



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

December 29, 2022

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

The Honorable Mary Whiteford, 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, 2022. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

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

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

Sincerely,

Christopher M. Harkins
State Budget Director

Attachment

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

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

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2023
Projected Revenues and Expenditures
November 30, 2022
(\$ in millions)

	FISCAL 2023
Beginning Balance	\$ 5,748.9
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 13,973.5
Local Government Program Payments	\$ (525.6)
Subtotal Ongoing Revenue	\$ 13,447.9
One-Time:	
One-time Revenue Reductions	\$ (7.5)
Subtotal One-Time Revenue	\$ (7.5)
Total Revenue	\$ 13,440.4
Expenditures	
Ongoing:	
Public Acts 144 and 166 of 2022	\$ 12,071.6
Subtotal Ongoing Expenditures	\$ 12,071.6
One-Time:	
Public Acts 144 and 166 of 2022	\$ 3,234.2
Public Acts 194 and 212 of 2022	\$ 995.6
Subtotal One-Time Expenditures	\$ 4,229.8
Total Expenditures	\$ 16,301.4
Ending Balance	\$ 2,887.9

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2022. Final year-end activity will be reflected in the fiscal year 2022 Annual Comprehensive Financial Report.

SCHOOL AID FUND
Fiscal Year 2023
Projected Revenues and Expenditures
November 30, 2022
(\$ in millions)

	FISCAL 2023
Beginning Balance	\$ 3,994.8 ¹
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 17,195.3
General Fund	\$ 48.6
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 2,191.2
Subtotal Ongoing Revenue	\$ 19,507.1
One-Time:	
General Fund	\$ 75.6
Federal Revenue - ARP	\$ 333.0
MPERS Reserve Fund Deposit - Public Act 144 of 2022	\$ (425.0)
MPERS Reserve Fund	\$ 140.4
Subtotal One-Time Revenue	\$ 124.0
Total Revenue	\$ 19,631.1
Expenditures	
Ongoing:	
School Aid - Public Act 144 of 2022	\$ 17,718.1
Community Colleges - Public Act 144 of 2022	\$ 448.6
Universities - Public Act 144 of 2022	\$ 347.9
Subtotal Ongoing Expenditures	\$ 18,514.6
One-Time:	
School Aid - Public Act 144 of 2022	\$ 1,884.6
School Aid - Public Act 212 of 2022	\$ 12.2
Subtotal One-Time Expenditures	\$ 1,896.8
Total Expenditures	\$ 20,411.4
Ending Balance	\$ 3,214.5

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2022. Final year-end activity will be reflected in the fiscal year 2022 Annual Comprehensive Financial Report.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE
November 30, 2022
(\$ in millions)

Fiscal Year 2022			Fiscal Year 2023				
Expenditures & Encumbrances Year to Date FY 2022	Fiscal Year End SEP 30, 2022	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 2023
39.3	133.7	Agriculture and Rural Development	187.7	5.2	35.2	228.1	40.0
15.3	88.7	Attorney General	116.7	2.1	20.6	139.4	15.4
73.1	337.7	Capital Outlay (3)	1,049.7	15.0	1,770.5	2,835.2	91.9
2.1	15.6	Civil Rights	21.6	1.6	2.4	25.6	2.1
278.5	1,414.9	Colleges and Universities	1,749.9	256.0	110.7	2,116.6	292.1
486.3	1,988.8	Corrections	2,114.7	0.0	362.7	2,477.5	491.4
77.2	1,689.2	Education	865.6	19.4	170.2	1,055.2	107.3
79.2	601.3	Environment, Great Lakes, and Energy	657.7	0.0	846.6	1,504.4	109.9
1.8	7.2	Executive Office	8.5	0.0	0.1	8.6	2.1
5,707.5	32,356.2	Health and Human Services	33,299.7	72.2	2,027.4	35,399.4	5,903.9
14.9	69.0	Insurance and Financial Service	74.3	1.6	29.9	105.8	17.4
32.7	281.8	Judiciary	483.5	0.0	8.2	491.7	34.5
122.8	2,297.9	Labor and Economic Opportunity	1,363.1	868.6	3,432.3	5,664.0	185.9
4.2	25.9	Legislative Auditor General	28.6	0.0	7.1	35.7	4.3
31.2	177.1	Legislature	183.0	0.0	135.8	318.8	30.4
104.9	410.2	Licensing and Regulatory Affairs	504.8	58.5	109.1	672.4	124.3
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
91.6	404.7	Michigan Strategic Fund	774.8	50.0	0.0	824.8	726.7
35.5	39.2	Michigan Veterans' Facility Authority	36.6	1.0	0.0	37.6	36.6
53.0	118.0	Military and Veterans Affairs	105.3	19.7	10.0	135.1	49.7
32.0	126.2	Natural Resources	160.4	0.0	60.1	220.6	36.5
45.0	242.5	State	255.2	12.1	87.8	355.1	40.0
0.0	1.1	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
137.0	791.6	State Police	821.8	31.0	596.4	1,449.2	168.2
62.5	652.0	Technology, Management and Budget (4)	586.6	6.1	471.5	1,064.3	112.9
0.3	2.2	Transportation	25.4	47.0	29.5	101.9	0.0
490.4	4,231.0	Treasury	3,157.6	121.9	243.6	3,523.2	531.7
\$8,018.1	\$48,503.6		\$48,633.1	\$1,589.1	\$10,598.2	\$60,820.4	\$9,155.2

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for fiscal year 2022. Entry of these amounts is expected in December 2022 and January 2023.

