



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

November 27, 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 October 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 2025
Projected Revenues and Expenditures
October 31, 2024
(\$ in millions)

| | FISCAL 2025 |
|---------------------------------------|------------------------|
| Beginning Balance | \$ 1,901.7 |
| Revenues | |
| Ongoing: | |
| May 2024 Consensus Revenue | \$ 14,257.8 |
| Local Government Program Payments | \$ (552.2) |
| Public Safety Trust Fund | \$ (75.0) |
| Revenue Sharing Trust Fund | \$ (75.0) |
| Subtotal Ongoing Revenue | \$ 13,555.6 |
| One-Time: | |
| One-time Revenue Adjustments | \$ 51.9 |
| Subtotal One-Time Revenue | \$ 51.9 |
| Total Revenue | \$ 13,607.5 |
| Expenditures | |
| Ongoing: | |
| Public Acts 120 and 121 of 2024 | \$ 13,605.7 |
| Community District Trust Fund | \$ 70.2 |
| Subtotal Ongoing Expenditures | \$ 13,675.9 |
| One-Time: | |
| Public Acts 120 and 121 of 2024 | \$ 1,269.8 |
| Subtotal One-Time Expenditures | \$ 1,269.8 |
| Total Expenditures | \$ 14,945.7 |
| Ending Balance | \$ 563.5 |

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2024. Final year-end activity will be reflected in the fiscal year 2024 Annual Comprehensive Financial Report.

SCHOOL AID FUND
Fiscal Year 2025
Projected Revenues and Expenditures
October 31, 2024
(\$ in millions)

| | FISCAL 2025 |
|--|------------------------------|
| Beginning Balance | \$ 404.3 ¹ |
| Revenues | |
| Ongoing: | |
| May 2024 Consensus Forecast | \$ 18,146.9 |
| General Fund | \$ 50.0 |
| Community District Trust Fund | \$ 41.0 |
| Federal Revenue | \$ 2,272.8 |
| Subtotal Ongoing Revenue | \$ 20,510.7 |
| One-Time: | |
| General Fund | \$ 28.9 |
| General Fund - Community District Trust Fund Revenue Deposit | \$ 70.2 |
| Enrollment Stability Reserve Fund - Public Act 120 of 2024 | \$ 71.0 |
| MPSERS Reserve Fund - Public Act 120 of 2024 | \$ 334.1 |
| Transportation Reserve Fund - Public Act 120 of 2024 | \$ 125.0 |
| School Meals Reserve Fund - Public Act 120 of 2024 | \$ 30.0 |
| GSRP Reserve Fund - Public Act 120 of 2024 | \$ 18.0 |
| Educator Fellowship Fund - Public Act 120 of 2024 | \$ 30.0 |
| Revenue Deposits - Sec. 11z - Public Act 120 of 2024 | \$ (25.0) |
| Work Project Lapse - September 25, 2024 | \$ 107.1 |
| Subtotal One-Time Revenue | \$ 789.2 |
| Total Revenue | \$ 21,299.9 |
| Expenditures | |
| Ongoing: | |
| School Aid - Public Act 120 of 2024 | \$ 19,460.4 |
| Community Colleges - Public Act 120 of 2024 | \$ 456.7 |
| Universities - Public Act 120 of 2024 | \$ 451.7 |
| Subtotal Ongoing Expenditures | \$ 20,368.7 |
| One-Time: | |
| School Aid - Public Act 120 of 2024 | \$ 1,183.9 |
| School Aid - Public Act 148 of 2024 | \$ 126.0 |
| Community Colleges - Public Act 120 of 2024 | \$ 5.1 |
| Universities - Public Act 120 of 2024 | \$ 10.0 |
| Subtotal One-Time Expenditures | \$ 1,325.0 |
| Total Expenditures | \$ 21,693.7 |
| Ending Balance | \$ 10.5 |

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2024. Final year-end activity will be reflected in the fiscal year 2024 Annual Comprehensive Financial Report.

² Legislation will be effective the 91st day after the final adjournment of the 2024 Regular Session.

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

October 31, 2024

(\$ in millions)

Fiscal Year 2024

Fiscal Year 2025

| Expenditures & Encumbrances Year to Date FY 2024 | Expenditures & Encumbrances Fiscal Year End SEP 30, 2024 | 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 2025 |
|--|--|--|----------------------------|--|---|---------------------|--|
| 7.4 | 172.4 | Agriculture and Rural Development | 156.9 | 0.0 | 116.0 | 272.9 | 7.2 |
| 7.9 | 131.6 | Attorney General | 127.3 | 0.0 | 33.7 | 161.0 | 9.3 |
| 9.1 | 705.0 | Capital Outlay (3) | 523.8 | 0.0 | 3,502.0 | 4,025.8 | 82.7 |
| 1.3 | 23.4 | Civil Rights | 29.2 | 0.0 | 7.4 | 36.6 | 1.7 |
| 125.2 | 1,988.2 | Colleges and Universities | 2,193.1 | 0.0 | 180.8 | 2,373.9 | 127.0 |
| 352.2 | 2,074.3 | Corrections | 2,137.2 | 0.0 | 554.6 | 2,691.8 | 314.2 |
| 57.4 | 813.9 | Education | 232.3 | 0.0 | 821.3 | 1,053.6 | 31.5 |
| 43.1 | 1,555.5 | Environment, Great Lakes, and Energy | 976.8 | 0.0 | 3,711.1 | 4,687.9 | 59.8 |
| 1.1 | 9.3 | Executive Office | 9.3 | 0.0 | 0.0 | 9.3 | 1.1 |
| 2,934.7 | 34,726.9 | Health and Human Services | 37,582.3 | 0.0 | 4,612.8 | 42,195.1 | 3,629.9 |
| 11.3 | 72.6 | Insurance and Financial Service | 78.6 | 0.0 | 0.0 | 78.6 | 6.6 |
| 15.5 | 309.6 | Judiciary | 373.4 | 0.0 | 166.1 | 539.6 | 23.2 |
| 74.2 | 2,036.1 | Labor and Economic Opportunity | 1,141.2 | 553.5 | 4,295.7 | 5,990.5 | 52.1 |
| 2.2 | 27.9 | Legislative Auditor General | 31.2 | 0.0 | 14.2 | 45.5 | 2.1 |
| 14.3 | 186.3 | Legislature | 196.7 | 0.0 | 206.5 | 403.2 | 14.5 |
| 46.8 | 573.0 | Licensing and Regulatory Affairs | 608.4 | 85.9 | 129.7 | 824.0 | 79.4 |
| 0.0 | 1.4 | Lifelong Education, Advancement, and Potential | 654.3 | 0.0 | 0.0 | 654.3 | 42.9 |
| 0.0 | 0.0 | Marshall Plan for Talent | 0.0 | 0.0 | 30.3 | 30.3 | 0.0 |
| 413.8 | 615.5 | Michigan Strategic Fund | 251.6 | 0.0 | 0.0 | 251.6 | 198.3 |
| 37.8 | 38.7 | Michigan Veterans' Facility Authority | 47.0 | 0.0 | 0.0 | 47.0 | 47.0 |
| 36.8 | 123.9 | Military and Veterans Affairs | 120.9 | 15.5 | 7.2 | 143.6 | 23.0 |
| 9.4 | 215.2 | Natural Resources | 161.7 | 0.0 | 66.7 | 228.3 | 9.2 |
| 21.9 | 283.0 | State | 291.8 | 10.2 | 112.9 | 414.9 | 29.9 |
| 0.0 | 2.0 | State Land Bank Authority | 2.0 | 0.0 | 0.0 | 2.0 | 0.0 |
| 97.7 | 983.7 | State Police | 951.2 | 99.9 | 835.4 | 1,886.5 | 76.1 |
| 82.3 | 970.4 | Technology, Management and Budget (4) | 542.9 | 1,290.0 | 747.7 | 2,580.6 | 39.7 |
| 16.0 | 71.5 | Transportation | 36.6 | 552.0 | 54.3 | 642.9 | 3.5 |
| 431.8 | 2,680.9 | Treasury | 2,604.5 | 79.4 | 468.5 | 3,152.4 | 446.0 |
| \$4,851.2 | \$51,392.4 | | \$52,062.2 | \$2,686.4 | \$20,675.0 | \$75,423.6 | \$5,357.7 |

