



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

October 28, 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 September 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 2022
Projected Revenues and Expenditures
September 30, 2022
(\$ in millions)

	FISCAL 2022
Beginning Balance	\$ 4,362.8
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 14,179.7
Local Government Program Payments	\$ (500.3)
Subtotal Ongoing Revenue	\$ 13,679.4
One-Time:	
Miscellaneous Adjustments	\$ (2.6)
Subtotal One-Time Revenue	\$ (2.6)
Total Revenue	\$ 13,676.8
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, 87, 132, and 133 of 2021, and Public Acts 53, 61, 93, 144, and 166 of 2022	\$ 1,294.3
Subtotal One-Time Expenditures	\$ 1,294.3
Total Expenditures	\$ 12,290.7
Ending Balance	\$ 5,748.9

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

	FISCAL 2022
Beginning Balance	\$ 2,922.3
Revenues	
Ongoing:	
May 2022 Consensus Forecast	\$ 17,340.6
General Fund	\$ 37.3
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 1,822.5
Subtotal Ongoing Revenue	\$ 19,272.4
One-Time:	
General Fund	\$ 105.8
Federal Revenue - ARP	\$ 248.1
Other Federal One-Time Grants	\$ 374.7
Infrastructure Fund Deposit - Public Act 144 of 2022	\$ (475.0)
MI Fellowship Scholarship Fund Deposit - Public Act 144 of 2022	\$ (280.0)
Subtotal One-Time Revenue	\$ (26.4)
Total Revenue	\$ 19,246.0
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
School Aid - Public Act 93 of 2022	\$ 37.3
School Aid - Public Act 144 of 2022	\$ 65.3
Community Colleges - Public Act 86 of 2021	\$ 3.2
Universities - Public Act 144 of 2022	\$ 300.0
Subtotal One-Time Expenditures	\$ 1,153.5
Total Expenditures	\$ 18,173.6
Ending Balance	\$ 3,994.8

SUMMARY OF EXPENDITURES AND ENCUMBRANCES

GENERAL FUND - ALL PURPOSE

September 30, 2022

(\$ 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	Total Authorization	Expenditures & Encumbrances Year to Date FY 2022
114.8	118.5	Agriculture and Rural Development	155.6	5.3	35.3	196.2	131.9
95.8	96.8	Attorney General	106.8	6.2	20.7	133.7	91.3
302.6	306.5	Capital Outlay (2)	314.7	893.8	793.6	2,002.1	331.9
14.7	15.6	Civil Rights	17.8	2.0	2.5	22.3	15.4
1,413.6	1,470.9	Colleges and Universities	1,446.3	0.0	110.7	1,557.0	1,414.9
1,872.2	1,939.3	Corrections	2,055.8	2.5	365.3	2,423.5	1,975.4
543.8	571.7	Education	2,214.9	69.6	174.7	2,459.2	1,621.2
584.5	606.6	Environment, Great Lakes, and Energy	630.1	1,973.8	850.8	3,454.7	577.9
7.8	7.8	Executive Office (3)	7.3	0.0	0.1	7.4	8.0
29,286.8	30,300.0	Health and Human Services	31,586.5	3,418.5	2,035.9	37,041.0	30,916.3
61.7	83.8	Insurance and Financial Service	73.0	1.6	25.0	99.6	69.9
241.8	272.2	Judiciary	320.5	7.3	7.7	335.5	253.6
722.9	966.6	Labor and Economic Opportunity	877.2	2,085.5	3,414.9	6,377.6	2,463.0
24.8	25.6	Legislative Auditor General	27.1	0.0	7.2	34.3	25.9
155.8	160.5	Legislature	183.2	2.2	129.1	314.5	175.9
386.4	375.5	Licensing and Regulatory Affairs	484.2	84.7	95.1	663.9	334.9
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
178.8	178.7	Michigan Strategic Fund	323.3	84.0	0.0	407.3	395.9
67.4	42.5	Michigan Veterans' Facility Authority	35.5	0.3	0.0	35.8	35.8
112.3	119.9	Military and Veterans Affairs	104.5	17.3	10.1	131.9	122.2
125.2	120.2	Natural Resources	141.7	5.7	62.3	209.7	126.7
239.1	251.3	State	252.2	12.7	88.8	353.6	236.1
0.0	0.0	State Land Bank Authority	0.0	1.1	0.0	1.1	0.0
708.3	1,281.3	State Police	828.6	442.9	592.6	1,864.1	796.5
588.2	1,329.1	Technology, Management and Budget (4)	503.4	238.7	453.7	1,195.9	653.8
2.6	9.8	Transportation	0.0	47.0	29.5	76.5	2.2
2,379.1	4,189.6	Treasury	2,098.6	1,294.2	245.9	3,638.7	2,789.4
\$40,231.1	\$44,840.3		\$44,788.9	\$10,696.7	\$9,581.7	\$65,067.2	\$45,565.7

(1) Includes boilerplate appropriations.

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

(3) Reimbursement of expenditures from other departments is expected to occur during the fiscal year-end closing process.

(4) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2022
September 30, 2022
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	20,443.9	(267.6)	20,176.3
Total state spending from state resources	37,930.7	421.8	38,352.5
Percentage of state spending from state resources paid to local units	53.90%	-63.44%	52.61%
Required payments to local units (48.97%)	18,574.7	206.6	18,781.2
Surplus/(deficit)	\$1,869.2	(\$474.2)	\$1,395.1

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

ASSETS

Current Assets:

Equity in common cash	\$ 1,582,473
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Total Assets	<u>\$ 1,582,473</u>
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LIABILITIES

Current Liabilities:

Total Current Liabilities	<u>\$ -</u>
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Total Liabilities	<u>-</u>
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FUND BALANCES

Committed	<u>1,582,473</u>
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Total Fund Balances	<u>1,582,473</u>
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Total Liabilities and Fund Balances	<u>\$ 1,582,473</u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2021 through September 30, 2022
(\$ in thousands)

REVENUES

Miscellaneous	\$ 20,387
	<hr/>
Total Revenues	20,387
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EXPENDITURES