(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 2023
November 30, 2022
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	23,686.4	64.0	23,750.4
Total state spending from state resources	44,142.0	1,015.6	45,157.6
Percentage of state spending from state resources paid to local units	53.66%	6.30%	52.59%
Required payments to local units (48.97%)	21,616.3	497.3	22,113.7
Surplus/(deficit)	\$2,070.1	(\$433.3)	\$1,636.7

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
November 30, 2022
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 1,588,927
Total Assets	<u>\$ 1,588,927</u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,588,927</u>
Total Fund Balances	<u>1,588,927</u>
Total Liabilities and Fund Balances	<u>\$ 1,588,927</u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2022 through November 30, 2022
 (\$ 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, 2022

(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 38,576
Investments	-
Other current assets	-
Total Current Assets	<u>38,576</u>

Noncurrent Assets:

Investments	<u>678,662</u>
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Total Assets	<u><u>\$ 717,238</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 10,521
Amounts due to other funds	-
Total Current Liabilities	<u>10,521</u>

Total Liabilities	<u>10,521</u>
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FUND BALANCES

Nonspendable	500,000
Restricted	<u>206,717</u>

Total Fund Balances	<u>706,717</u>
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Total Liabilities and Fund Balances	<u><u>\$ 717,238</u></u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
October 1, 2022 through November 30, 2022
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		4,015
		4,015
Total Revenues		4,015

EXPENDITURES

Current:		
General government		-
Conservation, environment, recreation, and agriculture		363
Capital outlay		-
		-
Total Expenditures		363
Excess of Revenues over (under) Expenditures		3,652

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	\$	3,652 ¹

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

REVENUE OVERVIEW

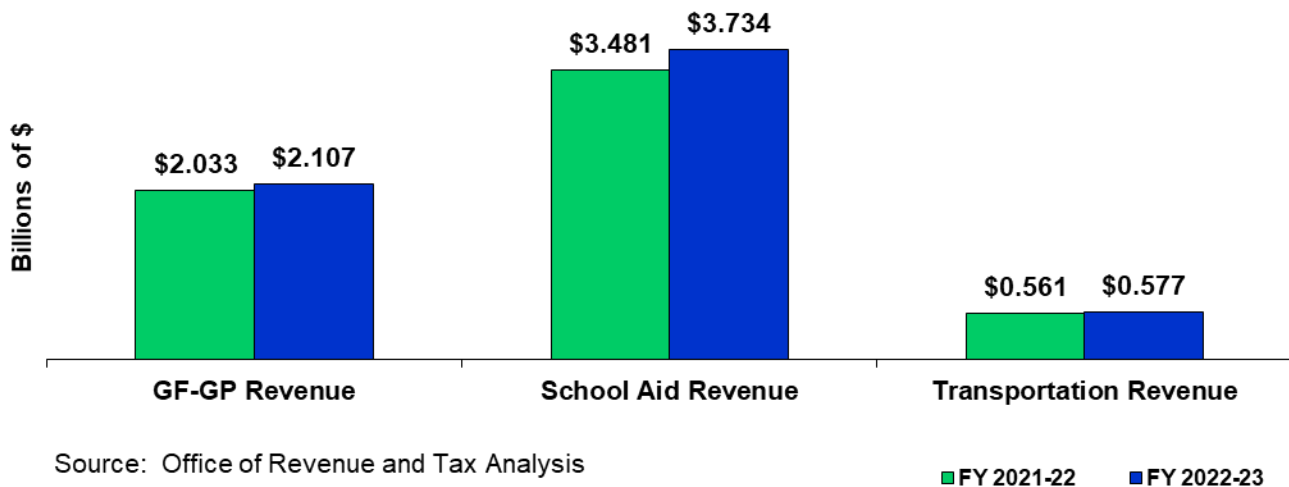
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

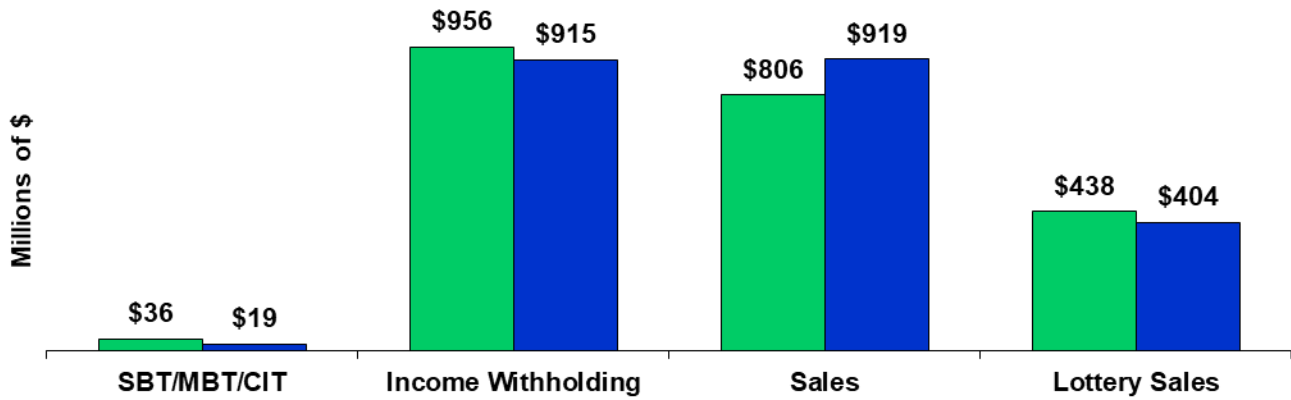
Total General Fund - General Purpose cash collections were \$58.0 million (6.0 percent) lower in November 2022 than in November 2021. The November 2022 School Aid Fund cash collections were \$135.1 million (9.9 percent) higher than in November 2021. November 2022 transportation collections were \$9.3 million (3.2 percent) lower than in November 2021 (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 \$74.0 million (3.6 percent) from a year ago. School Aid Fund cash collections are up \$252.7 million (7.3 percent) and transportation collections are up \$15.8 million (2.8 percent).

