



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN E. NIXON, CPA
DIRECTOR

May 31, 2013

The Honorable Roger Kahn, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Joseph Haveman, 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 April 30, 2013. 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 "Financial Reports".

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

Sincerely,

John E. Nixon, CPA
State Budget Director

Attachment

c: Governor Rick Snyder	House Fiscal Agency
Randy Richardville, Sen. Maj. Leader	Jack Brandenburg, Chair, Senate Finance Com.
Gretchen Whitmer, Senate Min. Leader	Jeff Farrington, Chair, House Tax Policy Com.
Jase Bolger, Speaker of the House	John Roberts, Deputy Chief of Staff
Tim Greimel, House Min. Leader	Dick Posthumus, Executive Office
Senate Appropriations Committee	Mike Moody, Office of Financial Management
House Appropriations Committee	Nancy Duncan, Deputy State Budget Director
Senate Fiscal Agency	Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2013
Projected Revenues and Expenditures
April 30, 2013
(\$ in millions)

FISCAL
2013

Beginning Balance, October 1, 2012	see one-time revenue
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Current Year GF/GP Revenues, January 2013 Consensus Estimate	\$	8,969.2
Revenue Adjustments:		
Local Government Program Payments	\$	(350.6)
Other revenue adjustments	\$	3.2
Subtotal Additional Revenue Adjustments	\$	(347.4)
Total FY Resources Available For Expenditure GF/GP - Ongoing		8,621.8

Expenditures, Current Law:		
FY 2013 Enacted with Vetoes	\$	8,628.5
Proposed Supplemental Appropriations - Requests 2013-4 and 2013-5 (February 7, 2013)	\$	(44.9)
Total Expenditures Projected - Ongoing	\$	8,583.6

Current Year Revenues minus Ongoing Costs	\$	38.2
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Beginning Balance (One-Time Revenue)	\$	979.2
One-time revenue decreases (PA 200 of 2012)	\$	(22.0)
One-time impact of enacted tax law changes	\$	(177.0)
Total FY Resources Available For Expenditure GF/GP - One-Time	\$	780.2
One-Time Spending Items:		
PA 200, PA 201, PA 305, PA 348, PA 349, PA 436, and PA 518 of 2012; PA 9 of 2013	\$	548.2
Proposed Supplemental Appropriations - Request 2013-4 (February 7, 2013)	\$	2.5
Estimated lapses	\$	(17.4)
Total Expenditures Projected - One-Time	\$	533.3

One-Time Revenue minus One-Time Spending	\$	246.9
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Projected Ending Balance, September 30, 2013	\$	285.1
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¹ On February 28, 2013, the fiscal year 2012 Comprehensive Annual Financial Report was issued and indicated a final year-end balance for fiscal year 2012 of \$979.2 million.

² Subsequent to the date of this report, on May 15, 2013, the Consensus Revenue Estimating Conference convened and determined general fund revenues to be \$396.9 million above the January 2013 consensus revenue estimate. Additionally, spending needs for caseload decreases were agreed upon by the Senate and House fiscal agencies and the State Budget Office. Various items reflecting agreements reached as part of the fiscal year 2014 target agreements increased general fund spending by \$29.3 million. Based on all of these adjustments, the estimated fiscal year end balance is \$652.7 million.

SCHOOL AID FUND
Fiscal Year 2013
Projected Revenues and Expenditures
April 30, 2013
(\$ in millions)

FISCAL
2013

Beginning Balance , October 1, 2012	see one-time revenue
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Current Year School Aid Fund Revenues, January 2013 Consensus Estimate	\$	11,127.7
Revenue Adjustments:		
General Fund	\$	282.4
Federal Revenue	\$	1,701.0
Subtotal Additional Revenue Adjustments	\$	1,983.4
Total FY Resources Available for Expenditure School Aid Fund	\$	13,111.1

School Aid Ongoing Costs		
PA 201 of 2012	\$	12,750.2
Pending Supplemental 2013-5	\$	(47.5)
Revised School Aid Ongoing Costs	\$	12,702.7
Community Colleges Ongoing Costs		
PA 201 of 2012	\$	197.6
Universities Ongoing Costs		
PA 201 of 2012	\$	200.5
Total School Aid Fund Ongoing Costs Projected	\$	13,100.8

Current Year Revenues minus Ongoing Costs	\$	10.3
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Beginning Balance (One-Time Revenue)	\$	254.1	¹
One-Time Spending Items			
PA 201 of 2012	\$	194.3	
PA 465 of 2012	\$	0.2	
Pending Supplemental 2013-5	\$	20.0	
Revised One-Time Spending Items	\$	214.5	
One-Time Revenue minus One-Time Spending	\$	39.7	

Projected Ending Balance, September 30, 2013	\$	50.0	²
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¹ On February 28, 2013, the fiscal year Comprehensive Annual Financial Report was issued and indicated a final year-end balance for fiscal year 2012 of \$254.1 million.

