



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN S. Roberts
DIRECTOR

June 2, 2014

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, 2014. 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 S. Roberts
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	Beth Clement, 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 2014
Projected Revenues and Expenditures
April 30, 2014
(\$ in millions)

FISCAL
2014

Beginning Balance, October 1, 2013	see one-time revenue
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Current Year GF/GP Revenues, January 2014 Consensus Estimate	\$	9,572.5
Revenue Adjustments:		
Local Government Program Payments	\$	(370.6)
Corporate Officer Liability - PA 3 of 2014	\$	(39.6)
Exemptions for Regional Convention Facilities Materials - PA 53 and 54 of 2014	\$	(1.0)
Other revenue adjustments	\$	2.5
Subtotal Additional Revenue Adjustments	\$	(408.7)
Total FY Resources Available For Expenditure GF/GP - Ongoing		9,163.8

Expenditures, Current Law:		
FY 2014 Enacted with Vetoes	\$	9,055.1
Total Expenditures Projected - Ongoing	\$	9,055.1

Current Year Revenues minus Ongoing Costs	\$	108.7
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Beginning Balance (One-Time Revenue)	\$	1,186.6
Local Government Program Payments	\$	(26.0)
Total FY Resources Available For Expenditure GF/GP - One-Time	\$	1,160.6

One-Time Spending Items:		
PA 59, PA 60, PA 97, PA 102, and PA 107 of 2013; PA 34 of 2014	\$	773.2
Proposed Supplemental Appropriations - Requests 2014-4 and 2014-5	\$	19.0
One-Time Revenue minus One-Time Spending	\$	368.4

Projected Ending Balance, September 30, 2014	\$	477.1
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¹ Subsequent to the date of this report, on May 15, 2014, the Consensus Revenue Estimating Conference (CREC) convened and determined general fund revenues to be \$253.2 million below the January 2014 consensus revenue estimate. Additionally, the CREC established forecasts for Medicaid expenditures and for human services caseloads and expenditures. Based on the official conference forecast of revenues and expenditures, the estimated fiscal year end balance is \$343.2 million.

Fiscal Year 2014
Projected Revenues and Expenditures
April 30, 2014
(\$ in millions)

FISCAL
2014

Beginning Balance , October 1, 2013		see one-time revenue
Current Year School Aid Fund Revenues, January 2014 Consensus Estimate		
	\$	11,560.0
Revenue Adjustments:		
PA 3 of 2014	\$	(28.1)
MPSERS Reserve Fund	\$	156.0
General Fund	\$	180.0
Federal Revenue	\$	1,764.4
Federal Supplemental (PA 116 of 2014)	\$	51.7
Subtotal Additional Revenue Adjustments	\$	2,124.1
Total FY Resources Available for Expenditure School Aid Fund		
	\$	13,684.1
School Aid Ongoing Costs		
PA 60 of 2013	\$	13,168.8
PA 116 of 2014	\$	(109.3)
Community Colleges Ongoing Costs		
PA 60 of 2013	\$	197.6
Universities Ongoing Costs		
PA 60 of 2013	\$	200.5
Total School Aid Fund Ongoing Costs Projected		
	\$	13,457.6
Current Year Revenues minus Ongoing Costs		
	\$	226.5
Beginning Balance (One-Time Revenue)		
	\$	292.0
General Fund One-Time Transfer (as amended by PA 97 of 2013)	\$	54.9
Revised Beginning Balance		
	\$	346.9
One-Time Spending Items		
PA 60 of 2013	\$	193.0
PA 97 of 2013	\$	4.9
PA 116 of 2014	\$	64.9
One-Time Revenue minus One-Time Spending		
	\$	84.1
Projected Ending Balance, September 30, 2014		
	\$	310.6

On May 15, the consensus revenue estimating conference estimated \$63.7 million less of FY2014 revenues will be available , which included the fiscal impact of PA 3 of 2014. A reduction in costs of \$18.0 million was also estimated. Both of these changes result in a revised projected ending balance of \$293.0 million.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

April 30, 2014

(\$ IN MILLIONS)