The FY 2022-23 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on May 20, 2022. The revenue estimate for net General Fund – General Purpose revenue for FY 2022-23 is \$13,973.5 million and the net School Aid revenue forecast is \$17,195.3 million. The Transportation Funds revenue forecast is \$4,003.3 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 2021-22 and FY 2022-23



November Revenue Collections FY 2021-22 and FY 2022-23



Source: Office of Revenue and Tax Analysis

■ FY 2021-22 ■ FY 2022-23

October through November Collections FY 2021-22 and FY 2022-23



Source: Office of Revenue and Tax Analysis

■ FY 2021-22 ■ FY 2022-23

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2022

Month-End Cash Collections Data				October Through November Cash Collections Data						Revenue Projections		
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2021-22	FY 2022-23	FY 2022-23	
2021	2022	Amount	Percent		FY 2021-22	FY 2022-23	Amount	Percent	May 2022 Forecast	Statutory Estimate	May 2022 Forecast	
Income Taxes (i)												
\$955,758	\$915,312	(\$40,446)	-4.2%	Withholding	\$1,916,891	\$2,006,737	\$89,846	4.7%	\$11,954,500	\$12,332,100	\$12,332,100	
19,810	17,740	(2,070)	-10.4%	Quarterlies	51,806	48,967	(2,839)	-5.5%	983,900	840,100	840,100	
0	8,483	8,483	na	Flow Through Entity Tax	0	19,124	19,124	na	2,048,800	1,061,500	1,061,500	
16,036	27,148	11,112	69.3%	Annuals	91,901	138,356	46,455	50.5%	1,740,000	1,465,700	1,465,700	
\$991,604	\$968,683	(\$22,921)	-2.3%	Gross Collections	\$2,060,599	\$2,213,184	\$152,586	7.4%	\$16,727,200	\$15,699,400	\$15,699,400	
37,350	99,819	62,469	167.0%	Less: Refunds	112,521	254,330	141,809	126.0%	3,244,200	2,479,200	2,479,200	
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800	
\$954,255	\$868,864	(\$85,390)	-8.9%	Net Personal Income	\$1,948,078	\$1,958,855	\$10,777	0.6%	\$13,482,200	\$13,219,400	\$13,219,400	
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	
236,104	230,644	(5,461)	-2.3%	Less: Disbursements to SAF	490,629	526,955	36,326	7.4%	3,982,500	3,737,700	3,737,700	
\$662,400	\$582,471	(\$79,929)	-12.1%	Net Personal Income To GF-GP	\$1,345,948	\$1,320,399	(\$25,549)	-1.9%	\$8,830,700	\$8,812,700	\$8,812,700	
Consumption Taxes												
\$131,331	\$146,428	\$15,096	11.5%	Sales (a)	\$268,303	\$286,857	\$18,555	6.9%	\$1,607,700	\$1,604,300	\$1,604,300	
93,348	104,276	10,928	11.7%	Use (a) (h)	91,987	119,433	27,446	29.8%	1,212,400	1,176,600	1,176,600	
13,491	11,590	(1,901)	-14.1%	Tobacco	28,340	25,515	(2,825)	-10.0%	165,500	163,300	163,300	
1,149	1,107	(42)	-3.7%	Beer, Wine & Mixed Spirits	12,232	11,763	(468)	-3.8%	52,000	53,000	53,000	
74	6,019	5,945	na	Liquor Specific	844	7,199	6,355	na	79,000	80,000	80,000	
\$239,393	\$269,419	\$30,026	12.5%	Total Consumption Taxes	\$401,705	\$450,768	\$49,062	12.2%	\$3,116,600	\$3,077,200	\$3,077,200	
Other Taxes												
\$3	\$2	(\$1)	-32.9%	Single Business	\$1,259	\$7	(\$1,252)	-99.5%	\$0	\$0	\$0	
61	255	194	315.0%	Insurance Premiums Taxes	\$97,210	118,212	21,002	21.6%	385,000	398,000	398,000	
64	257	193	299.0%	Sub-total SBT & Insurance	98,469	118,218	19,750	20.1%	385,000	398,000	398,000	
(18,952)	(54,734)	(35,782)	-189.0%	Michigan Business Tax	(67,103)	(57,417)	9,686	14.4%	(594,300)	(527,600)	(527,600)	
55,027	74,125	19,097	34.7%	Corporate Income Tax	190,236	196,755	6,519	3.4%	1,822,600	1,582,100	1,582,100	
6,220	6,932	712	11.5%	Telephone & Telegraph	9,183	7,499	(1,685)	-18.3%	32,000	32,000	32,000	
3,059	3,367	308	10.1%	Oil & Gas Severance	5,942	8,089	2,147	36.1%	35,000	32,000	32,000	
4,355	7,432	3,077	70.6%	Penalties & Interest	9,502	15,790	6,289	66.2%	140,000	140,000	140,000	
205	437	231	113.0%	Essential Services Assessment	1,344	917	(426)	-31.7%	135,000	143,000	143,000	
166	74	(91)	-55.1%	Miscellaneous Other/Railroad	167	78	(89)	-53.4%	3,000	3,000	3,000	
(12,917)	(12,917)	0	0.0%	Treasury Enforcement Programs (e)	(25,833)	(25,833)	0	0.0%	(150,000)	(152,000)	(152,000)	
\$37,229	\$24,974	(\$12,255)	-32.9%	Total Other Taxes	\$221,906	\$264,096	\$42,190	19.0%	\$1,808,300	\$1,650,500	\$1,650,500	
\$939,022	\$876,863	(\$62,158)	-6.6%	Subtotal GF-GP Taxes	\$1,969,560	\$2,035,263	\$65,703	3.3%	\$13,755,600	\$13,540,400	\$13,540,400	