² On May 15, the consensus revenue estimating conference estimated an additional \$85.5 million of FY2013 revenues will be available, as well as a reduction in costs of \$5.1 million. Both of these changes result in a revised projected ending balance of \$140.6 million.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

April 30, 2013

(\$ IN MILLIONS)

FISCAL YEAR 2012

FISCAL YEAR 2013

Exp & Enc April 2012	Exp & Enc Yr-to-date FY 2012	Fiscal Year End SEP 30, 2012	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc April 2013	Exp & Enc Yr-to-date FY 2013
5.0	31.4	63.1	Agriculture and Rural Development	76.5	11.2	5.3	36.7
5.4	38.2	70.8	Attorney General	83.9	3.7	5.8	42.7
20.2	157.5	240.8	Capital Outlay**	320.3	0.0	19.9	157.7
1.1	7.0	12.8	Civil Rights	14.8	2.8	1.0	7.5
104.4	809.4	1,175.8	Colleges & Universities	1,295.2	0.0	108.5	844.4
1,043.1	7,115.0	13,915.9	Community Health	14,944.9	282.9	1,082.4	7,319.0
144.0	1,112.3	1,936.4	Corrections	1,983.3	36.4	130.1	1,079.7
6.1	45.1	364.8	Education	328.9	9.0	19.5	133.6
11.4	84.8	181.6	Environmental Quality	402.2	32.4	10.6	79.6
0.6	3.9	4.5	Executive Office	4.9	0.0	0.3	2.7
489.0	3,383.4	5,786.7	Human Services	6,519.6	436.1	444.4	3,288.5
25.2	112.4	231.6	Judiciary	273.8	0.0	24.7	116.6
1.3	9.6	17.9	Legislative Auditor General	18.7	0.0	1.5	10.9
11.8	61.8	104.5	Legislature	110.9	0.3	8.4	61.4
50.1	247.4	444.0	Licensing and Regulatory Affairs	606.6	(127.5)	38.5	169.7
10.1	68.1	127.4	Military Affairs	133.6	12.2	10.8	71.0
3.8	28.9	65.9	Natural Resources	101.7	14.6	5.6	36.2
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
13.8	92.4	179.6	State	219.6	9.7	14.2	96.0
35.9	236.3	499.3	State Police	577.3	15.2	38.3	258.3
55.0	283.4	662.1	Technology, Management & Budget***	338.6	143.0	43.3	223.6
0.0	0.0	0.5	Transportation	23.0	0.0	0.0	0.0
419.5	1,210.7	3,149.6	Treasury	1,645.7	97.2	456.8	1,290.0
5.4	23.8	137.7	Michigan Strategic Fund	173.5	24.1	39.4	59.0
\$2,462.2	\$15,162.8	\$29,373.1		\$30,197.5	\$1,003.1	\$2,509.4	\$15,385.3

*Includes boilerplate appropriations.

**Includes all capital outlay activity regardless of agency

***Includes Civil Service Commission

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2013

April, 2013

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,336.2	38.2	15,374.4
Total state spending from state resources	27,917.6	93.5	28,011.1
Percentage of state spending from state resources paid to local units	54.93%		54.89%
Required payments to local units (48.97%)	13,671.2		13,717.0
Surplus/(deficit)	\$1,665.0		\$1,657.4

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 OCTOBER 1, 2012 Through April 30, 2013
 (in thousands)

REVENUES

Miscellaneous	\$ <u>258</u>
Total Revenues	<u>258</u>

EXPENDITURES

Current:	
General government	<u>-</u>
Total Expenditures	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>258</u>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	81,667
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>81,667</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 81,924</u> ¹

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

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
 October 1, 2012 through April 30, 2013
 (in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>10,828</u>
Total Revenues		<u>10,828</u>

EXPENDITURES

Current:		
General government		1,191
Conservation, environment, recreation, and agriculture		1,170
Capital outlay		<u>18,387</u>
Total Expenditures		<u>20,748</u>
Excess of Revenues over (under) Expenditures		<u>(9,920)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		9
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>9</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ (9,911) ¹</u>

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

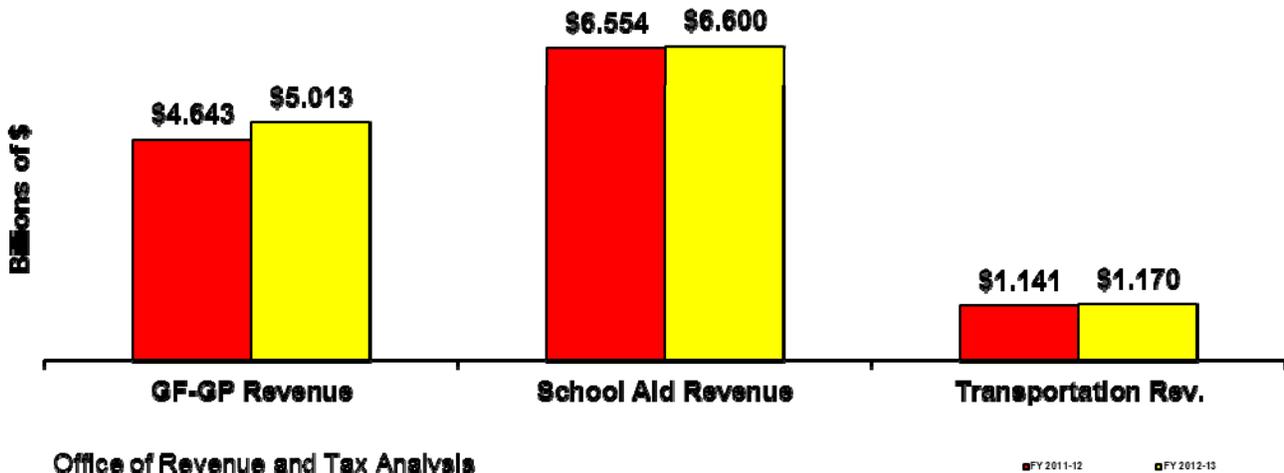
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2013, representing some March and some April economic activity in Michigan.