Current:	
General government	263
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Total Expenditures	263
	<hr/>
Excess of Revenues over (under)	
Expenditures	20,124
	<hr/>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	180,000
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	180,000
	<hr/>
Excess of Revenues and Other Sources	
over (under) Expenditures and	
Other Uses	\$ 200,124 ¹
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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
September 30, 2022
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 50,043
Investments	-
Other current assets	1,281
Total Current Assets	<u>51,324</u>
Noncurrent Assets:	
Investments	<u>694,080</u>
Total Assets	<u><u>\$ 745,405</u></u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 7,807
Amounts due to other funds	-
Total Current Liabilities	<u>7,807</u>
Total Liabilities	<u>7,807</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>237,598</u>
Total Fund Balances	<u>737,598</u>
Total Liabilities and Fund Balances	<u><u>\$ 745,405</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
October 1, 2021 through September 30, 2022
(\$ in thousands)

REVENUES

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	<u>(36,157)</u>
Total Revenues	<u>(36,157)</u>

EXPENDITURES

Current:	
General government	2,911
Conservation, environment, recreation, and agriculture	16,600
Capital outlay	<u>3,619</u>
Total Expenditures	<u>23,130</u>
Excess of Revenues over (under) Expenditures	<u>(59,287)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues	-
Proceeds from sale of capital assets	240
Transfers from other funds	-
Transfers to other funds	<u>(25)</u>
Total Other Financing Sources (Uses)	<u>215</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u><u>\$ (59,072)</u></u> ¹

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

REVENUE OVERVIEW

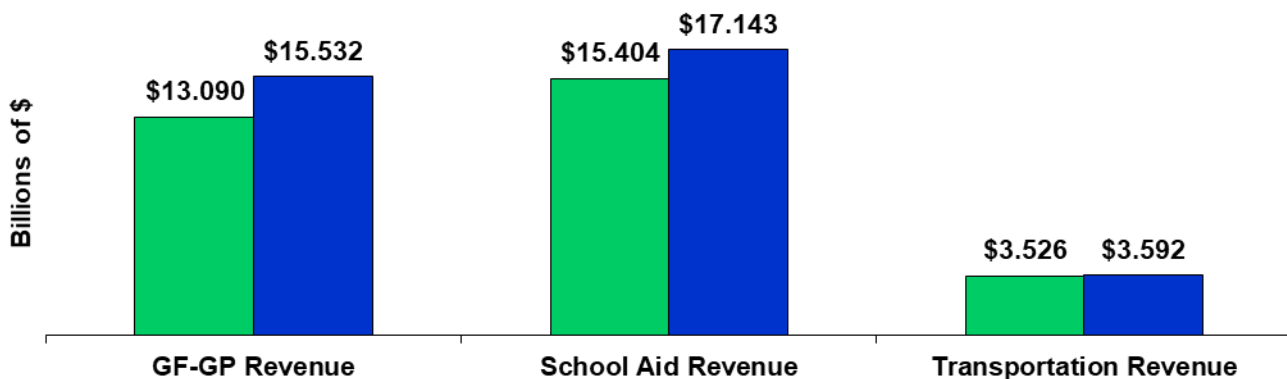
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose cash collections were \$247.0 million (16.9 percent) higher in September 2022 than in September 2021. The September 2022 School Aid Fund cash collections were \$195.3 million (11.8 percent) higher than in September 2021. September 2022 transportation collections were \$1.8 million (0.6 percent) higher than in September 2021 (see revenue summary table). September is the twelfth month of the State's fiscal year (FY). Year-to-date General Fund - General Purpose cash collections are up \$2,441.5 million (18.7 percent) from a year ago. School Aid Fund cash collections are up \$1,739.1 million (11.3 percent) and transportation collections are up \$66.4 million (1.9 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 20, 2022. The revenue estimate for net General Fund – General Purpose revenue for FY 2021-22 is \$14,179.7 million and the net School Aid revenue forecast is \$17,340.6 million. The Transportation Funds revenue forecast is \$3,866.4 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

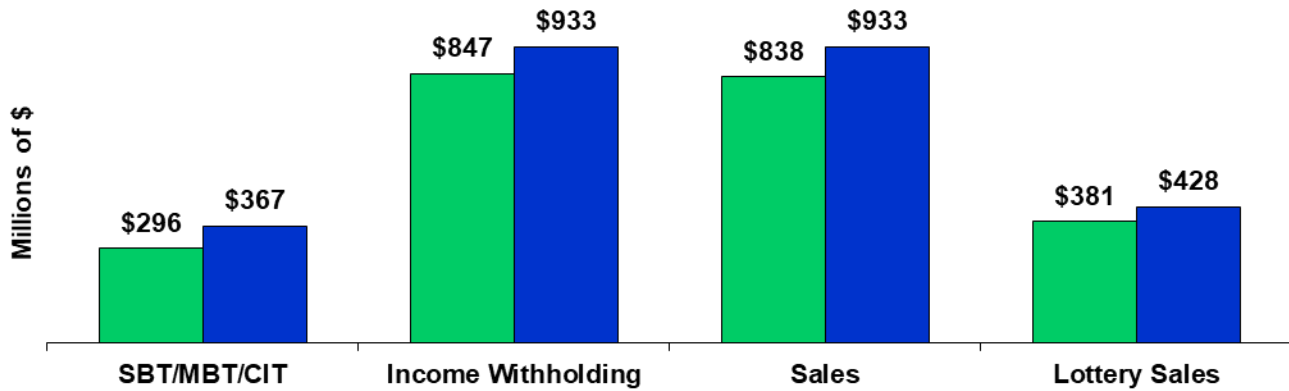
October through September Collections FY 2020-21 and FY 2021-22