continued

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2022

Month-End Cash Collections Data				October Through November Cash Collections Data					Revenue Projections		
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2021-22	FY 2022-23	FY 2022-23
2021	2022	Amount	Percent		FY 2021-22	FY 2022-23	Amount	Percent	May 2022 Forecast	Statutory Estimate	May 2022 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	12,000	12,000
21,383	25,000	3,617	16.9%	Liquor Purchase Revolving Fund	42,767	50,000	7,233	16.9%	295,000	300,000	300,000
6,958	7,500	542	7.8%	From Other Funds-Lottery & Escheats	13,917	15,000	1,083	7.8%	86,000	88,000	88,000
<u>\$31,767</u>	<u>\$35,925</u>	<u>\$4,158</u>	<u>13.1%</u>	Total Non-Tax Revenue	<u>\$63,533</u>	<u>\$71,850</u>	<u>\$8,317</u>	<u>13.1%</u>	<u>\$424,100</u>	<u>\$433,100</u>	<u>\$433,100</u>
\$970,788	\$912,788	(\$58,000)	-6.0%	Total GF-GP Revenue	\$2,033,093	\$2,107,113	\$74,020	3.6%	\$14,179,700	\$13,973,500	\$13,973,500
School Aid Fund											
\$337,595	\$373,826	\$36,231	10.7%	Sales Tax 4%	\$693,377	\$741,534	\$48,157	6.9%	\$4,202,500	\$4,175,200	\$4,175,200
243,008	295,573	52,565	21.6%	Sales Tax 2%	517,681	606,160	88,479	17.1%	3,302,500	3,283,500	3,283,500
65,003	70,300	5,297	8.1%	Use Tax 2%	133,159	143,140	9,981	7.5%	869,600	865,100	865,100
292,866	359,565	66,699	22.8%	State Education Property Tax	1,364,188	1,451,976	87,788	6.4%	2,396,000	2,563,200	2,563,200
42,839	39,591	(3,247)	-7.6%	Real Estate Transfer Tax	85,771	90,001	4,230	4.9%	527,000	496,900	496,900
108,308	90,000	(18,308)	-16.9%	Lottery Transfer (b)	108,308	90,000	(18,308)	-16.9%	1,240,000	1,240,000	1,240,000
8,583	8,164	(419)	-4.9%	Casino Wagering Tax	18,242	17,019	(1,223)	-6.7%	320,800	329,000	329,000
0	5,889	5,889	na	Liquor Excise Tax	0	5,889	5,889	na	78,600	79,600	79,600
27,388	23,529	(3,859)	-14.1%	Cigarette/Tobacco Tax	57,535	51,800	(5,734)	-10.0%	299,900	294,800	294,800
2,632	2,465	(167)	-6.4%	Indus. & Comm. Facilities Taxes	10,891	7,695	(3,196)	-29.3%	42,000	42,000	42,000
955	847	(108)	-11.3%	Specific Other	1,709	1,987	278	16.2%	79,200	88,300	88,300
236,104	230,644	(5,461)	-2.3%	Income Tax Earmarking	490,629	526,955	36,326	7.4%	3,982,500	3,737,700	3,737,700
<u>\$1,365,281</u>	<u>\$1,500,392</u>	<u>\$135,111</u>	<u>9.9%</u>	Total School Aid Fund	<u>\$3,481,490</u>	<u>\$3,734,157</u>	<u>\$252,668</u>	<u>7.3%</u>	<u>\$17,340,600</u>	<u>\$17,195,300</u>	<u>\$17,195,300</u>
Multi-Fund Revenue Summary											
\$805,666	\$918,616	\$112,950	14.0%	Sales Tax 6%	\$1,673,309	\$1,842,051	\$168,742	10.1%	\$10,299,600	\$10,232,500	\$10,232,500
562,658	623,044	60,385	10.7%	Sales Tax 4% (d)	1,155,628	1,235,890	80,262	6.9%	6,997,100	6,949,000	6,949,000
243,008	295,573	52,565	21.6%	Sales Tax 2%	517,681	606,160	88,479	17.1%	3,302,500	3,283,500	3,283,500
195,010	210,900	15,890	8.1%	Use Tax 6% (g)	399,477	429,420	29,943	7.5%	2,604,300	2,590,700	2,590,700
2,989	12,244	9,255	310.0%	Recreational Marihuana	34,516	52,815	18,299	53.0%	149,100	175,100	175,100
67,792	58,239	(9,553)	-14.1%	Tobacco Taxes	142,412	128,218	(14,194)	-10.0%	830,700	819,400	819,400
0	0	0	na	Tobacco Settlement	0	0	0	na	na	na	na

continued

Revenue Summary FY 2022-23
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2022

Month-End Cash Collections Data				October Through November Cash Collections Data				Revenue Projections			
November		Difference		Source of Revenue	Year-to-Date		Difference		FY 2021-22	FY 2022-23	FY 2022-23
2021	2022	Amount	Percent		FY 2021-22	FY 2022-23	Amount	Percent	May 2022 Forecast	Statutory Estimate	May 2022 Forecast
Major Transportation Revenues											
\$21,205	\$19,320	(\$1,885)	-8.9%	Diesel Fuel / Motor Carrier Fuel Tax	\$40,449	\$39,971	(\$477)	-1.2%	\$247,000	\$258,000	\$258,000
99,075	87,610	(11,465)	-11.6%	Gasoline	185,044	175,228	(9,816)	-5.3%	1,165,200	1,224,700	1,224,700
103,306	107,768	4,463	4.3%	Motor Vehicle Registration	204,882	231,443	26,560	13.0%	1,445,800	1,487,300	1,487,300
3,786	3,415	(372)	-9.8%	Other Taxes, Fees & Misc.	7,850	7,343	(507)	-6.5%	246,214	273,541	273,541
11,481	11,481	0	0.0%	Comprehensive Transportation (c)	22,962	22,962	0	0.0%	162,211	159,735	159,735
50,000	50,000	0	0.0%	Income Tax Earmarking	100,000	100,000	0	0.0%	600,000	600,000	600,000
<u>\$288,854</u>	<u>\$279,594</u>	<u>(\$9,260)</u>	<u>-3.2%</u>	Total Major Trans. Revenues	<u>\$561,187</u>	<u>\$576,947</u>	<u>\$15,760</u>	<u>2.8%</u>	<u>\$3,866,425</u>	<u>\$4,003,276</u>	<u>\$4,003,276</u>
Lottery Sales By Games											
\$224,397	\$182,920	(\$41,477)	-18.5%	Instant Games (f)	\$378,742	\$392,838	\$14,096	3.7%	na	na	na
105,662	78,697	(26,964)	-25.5%	Daily Games	178,995	162,471	(16,524)	-9.2%	na	na	na
32,849	85,229	52,380	159.0%	Lotto and Big Game (f)	61,777	149,724	87,947	142.0%	na	na	na
778	590	(188)	-24.1%	Keno Game	1,344	1,246	(98)	-7.3%	na	na	na
3,245	2,863	(382)	-11.8%	Lucky For Life	5,595	5,955	360	6.4%	na	na	na
8,119	5,837	(2,282)	-28.1%	Other (f)	13,088	11,625	(1,464)	-11.2%	na	na	na
62,762	47,861	(14,902)	-23.7%	Club Games	110,041	101,801	(8,240)	-7.5%	na	na	na
<u>\$437,813</u>	<u>\$403,997</u>	<u>(\$33,815)</u>	<u>-7.7%</u>	Total Lottery Sales	<u>\$749,582</u>	<u>\$825,659</u>	<u>\$76,077</u>	<u>10.1%</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 2022 revenues were \$174.3 million and the year-to-date 2023 revenues are \$166.8 million. Per 2014 Public Act 80, the total fiscal year 2022 Local Community Stabilization Share (LCSS) was \$521.3 million and the total fiscal year 2023 LCSS is \$548.0 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2022 LCSS revenues were \$174.3 million and the year-to-date 2023 LCSS revenues are \$166.8 million.
- (i) Implementation of the Flow Through Entity Tax retroactive to January 1, 2021 has resulted in fluctuating totals in Individual Income Tax annuals, quarterlies, and refunds in FY 2022.

