



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

March 30, 2021

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

The Honorable Thomas Albert, 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 February 28, 2021. 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](http://www.michigan.gov/budget) under "Spending and Revenue Reports".

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

Sincerely,

David P. Massaron  
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  
Bethany Wicksall, Deputy State Budget Director  
Heather Boyd, Office of Financial Mgmt.  
Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**February 28, 2021**  
(\$ in millions)

**FISCAL  
2021**

<b>Beginning Balance</b>	<b>\$ 2,364.3</b>	<sup>1</sup>
--------------------------	-------------------	--------------

<b>Revenues</b>		
<b>Ongoing:</b>		
January 2021 Consensus Forecast	\$ 10,237.5	
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0	
Local Government Program Payments	\$ (490.1)	
<b>Subtotal Ongoing Revenue</b>	<b>\$ 9,822.4</b>	
<b>One-Time:</b>		
Miscellaneous Adjustments	\$ 11.2	
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.2</b>	
<b>Total Revenue</b>	<b>\$ 9,833.6</b>	

<b>Expenditures</b>		
<b>Ongoing:</b>		
Public Acts 165 and 166 of 2020	\$ 10,316.9	
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 10,316.9</b>	
<b>One-Time:</b>		
Public Acts 165 and 166 of 2020	\$ 285.3	
Public Act 257 of 2020	\$ 243.3	
Reserve for Disallowance	\$ 62.8	
Transfer to BSF	\$ 35.0	
<b>Subtotal One-Time Expenditures</b>	<b>\$ 626.4</b>	
<b>Total Expenditures</b>	<b>\$ 10,943.3</b>	

<b>Ending Balance</b>	<b>\$ 1,254.6</b>
-----------------------	-------------------

<sup>1</sup> This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2020. Final year-end activity will be reflected in the fiscal year 2020 Comprehensive Annual Financial Report. The beginning balance is the estimated fiscal year 2020 Comprehensive Annual Financial Report balance as of February 2021.

**SCHOOL AID FUND**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**February 28, 2021**  
(\$ in millions)

**FISCAL  
2021**

<b>Beginning Balance</b>	<b>\$ 1,190.6</b>	<sup>1</sup>
--------------------------	-------------------	--------------

**Revenues**

**Ongoing:**

January 2021 Consensus Forecast	\$ 14,030.2
General Fund	\$ 40.0
Community District Trust Fund	\$ 79.8
Federal Revenue	\$ 1,937.1
<b>Subtotal Ongoing Revenue</b>	<b>\$ 16,087.1</b>

**One-Time:**

General Fund	\$ 11.0
General Fund - Pending Supplemental (2021-6)	\$ 60.0
<b>Subtotal One-Time Revenue</b>	<b>\$ 71.0</b>

<b>Total Revenue</b>	<b>\$ 16,158.1</b>
----------------------	--------------------

**Expenditures**

**Ongoing:**

School Aid - PA 165 of 2020	\$ 15,340.1
School Aid - Pending Supplemental (2021-6)	\$ (60.3)
Community Colleges - PA 165 of 2020	\$ 425.7
Universities - PA 165 of 2020	\$ 356.1
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 16,061.6</b>

**One-Time:**

School Aid - PA 165 of 2020	\$ 185.0
School Aid - Pending Supplemental (2021-4 and 6)	\$ 782.7
Community Colleges - Pending Supplemental (2021-6)	\$ 12.7
<b>Subtotal One-Time Expenditures</b>	<b>\$ 980.4</b>

<b>Total Expenditures</b>	<b>\$ 17,042.0</b>
---------------------------	--------------------

<b>Ending Balance</b>	<b>\$ 306.7</b>
-----------------------	-----------------

<sup>1</sup> This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2020. Final year-end activity will be reflected in the fiscal year 2020 Comprehensive Annual Financial Report. The beginning balance is the estimated fiscal year 2020 Comprehensive Annual Financial Report balance as of February 2021.