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

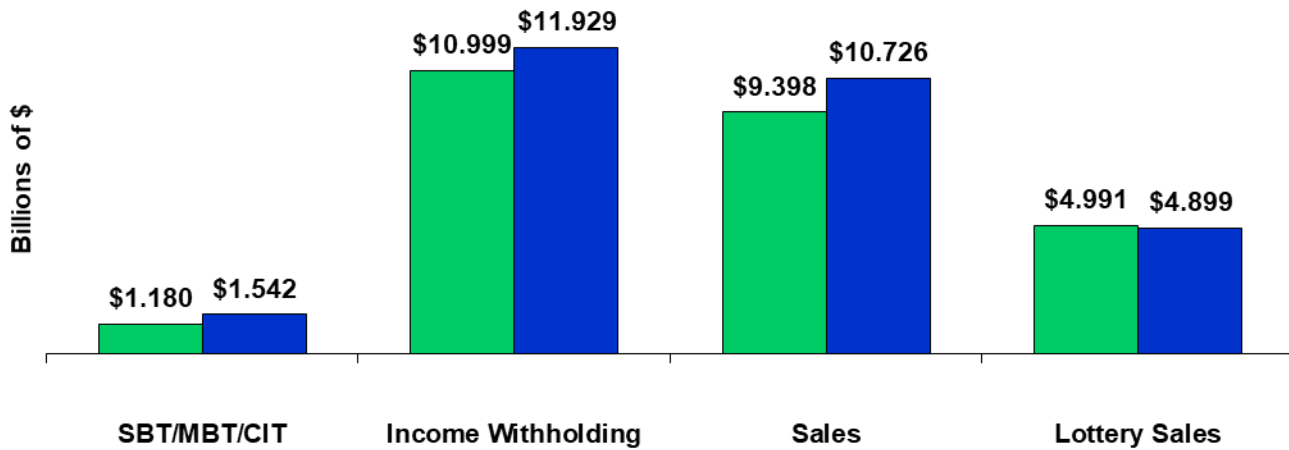
September Revenue Collections FY 2020-21 and FY 2021-22



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

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



Source: Office of Revenue and Tax Analysis

■ FY 2020-21 ■ FY 2021-22

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

For The Month Ended: September 30, 2022

Month-End Cash Collections Data				October Through September Cash Collections Data					Revenue Projections		
September		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ^(f)	Statutory Estimate	May 2022 Forecast
Income Taxes (j)											
\$846,619	\$932,595	\$85,976	10.2%	Withholding	\$10,999,221	\$11,928,560	\$929,339	8.4%	\$11,050,800	\$11,182,000	\$11,954,500
402,663	298,492	(104,171)	-25.9%	Quarterlies	1,711,037	1,378,540	(332,497)	-19.4%	1,706,000	1,331,500	983,900
0	244,225	244,225	na	Flow Through Entity Tax	0	1,899,486	1,899,486	na	na	na	2,048,800
36,125	43,141	7,016	19.4%	Annuals	1,789,786	1,814,752	24,966	1.4%	1,781,600	1,118,100	1,740,000
\$1,285,407	\$1,518,453	\$233,046	18.1%	Gross Collections	\$14,500,044	\$17,021,337	\$2,521,293	17.4%	\$14,538,400	\$13,631,600	\$16,727,200
94,949	75,477	(19,472)	-20.5%	Less: Refunds	2,486,173	2,480,054	(6,119)	-0.2%	2,696,900	2,427,300	3,244,200
0	0	0	na	Less: State Campaign Fund	0	0	0	na	600	800	800
\$1,190,458	\$1,442,976	\$252,519	21.2%	Net Personal Income	\$12,013,872	\$14,541,283	\$2,527,412	21.0%	\$11,840,900	\$11,203,500	\$13,482,200
50,000	50,000	0	0.0%	Less: Disbursements to MTF	600,000	600,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	69,000	69,000	0	0.0%	69,000	69,000	69,000
299,238	353,521	54,282	18.1%	Less: Disbursements to SAF	3,375,546	4,026,408	650,862	19.3%	3,458,300	3,245,400	3,982,500
\$835,470	\$1,033,706	\$198,236	23.7%	Net Personal Income To GF-GP	\$7,969,326	\$9,845,875	\$1,876,549	23.5%	\$7,713,600	\$7,289,100	\$8,830,700
Consumption Taxes											
\$136,197	\$153,431	\$17,235	12.7%	Sales (a)	\$1,524,201	\$1,697,001	\$172,800	11.3%	\$1,470,700	\$1,407,700	\$1,607,700
111,569	101,149	(10,420)	-9.3%	Use (a) (h)	1,238,076	1,204,663	(33,414)	-2.7%	1,258,300	1,124,100	1,212,400
15,486	14,559	(927)	-6.0%	Tobacco	177,777	160,036	(17,741)	-10.0%	177,000	172,600	165,500
1,548	1,486	(62)	-4.0%	Beer, Wine & Mixed Spirits	51,139	49,628	(1,511)	-3.0%	51,500	53,000	52,000
6,827	6,200	(627)	-9.2%	Liquor Specific	73,201	72,735	(465)	-0.6%	80,500	69,000	79,000
\$271,626	\$276,826	\$5,199	1.9%	Total Consumption Taxes	\$3,064,395	\$3,184,063	\$119,668	3.9%	\$3,038,000	\$2,826,400	\$3,116,600
Other Taxes											
(\$30)	\$13	\$43	na	Single Business	(\$483)	\$2,848	\$3,331	na	\$0	\$0	\$0
2,379	1,943	(436)	-18.3%	Insurance Premiums Taxes	\$349,170	398,371	49,201	14.1%	354,800	405,000	385,000
2,349	1,956	(393)	-16.7%	Sub-total SBT & Insurance	348,687	401,219	52,532	15.1%	354,800	405,000	385,000
8,708	8,360	(348)	-4.0%	Michigan Business Tax	(499,461)	(501,593)	(2,132)	-0.4%	(490,500)	(592,900)	(594,300)
287,466	358,721	71,255	24.8%	Corporate Income Tax	1,679,920	2,040,965	361,044	21.5%	1,701,700	1,197,900	1,822,600
538	(206)	(745)	-138.4%	Telephone & Telegraph	33,273	37,072	3,799	11.4%	32,400	32,000	32,000
2,595	4,523	1,928	74.3%	Oil & Gas Severance	20,890	41,798	20,908	100.0%	20,900	18,500	35,000
37,773	7,301	(30,471)	-80.7%	Penalties & Interest	147,746	116,687	(31,060)	-21.0%	134,600	132,000	140,000
1,800	1,278	(522)	-29.0%	Essential Services Assessment	126,561	135,394	8,834	7.0%	125,800	135,000	135,000
(7)	265	271	na	Miscellaneous Other/Railroad	2,624	2,912	288	11.0%	2,900	2,000	3,000
(12,667)	(12,917)	(250)	-2.0%	Treasury Enforcement Programs (e)	(152,000)	(155,000)	(3,000)	-2.0%	(142,600)	(155,000)	(150,000)
\$328,555	\$369,280	\$40,725	12.4%	Total Other Taxes	\$1,708,240	\$2,119,453	\$411,213	24.1%	\$1,740,000	\$1,174,500	\$1,808,300
\$1,435,651	\$1,679,812	\$244,161	17.0%	Subtotal GF-GP Taxes	\$12,741,960	\$15,149,391	\$2,407,431	18.9%	\$12,491,600	\$11,290,000	\$13,755,600