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for fiscal year 2024. Entry of these amounts is expected in November and December 2024.

(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 2025
October 31, 2024
(\$ in millions)**

| | INITIAL APPROPRIATIONS | EXEC. ORDER and SUPPLEMENTALS | TOTAL APPROPRIATIONS YEAR-TO-DATE |
|---|-----------------------------------|--|--|
| Payments to local units of government | 24,924.9 | 0.0 | 24,924.9 |
| Total state spending from state resources | 46,818.9 | 0.0 | 46,818.9 |
| Percentage of state spending from state resources paid to local units | 53.24% | 0.00% | 53.24% |
| Required payments to local units (48.97%) | 22,927.2 | 0.0 | 22,927.2 |
| Surplus/(deficit) | \$1,997.7 | \$0.0 | \$1,997.7 |

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

ASSETS

| | | |
|-----------------------|----|-----------|
| Current Assets: | | |
| Equity in common cash | \$ | 1,996,518 |
| Total Assets | \$ | 1,996,518 |

LIABILITIES

| | | |
|---------------------------|----|---|
| Current Liabilities: | | |
| Total Current Liabilities | \$ | - |
| Total Liabilities | | - |

FUND BALANCES

| | | |
|-------------------------------------|----|-----------|
| Committed | | 1,996,518 |
| Total Fund Balances | | 1,996,518 |
| Total Liabilities and Fund Balances | \$ | 1,996,518 |

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

October 31, 2024

(\$ in thousands)

ASSETS

Current Assets:

| | |
|-----------------------|---------------|
| Equity in common cash | \$ 51,518 |
| Investments | - |
| Other current assets | - |
| Total Current Assets | <u>51,518</u> |

Noncurrent Assets:

| | |
|-------------|----------------|
| Investments | <u>773,684</u> |
|-------------|----------------|

| | |
|--------------|--------------------------|
| Total Assets | <u><u>\$ 825,203</u></u> |
|--------------|--------------------------|

LIABILITIES

Current Liabilities:

| | |
|--|--------------|
| Accounts payable and other liabilities | \$ 8,822 |
| Amounts due to other funds | 8 |
| Total Current Liabilities | <u>8,830</u> |

| | |
|-------------------|--------------|
| Total Liabilities | <u>8,830</u> |
|-------------------|--------------|

FUND BALANCES

| | |
|--------------|----------------|
| Nonspendable | 500,000 |
| Restricted | <u>316,372</u> |

| | |
|---------------------|----------------|
| Total Fund Balances | <u>816,372</u> |
|---------------------|----------------|

| | |
|-------------------------------------|--------------------------|
| Total Liabilities and Fund Balances | <u><u>\$ 825,203</u></u> |
|-------------------------------------|--------------------------|

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

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

REVENUES

| | | |
|---------------------------|----|-------|
| Taxes | \$ | - |
| From federal agencies | | - |
| From licenses and permits | | - |
| Miscellaneous | | 1,366 |
| | | 1,366 |
| Total Revenues | | 1,366 |

EXPENDITURES

| | | |
|---|--|-------|
| Current: | | |
| General government | | - |
| Conservation, environment, recreation, and agriculture | | 85 |
| Capital outlay | | 1 |
| | | 85 |
| Total Expenditures | | 85 |
| Excess of Revenues over (under) Expenditures | | 1,280 |

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 | \$ | 1,280 ¹ |

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

REVENUE OVERVIEW

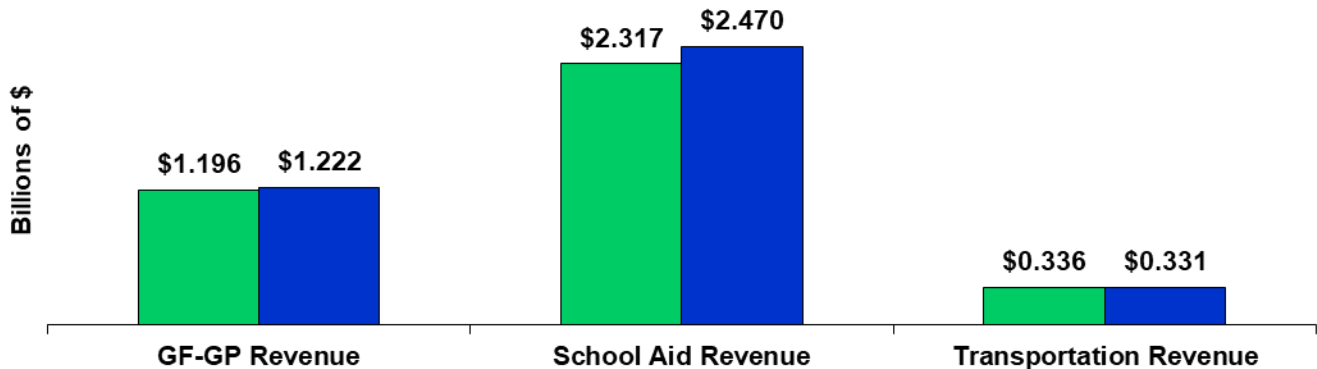
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose (GF-GP) cash collections were \$25.6 million (2.1 percent) higher in October 2024 than in October 2023. The October 2024 School Aid Fund cash collections were \$153.5 million (6.6 percent) higher than in October 2023. October 2024 transportation collections were \$4.9 million (1.5 percent) lower than in October 2023 (see revenue summary table). October is the first 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. However, current year-to-date cash collections for GF-GP revenue reflect the processing of increased Income Tax Refunds due to the retroactive processing of Earned Income Tax Credits. Year-to-date GF-GP cash collections are up \$25.6 million (2.1 percent) from a year ago. School Aid Fund cash collections are up \$153.5 million (6.6 percent) and transportation collections are down \$4.9 million (1.5 percent).