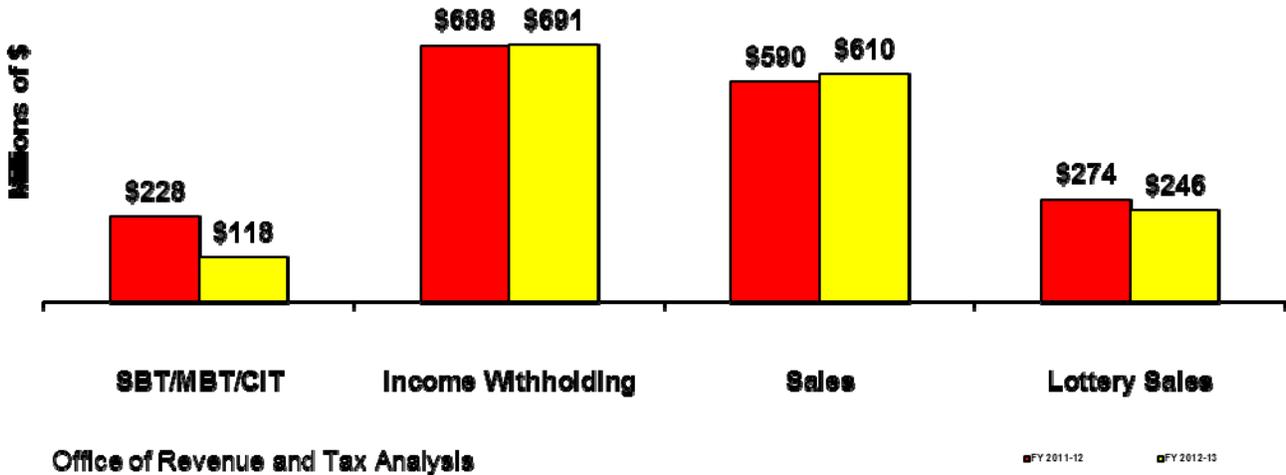
Total General Fund - General Purpose cash collections were \$249.4 million (27.8 percent) higher in April 2013 than in April 2012. This is mostly due to tax reforms at the federal and state levels. The April 2013 School Aid Fund cash collections were \$63.2 million (6.8 percent) higher than in April 2012. April 2013 transportation collections were \$11.6 million (7.3 percent) higher than in April 2012 (see revenue table). April is the seventh 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 370.5 million (8.0 percent) from a year ago. School Aid Fund cash collections are up \$46.2 million (0.7 percent) and transportation collections are up \$28.6 million (2.5 percent).

The FY 2012-13 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 11, 2013. The revenue estimate for net General Fund – General Purpose revenue for FY 2012-13 is \$8,792.3 million and the net School Aid revenue forecast is \$11,127.7 million. The Transportation Funds revenue forecast is \$2,109.5 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held on May 15, 2013.

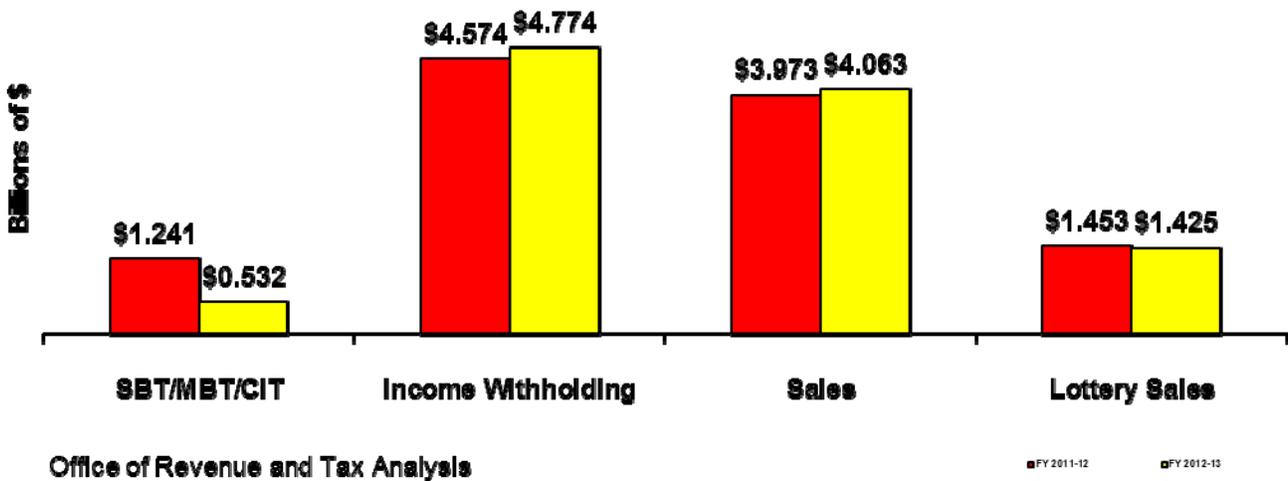
**October through April Collections
FY 2011-12 and FY 2012-13**