continued

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

For The Month Ended: September 30, 2022

Month-End Cash Collections Data				October Through September Cash Collections Data					Revenue Projections		
September		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ⁽¹⁾	Statutory Estimate	May 2022 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$10,000	\$10,000	\$0	0.0%	\$8,300	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	100	100	0	0.0%	100	100	100
583	583	0	0.0%	Services	7,000	7,000	0	0.0%	3,300	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	14,000	14,000	0	0.0%	22,400	14,000	14,000
0	0	0	na	Investments/Interest Costs	1,266	1,266	0	0.0%	400	2,000	2,000
833	833	0	0.0%	Misc. Non-tax Revenue	10,000	10,000	0	0.0%	51,900	10,000	10,000
18,750	21,383	2,633	14.0%	Liquor Purchase Revolving Fund	225,000	256,600	31,600	14.0%	313,600	256,600	295,000
6,750	6,958	208	3.1%	From Other Funds-Lottery & Escheats	81,000	83,500	2,500	3.1%	99,400	83,500	86,000
\$28,925	\$31,767	\$2,842	9.8%	Total Non-Tax Revenue	\$348,366	\$382,466	\$34,100	9.8%	\$499,400	\$383,200	\$424,100
\$1,464,576	\$1,711,579	\$247,002	16.9%	Total GF-GP Revenue	\$13,090,326	\$15,531,857	\$2,441,531	18.7%	\$12,991,000	\$11,673,100	\$14,179,700
School Aid Fund											
\$347,952	\$394,315	\$46,363	13.3%	Sales Tax 4%	\$3,922,605	\$4,384,001	\$461,397	11.8%	\$3,836,000	\$3,683,200	\$4,202,500
257,854	275,839	17,985	7.0%	Sales Tax 2%	2,860,734	3,419,415	558,681	19.5%	3,021,600	2,882,900	3,302,500
76,404	72,282	(4,122)	-5.4%	Use Tax 2%	884,067	863,014	(21,053)	-2.4%	876,100	824,900	869,600
468,093	560,998	92,905	19.8%	State Education Property Tax	2,255,164	2,352,770	97,606	4.3%	2,256,400	2,324,300	2,396,000
53,041	43,949	(9,093)	-17.1%	Real Estate Transfer Tax	487,099	542,351	55,252	11.3%	490,300	402,400	527,000
90,000	90,000	0	0.0%	Lottery Transfer (b)	1,031,983	988,308	(43,675)	-4.2%	1,419,800	1,093,900	1,240,000
8,256	7,647	(609)	-7.4%	Casino Wagering Tax	90,514	103,979	13,464	14.9%	181,100	181,700	320,800
6,577	5,998	(579)	-8.8%	Liquor Excise Tax	69,731	69,115	(617)	-0.9%	76,700	68,600	78,600
31,438	29,557	(1,881)	-6.0%	Cigarette/Tobacco Tax	360,914	324,897	(36,017)	-10.0%	322,000	318,200	299,900
7,336	8,195	859	11.7%	Indus. & Comm. Facilities Taxes	42,021	44,583	2,562	6.1%	41,900	37,000	42,000
1,988	1,131	(856)	-43.1%	Specific Other	23,570	24,196	626	2.7%	76,200	68,500	79,200
299,238	353,521	54,282	18.1%	Income Tax Earmarking	3,375,546	4,026,408	650,862	19.3%	3,458,300	3,245,400	3,982,500
\$1,648,178	\$1,843,433	\$195,255	11.8%	Total School Aid Fund	\$15,403,948	\$17,143,037	\$1,739,089	11.3%	\$16,056,400	\$15,131,000	\$17,340,600
Multi-Fund Revenue Summary											
\$837,774	\$933,031	\$95,256	11.4%	Sales Tax 6%	\$9,398,409	\$10,726,084	\$1,327,675	14.1%	\$9,414,800	\$9,000,800	\$10,299,600
579,920	657,192	77,271	13.3%	Sales Tax 4% (d)	6,537,675	7,306,669	768,994	11.8%	6,393,200	6,117,900	6,997,100
257,854	275,839	17,985	7.0%	Sales Tax 2%	2,860,734	3,419,415	558,681	19.5%	3,021,600	2,882,900	3,302,500
229,212	216,847	(12,365)	-5.4%	Use Tax 6% (g)	2,652,200	2,589,042	(63,159)	-2.4%	2,623,000	2,470,300	2,604,300
4,731	5,627	895	18.9%	Recreational Marihuana	93,641	169,527	75,886	81.0%	120,472	120,000	149,100
77,818	73,161	(4,657)	-6.0%	Tobacco Taxes	893,352	804,200	(89,152)	-10.0%	890,145	868,000	830,700
23	0	(23)	-100.0%	Tobacco Settlement	236,844	242,986	6,142	2.6%	na	na	na