FISCAL YEAR 2013

FISCAL YEAR 2014

Exp & Enc April 2013	Exp & Enc Yr-to-date FY 2013	Fiscal Year End SEP 30, 2013	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc March 2014	Exp & Enc Yr-to-date FY 2014
5.3	36.7	70.5	Agriculture and Rural Development	79.9	11.2	5.3	35.7
5.8	42.7	80.9	Attorney General	87.9	3.7	5.8	43.8
19.9	157.7	255.7	Capital Outlay**	318.1	9.8	20.0	159.5
1.0	7.5	13.7	Civil Rights	15.2	0.0	1.0	7.6
108.5	844.4	1,296.3	Colleges & Universities	1,368.5	0.0	115.0	889.0
1,082.4	7,319.0	14,056.7	Community Health	15,299.5	1,461.3	1,221.8	7,686.0
130.1	1,079.7	1,947.9	Corrections	2,032.6	11.5	144.1	1,063.9
19.5	133.6	562.5	Education	293.5	19.1	18.6	119.4
10.6	79.6	156.6	Environmental Quality	486.5	35.7	11.4	86.2
0.3	2.7	4.7	Executive Office	5.4	0.2	0.8	3.5
444.4	3,288.5	5,895.0	Human Services	5,985.0	275.4	452.8	3,086.4
0.0	0.0	0.0	Insurance and Financial Services	75.3	17.4	3.6	24.3
24.7	116.6	242.2	Judiciary	283.4	0.8	26.1	116.5
0.0	0.0	0.0	Land Bank Fast Track Authority	0.0	1.8	0.0	0.0
1.5	10.9	20.0	Legislative Auditor General	21.0	0.0	1.5	10.7
8.4	61.4	104.4	Legislature	123.8	0.4	9.0	65.4
38.5	169.7	319.0	Licensing and Regulatory Affairs	305.5	51.2	33.6	163.4
10.8	71.0	130.9	Military Affairs	138.1	14.2	11.2	68.9
5.6	36.2	69.7	Natural Resources	105.1	14.5	9.1	31.4
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
14.2	96.0	189.9	State	219.5	10.0	16.7	100.7
38.3	258.3	537.5	State Police	605.7	27.1	42.7	277.4
43.3	223.6	473.3	Technology, Management & Budget***	344.1	78.2	31.6	181.1
0.0	0.0	23.0	Transportation	121.3	215.3	2.1	102.6
456.8	1,290.0	2,663.0	Treasury	1,701.4	90.1	252.6	1,118.2
39.4	59.0	157.1	Michigan Strategic Fund	218.2	24.7	63.1	173.1
\$2,509.4	\$15,385.3	\$29,270.5		\$30,234.5	\$2,373.5	\$2,499.6	\$15,614.8

*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 2014

April, 2014

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,892.4	79.8	15,972.2
Total state spending from state resources	29,133.1	108.5	29,241.6
Percentage of state spending from state resources paid to local units	54.55%		54.62%
Required payments to local units (48.97%)	14,266.5		14,319.6
Surplus/(deficit)	\$1,625.9		\$1,652.6

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2013 Through April 30, 2014
 (in thousands)

REVENUES

Miscellaneous	\$	188
Total Revenues		188

EXPENDITURES

Current:		
General government		-
Total Expenditures		-
Excess of Revenues over (under) Expenditures		188

OTHER FINANCING SOURCES (USES)

Transfers from other funds		43,750
Transfers to other funds		-
Total Other Financing Sources (Uses)		43,750
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	43,938 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, 2013 through April 30, 2014
 (in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>23,552</u>
Total Revenues		<u>23,552</u>

EXPENDITURES

Current:		
General government		1,617
Conservation, environment, recreation, and agriculture		1,173
Capital outlay		<u>11,226</u>
Total Expenditures		<u>14,016</u>
Excess of Revenues over (under) Expenditures		<u>9,536</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>-</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ 9,536</u> ¹

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

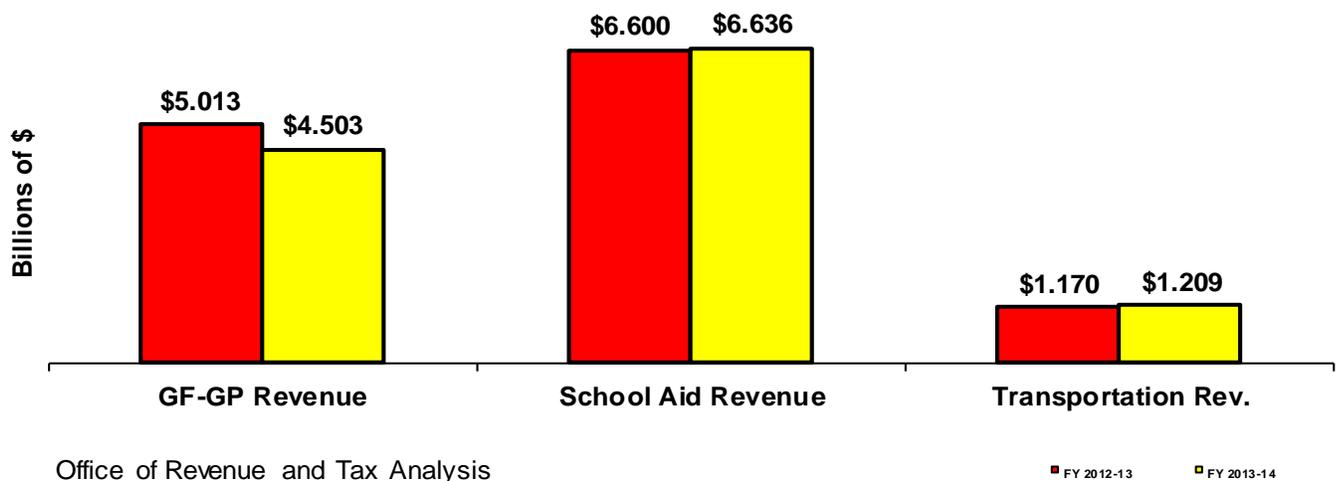
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2014, representing some March 2014 and some April 2014 economic activity in Michigan.