The FY 2024-25 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 2024-25 is \$14,257.8 million and the net School Aid revenue forecast is \$18,146.9 million. The Transportation Funds revenue forecast is \$4,326.6 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

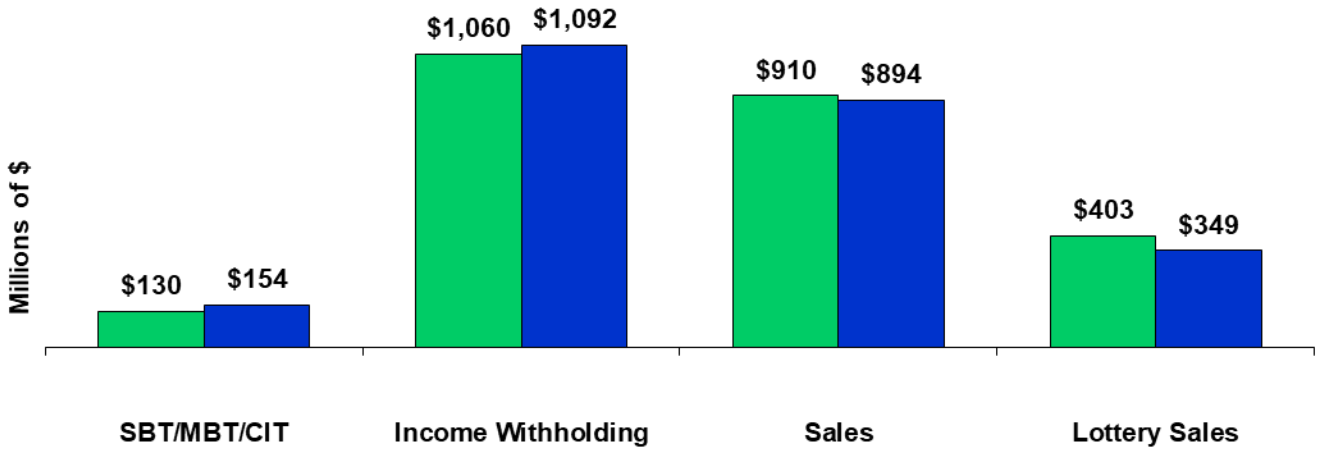
October Collections FY 2023-24 and FY 2024-25



Source: Office of Revenue and Tax Analysis

■ FY 2023-24 ■ FY 2024-25

October Revenue Collections FY 2023-24 and FY 2024-25



Source: Office of Revenue and Tax Analysis

■ FY 2023-24 ■ FY 2024-25

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: October 31, 2024

| Month-End Cash Collections Data | | | | October Cash Collections Data | | | | Revenue Projections | | | |
|---------------------------------|-------------|------------|---------|---------------------------------------|--------------|-------------|------------|---------------------|-------------------|--------------------|-------------------|
| October | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2023-24 | FY 2024-25 | FY 2024-25 |
| 2023 | 2024 | Amount | Percent | | FY 2023-24 | FY 2024-25 | Amount | Percent | May 2024 Forecast | Statutory Estimate | May 2024 Forecast |
| Income Taxes | | | | | | | | | | | |
| \$1,060,339 | \$1,092,286 | \$31,947 | 3.0% | Withholding | \$1,060,339 | \$1,092,286 | \$31,947 | 3.0% | \$12,581,900 | \$12,997,800 | \$12,997,800 |
| 31,220 | 32,546 | 1,327 | 4.2% | Quarterlies | 31,220 | 32,546 | 1,327 | 4.2% | 999,000 | 1,010,700 | 1,010,700 |
| (21,305) | (54,933) | (33,627) | -158.0% | Flow Through Entity Tax | (21,305) | (54,933) | (33,627) | -158.0% | 972,800 | 1,014,800 | 1,014,800 |
| 98,066 | 90,857 | (7,209) | -7.4% | Annuals | 98,066 | 90,857 | (7,209) | -7.4% | 1,152,500 | 1,268,900 | 1,268,900 |
| \$1,168,320 | \$1,160,757 | (\$7,563) | -0.6% | Gross Collections | \$1,168,320 | \$1,160,757 | (\$7,563) | -0.6% | \$15,706,200 | \$16,292,200 | \$16,292,200 |
| 96,201 | 116,008 | 19,808 | 20.6% | Less: Refunds | 96,201 | 116,008 | 19,808 | 20.6% | 3,317,000 | 3,251,700 | 3,251,700 |
| 0 | 0 | 0 | na | Less: State Campaign Fund | 0 | 0 | 0 | na | 800 | 800 | 800 |
| \$1,072,119 | \$1,044,749 | (\$27,370) | -2.6% | Net Personal Income | \$1,072,119 | \$1,044,749 | (\$27,370) | -2.6% | \$12,388,400 | \$13,039,700 | \$13,039,700 |
| 50,000 | 50,000 | 0 | 0.0% | Less: Disbursements to MTF | 50,000 | 50,000 | 0 | 0.0% | 600,000 | 600,000 | 600,000 |
| 5,750 | 5,750 | 0 | 0.0% | Less: Disburse to Renew Michigan/GJFM | 5,750 | 5,750 | 0 | 0.0% | 69,000 | 69,000 | 69,000 |
| 278,180 | 276,371 | (1,809) | -0.7% | Less: Disbursements to SAF | 278,180 | 276,371 | (1,809) | -0.7% | 3,785,700 | 3,922,500 | 3,922,500 |
| \$738,189 | \$712,628 | (\$25,561) | -3.5% | Net Personal Income To GF-GP | \$738,189 | \$712,628 | (\$25,561) | -3.5% | \$7,933,700 | \$8,448,200 | \$8,448,200 |
| Consumption Taxes | | | | | | | | | | | |
| \$151,231 | \$139,519 | (\$11,713) | -7.7% | Sales (a) | \$151,231 | \$139,519 | (\$11,713) | -7.7% | \$1,566,200 | \$1,609,800 | \$1,609,800 |
| 4,572 | 26,658 | 22,085 | 483.0% | Use (a) (h) | 4,572 | 26,658 | 22,085 | 483.0% | 1,280,400 | 1,308,200 | 1,308,200 |
| 12,311 | 10,877 | (1,434) | -11.6% | Tobacco | 12,311 | 10,877 | (1,434) | -11.6% | 137,300 | 134,400 | 134,400 |
| 9,588 | 9,272 | (315) | -3.3% | Beer, Wine & Mixed Spirits | 9,588 | 9,272 | (315) | -3.3% | 46,000 | 47,000 | 47,000 |
| 2,005 | 2,596 | 591 | 29.5% | Liquor Specific | 2,005 | 2,596 | 591 | 29.5% | 65,600 | 66,400 | 66,400 |
| \$179,707 | \$188,921 | \$9,214 | 5.1% | Total Consumption Taxes | \$179,707 | \$188,921 | \$9,214 | 5.1% | \$3,095,500 | \$3,165,800 | \$3,165,800 |
| Other Taxes | | | | | | | | | | | |
| \$5 | \$3 | (\$2) | -36.9% | Single Business | \$5 | \$3 | (\$2) | 36.9% | \$0 | \$0 | \$0 |
| 113,672 | 120,740 | 7,068 | 6.2% | Insurance Premiums Taxes | \$113,672 | 120,740 | 7,068 | 6.2% | 523,000 | 541,300 | 541,300 |
| 113,677 | 120,743 | 7,066 | 6.2% | Sub-total SBT & Insurance | 113,677 | 120,743 | 7,066 | 6.2% | 523,000 | 541,300 | 541,300 |
| 721 | (9,309) | (10,030) | na | Michigan Business Tax | 721 | (9,309) | (10,030) | na | (494,600) | (503,400) | (503,400) |
| 129,472 | 162,878 | 33,406 | 25.8% | Corporate Income Tax | 129,472 | 162,878 | 33,406 | 25.8% | 1,625,000 | 1,598,300 | 1,598,300 |
| 0 | 5,078 | 5,078 | na | Telephone & Telegraph | 0 | 5,078 | 5,078 | na | 34,000 | 33,000 | 33,000 |
| 2,639 | 1,666 | (974) | -36.9% | Oil & Gas Severance | 2,639 | 1,666 | (974) | -36.9% | 27,000 | 28,000 | 28,000 |
| 8,319 | 7,858 | (461) | -5.5% | Penalties & Interest | 8,319 | 7,858 | (461) | -5.5% | 143,000 | 147,000 | 147,000 |
| 242 | 552 | 310 | 128.0% | Essential Services Assessment | 242 | 552 | 310 | 128.0% | 150,000 | 159,000 | 159,000 |
| 84 | 26 | (58) | -68.9% | Miscellaneous Other/Railroad | 84 | 26 | (58) | -68.9% | 15,000 | 15,000 | 15,000 |
| (12,917) | (12,583) | 333 | 2.6% | Treasury Enforcement Programs (e) | (12,917) | (12,583) | 333 | 2.6% | (151,000) | (152,000) | (152,000) |
| \$242,237 | \$276,908 | \$34,671 | 14.3% | Total Other Taxes | \$242,237 | \$276,908 | \$34,671 | 14.3% | \$1,871,400 | \$1,866,200 | \$1,866,200 |
| \$1,160,133 | \$1,178,457 | \$18,324 | 1.6% | Subtotal GF-GP Taxes | \$1,160,133 | \$1,178,457 | \$18,324 | 1.6% | \$12,900,600 | \$13,480,200 | \$13,480,200 |