April Revenue Collections FY 2011-12 and FY 2012-13



October through April Collections FY 2011-12 and FY 2012-13



Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2013 Consensus
Income Taxes											
\$687,935	\$690,659	\$2,725	0.4%	Withholding	\$4,574,165	\$4,774,441	\$200,277	4.4%	\$7,604,200	\$7,826,900	\$7,661,800
98,239	113,173	14,935	15.2%	Quarterlies	342,920	434,117	91,198	26.6%	766,200	744,600	816,800
440,967	816,041	375,074	85.1%	Annuals	583,622	975,186	391,564	67.1%	682,500	888,000	844,200
1,227,140	1,619,874	392,733	32.0%	Gross Collections	5,500,706	6,183,744	683,038	12.4%	\$9,052,900	\$9,459,500	\$9,322,800
473,958	430,874	(43,084)	-9.1%	Less: Refunds	1,895,487	1,432,975	(462,512)	-24.4%	2,134,600	1,552,000	1,585,300
0	0	0	na	State Campaign Fund	0	0	0	na	900	1,000	1,000
753,182	1,188,999	435,817	57.9%	Net Personal Income	3,605,219	4,750,770	1,145,550	31.8%	\$6,917,400	\$7,906,500	\$7,736,500
282,327	371,836	89,509	31.7%	Less: Disbursements to SAF	1,276,994	1,423,015	146,021	11.4%	\$2,100,200	\$2,239,100	\$2,216,300
\$470,855	\$817,163	\$346,308	73.5%	NET PERSONAL INCOME TO GF-GP	\$2,328,225	\$3,327,754	\$999,529	42.9%	\$4,817,200	\$5,667,400	\$5,520,200
Consumption Taxes											
\$6,467	\$6,462	(\$5)	-0.1%	Sales (a)	\$41,408	\$41,329	(\$79)	-0.2%	\$1,081,200	\$1,134,700	\$1,014,600
71,925	79,323	7,399	10.3%	Use (f)	390,563	459,480	68,917	17.6%	794,000	834,700	847,600
16,069	14,235	(1,835)	-11.4%	Tobacco	108,089	106,139	(1,950)	-1.8%	192,600	189,500	190,200
4,604	4,020	(584)	-12.7%	Beer, Wine & Mixed Spirits	27,199	27,338	139	0.5%	50,800	50,800	52,500
3,711	3,157	(554)	-14.9%	Liquor Specific	20,372	21,649	1,277	6.3%	41,800	41,200	42,400
\$102,776	\$107,197	\$4,421	4.3%	TOTAL CONSUMPTION TAXES	\$587,632	\$655,935	\$68,303	11.6%	\$2,160,400	\$2,250,900	\$2,147,300
Other Taxes											
(\$5,447)	\$3,795	\$9,242	na	Single Business	\$4,627	\$31,486	\$26,859	581.0%	(\$66,200)	\$0	\$0
58,683	63,239	4,556	7.8%	Insurance Premiums Taxes	213,585	212,758	(826)	-0.4%	290,200	311,400	307,000
53,236	67,034	13,798	25.9%	Sub-total SBT & Insurance	218,212	244,244	26,033	11.9%	224,000	311,400	307,000
149,340	(16,871)	(166,211)	na	Michigan Business Tax	1,130,410	(12,789)	(1,143,200)	na	798,300	(552,400)	(623,400)
84,352	131,484	47,132	55.9%	Corporate Income Tax	106,205	513,529	407,325	na	547,100	838,900	945,000
105	36	(69)	-65.6%	Inheritance / Estate	164	114	(50)	-30.2%	200	0	0
0	0	0	na	Telephone & Telegraph	25,970	23,453	(2,518)	-9.7%	59,200	57,300	59,000
4,623	4,319	(304)	-6.6%	Oil & Gas Severance	32,585	31,823	(762)	-2.3%	53,600	61,000	53,000
9,146	14,062	4,916	53.8%	Penalties & Interest	60,384	78,134	17,750	29.4%	167,200	127,500	133,000
0	0	0	na	Miscellaneous Other/Railroad	218	247	29	13.4%	1,700	1,000	1,000
(10,583)	(10,667)	(83)	-0.8%	Treasury Enforcement Programs (e)	(74,083)	(74,667)	(583)	-0.8%	(130,200)	(128,000)	(128,000)
\$290,218	\$189,397	(\$100,821)	-34.7%	TOTAL OTHER TAXES	\$1,500,065	\$804,088	(\$695,977)	-46.4%	\$1,721,100	\$716,700	\$746,600
\$863,849	\$1,113,757	\$249,908	28.9%	SUBTOTAL GF-GP TAXES	\$4,415,922	\$4,787,778	\$371,856	8.4%	\$8,698,800	\$8,634,900	\$8,414,100