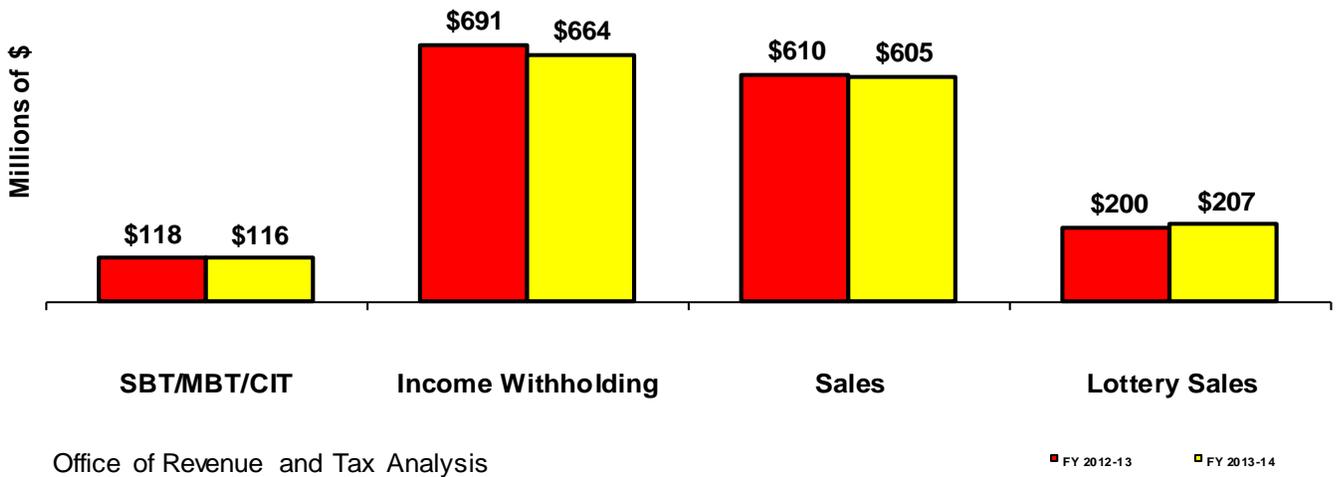
Total General Fund - General Purpose cash collections were \$313.2 million (27.3 percent) lower in April 2014 than in April 2013. The April 2014 School Aid Fund cash collections were \$84.1 million (8.5 percent) lower than in April 2013. April 2014 transportation collections were \$7.8 million (4.6 percent) higher than in April 2013 (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 down \$510.2 million (10.2 percent) from a year ago. School Aid Fund cash collections are up \$36.5 million (0.6 percent) and transportation collections are up \$39.2 million (3.3 percent).

The FY 2013-14 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 10, 2014. The revenue estimate for net General Fund – General Purpose revenue for FY 2013-14 is \$9,572.5 million and the net School Aid revenue forecast is \$11,560.0 million. The Transportation Funds revenue forecast is \$2,160.7 million. The next regularly scheduled Consensus Revenue Estimating Conference will be May 15, 2014.

**October through April Collections
FY 2012-13 and FY 2013-14**



April Revenue Collections FY 2012-13 and FY 2013-14



October through April Collections FY 2012-13 and FY 2013-14



Revenue Summary FY 2013-14
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2014