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

February 28, 2021

(\$ in millions)

Fiscal Year 2020				Fiscal Year 2021			
Expenditures & Encumbrances Year to Date FY 2020	Fiscal Year End SEP 30, 2020	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2021
59.9	110.5	Agriculture and Rural Development	121.3	5.2	23.8	150.3	54.9
38.9	93.2	Attorney General	105.3	2.1	20.0	127.4	35.6
221.1	389.6	Capital Outlay (2)	332.4	0.0	673.9	1,006.3	143.8
5.6	14.0	Civil Rights	18.0	1.5	1.9	21.4	5.2
661.1	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	715.3
961.4	2,017.3	Corrections	2,050.7	2.5	250.6	2,303.8	920.0
137.9	1,134.0	Education	516.7	7.2	155.7	679.5	243.9
161.8	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	183.7
5.7	7.4	Executive Office	7.1	0.0	0.9	8.1	4.0
10,444.1	26,614.3	Health and Human Services	28,453.2	275.0	1,184.2	29,912.4	12,234.5
22.6	53.9	Insurance and Financial Service	73.3	1.5	0.0	74.8	21.7
98.8	271.3	Judiciary	313.6	0.4	4.9	319.0	95.4
206.6	444.8	Labor and Economic Opportunity	745.2	22.5	2,850.0	3,617.7	217.7
10.5	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	10.3
67.4	154.3	Legislature	172.4	0.0	93.8	266.2	65.3
179.2	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	225.8
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
26.0	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	134.1
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.0	42.5	24.0
97.8	171.9	Military and Veterans Affairs	102.4	22.2	12.5	137.1	62.0
67.3	132.7	Natural Resources	136.5	5.0	58.2	199.7	56.7
96.1	252.4	State	254.3	12.1	88.1	354.5	91.8
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
277.2	837.6	State Police	737.2	36.2	504.3	1,277.7	251.8
150.6	1,047.2	Technology, Management and Budget (3)	495.0	194.4	379.0	1,068.4	277.6
2.9	6.2	Transportation	0.0	47.0	29.5	76.5	2.1
1,069.3	3,758.1	Treasury	2,080.6	126.4	197.6	2,404.6	1,165.7
<b>\$15,069.7</b>	<b>\$39,893.1</b>		<b>\$39,180.9</b>	<b>\$882.4</b>	<b>\$7,371.7</b>	<b>\$47,435.0</b>	<b>\$17,242.7</b>

(1) Includes boilerplate appropriations.

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

(3) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS  
TO LOCAL UNITS OF GOVERNMENT**

**Fiscal Year 2021**

**February 28, 2021**

(\$ in millions)

	<b>INITIAL APPROPRIATIONS</b>	<b>EXEC. ORDER and SUPPLEMENTALS</b>	<b>TOTAL APPROPRIATIONS YEAR-TO-DATE</b>
Payments to local units of government	19,907.4	0.0	19,907.4
Total state spending from state resources	35,359.1	243.3	35,602.4
Percentage of state spending from state resources paid to local units	56.30%	0.00%	55.92%
Required payments to local units (48.97%)	17,315.4	119.1	17,434.5
<b>Surplus/(deficit)</b>	<b>\$2,592.0</b>	<b>(\$119.1)</b>	<b>\$2,472.9</b>

**STATE OF MICHIGAN**  
**YEAR-TO-DATE BALANCE SHEET**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
February 28, 2021  
(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 843,685
-----------------------	------------

Total Assets	<u>\$ 843,685</u>
--------------	-------------------

**LIABILITIES**

Current Liabilities:

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

Total Liabilities	<u>-</u>
-------------------	----------

**FUND BALANCES**

Committed	<u>843,685</u>
-----------	----------------

Total Fund Balances	<u>843,685</u>
---------------------	----------------

Total Liabilities and Fund Balances	<u>\$ 843,685</u>
-------------------------------------	-------------------

**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
October 1, 2020 through February 28, 2021  
(\$ in thousands)

**REVENUES**

Miscellaneous	\$ -
	<hr/>
Total Revenues	-
	<hr/>

**EXPENDITURES**

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

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	14,583
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	14,583
	<hr/>
Excess of Revenues and Other Sources	
over (under) Expenditures and	
Other Uses	\$ 14,583 <sup>1</sup>
	<hr/> <hr/>

<sup>1</sup> 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**

February 28, 2021

(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 41,200
Investments	-
Other current assets	-
Total Current Assets	<u>41,200</u>

Noncurrent Assets:

Investments	<u>823,140</u>
-------------	----------------

Total Assets	<u><u>\$ 864,340</u></u>
--------------	--------------------------

**LIABILITIES**

Current Liabilities:

Accounts payable and other liabilities	\$ 9,347
Amounts due to other funds	-
Total Current Liabilities	<u>9,347</u>