continued

Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2013 Consensus
Non-Tax Revenue (e)											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$11,667	\$11,667	\$0	0.0%	\$54,800	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	583	583	0	0.0%	3,200	1,000	1,000
917	917	0	0.0%	Services	6,417	6,417	0	0.0%	10,500	11,000	11,000
1,667	1,667	0	0.0%	Licenses & Permits	11,667	11,667	0	0.0%	16,300	20,000	20,000
(330)	(153)	177	53.6%	Investments/Interest Costs	(589)	(304)	285	48.4%	(1,900)	(3,200)	(3,200)
10,667	10,250	(417)	-3.9%	Misc. Non-tax Revenue	74,667	73,750	(917)	-1.2%	157,000	118,000	123,000
13,583	13,600	17	0.1%	Liquor Purchase Revolving Fund	95,083	95,900	817	0.9%	174,400	157,200	163,200
3,925	3,600	(325)	-8.3%	From Other Funds-Lottery & Escheats	27,475	25,900	(1,575)	-5.7%	152,100	11,000	43,200
\$32,179	\$31,630	(\$548)	-1.7%	TOTAL NON-TAX REVENUE	\$226,969	\$225,579	(\$1,390)	-0.6%	\$566,400	\$335,000	\$378,200
\$896,028	\$1,145,387	\$249,360	27.8%	TOTAL GF-GP REVENUE	\$4,642,891	\$5,013,357	\$370,466	8.0%	\$9,265,200	\$8,969,900	\$8,792,300
School Aid Fund											
\$241,360	\$249,391	\$8,031	3.3%	Sales Tax 4%	\$1,626,891	\$1,662,096	\$35,205	2.2%	2,841,000	2,943,200	2,918,100
188,210	194,504	6,294	3.3%	Sales Tax 2%	1,261,987	1,292,370	30,382	2.4%	2,216,000	2,288,700	2,271,600
44,078	39,662	(4,416)	-10.0%	Use Tax 2% (f)	387,830	228,398	(159,432)	-41.1%	412,600	417,300	423,900
28,235	13,081	(15,155)	-53.7%	State Education Property Tax	1,196,136	1,191,897	(4,239)	-0.4%	1,789,500	1,829,400	1,801,600
9,791	17,295	7,504	76.6%	Real Estate Transfer Tax	72,217	105,265	33,048	45.8%	150,100	133,600	169,600
90,000	65,000	(25,000)	-27.8%	Lottery Transfer (b)	395,000	365,000	(30,000)	-7.6%	778,400	744,700	750,000
9,991	9,723	(268)	-2.7%	Casino Wagering Tax	70,059	67,404	(2,655)	-3.8%	115,800	106,300	108,300
3,659	3,112	(547)	-14.9%	Liquor Excise Tax	20,183	21,454	1,271	6.3%	41,300	41,200	42,400
32,624	28,899	(3,725)	-11.4%	Cigarette/Tobacco Tax	219,438	215,479	(3,959)	-1.8%	374,100	364,800	364,900
965	1,986	1,021	106.0%	Indus. & Comm. Facilities Taxes	22,525	20,158	(2,367)	-10.5%	35,700	43,900	37,900
639	588	(52)	-8.1%	Specific Other	4,371	7,297	2,926	66.9%	24,000	17,100	23,100
282,327	371,836	89,509	31.7%	Income Tax Earmarking	1,276,994	1,423,015	146,021	11.4%	\$2,100,200	\$2,239,100	\$2,216,300
\$931,880	\$995,076	\$63,196	6.8%	TOTAL SCHOOL AID FUND	\$6,553,632	\$6,599,833	\$46,201	0.7%	\$10,878,700	\$11,169,500	\$11,127,700
\$590,477	\$610,156	\$19,678	3.3%	SALES TAX 6%	\$3,973,472	\$4,062,529	\$89,057	2.2%	\$6,952,800	\$7,194,100	\$7,134,700
402,267	415,652	13,385	3.3%	SALES TAX 4%(d)	2,711,485	2,770,160	58,675	2.2%	4,736,800	4,905,400	4,863,100
188,210	194,504	6,294	3.3%	SALES TAX 2%	1,261,987	1,292,370	30,382	2.4%	2,216,000	2,288,700	2,271,600
116,003	118,985	2,983	2.6%	USE TAX 6% (f)	778,393	687,878	(90,515)	-11.6%	1,206,600	1,252,000	1,271,500
80,751	71,531	(9,220)	-11.4%	TOBACCO TAXES	543,163	533,364	(9,799)	-1.8%	963,200	941,600	944,100
194,430	0	(194,430)	-100.0%	TOBACCO SETTLEMENT	194,430	12	(194,418)	na	na	na	na

continued

Revenue Summary FY 2012-13
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2013 Consensus	
Major Transportation Revenues												
\$16,335	\$11,558	(\$4,777)	-29.2%	Diesel Fuel / Motor Carrier Fuel Tax	\$74,300	\$76,034	\$1,735	2.3%	\$126,782	\$128,500	\$128,500	
58,229	69,700	11,471	19.7%	Gasoline	463,958	471,083	7,125	1.5%	818,798	825,500	815,000	
71,158	74,988	3,829	5.4%	Motor Vehicle Registration	520,339	534,456	14,117	2.7%	876,064	877,000	890,000	
4,399	4,654	255	5.8%	Other Taxes, Fees & Misc.	25,716	25,986	270	1.1%	121,038	164,524	166,564	
8,277	9,122	845	10.2%	Comprehensive Transportation (c)	57,179	62,568	5,389	9.4%	98,742	104,322	109,463	
<u>\$158,398</u>	<u>\$170,022</u>	<u>\$11,624</u>	<u>7.3%</u>	TOTAL MAJOR TRANS. REVENUES	<u>\$1,141,492</u>	<u>\$1,170,127</u>	<u>\$28,635</u>	<u>2.5%</u>	<u>\$2,041,425</u>	<u>\$2,099,845</u>	<u>\$2,109,527</u>	
Lottery Sales By Games												
85,215	86,480	1,265	1.5%	Instant Games	460,204	476,791	16,587	3.6%	na	na	na	
67,535	68,239	704	1.0%	Daily Games	402,819	387,971	(14,849)	-3.7%	na	na	na	
62,877	30,395	(32,482)	-51.7%	Lotto and Big Game	245,298	210,978	(34,320)	-14.0%	na	na	na	
1,266	1,162	(105)	-8.3%	Keno Game	7,387	6,768	(619)	-8.4%	na	na	na	
0	0	0	na	Lucky Lines Game	1,625	0	(1,625)	-100.0%	na	na	na	
0	1,807	1,807	na	Millionaires Raffle	6,788	5,100	(1,688)	-24.9%	na	na	na	
57,161	57,574	413	0.7%	Club Games	328,680	337,030	8,349	2.5%	na	na	na	
<u>\$274,053</u>	<u>\$245,656</u>	<u>(\$28,397)</u>	<u>-10.4%</u>	TOTAL LOTTERY SALES	<u>\$1,452,802</u>	<u>\$1,424,637</u>	<u>(\$28,164)</u>	<u>-1.9%</u>	<u>na</u>	<u>na</u>	<u>na</u>	