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus
Income Taxes											
\$690,659	\$663,527	(\$27,132)	-3.9%	Withholding	\$4,774,441	\$4,904,323	\$129,882	2.7%	\$7,963,000	\$8,128,300	\$8,294,900
113,173	109,070	(4,103)	-3.6%	Quarterlies	434,117	445,168	11,051	2.5%	855,100	850,900	887,900
816,041	492,195	(323,846)	-39.7%	Annuals	975,186	663,543	(311,642)	-32.0%	1,146,500	909,800	952,800
1,619,874	1,264,793	(355,081)	-21.9%	Gross Collections	6,183,744	6,013,035	(170,710)	-2.8%	\$9,964,600	\$9,889,000	\$10,135,600
430,874	465,997	35,122	8.2%	Less: Refunds	1,432,975	1,511,551	78,576	5.5%	1,694,200	1,620,100	1,694,200
0	0	0	na	State Campaign Fund	0	0	0	na	800	1,000	1,000
1,188,999	798,797	(390,203)	-32.8%	Net Personal Income	4,750,770	4,501,484	(249,285)	-5.2%	\$8,269,600	\$8,267,900	\$8,440,400
371,836	289,871	(81,965)	-22.0%	Less: Disbursements to SAF	1,423,015	1,380,721	(42,294)	-3.0%	\$2,338,500	\$2,353,700	\$2,413,300
\$817,163	\$508,925	(\$308,238)	-37.7%	NET PERSONAL INCOME TO GF-GP	\$3,327,754	\$3,120,763	(\$206,991)	-6.2%	\$5,931,100	\$5,914,200	\$6,027,100
Consumption Taxes											
\$6,462	\$6,063	(\$400)	-6.2%	Sales (a)	\$41,329	\$38,768	(\$2,562)	-6.2%	\$1,003,500	\$1,153,000	\$1,146,100
79,323	77,571	(1,752)	-2.2%	Use (f)	459,320	512,132	52,812	11.5%	838,300	888,300	919,700
14,235	14,057	(178)	-1.3%	Tobacco	106,139	104,748	(1,392)	-1.3%	187,800	188,800	188,100
4,020	4,229	210	5.2%	Beer, Wine & Mixed Spirits	27,338	28,246	908	3.3%	50,700	52,000	51,000
3,157	3,262	105	3.3%	Liquor Specific	21,649	22,348	699	3.2%	44,400	43,500	45,000
\$107,197	\$105,181	(\$2,016)	-1.9%	TOTAL CONSUMPTION TAXES	\$655,775	\$706,241	\$50,465	7.7%	\$2,124,700	\$2,325,600	\$2,349,900
Other Taxes											
\$3,795	\$2,412	(\$1,383)	-36.5%	Single Business	\$31,486	(\$28,152)	(\$59,637)	na	(\$47,000)	\$0	(\$10,000)
63,239	64,580	1,342	2.1%	Insurance Premiums Taxes	212,758	223,181	10,422	4.9%	301,400	348,200	358,000
67,034	66,992	(42)	-0.1%	Sub-total SBT & Insurance	244,244	195,029	(49,215)	-20.1%	254,400	348,200	348,000
(16,871)	(26,539)	(9,667)	57.3%	Michigan Business Tax	(12,789)	(351,358)	(338,569)	na	(75,800)	(550,000)	(490,000)
131,484	139,659	8,175	6.2%	Corporate Income Tax	513,529	579,759	66,229	12.9%	783,100	957,000	850,000
36	24	(12)	-32.8%	Inheritance / Estate	114	68	(47)	-40.8%	0	0	0
0	0	0	na	Telephone & Telegraph	23,453	19,488	(3,964)	-16.9%	46,500	55,000	45,000
4,319	8,858	4,539	105.0%	Oil & Gas Severance	31,823	40,726	8,903	28.0%	59,500	55,000	62,000
14,062	9,690	(4,372)	-31.1%	Penalties & Interest	78,134	63,206	(14,927)	-19.1%	165,200	138,000	150,000
0	0	0	na	Miscellaneous Other/Railroad	247	14	(234)	-94.5%	1,100	1,000	1,000
(10,667)	(11,083)	(417)	-3.9%	Treasury Enforcement Programs (e)	(74,667)	(76,583)	(1,917)	-2.6%	(134,600)	(129,000)	(133,000)
\$189,397	\$187,601	(\$1,796)	-0.9%	TOTAL OTHER TAXES	\$804,088	\$470,348	(\$333,741)	-41.5%	\$1,099,400	\$875,200	\$833,000
\$1,113,757	\$801,707	(\$312,050)	-28.0%	SUBTOTAL GF-GP TAXES	\$4,787,618	\$4,297,352	(\$490,267)	-10.2%	\$9,155,200	\$9,115,000	\$9,210,000

continued

Revenue Summary FY 2013-14
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2014