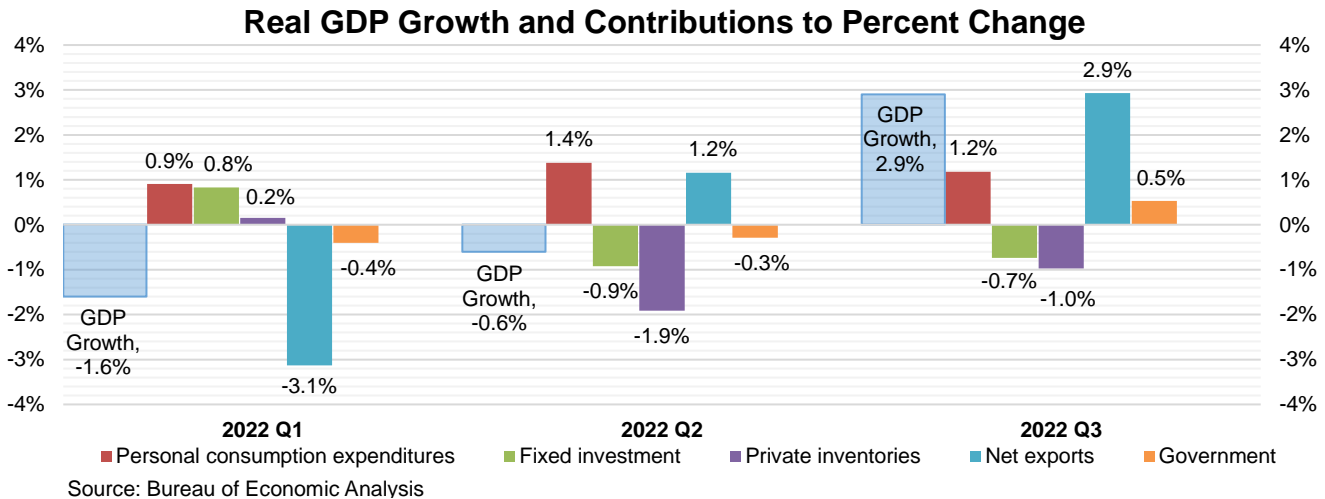
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 2.9 percent annual rate in the third quarter of 2022, according to the most recent estimate, up from the -0.6 percent annual rate in the second quarter of 2022. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

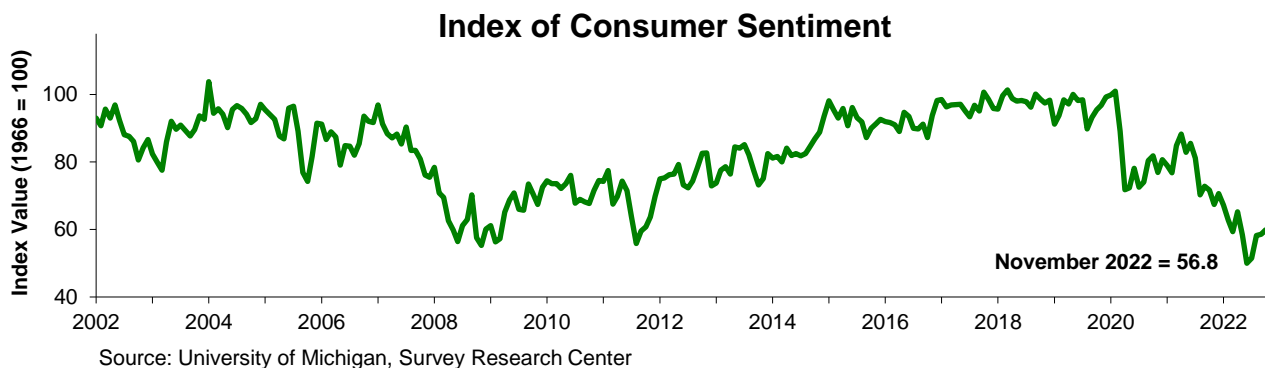


Net exports drove the increase in GDP in the third quarter of 2022, while personal consumption and government expenditures made additional contributions. Declines in fixed investments and private inventories reduced the third quarter GDP growth. Real final sales increased by 4.0 percent in the third quarter, while the implicit price deflator increased by 4.3 percent.