continued

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: October 31, 2024

| Month-End Cash Collections Data | | | | October Cash Collections Data | | | | Revenue Projections | | | |
|-----------------------------------|--------------------|------------------|--------------|-------------------------------------|--------------------|--------------------|------------------|---------------------|---------------------|---------------------|---------------------|
| October | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2023-24 | FY 2024-25 | FY 2024-25 |
| 2023 | 2024 | Amount | Percent | | FY 2023-24 | FY 2024-25 | Amount | Percent | May 2024 Forecast | Statutory Estimate | May 2024 Forecast |
| Non-Tax Revenue (e) | | | | | | | | | | | |
| \$833 | \$833 | \$0 | 0.0% | Federal Aid | \$833 | \$833 | \$0 | 0.0% | \$10,000 | \$10,000 | \$10,000 |
| 8 | 8 | 0 | 0.0% | Local Agencies | 8 | 8 | 0 | 0.0% | 100 | 100 | 100 |
| 583 | 583 | 0 | 0.0% | Services | 583 | 583 | 0 | 0.0% | 7,000 | 7,000 | 7,000 |
| 1,167 | 1,167 | 0 | 0.0% | Licenses & Permits | 1,167 | 1,167 | 0 | 0.0% | 14,000 | 14,000 | 14,000 |
| 0 | 0 | 0 | na | Investments/Interest Costs | 0 | 0 | 0 | na | 550,000 | 285,000 | 285,000 |
| 833 | 833 | 0 | 0.0% | Misc. Non-tax Revenue | 833 | 833 | 0 | 0.0% | 35,000 | 35,000 | 35,000 |
| 25,000 | 28,750 | 3,750 | 15.0% | Liquor Purchase Revolving Fund | 25,000 | 28,750 | 3,750 | 15.0% | 298,100 | 292,500 | 292,500 |
| 7,500 | 11,000 | 3,500 | 46.7% | From Other Funds-Lottery & Escheats | 7,500 | 11,000 | 3,500 | 46.7% | 134,000 | 134,000 | 134,000 |
| <u>\$35,925</u> | <u>\$43,175</u> | <u>\$7,250</u> | <u>20.2%</u> | Total Non-Tax Revenue | <u>\$35,925</u> | <u>\$43,175</u> | <u>\$7,250</u> | <u>20.2%</u> | <u>\$1,048,200</u> | <u>\$777,600</u> | <u>\$777,600</u> |
| \$1,196,058 | \$1,221,632 | \$25,574 | 2.1% | Total GF-GP Revenue | \$1,196,058 | \$1,221,632 | \$25,574 | 2.1% | \$13,948,800 | \$14,257,800 | \$14,257,800 |
| School Aid Fund | | | | | | | | | | | |
| \$390,529 | \$363,443 | (\$27,086) | -6.9% | Sales Tax 4% | \$390,529 | \$363,443 | (\$27,086) | -6.9% | \$4,307,100 | \$4,347,900 | \$4,347,900 |
| 259,590 | 288,084 | 28,494 | 11.0% | Sales Tax 2% | 259,590 | 288,084 | 28,494 | 11.0% | 3,375,800 | 3,409,600 | 3,409,600 |
| 75,252 | 79,476 | 4,224 | 5.6% | Use Tax 2% | 75,252 | 79,476 | 4,224 | 5.6% | 972,900 | 991,400 | 991,400 |
| 1,233,924 | 1,386,946 | 153,022 | 12.4% | State Education Property Tax | 1,233,924 | 1,386,946 | 153,022 | 12.4% | 2,715,000 | 2,812,600 | 2,812,600 |
| 39,936 | 38,092 | (1,844) | -4.6% | Real Estate Transfer Tax | 39,936 | 38,092 | (1,844) | -4.6% | 370,000 | 385,000 | 385,000 |
| 0 | 0 | 0 | na | Lottery Transfer (b) | 0 | 0 | 0 | na | 1,270,000 | 1,270,000 | 1,270,000 |
| 7,429 | 8,967 | 1,538 | 20.7% | Casino Wagering Tax | 7,429 | 8,967 | 1,538 | 20.7% | 479,200 | 499,000 | 499,000 |
| 0 | 0 | 0 | na | Liquor Excise Tax | 0 | 0 | 0 | na | 77,100 | 78,500 | 78,500 |
| 24,993 | 22,081 | (2,912) | -11.6% | Cigarette/Tobacco Tax | 24,993 | 22,081 | (2,912) | -11.6% | 242,100 | 235,700 | 235,700 |
| 6,266 | 6,261 | (5) | -0.1% | Indus. & Comm. Facilities Taxes | 6,266 | 6,261 | (5) | -0.1% | 45,000 | 45,000 | 45,000 |
| 800 | 666 | (134) | -16.8% | Specific Other | 800 | 666 | (134) | -16.8% | 143,600 | 149,700 | 149,700 |
| 278,180 | 276,371 | (1,809) | -0.7% | Income Tax Earmarking | 278,180 | 276,371 | (1,809) | -0.7% | 3,785,700 | 3,922,500 | 3,922,500 |
| <u>\$2,316,899</u> | <u>\$2,470,386</u> | <u>\$153,487</u> | <u>6.6%</u> | Total School Aid Fund | <u>\$2,316,899</u> | <u>\$2,470,386</u> | <u>\$153,487</u> | <u>6.6%</u> | <u>\$17,783,600</u> | <u>\$18,146,900</u> | <u>\$18,146,900</u> |
| Multi-Fund Revenue Summary | | | | | | | | | | | |
| \$910,472 | \$893,822 | (\$16,650) | -1.8% | Sales Tax 6% | \$910,472 | \$893,822 | (\$16,650) | -1.8% | \$10,487,300 | \$10,588,800 | \$10,588,800 |
| 650,881 | 605,738 | (45,143) | -6.9% | Sales Tax 4% (d) | 650,881 | 605,738 | (45,143) | -6.9% | 7,111,500 | 7,179,200 | 7,179,200 |
| 259,590 | 288,084 | 28,494 | 11.0% | Sales Tax 2% | 259,590 | 288,084 | 28,494 | 11.0% | 3,375,800 | 3,409,600 | 3,409,600 |
| 225,756 | 238,427 | 12,671 | 5.6% | Use Tax 6% (g) | 225,756 | 238,427 | 12,671 | 5.6% | 2,815,000 | 2,869,400 | 2,869,400 |
| 52,361 | 52,098 | (263) | -0.5% | Recreational Marihuana | 52,361 | 52,098 | (263) | -0.5% | 330,300 | 347,700 | 347,700 |
| 61,864 | 54,657 | (7,207) | -11.6% | Tobacco Taxes | 61,864 | 54,657 | (7,207) | -11.6% | 691,000 | 676,800 | 676,800 |
| 0 | 0 | 0 | na | Tobacco Settlement | 0 | 0 | 0 | na | na | na | na |