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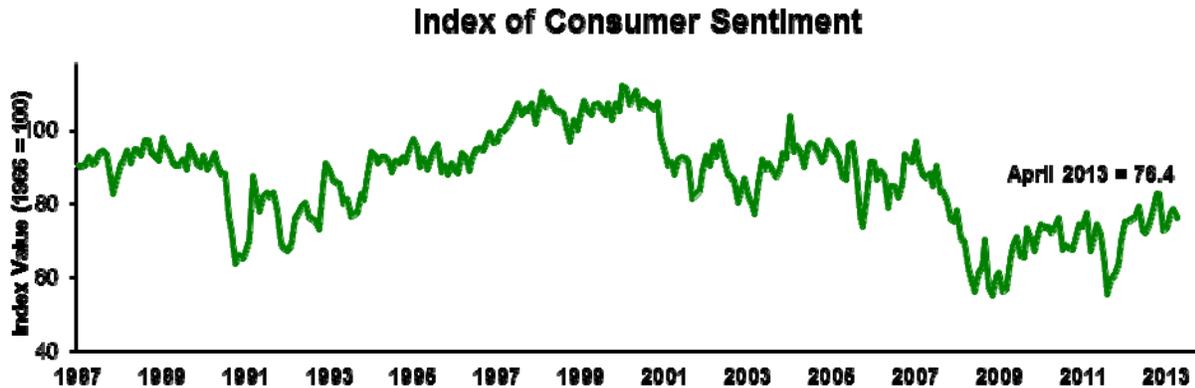
- a GF-GP Sales has been estimated based on CTF and Health Initiative shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.
- c The CTF distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the CTF).
- d 2% collections adjusted to reflect exemption on residential utilities.
- e Non-tax revenue items other than interest are estimates.
- f Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.
- g Preliminary CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

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

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U. S. Economy



Source: University of Michigan, Survey Research Center

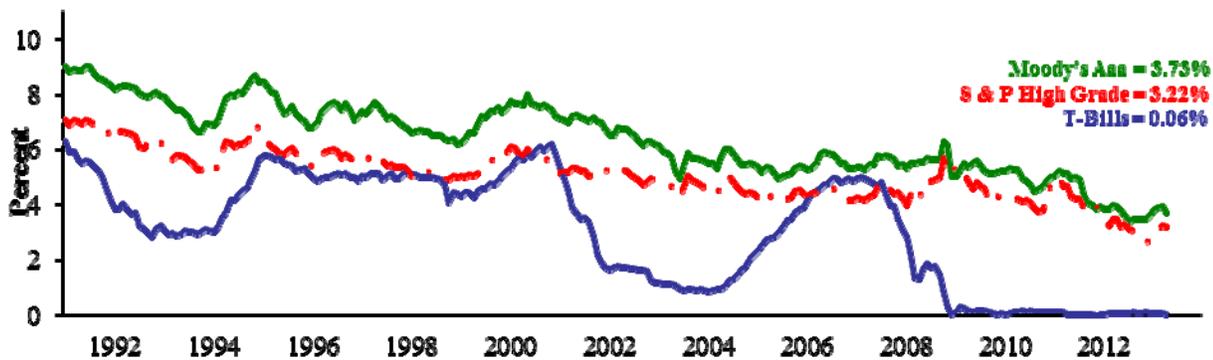
The **Index of Consumer Sentiment** fell in April to 76.4 index-points, 2.2 index-points below the March value and unchanged from April 2012. On the decrease in confidence, Survey Director Richard Curtin observed, “While the overall level of confidence declined in April from March (but was identical to last April), vehicle and home buying to point toward improved sales from the year ahead. While positive reactions by upper income households to reduced interest rates have traditionally sparked rebounds, the improved spending prospects of high income households are now attributable to gains in household wealth, including rising home and stock prices as well as reduced debts. The risks of asset inflation can only be mitigated by its ability to produce robust job and income growth to ultimately sustain the expansion.” Curtin reported, “More households rated their finances unfavorably, except for those in the top third of the income distribution. Moreover, when asked to explain how their finances had recently changed, upper income households reported positive income gains during the past three months whereas lower income households reported continued declines on balance.” On buying attitudes, Curtin noted, “Despite the slight decline in buying attitudes toward household durables in April, vehicle and home buying attitudes remained positive. While favorable attitudes for home buying conditions were held by nearly eight-in-ten in the April survey, favorable views about selling homes rose significantly to 34% in April, the highest level recorded since late 2007”. In April, consumers in one of the four regions reported an increase in confidence. Southern consumers reported the only increase in confidence of 2.2 index-points. Western consumers reported the largest decrease in confidence at 7.0 index-points. The gap across regions decreased from last month to 3.9 index-points, with Midwestern consumers on top and Southern consumers on the bottom.

