na	Miscellaneous Other/Railroad	23	167	144	na	2,000	2,000	2,000
(12,667)	(12,917)	(250)	-2.0%	Treasury Enforcement Programs (e)	(25,333)	(25,833)	(500)	-2.0%	(152,000)	(155,000)	(155,000)
\$40,458	\$37,229	(\$3,229)	-8.0%	Total Other Taxes	\$215,857	\$221,906	\$6,048	2.8%	\$1,299,200	\$1,174,500	\$1,174,500
\$931,098	\$944,694	\$13,596	1.5%	Subtotal GF-GP Taxes	\$1,863,699	\$1,981,314	\$117,615	6.3%	\$10,905,500	\$11,290,000	\$11,290,000

continued

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

For The Month Ended: November 30, 2021

Month-End Cash Collections Data				October Through November Cash Collections Data					Revenue Projections		
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2020	2021	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	May 2021 Forecast	Statutory Estimate	May 2021 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$1,667	\$1,667	\$0	0.0%	\$10,000	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	17	17	0	0.0%	100	100	100
583	583	0	0.0%	Services	1,167	1,167	0	0.0%	7,000	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	2,333	2,333	0	0.0%	14,000	14,000	14,000
0	0	0	na	Investments/Interest Costs	0	0	0	na	2,000	2,000	2,000
833	833	0	0.0%	Misc. Non-tax Revenue	1,667	1,667	0	0.0%	10,000	10,000	10,000
18,750	21,383	2,633	14.0%	Liquor Purchase Revolving Fund	37,500	42,767	5,267	14.0%	250,000	256,600	256,600
6,750	6,958	208	3.1%	From Other Funds-Lottery & Escheats	13,500	13,917	417	3.1%	78,200	83,500	83,500
\$28,925	\$31,767	\$2,842	9.8%	Total Non-Tax Revenue	\$57,850	\$63,533	\$5,683	9.8%	\$371,300	\$383,200	\$383,200
\$960,023	\$976,461	\$16,438	1.7%	Total GF-GP Revenue	\$1,921,549	\$2,044,848	\$123,299	6.4%	\$11,276,800	\$11,673,100	\$11,673,100
School Aid Fund											
\$251,972	\$337,595	\$85,623	34.0%	Sales Tax 4%	\$601,981	\$693,377	\$91,395	15.2%	\$3,644,400	\$3,683,200	\$3,683,200
174,490	243,008	68,518	39.3%	Sales Tax 2%	373,277	517,681	144,404	38.7%	2,852,000	2,882,900	2,882,900
96,075	65,003	(31,071)	-32.3%	Use Tax 2%	172,683	133,159	(39,524)	-22.9%	827,900	824,900	824,900
295,694	292,866	(2,829)	-1.0%	State Education Property Tax	1,378,037	1,364,188	(13,849)	-1.0%	2,267,600	2,324,300	2,324,300
38,974	42,839	3,864	9.9%	Real Estate Transfer Tax	82,548	85,771	3,223	3.9%	433,600	402,400	402,400
0	108,308	108,308	na	Lottery Transfer (b)	0	108,308	108,308	na	1,208,100	1,093,900	1,093,900
3,982	8,583	4,601	116.0%	Casino Wagering Tax	12,335	18,242	5,907	47.9%	134,900	181,700	181,700
0	0	0	na	Liquor Excise Tax	0	0	0	na	67,600	68,600	68,600
31,170	27,388	(3,782)	-12.1%	Cigarette/Tobacco Tax	63,267	57,535	(5,732)	-9.1%	325,300	318,200	318,200
3,437	2,632	(805)	-23.4%	Indus. & Comm. Facilities Taxes	11,002	10,891	(111)	-1.0%	37,000	37,000	37,000
770	955	184	23.9%	Specific Other	1,767	1,709	(57)	-3.2%	45,800	68,500	68,500
211,821	230,849	19,028	9.0%	Income Tax Earmarking	438,239	479,708	41,469	9.5%	3,188,200	3,245,400	3,245,400
\$1,108,386	\$1,360,026	\$251,640	22.7%	Total School Aid Fund	\$3,135,136	\$3,470,569	\$335,433	10.7%	\$15,032,400	\$15,131,000	\$15,131,000
Multi-Fund Revenue Summary											
\$594,444	\$805,666	\$211,223	35.5%	Sales Tax 6%	\$1,376,579	\$1,673,309	\$296,730	21.6%	\$8,906,000	\$9,000,800	\$9,000,800
419,954	562,658	142,704	34.0%	Sales Tax 4% (d)	1,003,302	1,155,628	152,326	15.2%	6,054,000	6,117,900	6,117,900
174,490	243,008	68,518	39.3%	Sales Tax 2%	373,277	517,681	144,404	38.7%	2,852,000	2,882,900	2,882,900
288,224	195,010	(93,214)	-32.3%	Use Tax 6% (g)	518,049	399,477	(118,572)	-22.9%	2,477,700	2,470,300	2,470,300
1,921	2,989	1,068	55.6%	Recreational Marihuana	14,852	34,516	19,664	132.0%	75,000	120,000	120,000
77,154	67,792	(9,362)	-12.1%	Tobacco Taxes	156,601	142,412	(14,189)	-9.1%	886,000	868,000	868,000
0	0	0	na	Tobacco Settlement	0	0	0	na	na	na	na