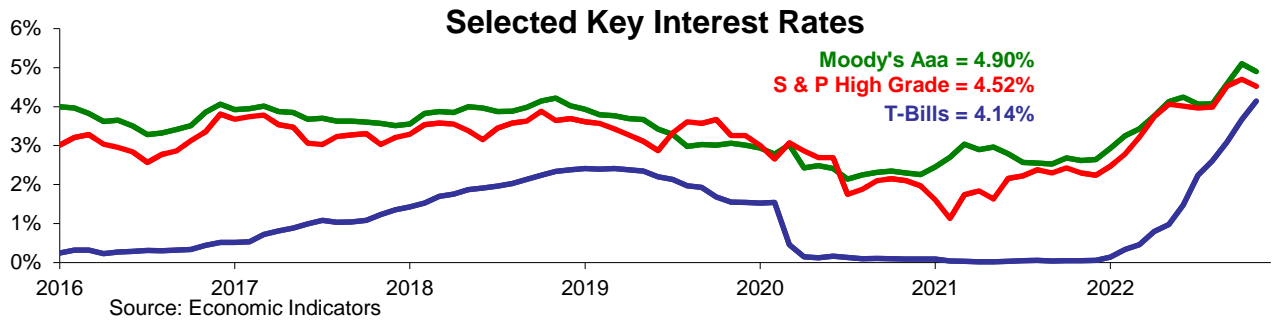
U.S. wage and salary employment increased by 263,000 jobs in November, with total employment remaining just above the February 2020 pre-pandemic level. The labor force participation rate was 62.1 percent in November, 1.3 percentage points below the rate in February 2020. In November, sectors with the largest increases in employment include the leisure and hospitality sector with 88,000 jobs, and the education and health services sector with 82,000 jobs.

In November, the U.S. unemployment rate remained flat at 3.7 percent. Civilian employment declined slightly to 158.5 million, down 0.1 million from October. The number unemployed declined to 6.0 million in November.

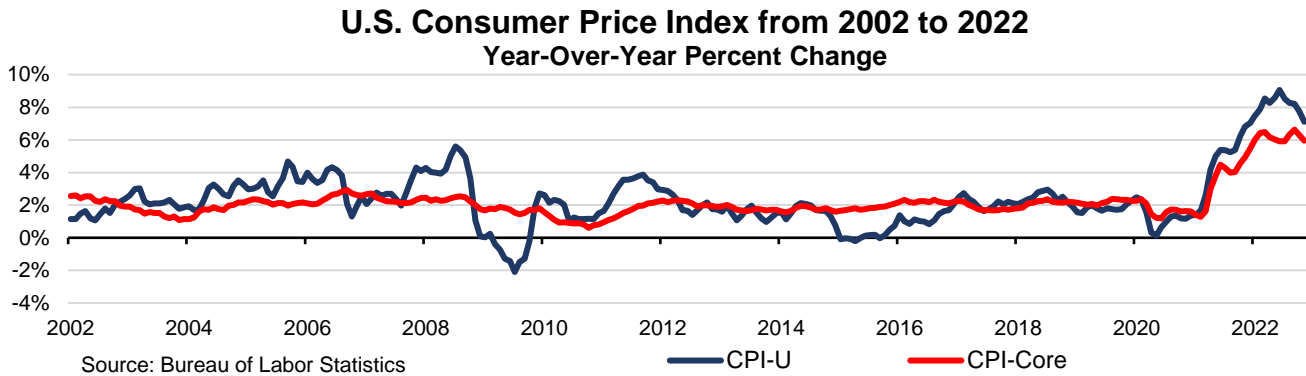
The **Index of Consumer Sentiment** declined to 56.8 index-points in November, down 3.1 from October. The consumer sentiment is 10.6 index-points below year-ago levels.



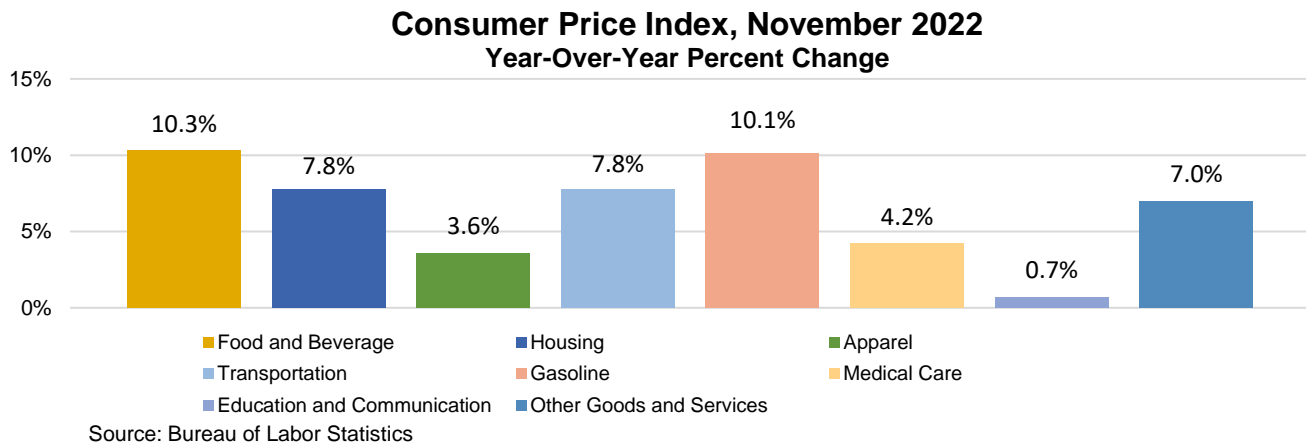
Short-term **interest rates** increased by 0.47 percentage points in November, to a 3-month Treasury bill (T-bill) rate of 4.14 percent. The T-bill rate increased 4.09 percentage points from a year ago. The Aaa corporate bond rate decreased 0.20 percentage points to an interest rate of 4.90 percent in November and was up 2.28 percentage points from a year ago. The interest rate on S&P high-grade municipal bonds decreased 0.18 percentage points to 4.52 percent and was up 2.22 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 7.1 percent from November 2021 to November 2022, a decline from October's 7.7 percent year-over-year change. The Consumer Price Index-Core (CPI-Core) measures the change in all consumer items aside from food and energy prices. The CPI-Core was up 6.0 percent year-over-year in November, a 0.3 percentage point decline from October's 6.3 percent. CPI-U and CPI-Core data are not seasonally adjusted.