Total Liabilities	<u>9,347</u>
-------------------	--------------

**FUND BALANCES**

Nonspendable	500,000
Restricted	<u>354,993</u>

Total Fund Balances	<u>854,993</u>
---------------------	----------------

Total Liabilities and Fund Balances	<u><u>\$ 864,340</u></u>
-------------------------------------	--------------------------



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

October 1, 2020 through February 28, 2021  
(\$ in thousands)

**REVENUES**

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	119,421
	<hr/>
Total Revenues	119,421
	<hr/>

**EXPENDITURES**

Current:	
General government	2,337
Conservation, environment, recreation, and agriculture	5,020
Capital outlay	456
	<hr/>
Total Expenditures	7,813
	<hr/>
Excess of Revenues over (under) Expenditures	111,608
	<hr/>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues	-
Proceeds from sale of capital assets	-
Transfers from other funds	-
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	-
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 111,608 <sup>1</sup>
	<hr/> <hr/>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

## REVENUE OVERVIEW

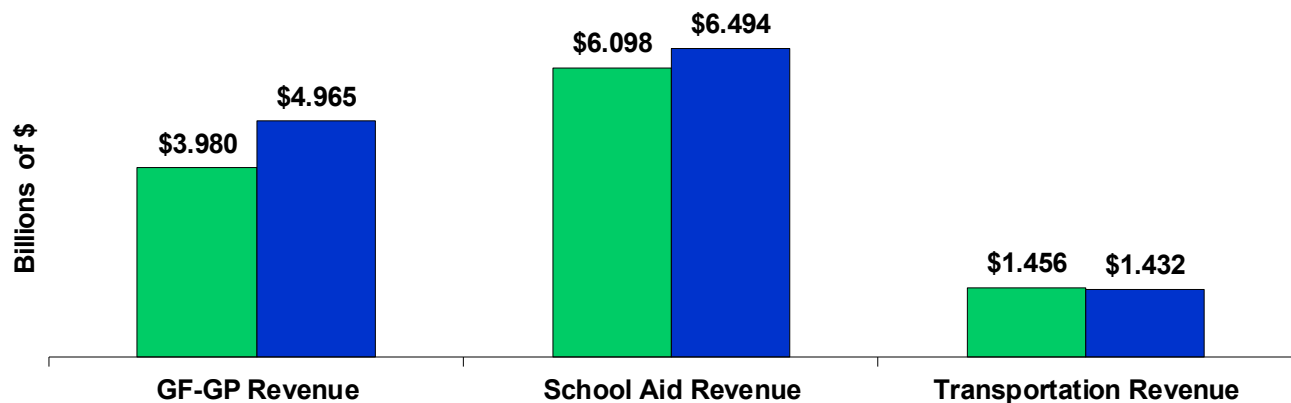
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for February 2021, representing some January and some February economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$431.3 million (393.0 percent) higher in February 2021 than in February 2020. Timing issues resulted in slower processing of income tax refunds leading to the large change in General Fund - General Purpose revenue. The February 2021 School Aid Fund cash collections were \$80.5 million (9.3 percent) higher than in February 2020. February 2021 transportation collections were \$25.5 million (7.8 percent) lower than in February 2020 (see revenue summary table). February is the fifth 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 \$985.9 million (24.8 percent) from a year ago. School Aid Fund cash collections are up \$395.5 million (6.5 percent) and transportation collections are down \$24.2 million (1.7 percent).

The FY 2020-21 revenue projections presented in the revenue summary table on page 11 are from the special Consensus Revenue Estimating Conference held on January 15, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2020-21 is \$10,237.5 million and the net School Aid revenue forecast is \$14,030.2 million. The Transportation Funds revenue forecast is \$3,680.9 million. By law, the Consensus Revenue Estimating Conferences are held the second week of February and the third week of May.