continued

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

For The Month Ended: November 30, 2021

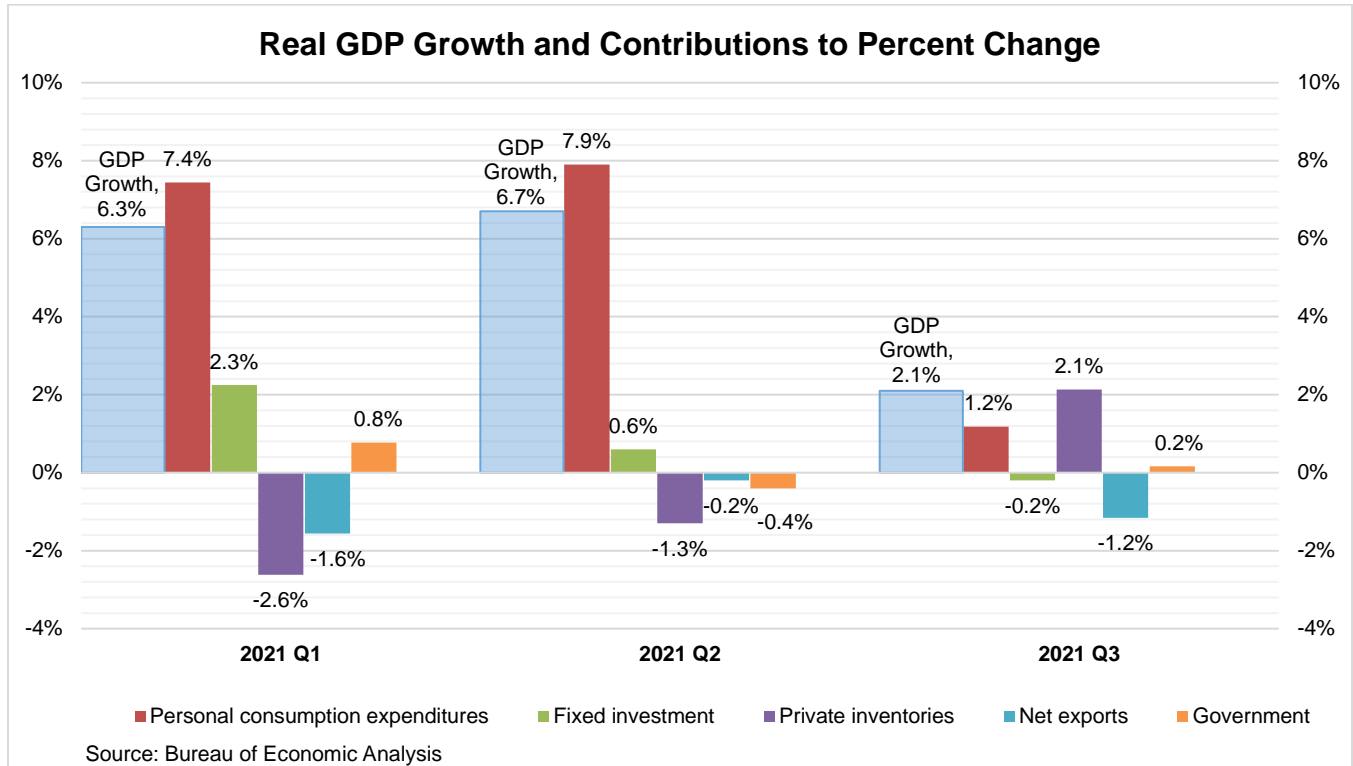
Month-End Cash Collections Data				October Through November Cash Collections Data					Revenue Projections		
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2020	2021	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	May 2021 Forecast	Statutory Estimate	May 2021 Forecast
Major Transportation Revenues											
\$19,812	\$21,205	\$1,393	7.0%	Diesel Fuel / Motor Carrier Fuel Tax	\$43,249	\$40,449	(\$2,800)	-6.5%	\$238,000	\$241,500	\$241,500
84,845	99,075	14,230	16.8%	Gasoline	179,415	185,044	5,628	3.1%	1,155,000	1,196,000	1,196,000
83,945	103,306	19,360	23.1%	Motor Vehicle Registration	185,529	204,882	19,353	10.4%	1,373,000	1,402,000	1,402,000
3,987	3,786	(201)	-5.0%	Other Taxes, Fees & Misc.	8,822	7,850	(972)	-11.0%	182,419	216,258	216,258
8,537	11,481	2,945	34.5%	Comprehensive Transportation (c)	17,073	22,962	5,889	34.5%	136,123	137,774	137,774
50,000	50,000	0	0.0%	Income Tax Earmarking	100,000	100,000	0	0.0%	600,000	600,000	600,000
<u>\$251,126</u>	<u>\$288,854</u>	<u>\$37,727</u>	<u>15.0%</u>	Total Major Trans. Revenues	<u>\$534,088</u>	<u>\$561,187</u>	<u>\$27,098</u>	<u>5.1%</u>	<u>\$3,684,542</u>	<u>\$3,793,532</u>	<u>\$3,793,532</u>
Lottery Sales By Games											