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus
Non-Tax Revenue (e)											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$11,667	\$11,667	\$0	0.0%	\$22,500	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	583	583	0	0.0%	100	1,000	1,000
917	833	(83)	-9.1%	Services	6,417	6,083	(333)	-5.2%	9,000	11,000	10,000
1,667	833	(833)	-50.0%	Licenses & Permits	11,667	8,333	(3,333)	-28.6%	4,800	20,000	10,000
(153)	27	180	na	Investments/Interest Costs	(304)	139	443	na	(1,200)	(4,000)	(2,500)
10,250	8,417	(1,833)	-17.9%	Misc. Non-tax Revenue	73,750	62,167	(11,583)	-15.7%	106,800	114,000	101,000
13,600	14,333	733	5.4%	Liquor Purchase Revolving Fund	95,900	98,333	2,433	2.5%	170,600	164,000	172,000
3,600	4,250	650	18.1%	From Other Funds-Lottery & Escheats	25,900	18,300	(7,600)	-29.3%	94,800	5,200	51,000
\$31,630	\$30,444	(\$1,187)	-3.8%	TOTAL NON-TAX REVENUE	\$225,579	\$205,606	(\$19,974)	-8.9%	\$407,400	\$331,200	\$362,500
\$1,145,387	\$832,150	(\$313,237)	-27.3%	TOTAL GF-GP REVENUE	\$5,013,197	\$4,502,957	(\$510,240)	-10.2%	\$9,562,800	\$9,446,200	\$9,572,500
School Aid Fund											
\$249,391	\$246,960	(\$2,431)	-1.0%	Sales Tax 4%	\$1,662,096	\$1,659,068	(\$3,028)	-0.2%	2,925,500	3,107,200	3,002,500
194,504	193,419	(1,085)	-0.6%	Sales Tax 2%	1,292,370	1,291,646	(724)	-0.1%	2,280,700	2,224,900	2,345,300
39,662	38,785	(876)	-2.2%	Use Tax 2% (f)	228,318	256,066	27,748	12.2%	432,400	444,200	459,800
13,081	21,396	8,316	63.6%	State Education Property Tax	1,191,897	1,215,192	23,294	2.0%	1,770,900	1,818,000	1,798,000
17,295	12,121	(5,174)	-29.9%	Real Estate Transfer Tax	105,265	122,207	16,942	16.1%	202,300	202,100	217,400
65,000	65,000	0	0.0%	Lottery Transfer (b)	365,000	385,000	20,000	5.5%	734,300	742,500	745,000
9,723	9,094	(629)	-6.5%	Casino Wagering Tax	67,404	62,784	(4,620)	-6.9%	110,700	112,000	114,000
3,112	3,250	138	4.4%	Liquor Excise Tax	21,454	22,195	740	3.5%	43,800	43,500	44,500
28,899	28,537	(362)	-1.3%	Cigarette/Tobacco Tax	215,479	212,653	(2,826)	-1.3%	371,900	359,800	361,100
1,986	1,713	(273)	-13.7%	Indus. & Comm. Facilities Taxes	20,158	19,041	(1,117)	-5.5%	33,900	39,000	35,000
588	798	211	35.9%	Specific Other	7,297	9,692	2,395	32.8%	24,600	23,100	24,100
371,836	289,871	(81,965)	-22.0%	Income Tax Earmarking	1,423,015	1,380,721	(42,294)	-3.0%	\$2,338,500	\$2,353,700	\$2,413,300
\$995,076	\$910,947	(\$84,130)	-8.5%	TOTAL SCHOOL AID FUND	\$6,599,753	\$6,636,265	\$36,511	0.6%	\$11,269,500	\$11,470,100	\$11,560,000
\$610,156	\$605,020	(\$5,136)	-0.8%	SALES TAX 6%	\$4,062,529	\$4,056,758	(\$5,771)	-0.1%	\$7,153,800	\$7,330,700	\$7,349,400
415,652	411,601	(4,052)	-1.0%	SALES TAX 4%(d)	2,770,160	2,765,113	(5,047)	-0.2%	4,873,100	5,105,800	5,004,100
194,504	193,419	(1,085)	-0.6%	SALES TAX 2%	1,292,370	1,291,646	(724)	-0.1%	2,280,700	2,224,900	2,345,300
118,985	116,356	(2,629)	-2.2%	USE TAX 6% (f)	687,638	768,198	80,560	11.7%	1,270,700	1,332,500	1,379,500
71,531	70,636	(895)	-1.3%	TOBACCO TAXES	533,364	526,370	(6,994)	-1.3%	957,400	936,400	942,000
292,208	192,165	(100,042)	-34.2%	TOBACCO SETTLEMENT	292,220	192,774	(99,447)	-34.0%	na	na	na

continued

Revenue Summary FY 2013-14
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2014

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH APRIL CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
April		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14	
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus	
Major Transportation Revenues												
\$11,558	\$9,886	(\$1,673)	-14.5%	Diesel Fuel / Motor Carrier Fuel Tax	\$76,034	\$80,681	\$4,646	6.1%	\$128,910	\$130,000	\$130,600	
69,700	66,523	(3,177)	-4.6%	Gasoline	471,083	479,343	8,260	1.8%	821,632	812,500	818,000	
74,988	87,494	12,506	16.7%	Motor Vehicle Registration	534,456	560,326	25,870	4.8%	906,530	905,000	927,500	
4,654	4,824	170	3.7%	Other Taxes, Fees & Misc.	25,986	25,770	(216)	-0.8%	127,998	167,961	175,215	
9,122	9,117	(5)	-0.1%	Comprehensive Transportation (c)	62,568	63,167	598	1.0%	114,629	106,794	109,404	
<u>\$170,022</u>	<u>\$177,844</u>	<u>\$7,821</u>	<u>4.6%</u>	TOTAL MAJOR TRANS. REVENUES	<u>\$1,170,127</u>	<u>\$1,209,286</u>	<u>\$39,159</u>	<u>3.3%</u>	<u>\$2,099,699</u>	<u>\$2,122,255</u>	<u>\$2,160,718</u>	
Lottery Sales By Games												
71,919	78,261	6,342	8.8%	Instant Games	476,791	525,093	48,302	10.1%	na	na	na	
54,201	54,609	409	0.8%	Daily Games	387,971	392,654	4,684	1.2%	na	na	na	
25,306	21,923	(3,383)	-13.4%	Lotto and Big Game	210,978	216,916	5,938	2.8%	na	na	na	
924	806	(118)	-12.7%	Keno Game	6,768	6,042	(726)	-10.7%	na	na	na	
1,208	4,338	3,130	na	Other	5,100	34,830	29,730	na	na	na	na	
46,217	46,974	757	1.6%	Club Games	337,030	339,970	2,940	0.9%	na	na	na	
<u>\$199,775</u>	<u>\$206,912</u>	<u>\$7,137</u>	<u>3.6%</u>	TOTAL LOTTERY SALES	<u>\$1,424,637</u>	<u>\$1,515,506</u>	<u>\$90,869</u>	<u>6.4%</u>	<u>na</u>	<u>na</u>	<u>na</u>	