continued

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: October 31, 2024

| Month-End Cash Collections Data | | | | October Cash Collections Data | | | | Revenue Projections | | | |
|--------------------------------------|------------------|-------------------|---------------|--------------------------------------|------------------|------------------|-------------------|---------------------|--------------------|--------------------|--------------------|
| October | | Difference | | Source of Revenue | Year-to-Date | | Difference | | FY 2023-24 | FY 2024-25 | FY 2024-25 |
| 2023 | 2024 | Amount | Percent | | FY 2023-24 | FY 2024-25 | Amount | Percent | May 2024 Forecast | Statutory Estimate | May 2024 Forecast |
| Major Transportation Revenues | | | | | | | | | | | |
| \$27,728 | \$25,584 | (\$2,144) | -7.7% | Diesel Fuel / Motor Carrier Fuel Tax | \$27,728 | \$25,584 | (\$2,144) | -7.7% | \$273,000 | \$279,000 | \$279,000 |
| 120,912 | 109,514 | (11,398) | -9.4% | Gasoline | 120,912 | 109,514 | (11,398) | -9.4% | 1,259,000 | 1,297,000 | 1,297,000 |
| 121,859 | 131,968 | 10,110 | 8.3% | Motor Vehicle Registration | 121,859 | 131,968 | 10,110 | 8.3% | 1,542,000 | 1,585,000 | 1,585,000 |
| 4,418 | 4,000 | (417) | -9.5% | Other Taxes, Fees & Misc. | 4,418 | 4,000 | (417) | -9.5% | 372,757 | 379,471 | 379,471 |
| 11,481 | 10,417 | (1,065) | -9.3% | Comprehensive Transportation (c) | 11,481 | 10,417 | (1,065) | -9.3% | 181,279 | 186,147 | 186,147 |
| 50,000 | 50,000 | 0 | 0.0% | Income Tax Earmarking | 50,000 | 50,000 | 0 | 0.0% | 600,000 | 600,000 | 600,000 |
| <u>\$336,397</u> | <u>\$331,482</u> | <u>(\$4,915)</u> | <u>-1.5%</u> | Total Major Trans. Revenues | <u>\$336,397</u> | <u>\$331,482</u> | <u>(\$4,915)</u> | <u>-1.5%</u> | <u>\$4,228,036</u> | <u>\$4,326,618</u> | <u>\$4,326,618</u> |
| Lottery Sales By Games | | | | | | | | | | | |
| \$198,142 | \$183,111 | (\$15,030) | -7.6% | Instant Games (f) | \$198,142 | \$183,111 | (\$15,030) | -7.6% | na | na | na |
| 76,057 | 73,841 | (2,216) | -2.9% | Daily Games | 76,057 | 73,841 | (2,216) | -2.9% | na | na | na |
| 66,394 | 29,909 | (36,484) | -55.0% | Lotto and Big Game (f) | 66,394 | 29,909 | (36,484) | -55.0% | na | na | na |
| 598 | 532 | (65) | -11.0% | Keno Game | 598 | 532 | (65) | -11.0% | na | na | na |
| 3,070 | 2,946 | (124) | -4.0% | Lucky For Life | 3,070 | 2,946 | (124) | -4.0% | na | na | na |
| 7,546 | 11,120 | 3,574 | 47.4% | Other (f) | 7,546 | 11,120 | 3,574 | 47.4% | na | na | na |
| 51,060 | 48,029 | (3,031) | -5.9% | Club Games | 51,060 | 48,029 | (3,031) | -5.9% | na | na | na |
| <u>\$402,866</u> | <u>\$349,488</u> | <u>(\$53,377)</u> | <u>-13.2%</u> | Total Lottery Sales | <u>\$402,866</u> | <u>\$349,488</u> | <u>(\$53,377)</u> | <u>-13.2%</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 2024 revenues were \$145.9 million and the year-to date 2025 revenues are \$132.3 million. Per 2014 Public Act 80, the total fiscal year 2024 Local Community Stabilization Share (LCSS) was \$561.7 million and the total fiscal year 2025 LCSS is \$569.8 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2024 LCSS revenues were \$145.9 million and the year-to-date 2025 LCSS revenues are \$132.3 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.