### October through February Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

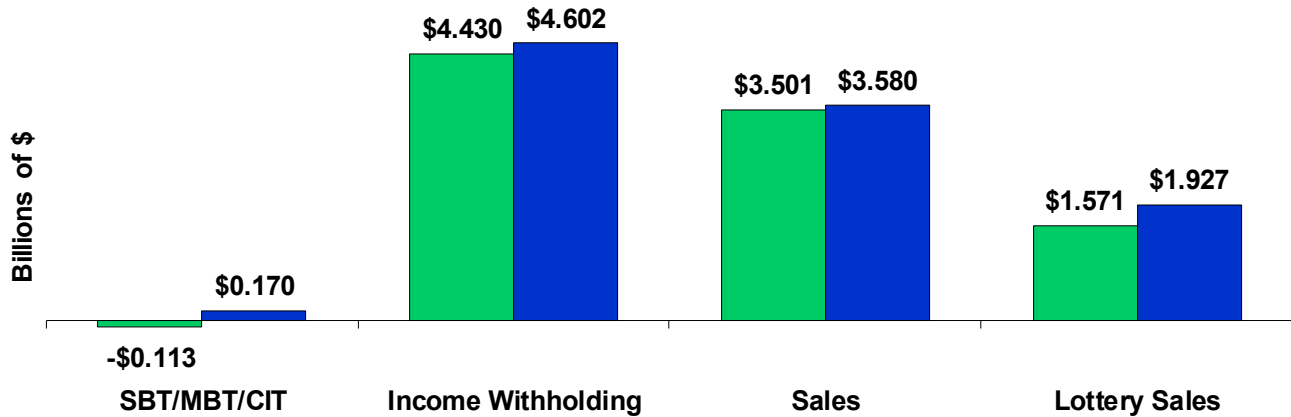
### February Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

### October through February Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: February 28, 2021**

Month-End Cash Collections Data				October Through February Cash Collections Data					Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
Income Taxes											
\$825,253	\$866,511	\$41,258	5.0%	Withholding	\$4,429,692	\$4,602,482	\$172,790	3.9%	\$10,502,700	\$9,971,300	\$10,364,500
10,320	11,445	1,125	10.9%	Quarterlies	441,564	529,845	88,281	20.0%	1,208,400	1,019,500	976,400
28,849	25,908	(2,941)	-10.2%	Annuals	143,862	169,476	25,614	17.8%	1,298,100	1,147,600	1,229,600
\$864,422	\$903,864	\$39,442	4.6%	Gross Collections	\$5,015,118	\$5,301,803	\$286,685	5.7%	\$13,009,200	\$12,138,400	\$12,570,500
626,426	340,213	(286,212)	-45.7%	Less: Refunds	797,921	484,848	(313,073)	-39.2%	2,517,700	2,366,900	2,416,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$237,996	\$563,651	\$325,654	137.0%	Net Personal Income	\$4,217,198	\$4,816,956	\$599,758	14.2%	\$10,490,900	\$9,770,700	\$10,153,300
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	195,000	250,000	55,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	28,750	28,750	0	0.0%	69,000	69,000	69,000
201,230	210,413	9,182	4.6%	Less: Disbursements to SAF	1,167,489	1,234,257	66,768	5.7%	3,093,000	2,889,900	2,993,000
(\$7,984)	\$297,488	\$305,472	na	Net Personal Income To GF-GP	\$2,825,959	\$3,303,949	\$477,990	16.9%	\$6,860,900	\$6,211,800	\$6,491,300
Consumption Taxes											
\$100,317	\$109,894	\$9,577	9.5%	Sales (a)	\$564,239	\$586,683	\$22,444	4.0%	\$1,299,800	\$1,250,200	\$1,274,700
30,889	85,817	54,929	178.0%	Use (a) (h)	252,627	476,334	223,707	88.6%	735,300	654,500	818,300
13,760	12,907	(853)	-6.2%	Tobacco	71,632	73,018	1,385	1.9%	180,100	167,800	174,700
3,373	975	(2,398)	-71.1%	Beer, Wine & Mixed Spirits	20,274	24,663	4,389	21.6%	51,400	50,500	53,000
4,995	87	(4,908)	-98.3%	Liquor Specific	22,679	13,903	(8,776)	-38.7%	73,100	57,500	68,000
\$153,334	\$209,681	\$56,347	36.7%	Total Consumption Taxes	\$931,451	\$1,174,601	\$243,150	26.1%	\$2,339,700	\$2,180,500	\$2,388,700
Other Taxes											
(\$2,995)	(\$13)	\$2,982	-99.6%	Single Business	(\$9,986)	(\$372)	\$9,614	-96.3%	(\$5,400)	\$0	\$0
20,319	(11,801)	(32,119)	na	Insurance Premiums Taxes	\$195,784	174,505	(21,279)	-10.9%	456,800	380,400	398,700
17,324	(11,813)	(29,137)	na	Sub-total SBT & Insurance	185,798	174,133	(11,665)	-6.3%	451,400	380,400	398,700
(100,014)	(770)	99,244	-99.2%	Michigan Business Tax	(552,184)	(369,189)	182,995	33.1%	(553,700)	(643,900)	(626,900)
19,678	23,154	3,476	17.7%	Corporate Income Tax	448,756	539,858	91,101	20.3%	1,104,800	912,800	1,074,400
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
1	0	(1)	-91.7%	Telephone & Telegraph	11,355	11,087	(268)	-2.4%	32,400	30,000	32,000
2,077	1,104	(974)	-46.9%	Oil & Gas Severance	8,729	6,319	(2,409)	-27.6%	12,800	12,000	12,000
9,978	5,714	(4,264)	-42.7%	Penalties & Interest	39,465	38,550	(915)	-2.3%	90,700	127,000	120,000
86	158	72	82.9%	Essential Services Assessment	755	1,278	523	69.2%	122,000	125,000	126,000
0	9	8	1839.0%	Miscellaneous Other/Railroad	91	90	(1)	-1.3%	3,800	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(58,333)	(63,333)	(5,000)	-8.6%	(139,800)	(152,000)	(152,000)
(\$62,536)	\$4,889	\$67,425	na	Total Other Taxes	\$84,433	\$338,793	\$254,360	301.0%	\$1,124,400	\$793,300	\$986,200
\$82,814	\$512,057	\$429,244	518.0%	Subtotal GF-GP Taxes	\$3,841,843	\$4,817,342	\$975,500	25.4%	\$10,325,000	\$9,185,600	\$9,866,200