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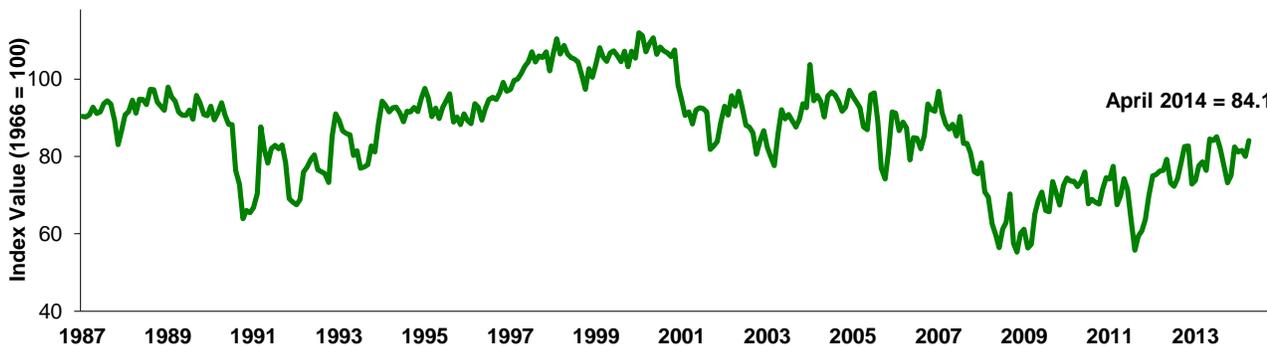
- a GF-GP Sales has been estimated based on CTF and Health Initiative shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.
- c The CTF distributions have been estimated (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

Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

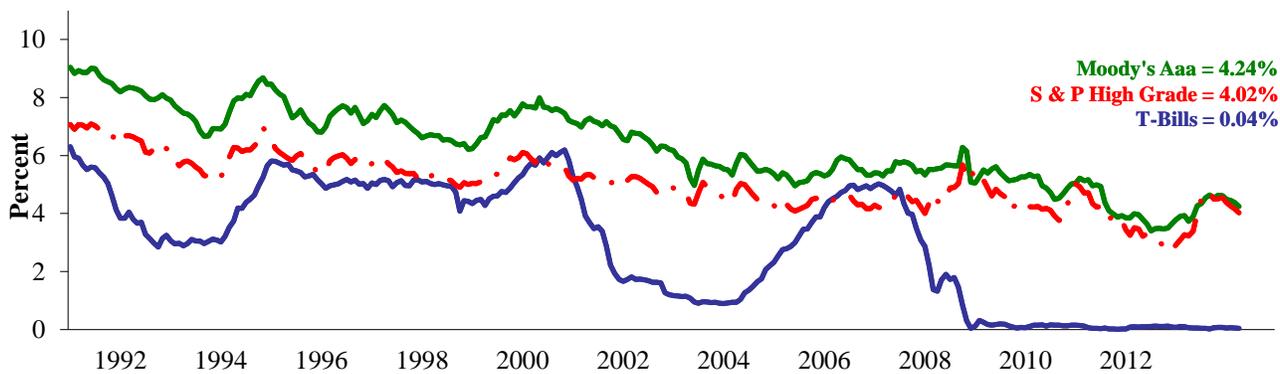
The **Index of Consumer Sentiment** rose in April to 84.1 index-points, 4.1 index-points above the March value and 7.7 index-points above April 2013. On the increase in confidence, Survey Director Richard Curtin noted, “Consumer confidence continued to slowly improve in late April. The Sentiment Index has been higher in only two months since 2007, with two readings being barely higher at 85.1 in July 2013 and 84.5 in May 2013. The current level of consumer sentiment will support a growth rate of 2.6% in personal consumption expenditures during 2014. Perhaps the more important question is whether consumer confidence will show greater resistance to backslides that have repeatedly occurred in the past few years. Resilience is dependent on positive long term economic expectations. While near term expectations have improved substantially, longer term expectations for personal finances as well as the overall economy have not improved as much.” Curtin observed, “Prospects for the national economy in the year ahead were viewed more positively in April. In only two surveys since 2007 have more households anticipated good times in the economy – by just two percentage points in June and July of 2013.” On buying attitudes, Curtin reported, “Buying attitudes toward durables, vehicles and homes improved among households in the top third of the income distribution, but recorded slight declines among lower income households.” In April, consumers in three of the four regions reported an increase in confidence. Midwestern consumers reported an increase in confidence of 8.9 index-points, followed by Western consumers with an increase of 8.2 index-points. Northeastern consumers reported a decrease in confidence at 0.9 index points. The gap across regions increased from last month to 6.8 index-points, with Midwestern and Western consumers on top and Northeastern consumers on the bottom.