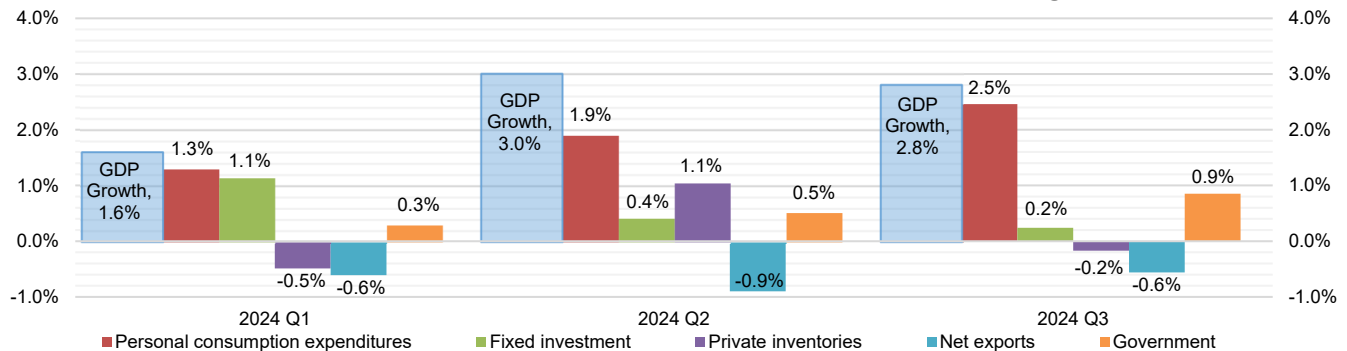
Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 2.8 percent annual rate in the third quarter of 2024, according to the “advance” estimate released by the Bureau of Economic Analysis, down from the 3.0 percent annual rate in the second quarter of 2024. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

Real GDP Growth and Contributions to Percent Change



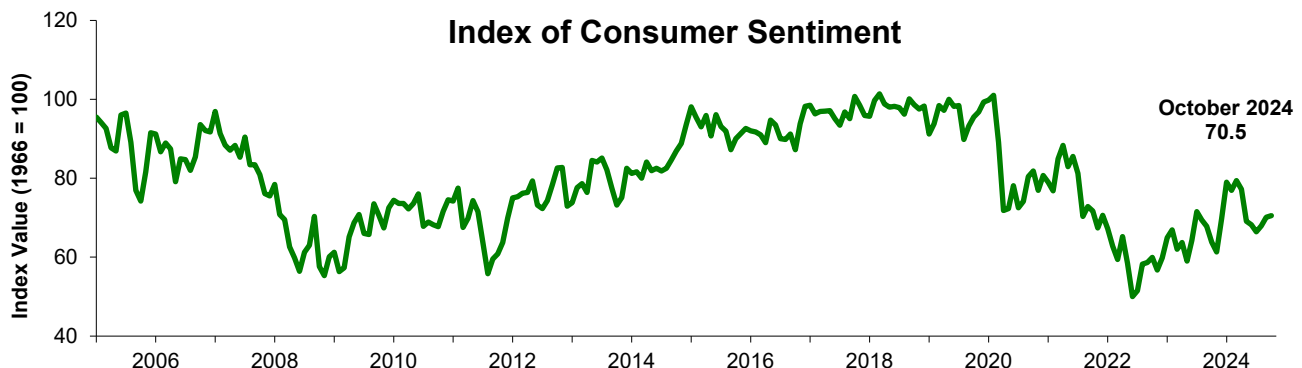
Source: Bureau of Economic Analysis

Personal consumption expenditures and government drove the increase in GDP in the third quarter of 2024, while fixed investment made a smaller contribution. Decline in net exports and private inventories reduced the third quarter GDP growth. Real final sales increased by 3.0 percent in the third quarter, while the implicit price deflator increased by 1.8 percent in the same period.

U.S. wage and salary employment increased by 12,000 jobs in October 2024, with total employment 6.7 million above the February 2020 pre-pandemic level. In October, sectors with the largest increases in employment include private education with a gain of 77,000 jobs, government services with a gain of 67,000 jobs, and leisure and hospitality services with 57,000 additional jobs. Employment decreases in October were observed in the manufacturing sector with a loss of 31,000 jobs, information services sector with a decline of 26,000 jobs, and transportation and warehousing services sector with 9,000 fewer jobs.

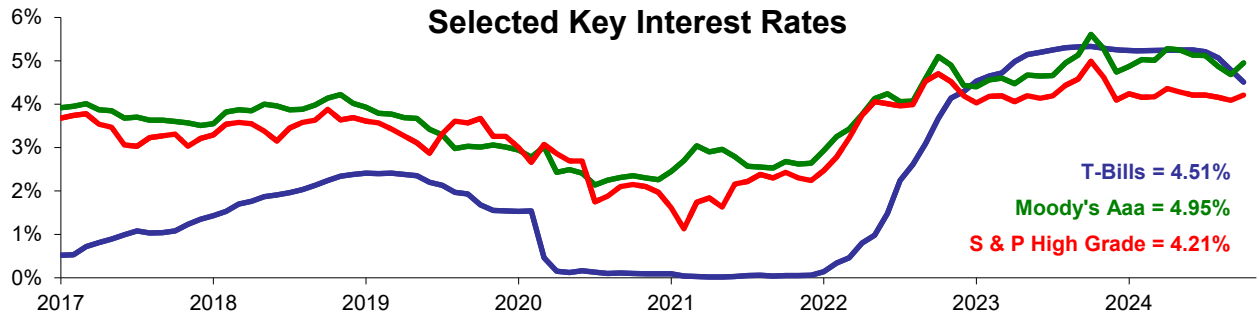
In October, the U.S. unemployment rate remained at 4.1 percent. Civilian employment decreased to 161.5 million, down 368,000 from September. The number unemployed increased 150,000 from September, to 7.0 million in October. The labor force participation rate decreased to 62.6 percent in October, 0.7 percentage points below the pre-pandemic rate in February 2020 of 63.3 percent.

The **Index of Consumer Sentiment** increased to 70.5 index-points in October, up 0.4 index-points from the prior month. Consumer sentiment is 6.7 index-points below the year-ago level.