continued

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

For The Month Ended: September 30, 2022

Month-End Cash Collections Data				October Through September Cash Collections Data					Revenue Projections		
September		Difference		Source of Revenue	Year-to-Date		Difference		FY 2020-21	FY 2021-22	FY 2021-22
2021	2022	Amount	Percent		FY 2020-21	FY 2021-22	Amount	Percent	Total ⁽ⁱ⁾	Statutory Estimate	May 2022 Forecast
Major Transportation Revenues											
\$22,016	\$23,744	\$1,728	7.9%	Diesel Fuel / Motor Carrier Fuel Tax	\$244,102	\$251,739	\$7,637	3.1%	\$240,846	\$241,500	\$247,000
109,399	115,119	5,721	5.2%	Gasoline	1,121,913	1,170,470	48,557	4.3%	1,111,575	1,196,000	1,165,200
117,463	110,497	(6,965)	-5.9%	Motor Vehicle Registration	1,403,037	1,405,595	2,558	0.2%	1,403,514	1,402,000	1,445,800
4,870	4,604	(265)	-5.4%	Other Taxes, Fees & Misc.	54,293	52,161	(2,132)	-3.9%	155,878	216,258	246,214
8,537	10,117	1,580	18.5%	Comprehensive Transportation (c)	102,439	112,200	9,761	9.5%	136,952	137,774	162,211
50,000	50,000	0	0.0%	Income Tax Earmarking	600,000	600,000	0	0.0%	600,000	600,000	600,000
\$312,283	\$314,082	\$1,798	0.6%	Total Major Trans. Revenues	\$3,525,784	\$3,592,164	\$66,380	1.9%	\$3,648,765	\$3,793,532	\$3,866,425
Lottery Sales By Games											
\$189,675	\$238,715	\$49,040	25.9%	Instant Games (f)	\$2,638,701	\$2,556,110	(\$82,591)	-3.1%	na	na	na
84,575	88,477	3,902	4.6%	Daily Games	1,161,464	1,070,687	(90,776)	-7.8%	na	na	na
42,433	34,885	(7,549)	-17.8%	Lotto and Big Game (f)	487,277	462,105	(25,172)	-5.2%	na	na	na
629	686	57	9.1%	Keno Game	8,626	8,122	(505)	-5.8%	na	na	na
2,747	3,088	341	12.4%	Lucky For Life	18,630	36,602	17,973	96.5%	na	na	na
6,247	5,727	(520)	-8.3%	Other (f)	82,210	103,004	20,794	25.3%	na	na	na
54,681	56,311	1,630	3.0%	Club Games	594,488	662,095	67,607	11.4%	na	na	na
\$380,988	\$427,889	\$46,901	12.3%	Total Lottery Sales	\$4,991,395	\$4,898,725	(\$92,670)	-1.9%	na	na	na

- (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 \$530.0 million and the year-to-date 2022 revenues are \$521.3 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 \$447.9 million and the year-to-date 2022 LCSS revenues are \$521.3 million.
- (i) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.
- (j) 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.

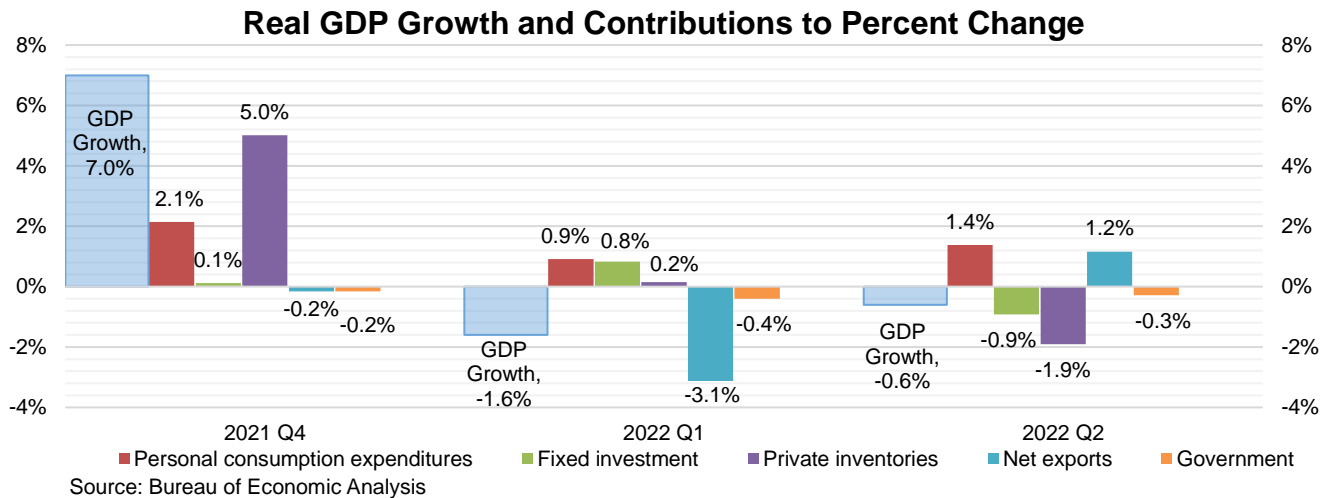
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** decreased at a 0.6 percent annual rate in the second quarter of 2022, according to the most recent estimate, up from the -1.6 percent annual rate in the first quarter of 2022. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