The revised estimate of real **Gross Domestic Product** for the first quarter of 2014 is \$15,946.6 billion (chained 2005 dollars), an increase of 0.1 percent at an annual rate. In the fourth quarter of 2013, real gross domestic product increased 2.6 percent. The slight increase in first quarter real GDP was mainly due to personal consumption expenditures. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 3.0 percent in the first quarter, compared to a 3.3 percent increase in the fourth quarter. Real residential fixed investment decreased 5.7 percent in the first quarter compared to a decrease of 7.9 percent in the fourth quarter. Real nonresidential fixed investment decreased 2.1 percent in the first quarter while equipment decreased

5.5 percent. Real federal government expenditures increased 0.7 percent in the first quarter, compared to a 12.8 percent decrease in the fourth quarter. Real state and local government spending decreased 1.3 percent in the first quarter, compared to being unchanged in the fourth quarter. Exports of goods and services decreased 7.6 percent in the first quarter, compared to a 9.5 percent increase in the fourth quarter. Imports decreased 1.4 percent in the first quarter compared to an increase of 1.5 percent in the fourth quarter. Private inventory investment increased \$87.4 billion in the first quarter, following a \$111.7 billion increase in the fourth quarter. Real final sales increased 0.7 percent in the first quarter compared to an increase of 2.7 percent in the fourth quarter. On the inflation front, the **implicit price deflator** increased 1.3 percent in the first quarter compared to a 1.6 percent increase observed in the fourth quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), increased 0.3 percent in April, up from the 0.2 percent increase compared to March. Energy prices increased 0.3 percent in April, up from a 0.1 percent decrease in March, while the all-items less food and energy component increased 0.2 percent in April. Compared to April 2013, the all-items index increased 2.0 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.8 percent; medical care, 2.4 percent; apparel, 0.5 percent; education and communication, 1.5 percent; other goods and services, 1.7 percent; housing, 2.5 percent; recreation, 0.6 percent; and transportation, 1.6 percent, with gasoline prices up 2.4 percent.

Selected Key Interest Rates

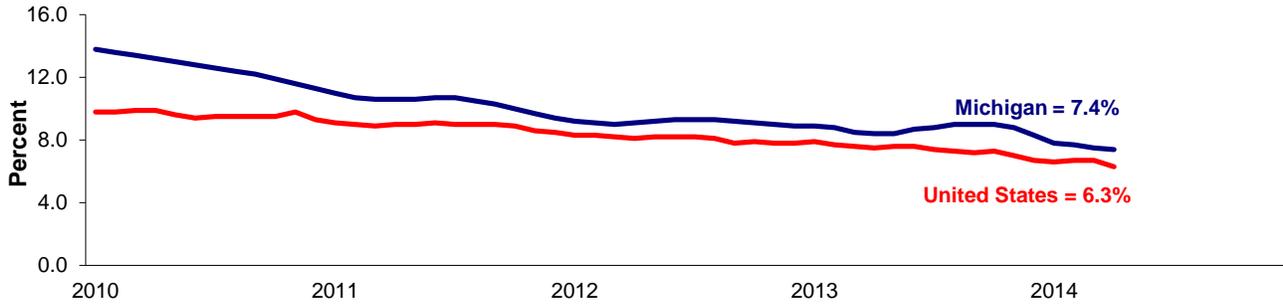


Source: Economic Indicators

Short-term **interest rates** decreased 0.01 percentage point in April as the 3-month Treasury bill (T-bill) rate was 0.04 percent. Compared to one year ago, the T-bill rate was down 0.02 percentage point. The Aaa corporate bond rate, a long-term interest rate, decreased 0.14 percentage point to an interest yield of 4.24 percent in April. The Aaa bond yield was up 0.51 percentage point from its year-ago level. The interest rate on High-grade municipal bonds decreased 0.14 percentage point from the March level to 4.16 percent in April and was up 0.80 percentage point from its year-ago level. The Federal Open Market Committee kept the target range for the federal funds rate between 0 and 0.25 percent at the April 30th meeting. The FOMC stated “the Committee today reaffirmed its view that a highly accommodative stance of monetary policy remains appropriate. In determining how long to maintain the current 0 to ¼ percent target range for the federal funds rate, the Committee will assess progress – both realized and expected – toward its objectives of maximum employment and 2 percent inflation.” The Committee “seeks to foster maximum employment and price stability.”

In April, the **U. S. unemployment rate** decreased 0.4 percentage point from a month ago to 6.3 percent and was 1.2 percentage points lower than a year ago. Civilian employment totaled 145.7 million persons in April. The number unemployed was 9.8 million nationwide.