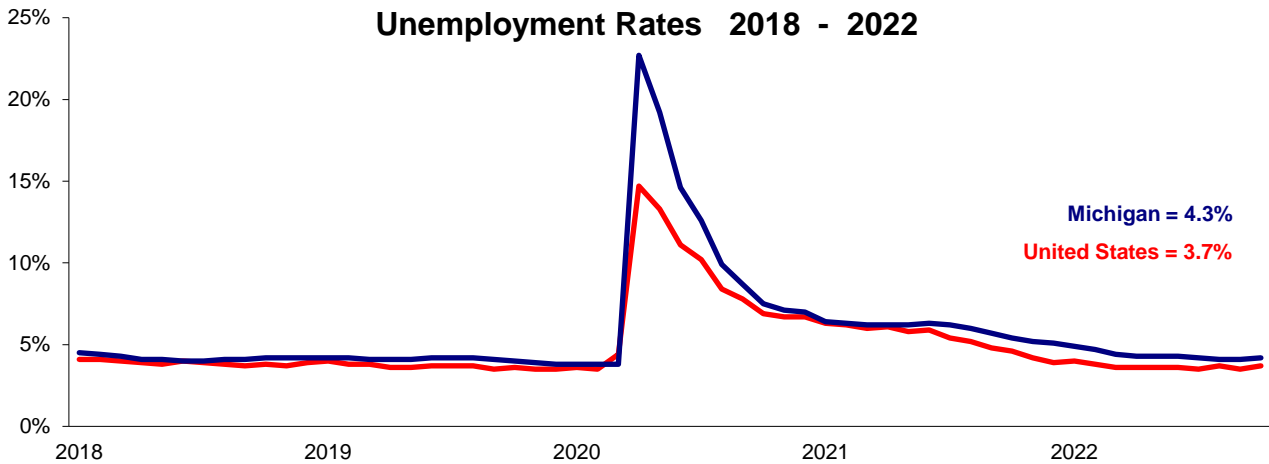


Food and beverage exhibited the largest year-over-year price increase at 10.3 percent for November, followed closely by gasoline with a 10.1 percent year-over-year change. Transportation and housing both had a year-over-year increase of 7.8 percent, followed by other goods and services with a 7.0 percent increase. These data are seasonally adjusted.



Michigan Economy

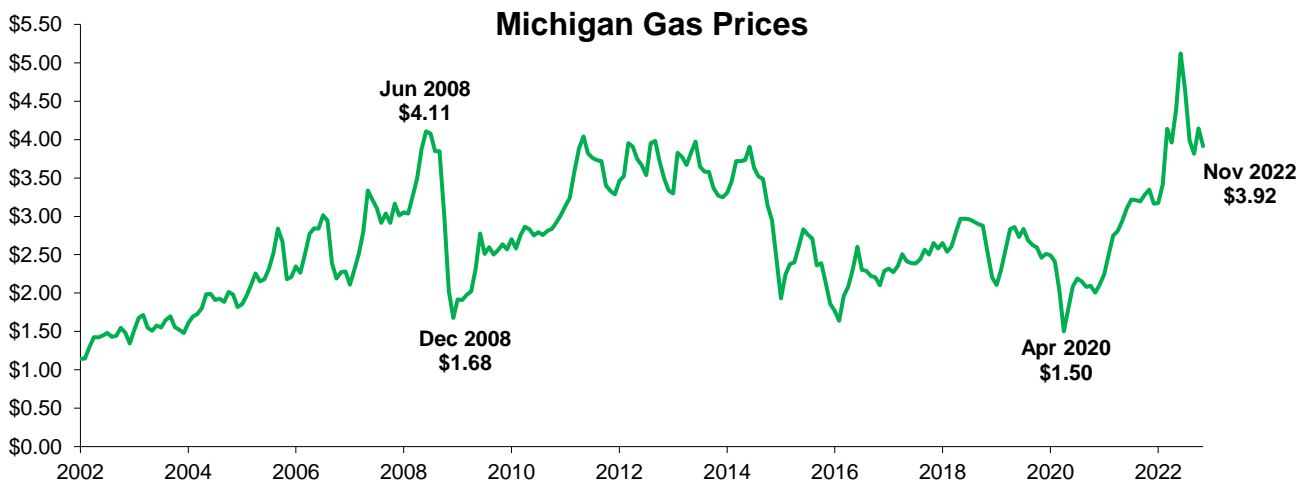
The **Michigan jobless rate** increased slightly to 4.3 percent in November. The national unemployment rate remained flat at 3.7 percent in November. The number unemployed in Michigan increased by 3,000 while the number employed decreased by 5,000 from October's levels. The number employed is 2.3 percent higher, while the number unemployed is 16.1 percent lower than in November 2021. In November, Michigan's unemployment rate was 0.5 percentage points above the February 2020 pre-pandemic rate of 3.8 percent.



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

Michigan wage and salary employment remained flat in November at 4.4 million jobs, with an increase of 14,000 jobs from October. Employment was up 110,000 jobs, or 2.6 percent, from November 2021. In November, the sector with the largest increase in employment was the leisure and hospitality services sector with a gain of 7,000 jobs, followed by the education and health services sector and the construction sector with a gain of 3,000 jobs each.

Michigan gasoline prices declined in November 2022, down to \$3.92 per gallon, 22.9 cents a gallon below last month's average. Year-over-year gasoline prices remained elevated and were 56.5 cents per gallon higher than in November 2021. November 2022 diesel prices increased slightly, by 7.7 cents a gallon from October to November's price of \$5.47 per gallon. Diesel prices were up \$1.94 per gallon over the November 2021 price of \$3.54 per gallon.