*continued*

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: February 28, 2021**

Month-End Cash Collections Data				October Through February Cash Collections Data						Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent				
Non-Tax Revenue (e)												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$6,250	\$4,167	(\$2,083)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	42	42	0	0.0%	300	100	100	
500	583	83	16.7%	Services	2,500	2,917	417	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	5,000	5,833	833	16.7%	51,100	14,000	14,000	
0	0	0	na	Investments/Interest Costs	3,474	3,474	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	4,167	4,167	0	0.0%	14,500	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	81,250	93,750	12,500	15.4%	290,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	35,000	33,750	(1,250)	-3.6%	75,100	81,000	78,200	
\$26,842	\$28,925	\$2,083	7.8%	Total Non-Tax Revenue	\$137,682	\$148,099	\$10,417	7.6%	\$445,700	\$351,100	\$371,300	
\$109,655	\$540,982	\$431,327	393.0%	Total GF-GP Revenue	\$3,979,524	\$4,965,441	\$985,916	24.8%	\$10,770,700	\$9,536,700	\$10,237,500	
School Aid Fund												
\$260,480	\$283,946	\$23,465	9.0%	Sales Tax 4%	\$1,465,200	\$1,514,664	\$49,464	3.4%	\$3,387,600	\$3,344,700	\$3,444,400	
187,649	198,832	11,183	6.0%	Sales Tax 2%	1,058,595	1,055,274	(3,321)	-0.3%	2,656,400	2,604,600	2,686,400	
42,376	70,554	28,178	66.5%	Use Tax 2%	242,763	372,211	129,448	53.3%	622,500	576,000	657,900	
20,336	19,138	(1,198)	-5.9%	State Education Property Tax	1,426,775	1,466,845	40,070	2.8%	2,189,900	2,163,000	2,237,600	
29,965	36,754	6,789	22.7%	Real Estate Transfer Tax	153,483	200,396	46,912	30.6%	335,400	325,000	363,600	
80,000	90,000	10,000	12.5%	Lottery Transfer (b)	351,822	411,983	60,161	17.1%	1,179,900	1,026,800	1,058,100	
9,863	7,008	(2,855)	-28.9%	Casino Wagering Tax	49,760	28,383	(21,377)	-43.0%	67,000	112,800	116,500	
4,923	0	(4,923)	-100.0%	Liquor Excise Tax	22,196	12,863	(9,333)	-42.0%	70,900	57,100	67,600	
27,935	26,203	(1,732)	-6.2%	Cigarette/Tobacco Tax	145,425	148,237	2,812	1.9%	331,800	314,900	322,300	
1,835	1,458	(378)	-20.6%	Indus. & Comm. Facilities Taxes	10,441	13,115	2,674	25.6%	40,900	33,000	37,000	
110	2,197	2,087	1895.0%	Recreational Marihuana	699	31,263	30,564	na	0	27,300	19,300	
523	1,211	688	131.0%	Specific Other	3,536	4,172	636	18.0%	27,000	26,800	26,500	
201,230	210,413	9,182	4.6%	Income Tax Earmarking	1,167,489	1,234,257	66,768	5.7%	3,093,000	2,889,900	2,993,000	
\$867,227	\$947,712	\$80,486	9.3%	Total School Aid Fund	\$6,098,183	\$6,493,663	\$395,480	6.5%	\$14,002,300	\$13,501,900	\$14,030,200	
Multi-Fund Revenue Summary												
\$621,783	\$672,075	\$50,292	8.1%	Sales Tax 6%	\$3,500,596	\$3,579,715	\$79,119	2.3%	\$8,307,700	\$8,159,000	\$8,406,000	
434,134	473,243	39,109	9.0%	Sales Tax 4% (d)	2,442,000	2,524,440	82,440	3.4%	5,651,300	5,554,400	5,719,600	
187,649	198,832	11,183	6.0%	Sales Tax 2%	1,058,595	1,055,274	(3,321)	-0.3%	2,656,400	2,604,600	2,686,400	
127,129	211,662	84,533	66.5%	Use Tax 6% (g)	728,288	1,116,632	388,344	53.3%	1,813,200	1,722,000	1,967,700	
69,147	64,859	(4,287)	-6.2%	Tobacco Taxes	359,962	366,923	6,961	1.9%	904,100	847,100	879,000	
3,270	0	(3,270)	-100.0%	Tobacco Settlement	6,539	0	(6,539)	-100.0%	na	na	na	