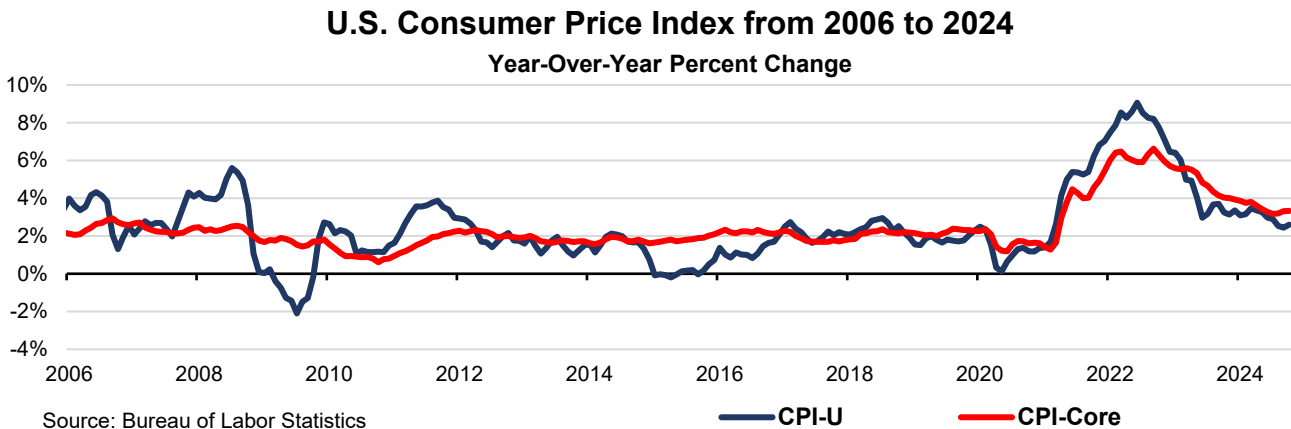
Source: University of Michigan, Survey Research Center

Short-term **interest rates** decreased in October, with a 3-month Treasury bill (T-bill) rate of 4.51 percent. The T-bill rate is 28 basis points (where one basis point equals one-hundredth of one percent) lower than the 4.79 percent rate in October 2023. The Aaa corporate bond rate increased by 27 basis points in October to an interest rate of 4.95 percent, down 66 basis points from a year ago. The interest rate on S&P high-grade municipal bonds increased by 12 basis points in October to an interest rate of 4.21 percent, down 78 basis points from a year ago.



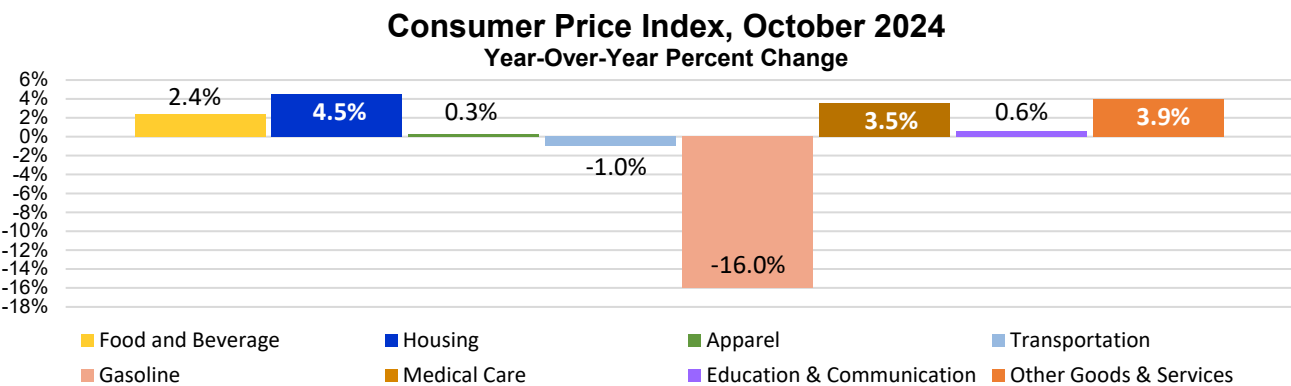
Source: Economic Indicators

U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 2.6 percent from October 2023 to October 2024, a 0.2 percentage points increase from September's 2.4 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 3.3 percent year-over-year in October, unchanged from the prior month's rate. CPI-U and CPI-Core data are not seasonally adjusted.



Source: Bureau of Labor Statistics

Housing exhibited the largest year-over-year price increase at 4.5 percent for October, followed by other goods and services with a 3.9 percent increase, and medical care with a 3.5 percent increase. Gasoline experienced a year-over-year price decline of 16.0 percent in October. These sector data are seasonally adjusted.

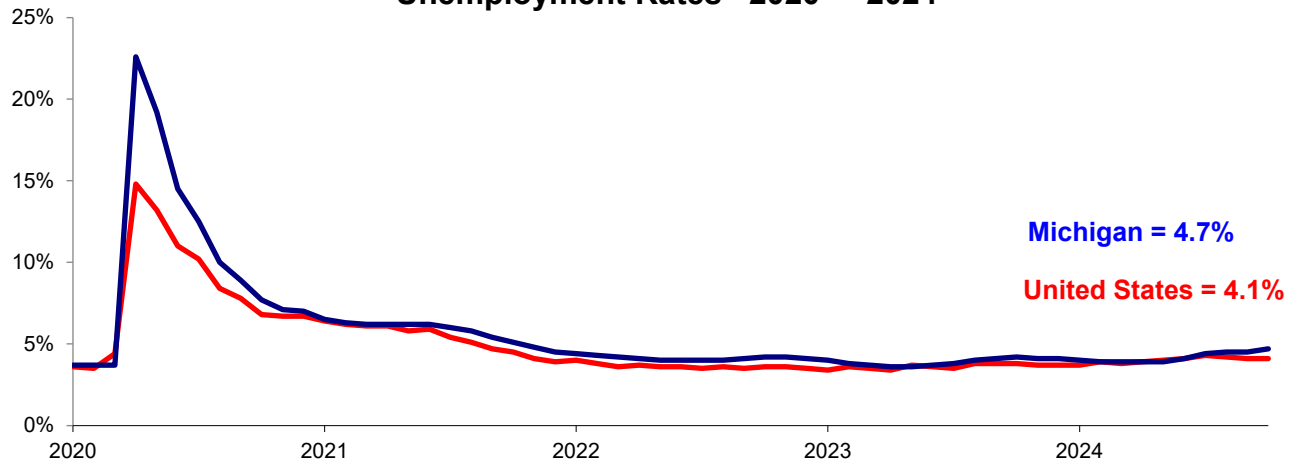


Source: Bureau of Labor Statistics

Michigan Economy

The **Michigan jobless rate** increased from 4.5 percent in September to 4.7 percent in October. The national unemployment rate was 4.1 percent in October, unchanged from September's rate. The number employed in Michigan decreased by 9,000 from September's levels, while the number of unemployed in October increased by 6,000 from the prior month. The number employed is 0.2 percent lower, while the number unemployed is 12.0 percent higher than in October 2023. Michigan's unemployment rate of 4.7 percent is 1.0 percentage points higher than the February 2020 pre-pandemic rate of 3.7 percent.