\$228,154	\$224,397	(\$3,756)	-1.6%	Instant Games (f)	\$402,441	\$378,742	(\$23,699)	-5.9%	na	na	na
109,178	105,662	(3,517)	-3.2%	Daily Games	190,994	178,995	(11,999)	-6.3%	na	na	na
43,611	32,849	(10,761)	-24.7%	Lotto and Big Game (f)	73,384	61,777	(11,608)	-15.8%	na	na	na
838	778	(60)	-7.2%	Keno Game	1,462	1,344	(118)	-8.1%	na	na	na
1,234	3,245	2,011	163.0%	Lucky For Life	2,219	5,595	3,376	152.0%	na	na	na
5,891	8,119	2,228	37.8%	Other (f)	11,017	13,088	2,071	18.8%	na	na	na
48,824	62,762	13,939	28.5%	Club Games	99,249	110,041	10,792	10.9%	na	na	na
<u>\$437,730</u>	<u>\$437,813</u>	<u>\$83</u>	<u>0.0%</u>	Total Lottery Sales	<u>\$780,766</u>	<u>\$749,582</u>	<u>(\$31,185)</u>	<u>-4.0%</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 2021 revenues were \$212.5 million and the year-to-date 2022 revenues are \$174.3 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 \$212.5 million and the year-to-date 2022 LCSS revenues are \$174.3 million.

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

Economic Highlights
(All data seasonally adjusted unless otherwise noted.)
U.S. Economy

U.S. real **Gross Domestic Product** increased at a 2.1 percent annual rate in the third quarter of 2021, according to the most recent estimate, down from the 6.7 percent annual rate in the second quarter of 2021. The past three quarterly contributions to the percent change in GDP are shown in the graph below.