The advanced estimate of real **Gross Domestic Product** for the first quarter of 2013 is \$13,750.1 billion (chained 2005 dollars), an increase of 2.5 percent at an annual rate. In the fourth quarter of 2012, real gross domestic product increased 0.4 percent. The increase in first quarter real GDP was mainly due to personal consumption expenditures, private inventory investment, exports, nonresidential fixed investment, and residential fixed investment. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 3.2 percent in the first quarter, compared to a 1.8 percent increase in the fourth quarter. Real residential fixed investment increased 12.6 percent in the first quarter compared to an increase of 17.6 percent in the fourth quarter. Real nonresidential fixed investment increased 2.1 percent in the first quarter while equipment and software increased 3.0 percent. Real federal government expenditures decreased 8.4 percent in the first

quarter, compared to a 14.8 percent increase in the fourth quarter. Real state and local government spending decreased 1.2 percent in the first quarter, compared to a decrease of 1.5 percent in the fourth quarter. Exports of goods and services increased 2.9 percent in the first quarter, compared to a 2.8 percent decrease in the fourth quarter. Imports increased 5.4 percent in the first quarter compared to a decrease of 4.2 percent in the fourth quarter. Private inventory investment increased \$50.3 billion in the first quarter, following a \$13.3 billion increase in the fourth quarter. Real final sales increased 1.5 percent in the first quarter compared to an increase of 1.9 percent in the fourth quarter. On the inflation front, the **implicit price deflator** increased 1.2 percent in the first quarter compared to a 1.0 percent increase observed in the fourth quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), decreased 0.4 percent in April, down from a decrease of 0.2 percent in March. Energy prices decreased by 4.3 percent in April, down from a 2.6 percent decrease in March, while the all-items less food and energy component increased 0.1 percent in April. Compared to April 2012, the all-items index increased 1.1 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.6 percent; medical care, 2.7 percent; apparel, 0.3 percent; education and communication, 1.5 percent; other goods and services, 1.8 percent; housing, 1.9 percent; recreation, 0.6 percent; and transportation, -1.9 percent, with gasoline prices down 8.3 percent.

Selected Key Interest Rates

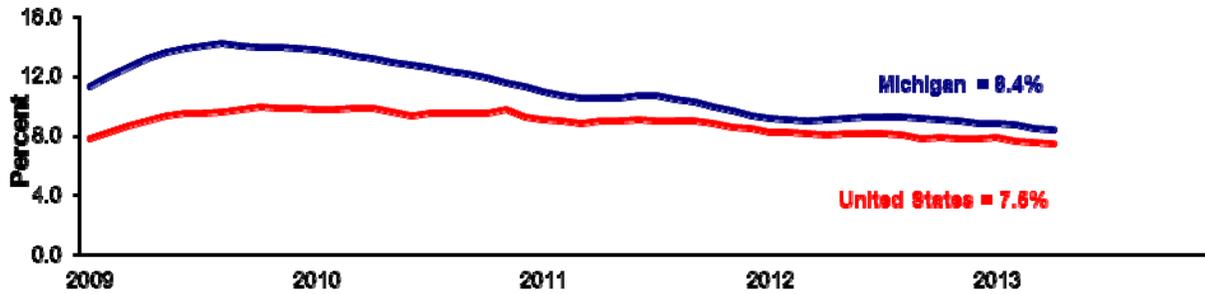


Source: Economic Indicators

Short-term **interest rates** decreased 0.03 percentage point in April as the 3-month Treasury bill (T-bill) rate was 0.06 percent. Compared to one year ago, the T-bill rate was down 0.02 percentage point from a year-ago. The Aaa corporate bond rate, a long-term interest rate, decreased 0.17 percentage point to an interest yield of 3.73 percent in April. The Aaa bond yield was down 0.23 percentage point from its year-ago level. The interest rate on High-grade municipal bonds increased 0.13 percentage point from the March level to 3.22 percent in April, and was down 0.25 percentage point from its year-ago level. The Federal Open Market Committee (FOMC) kept the target range for the federal funds rate between 0 and 0.25 percent at the May 1st meeting. The FOMC stated “the Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.” The Committee “will closely monitor incoming information on economic and financial developments in coming months.”

In April, the **U. S. unemployment rate** decreased 0.1 percentage point from a month ago to 7.5 percent and was 0.6 of a percentage point lower than a year ago. Civilian employment totaled 143.6 million persons in April. The number unemployed was 11.7 million nationwide.