Unemployment Rates 2010 - 2014



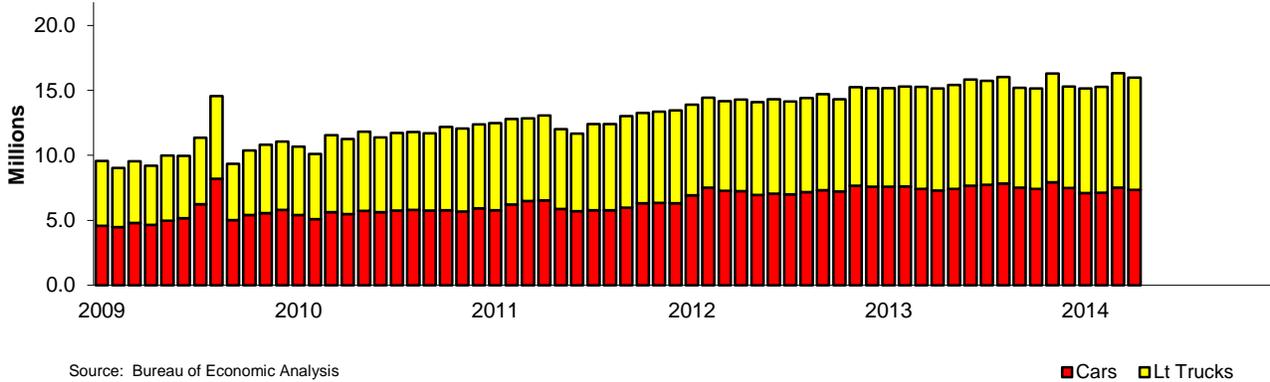
Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In April, the **Michigan jobless rate** decreased 0.1 of a percentage point to 7.4 percent from 7.5 percent in March. The April unemployment rate is 1.4 percentage points below the year ago level. In April, the labor force increased by 11,000 to 4,741,000, while the number of people employed increased by 14,000 to 4,389,000. In April, there were 352,000 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), increased 1.3 percent from February to April compared to a 1.1 percent decrease from December to February. The all-items less food and energy index increased 0.8 percent from February to April. The food index increased 1.2 percent from February to April while the energy index increased 4.8 percent. Compared to April 2013, the all-items index increased 2.0 percent. For individual component items, the changes from one year ago were: food and beverages, 2.7 percent; apparel, 7.3 percent; education and communication, 3.5 percent; transportation, 1.5 percent; recreation, -2.4 percent; medical care, 4.3 percent; housing, 1.9 percent; and other goods and services, 1.8 percent.

Motor Vehicle Sector

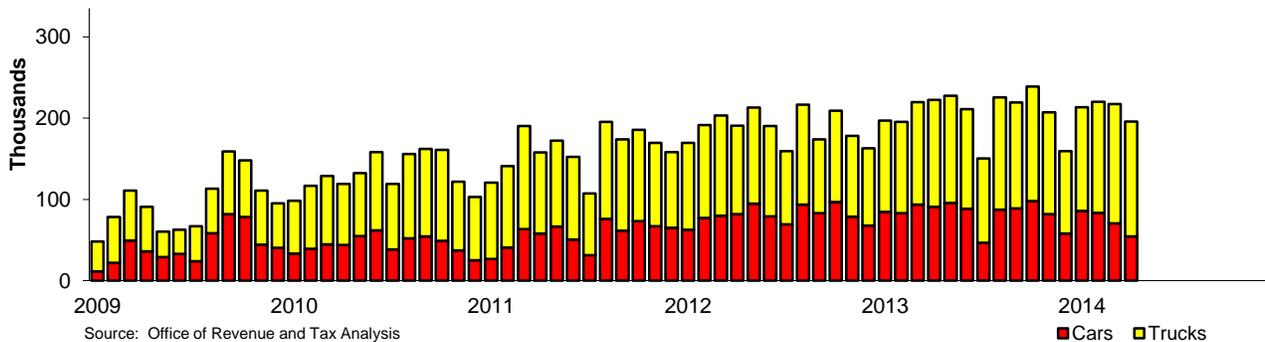
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) decreased by 2.2 percent in April compared to March, selling at a 16.0 million unit seasonally adjusted annual rate. Domestic car sales decreased 2.7 percent from March while domestic light truck sales decreased 0.6 percent. Import car sales decreased 1.5 percent while import light truck sales decreased 9.4 percent. Compared to last year, light vehicle sales increased 5.4 percent. Domestic car sales were down 1.1 percent from the year ago level while domestic light truck sales increased 10.0 percent. Import car sales were up 5.8 percent from last year while import truck sales increased 8.5 percent. As a result, the domestic share of U.S. light vehicle sales decreased 0.2 percentage points from a year ago. For fiscal year 2014 year-to-date, domestic light vehicles recorded a 78.1 percent share of a 15.6 million-unit market.

Michigan motor vehicle production decreased to 159,817 units in April from 217,248 units in March. From a year ago, motor vehicle production decreased 12 percent in Michigan and remained unchanged nationally. In April, Michigan's car production was 54,627 units while the state's truck production was 141,190 units. Compared with a year ago, car production decreased 40 percent in Michigan and decreased 16 percent nationwide. The state's truck production increased 7 percent while national truck production increased 11 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 10, 2014 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2011-12 Actual	Fiscal Year 2012-13 Estimate	Fiscal Year 2013-14 Estimate
Applicable Calendar Year Personal Income	\$342,663	\$358,152	\$378,443
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,518.7</u>	<u>\$33,988.6</u>	<u>\$35,914.2</u>
Revenue Limit	\$32,518.7	\$33,988.6	\$35,914.2
State Revenue Subject to Limit	<u>\$27,288.3</u>	<u>\$28,074.3</u>	<u>\$28,472.0</u>
Amount Under (Over) Limit	\$5,230.4	\$5,914.4	\$7,442.3

Sources:

Personal Income Estimate

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 official personal income estimate for calendar year 2011 (Survey of Current Business, October 2012).

The FY 2013-14 calculation uses the official personal income estimate for calendar year 2012 (Survey of Current Business, October 2013).

Revenue Subject to the Limit

The FY 2011-12 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2012.

The FY 2012-13 calculation uses the January 10, 2014 Consensus Revenue Agreement.

The FY 2013-14 calculation uses the January 10, 2014 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