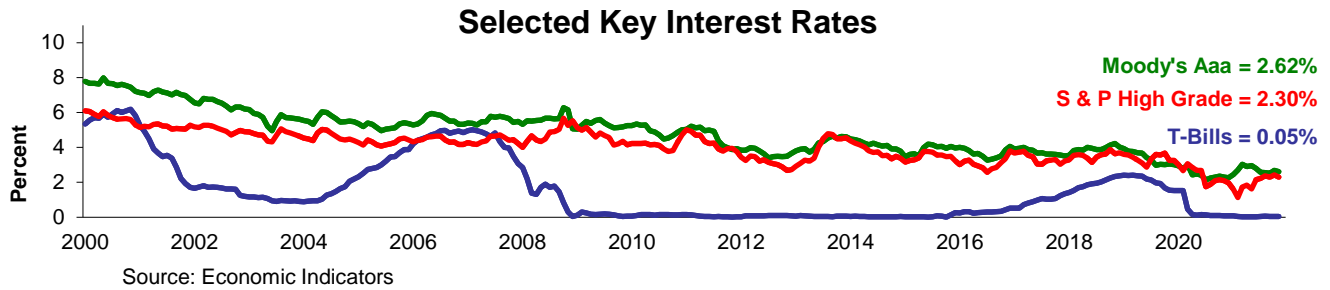
Private inventories and personal consumption expenditures contributed significantly to the increase in GDP in the third quarter of 2021. Government spending made minor contributions to the increase in GDP. Net exports and fixed investments were drags on the economy. Real final sales did not change from the preceding period in the third quarter according to the most recent estimate, while on the inflation front, the implicit price deflator increased by 5.9 percent.

U.S. wage and salary employment increased by 210,000 jobs in November, after gaining 546,000 jobs in October, according to the most recent estimates. Employment levels were still 3.9 million payroll jobs, or 2.6 percent, below the February 2020 level, prior to the pandemic. In November, sectors with the largest increases in employment include professional and business services with 90,000 jobs, trade, transportation, and utilities sector with 37,000 jobs, manufacturing and construction with 31,000 jobs each, and leisure and hospitality sector with 23,000 jobs.

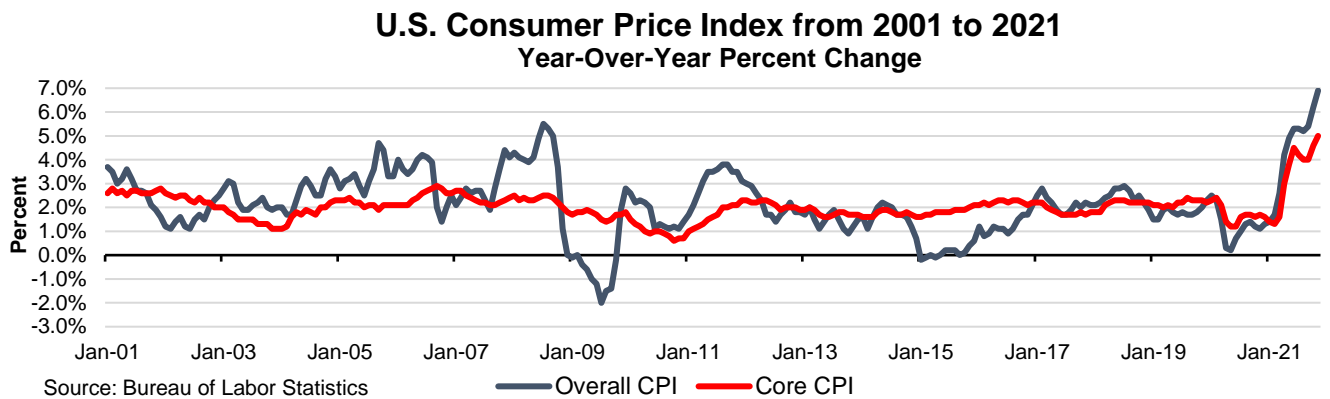
In November, the U.S. unemployment rate declined to 4.2 percent, down from October’s 4.6 percent. Civilian employment increased slightly to 155.2 million in November, while the number unemployed decreased to 6.9 million.

Short-term **interest rates** remained constant in November, as the 3-month Treasury bill (T-bill) rate remained at 0.05 percent. Compared to one year ago, the T-bill rate decreased 0.04 percentage points. The Aaa corporate bond rate decreased 0.06 percentage points to an interest yield of 2.62 percent in November and was up 0.32 percentage points from its year-ago level. The interest rate on high-grade