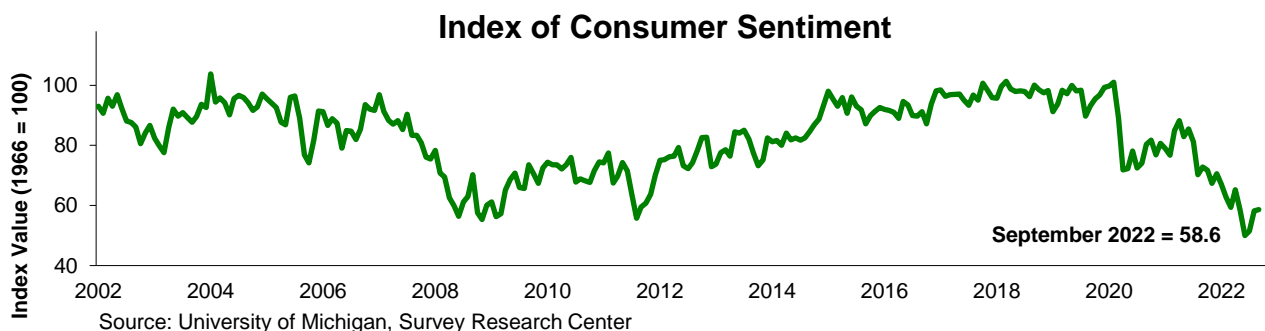


Private inventories drove the decline in GDP in the second quarter of 2022, while fixed investment and government expenditures made contributions to the decline. Growth in net exports and personal consumption expenditures helped to hold GDP up from further decline. Real final sales increased by 1.3 percent in the second quarter, while the implicit price deflator increased by 9.1 percent.

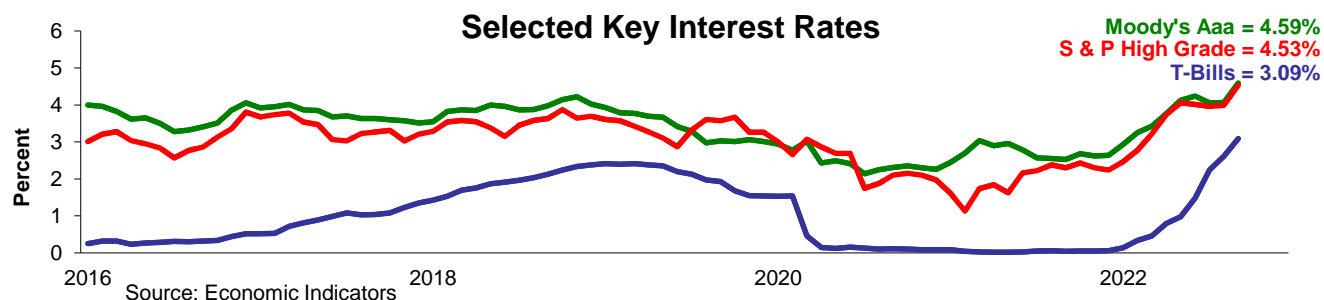
U.S. wage and salary employment increased by 263,000 jobs in September, with total employment remaining just above the February 2020 pre-pandemic level. The labor force participation rate was 62.3 percent in September, 1.1 percentage point below the rate in February 2020. In September, sectors with the largest increases in employment include the education and health services sector with 90,000 jobs, the leisure and hospitality sector with 83,000 jobs, and the professional and business services sector with 46,000 jobs.

In September, the U.S. unemployment rate declined to 3.5 percent. Civilian employment increased slightly to 158.9 million, up 0.2 million from August. The number unemployed declined to 5.8 million in September.

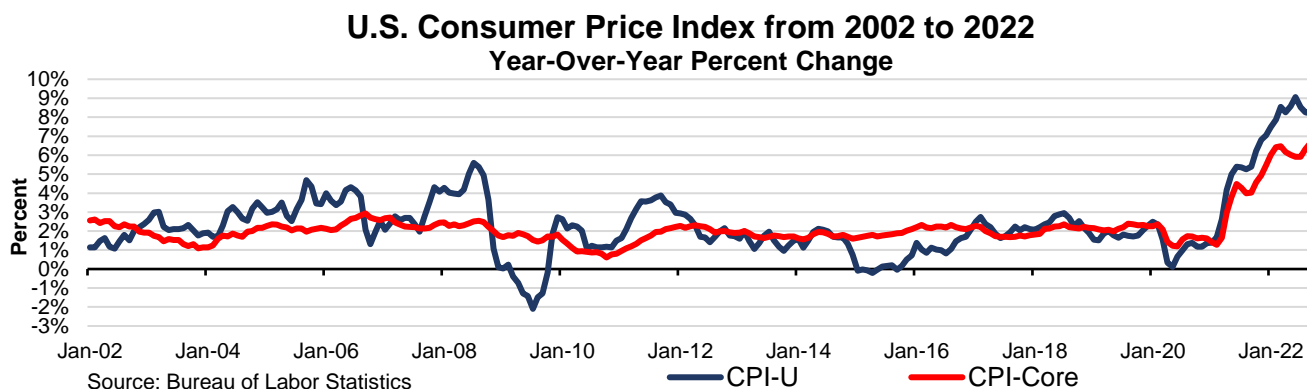
The **Index of Consumer Sentiment** increased to 58.6 index-points in September, up 0.4 from August. The year-over-year consumer sentiment is still 14.2 index-points below year-ago levels.



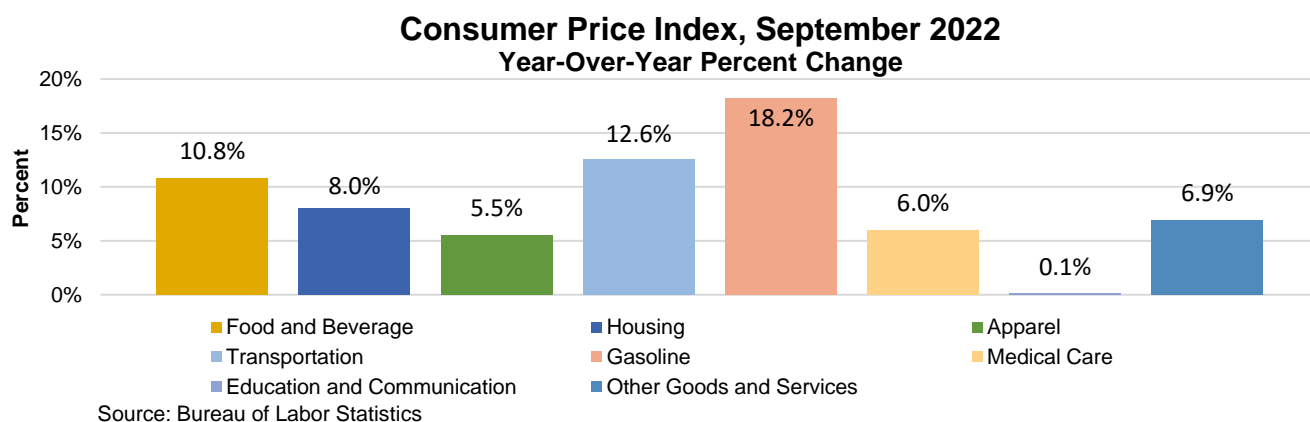
Short-term **interest rates** increased by 0.48 percentage points in September, to a 3-month Treasury bill (T-bill) rate of 3.09 percent. The T-bill rate increased 3.05 percentage points from a year ago. The Aaa corporate bond rate increased 0.52 percentage points to an interest rate of 4.59 percent in September and was up 2.06 percentage points from a year ago. The high-grade municipal bonds interest rate increased 0.54 percentage points to 4.53 percent and was up 2.23 percentage points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 8.2 percent from September 2021 to September 2022, a slight decline from August's 8.3 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 6.6 percent year-over-year in September, a 0.3 percentage point increase from August's 6.3 percent. CPI-U and CPI-Core data are not seasonally adjusted.