Unemployment Rates 2009 - 2013



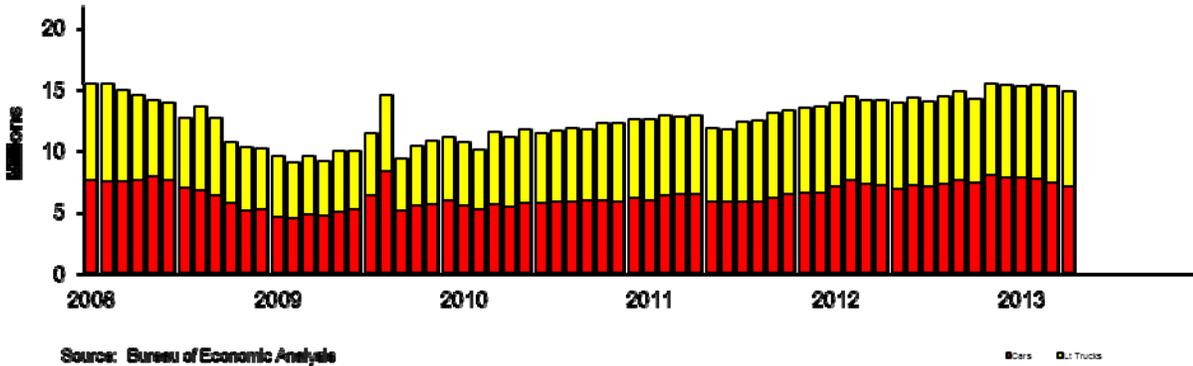
Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In April, the **Michigan jobless rate** decreased 0.1 percentage point to 8.4 percent from March. The April unemployment rate is 0.7 of a percentage point below the year ago level. In April, the labor force increased by 2,000 to 4,670,000, while the number of people employed increased by 19,000 to 4,280,000. In April, there were 391,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

Detroit retail prices, as measured by the Detroit Consumer Price Index (CPI-U), remained unchanged from February to April compared to a 1.1 percent increase from December to February. The all-items less food and energy index remained unchanged from February to April. The food index increased 0.3 percent from February to April while the energy index decreased 0.1 percent. Compared to April 2012, the all-items index increased 1.3 percent. For individual component items, the changes from one year ago were: food and beverages, 1.2 percent; apparel, 5.9 percent; education and communication, 0.7 percent; transportation, -0.5 percent; recreation, 1.6 percent; medical care, 3.3 percent; housing, 1.7 percent; and other goods and services, -0.6 percent.

Motor Vehicle Sector

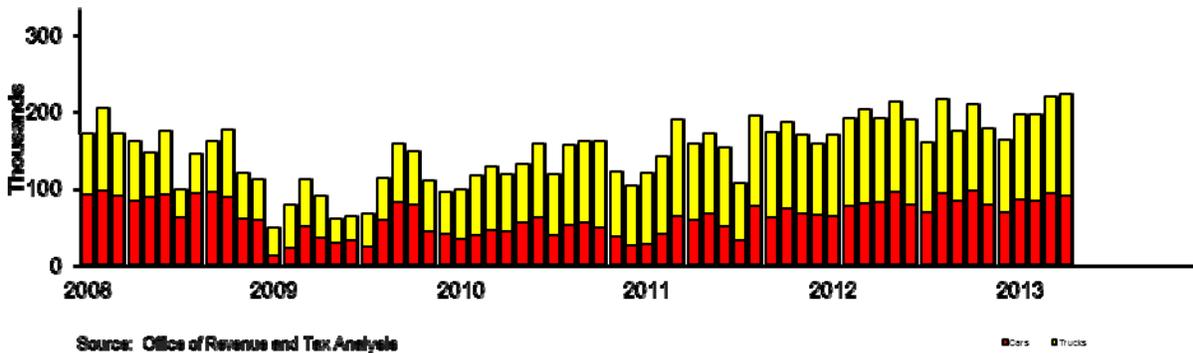
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) decreased 2.2 percent in April compared to March, selling at a 14.9 million unit seasonally adjusted annual rate. Domestic car sales decreased 4.6 percent while domestic light truck sales increased 0.1 percent. Import car sales decreased 3.2 percent while import light truck sales decreased 2.7 percent. Compared to last year, light vehicle sales increased 5.6 percent. Domestic car sales were up 2.2 percent while domestic light truck sales increased 12.6 percent. Import car sales were down 6.5 percent from last year while import truck sales increased 6.9 percent. As a result, the domestic share of U.S. light vehicle sales increased 1.6 percentage points from a year ago. For fiscal year 2013 year-to-date, domestic light vehicles recorded a 78.5 percent share of a 15.1 million-unit market.

Michigan motor vehicle production increased slightly to 222,254 units in April from 219,499 units in March. From a year ago, motor vehicle production increased 17 percent in Michigan and nationally. In April, Michigan's car production was 90,763 units while the state's truck production was 131,491 units. Compared with a year ago, car production increased 11 percent in Michigan and rose 17 percent nationwide. The state's truck production increased 21 percent while national truck production increased 17 percent from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit
Based on the January 11, 2013 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2010-11 Actual	Fiscal Year 2011-12 Estimate	Fiscal Year 2012-13 Estimate
Applicable Calendar Year Personal Income	\$345,933	\$342,663	\$358,152
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,829.0</u>	<u>\$32,518.7</u>	<u>\$33,988.6</u>
Revenue Limit	\$32,829.0	\$32,518.7	\$33,988.6
State Revenue Subject to Limit	<u>\$27,248.2</u>	<u>\$27,228.6</u>	<u>\$27,088.5</u>
Amount Under (Over) Limit	\$5,580.8	\$5,290.1	\$6,900.1

Sources:

Personal Income Estimate

The FY 2010-11 calculation uses the official personal income estimate for calendar year 2009 (Survey of Current Business, October 2010).

The FY 2011-12 calculation uses the official personal income estimate for calendar year 2010 (Survey of Current Business, October 2011).

The FY 2012-13 calculation uses the January 11, 2013 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2010-11 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2011.

The FY 2011-12 calculation uses the January 11, 2013 Consensus Revenue Agreement.

The FY 2012-13 calculation uses the January 11, 2013 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

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