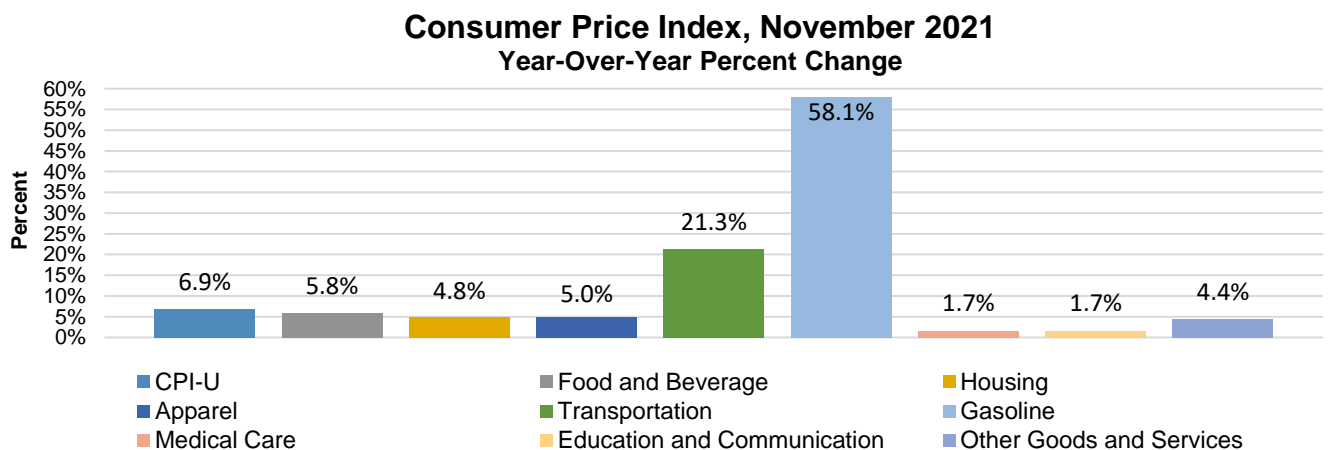
municipal bonds declined 0.13 percentage points to 2.30 percent in November and was up 0.20 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), are up 6.9 percent from November 2020 to November 2021, an increase of 0.7 percentage points from the year-over-year increase in October. The CPI-U year-over-year change was last this high in 1982. 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 5.0 percent from November 2020 to November 2021. Prior to the current year, the CPI-Core has not been this high since 1991.

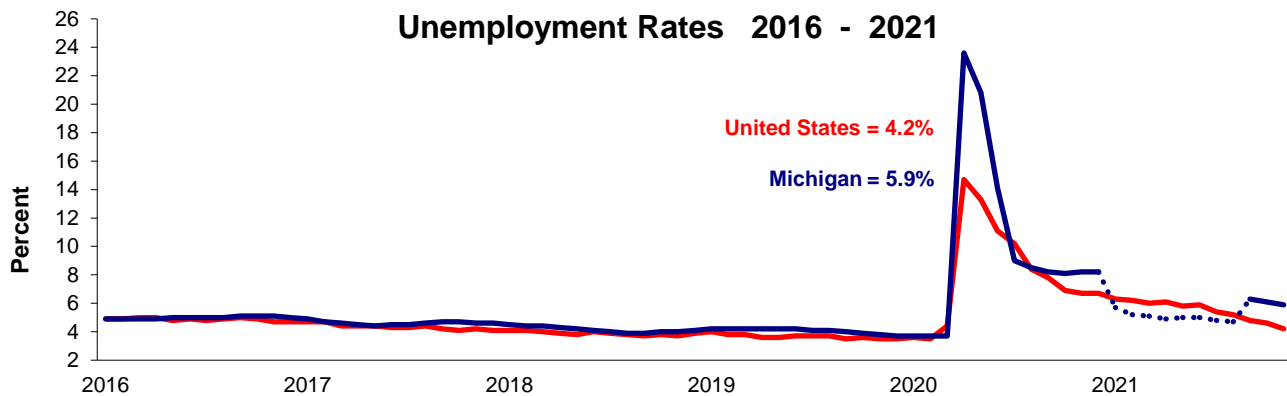


Gasoline experienced the largest year-over-year price increase (58.1 percent) due in part to the dramatic decline in gasoline prices for much of 2020 due to the pandemic. Transportation was the next largest price increase (21.3 percent). Far lower year-over-year percent changes can be seen in food and beverage (5.8 percent), housing (4.8 percent), apparel (5.0 percent) and other goods and services (4.4 percent).