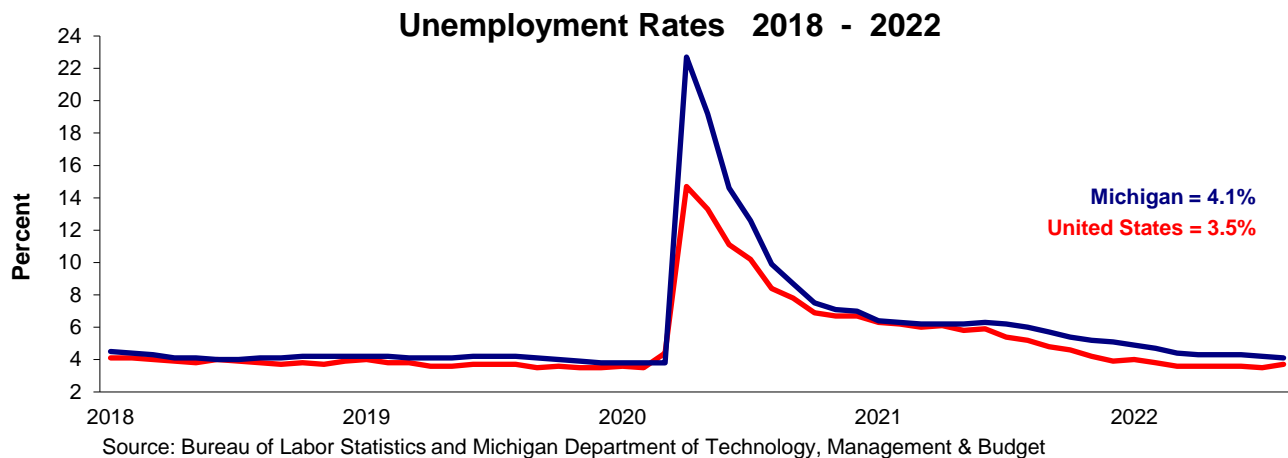


Gasoline continues to exhibit the largest year-over-year price increase, but the 18.2 percent change in September is significantly down from the 59.9 percent year-over-year change in June. The next largest year-over-year change was in transportation with an increase of 12.6 percent, followed by food and beverage with a 10.8 percent increase. Lower year-over-year percent increases can be seen in housing (8.0 percent) and other goods and services (6.9 percent). These data are seasonally adjusted.



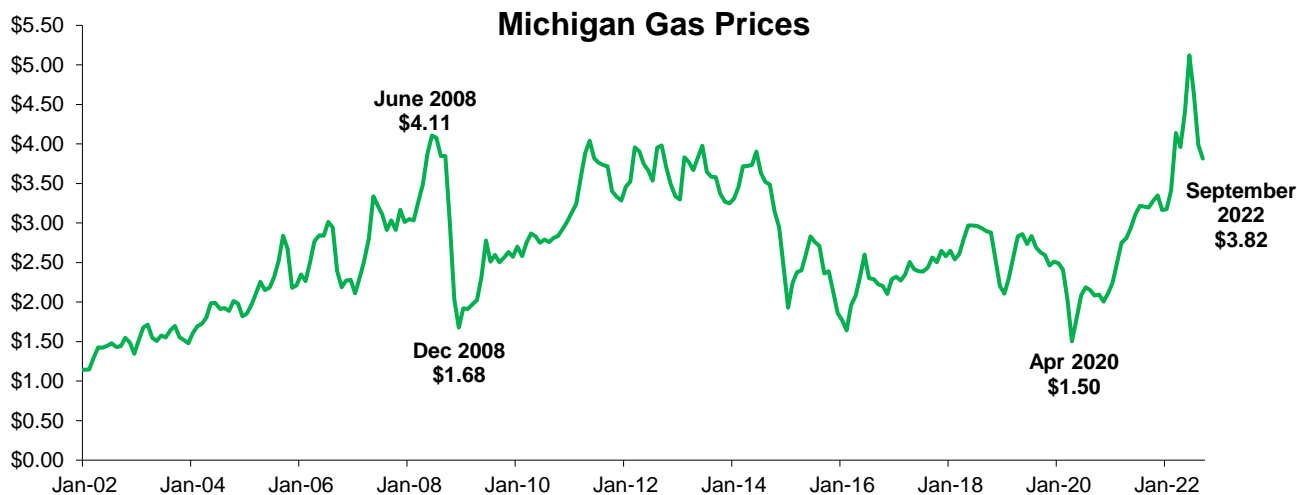
Michigan Economy

The **Michigan jobless rate** remained unchanged at 4.1 percent in September. The national unemployment rate declined 0.2 percentage points to 3.5 percent in September. The number unemployed in Michigan remained unchanged while the number employed increased by 2,000. The number employed is 3.1 percent higher, while the number unemployed is 25.8 percent lower than in September 2021. In September, Michigan's unemployment rate was 0.3 percentage points above the February 2020 pre-pandemic rate of 3.8 percent.