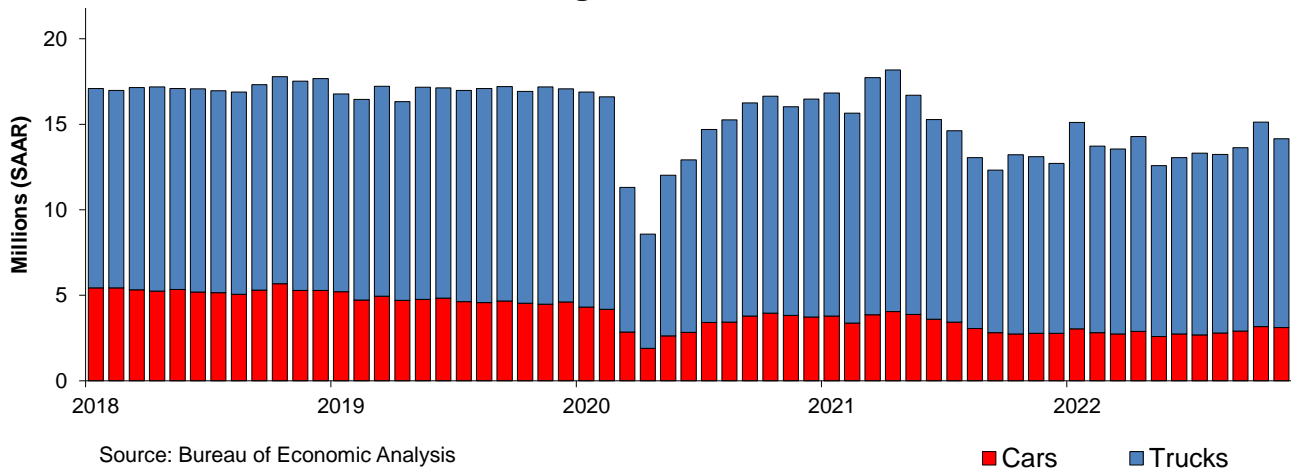


Source: AAA Michigan

Motor Vehicle Sector

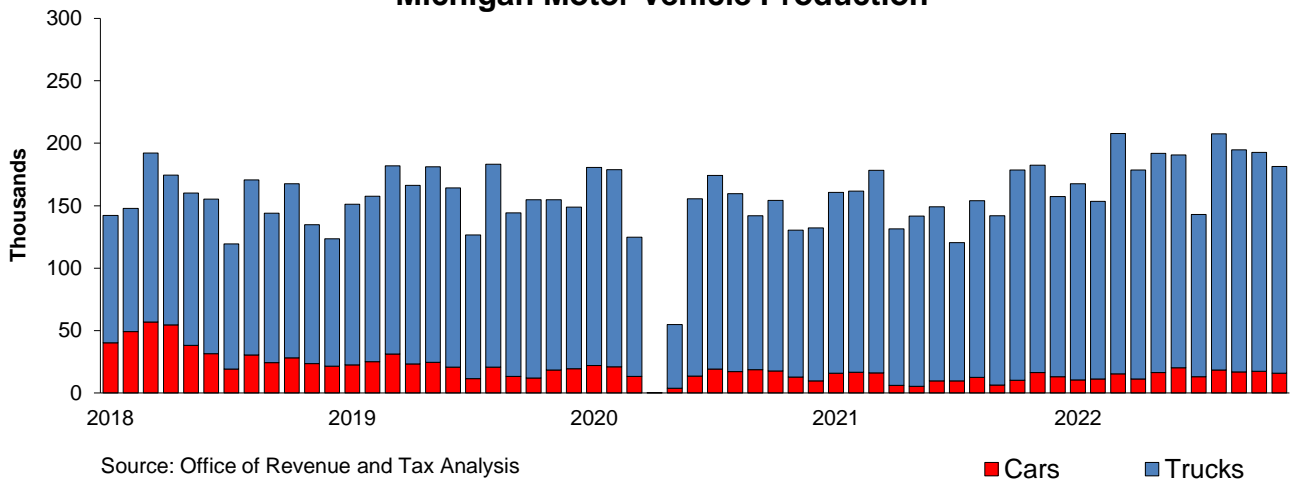
U.S. light vehicle sales (cars and light trucks) declined by 6.6 percent in November from October, selling at a 14.1 million unit seasonally adjusted annual rate, according to the most recent estimates. Domestic car sales declined 5.4 percent while light truck sales declined 8.1 percent from October. Import car sales increased 10.3 percent while import light truck sales declined 6.1 percent from October. Compared to November 2021, light vehicle sales were up 7.6 percent. Domestic car sales increased 9.5 percent while light truck sales increased 5.5 percent from the year ago levels. November import car sales were up 20.4 percent and import light truck sales were up 12.7 percent from last year. Domestic light vehicles recorded a 79.4 percent share of November 2022 sales, down 1.0 percentage points from November 2021.

U.S. Light Vehicle Sales



Michigan motor vehicle production declined slightly in November, to 181,372 total units. Michigan's November production was 5.9 percent below October's production and 0.6 percent below the level in November 2021, according to the most recently available data. Nationally, motor vehicle production totaled 875,064 units, which was down 7.7 percent from a year ago. In November, Michigan's car production was 15,756 units while the State's truck production was 165,616 units. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit
Based on the May 20, 2022 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

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

Sources:

Personal Income Estimate

The FY 2020-21 calculation uses the official personal income estimate for calendar year 2019 (Survey of Current Business, October 2020).
The FY 2020-21 calculation uses the official personal income estimate for calendar year 2020 (Survey of Current Business, October 2021).
The FY 2022-23 calculation uses the May 20, 2022 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2020-21 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2021.
The FY 2021-22 calculation uses the May 20, 2022 Consensus Revenue Agreement.
The FY 2022-23 calculation uses the May 20, 2022 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

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