Michigan Economy

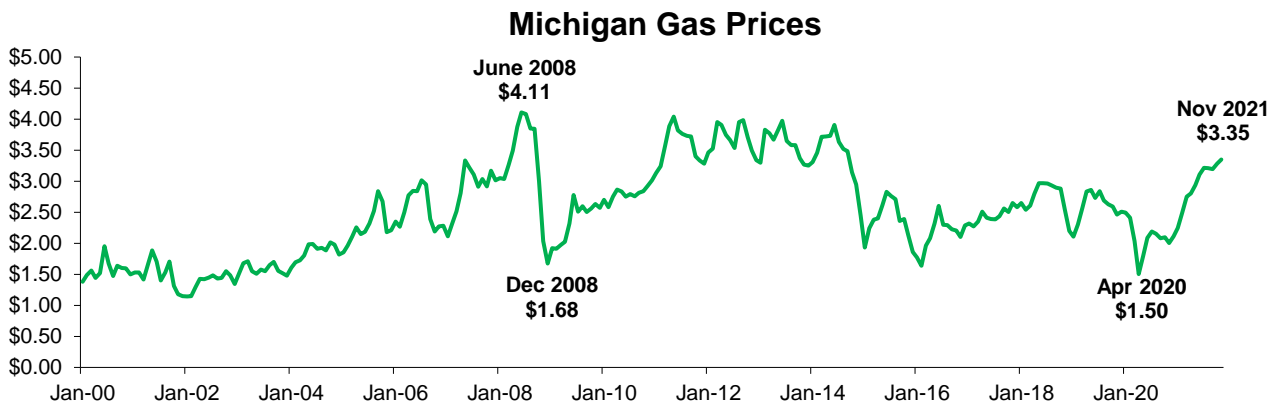
The **Michigan jobless rate** declined slightly in November to 5.9 percent, 0.2 of a percentage point below October's unemployment rate of 6.1 percent. This is above the national unemployment rate which declined to 4.2 percent in November. Recently, the U.S. Bureau of Labor Statistics identified a distortion in their statistical estimates and with the October data release they revised Michigan's September unemployment rate upward. Additional revisions to the unemployment rate for January through August of 2021 will be made during the normal review process at the end of the year and will be available in the spring of 2022. The months still to be revised are presented as the dashed line in the graph below. The civilian labor force remained relatively constant with an increase of only 1,000 in November. The number unemployed decreased by 11,000 in November, a -3.8 percent change, while the number employed increased by 11,000, a 0.2 percent change from October to November. The number unemployed is 29.5 percent lower than in November 2020 during the first year of the pandemic.



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

Michigan wage and salary employment increased in November by 17,000 jobs from October's revised estimate, and was up 145,000 jobs, or 3.5 percent, from November 2020. In November, the sectors with the largest one month increases in employment include leisure and hospitality services with 9,000 jobs gained, and trade, transportation, and utilities with 4,000 jobs gained. All other sectors gained or lost 2,000 jobs or less.

Michigan gasoline prices increased in November 2021 to \$3.35 per gallon, up 6.9 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$2.00 per gallon in November 2020, when they were still low due to the pandemic. November 2021 gas prices are 88.9 cents a gallon higher than they were two years ago in November 2019 prior to the pandemic and are similar to prices last seen in 2014.