Michigan wage and salary employment remained flat in September at 4.4 million jobs, with no change in the number of jobs from August. Employment was up 135,000 jobs, or 3.2 percent, from September 2021. In September, the sectors with the largest increases in employment were the construction sector with a gain of 3,000 jobs and the professional and business services sector with a gain of 2,000 jobs. The sector with the largest decline in employment was the leisure and hospitality services sector with a loss of 2,000 jobs.

Michigan gasoline prices declined again in September 2022, down to \$3.82 per gallon, 17.1 cents a gallon below last month's average. Year-over-year gasoline prices remained elevated and were 62.2 cents per gallon higher than in September 2021. September 2022 diesel prices remained relatively flat, declining by only 1.1 cents a gallon from August to September's price of \$5.36 per gallon. Diesel prices were up \$2.05 per gallon over the September 2021 price of \$3.31 per gallon.

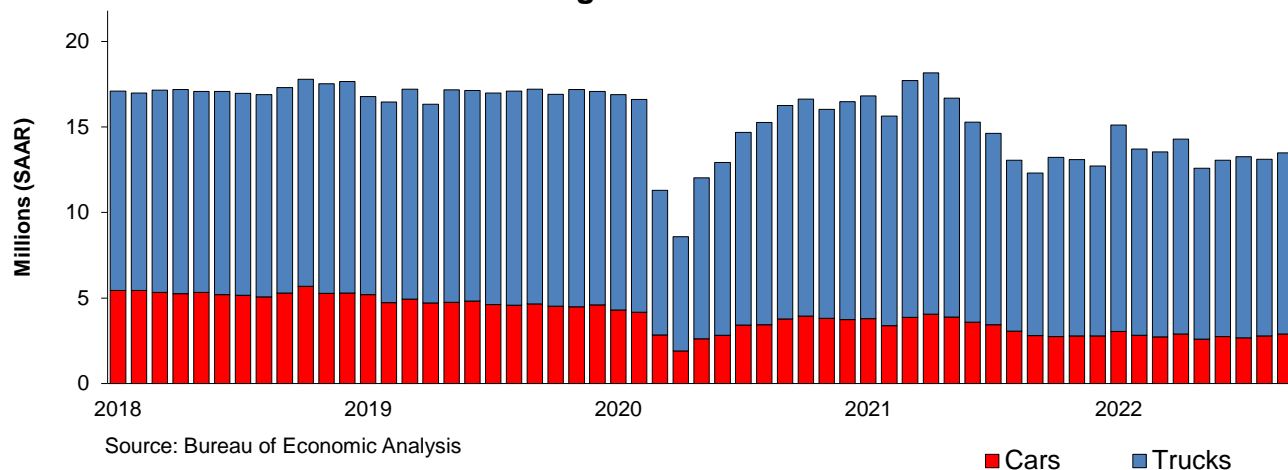


Source: AAA Michigan

Motor Vehicle Sector

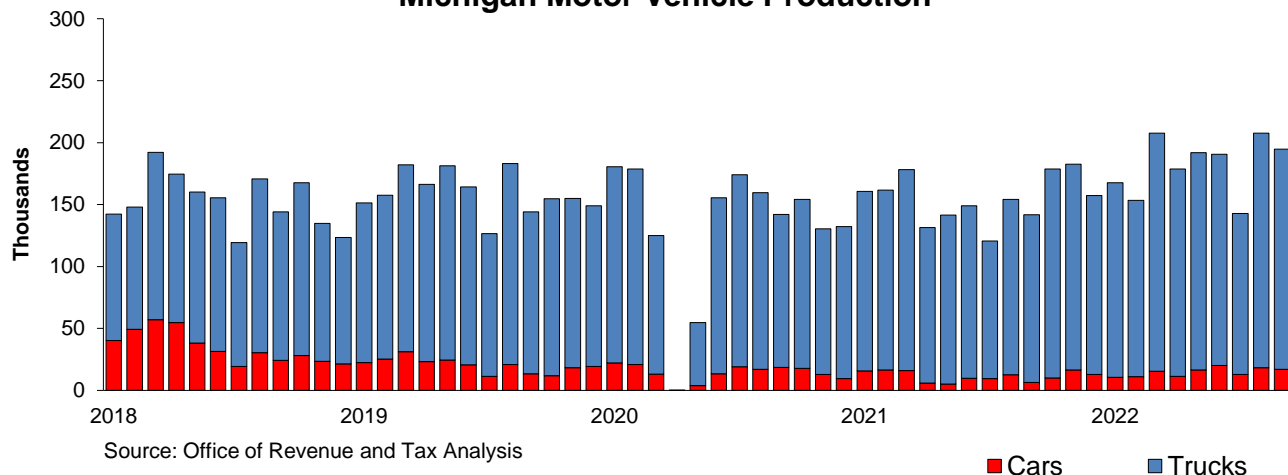
U.S. light vehicle sales (cars and light trucks) increased slightly, by 3.1 percent in September from August, selling at a 13.5 million unit seasonally adjusted annual rate, according to the most recent estimates. Domestic car sales increased 5.0 percent while light truck sales increased 2.4 percent from August. Import car sales increased 3.7 percent while import light truck sales increased 2.3 percent from August. Compared to September 2021, light vehicle sales were up 9.8 percent. Domestic car sales decreased 9.7 percent while light truck sales increased 17.4 percent from the year ago levels. September import car sales were down 10.1 percent while import light truck sales were down 8.1 percent from last year. Domestic light vehicles recorded a 78.8 percent share of September 2022 sales, up 4.1 percentage points from September 2021.

U.S. Light Vehicle Sales



Michigan motor vehicle production declined in September, with 194,707 total units. Michigan's September production was 6.2 percent below August's production but 37.3 percent above the level in September 2021, according to the most recently available data. Nationally, motor vehicle production totaled 941,220 units, which was up 40.2 percent from a year ago. In September, Michigan's car production was 16,960 units while the State's truck production was 177,747 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