Unemployment Rates 2020 - 2024

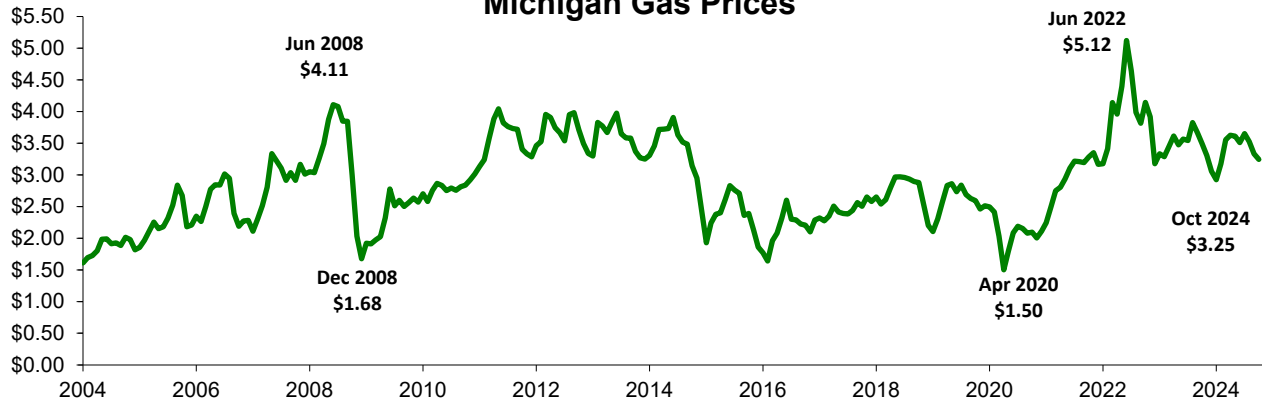


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

Michigan wage and salary employment decreased by 1,000 jobs from September to a total of 4.5 million jobs in October. Compared to last year, employment in October was up 53,000 jobs, or 1.2 percent from October 2023. The sectors with the largest employment increases in October were education and health services with a gain of 3,000 jobs, other services with an increase of 1,200 jobs, and government with 1,000 additional jobs. The sectors with the largest employment decreases in October were leisure and hospitality services with 5,000 jobs lost, professional and business services with a decline of 2,000 jobs, and trade, transportation and utilities with 200 fewer jobs.

Michigan gasoline prices decreased in October to \$3.25 per gallon, 8.7 cents a gallon below last month's average. Year-over-year gasoline prices were 24.9 cents per gallon lower than in October 2023. Diesel prices of \$3.69 per gallon in October decreased by 1.3 cents a gallon from September. Diesel prices were down 64.6 cents per gallon from the October 2023 price of \$4.33 per gallon.

Michigan Gas Prices

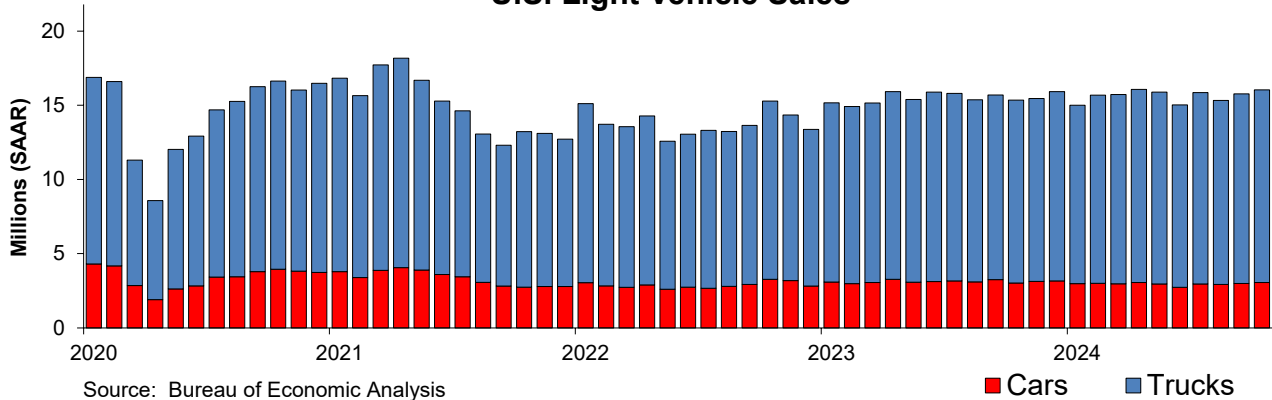


Source: AAA Michigan

Motor Vehicle Sector

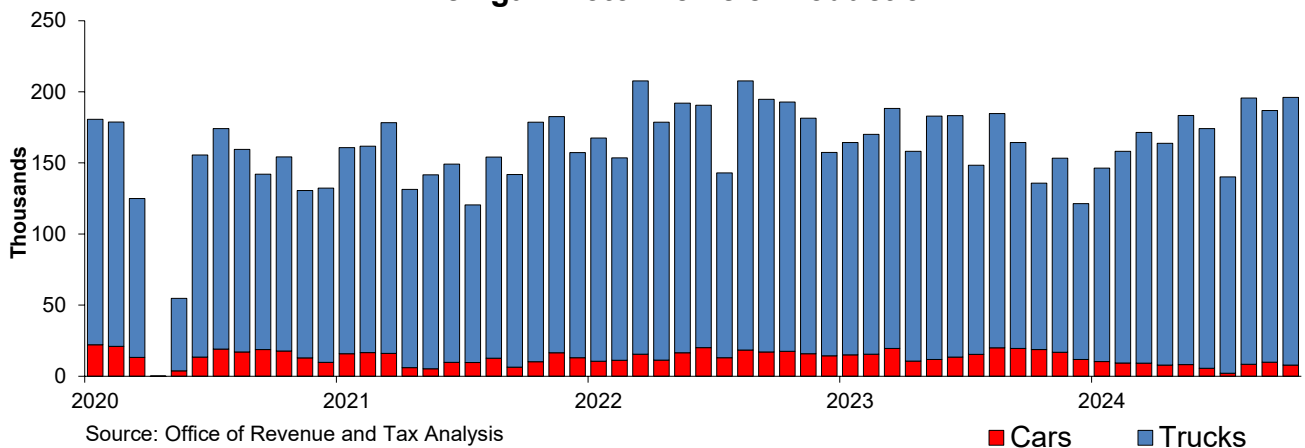
U.S. light vehicle sales (cars and light trucks) increased by 1.7 percent in October from September, selling at a 16.0 million unit seasonally adjusted annual rate. Domestic car sales decreased 2.3 percent while light truck sales increased 2.4 percent from September. Import car sales increased 12.0 percent while import light truck sales decreased 1.6 percent from September. Compared to October 2023, light vehicle sales were up 4.5 percent. Domestic car sales decreased 9.3 percent while light truck sales increased 7.2 percent from the year ago levels. October import car sales increased 27.5 percent while import light truck sales decreased 1.2 percent from last year. Domestic light vehicles recorded a 77.2 percent share of October 2024 sales, down 0.1 percentage points from October 2023.

U.S. Light Vehicle Sales



Michigan motor vehicle production increased in October to 196,066 total units. Michigan's October production was 4.9 percent higher than September's production and 44.4 percent above the level in October 2023. Nationally, motor vehicle production totaled 1,004,284 units, 161,087 units higher than the 843,197 units from a year ago. In October, Michigan's car production was 7,725 units while the State's truck production was 188,341 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 17, 2024 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

| | Fiscal Year 2022-23 Actual | Fiscal Year 2023-24 Estimate | Fiscal Year 2024-25 Estimate |
|--|---|---|---|
| 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 State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2023
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