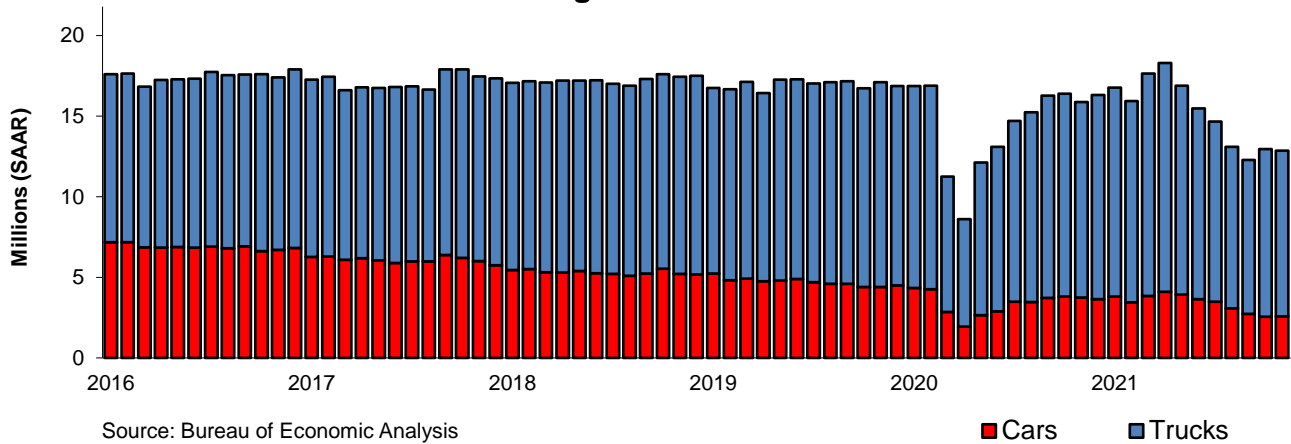


Source: AAA Michigan

Motor Vehicle Sector

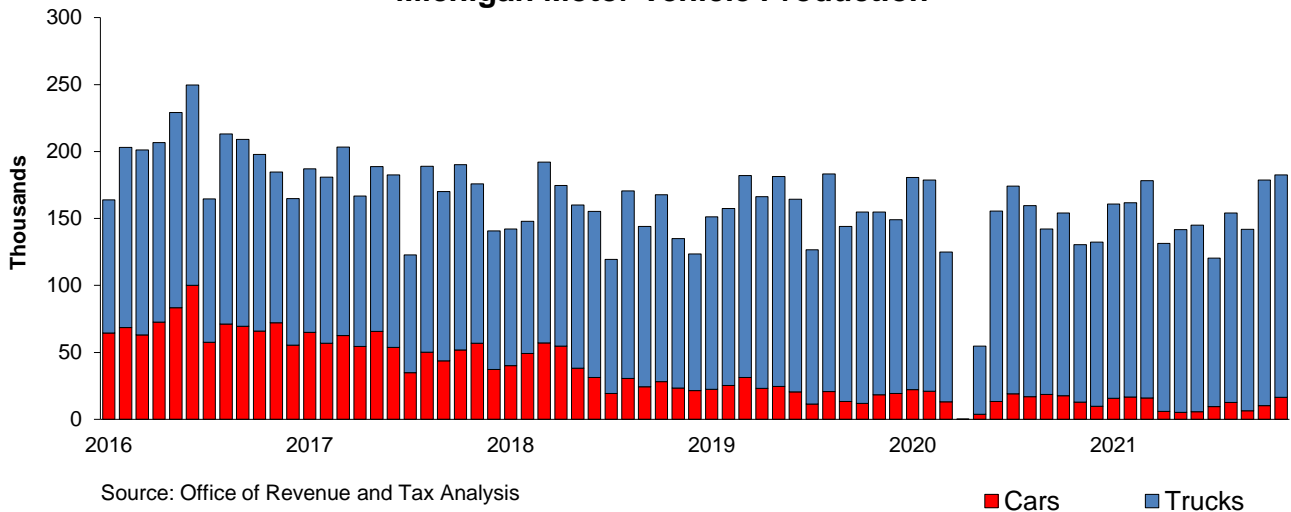
U.S. light vehicle sales (cars and light trucks) declined slightly, by 0.7 percent in November from October, selling at a 12.9 million unit seasonally adjusted annual rate. Domestic car sales increased 2.6 percent and light truck sales increased 1.6 percent from October. Import car sales and light truck sales declined 3.2 percent and 12.0 percent, respectively, from October. Compared to November 2020, light vehicle sales were down 19.0 percent. Domestic car sales decreased 31.6 percent while light truck sales decreased 10.5 percent from the year ago levels. Import car sales were down 29.2 percent while import light truck sales were down 31.3 percent from last year. Domestic light vehicles recorded a 80.5 percent share of November 2021 sales, up 2.0 percentage points from October.

U.S. Light Vehicle Sales



Michigan motor vehicle production was up in November, with 182,513 total units. Michigan's November production was 2.2 percent above October's production and 39.8 percent above the level in November of 2020. Nationally, motor vehicle production totaled 808,110 units, which was up 1.4 percent from a year ago. In November, Michigan's car production was 16,443 units while the State's truck production was 166,070 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 Actual	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>\$34,052.0</u>	<u>\$36,198.7</u>	<u>\$36,833.5</u>
Amount Under (Over) Limit	\$11,882.5	\$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 State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2020.
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