continued

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: February 28, 2021**

Month-End Cash Collections Data				October Through February Cash Collections Data						Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary	FY 2020-21 Statutory	FY 2020-21 January 2021	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Total (i)	Estimate	Forecast	
Major Transportation Revenues												
\$19,390	\$15,269	(\$4,121)	-21.3%	Diesel Fuel / Motor Carrier Fuel Tax	\$103,832	\$99,469	(\$4,363)	-4.2%	\$229,917	\$227,000	\$238,000	
95,330	81,829	(13,500)	-14.2%	Gasoline	500,785	430,522	(70,263)	-14.0%	1,086,857	1,150,000	1,155,000	
164,478	142,489	(21,989)	-13.4%	Motor Vehicle Registration	594,535	587,860	(6,675)	-1.1%	1,345,111	1,373,000	1,373,000	
917	3,929	3,012	328.0%	Other Taxes, Fees & Misc.	19,506	21,239	1,733	8.9%	119,062	217,996	182,419	
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	42,359	42,683	324	0.8%	102,047	102,439	132,523	
39,000	50,000	11,000	28.2%	Income Tax Earmarking	195,000	250,000	55,000	28.2%	468,000	600,000	600,000	
\$327,586	\$302,052	(\$25,534)	-7.8%	Total Major Trans. Revenues	\$1,456,017	\$1,431,773	(\$24,244)	-1.7%	\$3,350,994	\$3,670,435	\$3,680,942	
Lottery Sales By Games												
\$144,552	\$189,844	\$45,292	31.3%	Instant Games (f)	\$741,448	\$1,019,059	\$277,612	37.4%	na	na	na	
68,332	87,887	19,555	28.6%	Daily Games	359,811	453,486	93,675	26.0%	na	na	na	
25,320	25,582	261	1.0%	Lotto and Big Game (f)	145,707	233,396	87,690	60.2%	na	na	na	
653	697	44	6.7%	Keno Game	3,382	3,519	136	4.0%	na	na	na	
1,056	1,122	66	6.2%	Lucky For Life	5,433	5,533	101	1.9%	na	na	na	
8,541	5,318	(3,223)	-37.7%	Other (f)	49,055	26,992	(22,063)	-45.0%	na	na	na	
53,325	42,075	(11,250)	-21.1%	Club Games	266,336	185,323	(81,013)	-30.4%	na	na	na	
\$301,778	\$352,523	\$50,744	16.8%	Total Lottery Sales	\$1,571,171	\$1,927,308	\$356,137	22.7%	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 2020 revenues were \$232.9 million and the year-to-date 2021 revenues are \$268.1 million. Per 2014 Public Act 80, the total fiscal year 2020 Local Community Stabilization Share (LCSS) was \$465.9 million and the total fiscal year 2021 LCSS is \$491.5 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2020 LCSS revenues were \$232.9 million and the year-to-date 2021 LCSS revenues are \$268.1 million.
- (i) Official Comprehensive Annual Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.

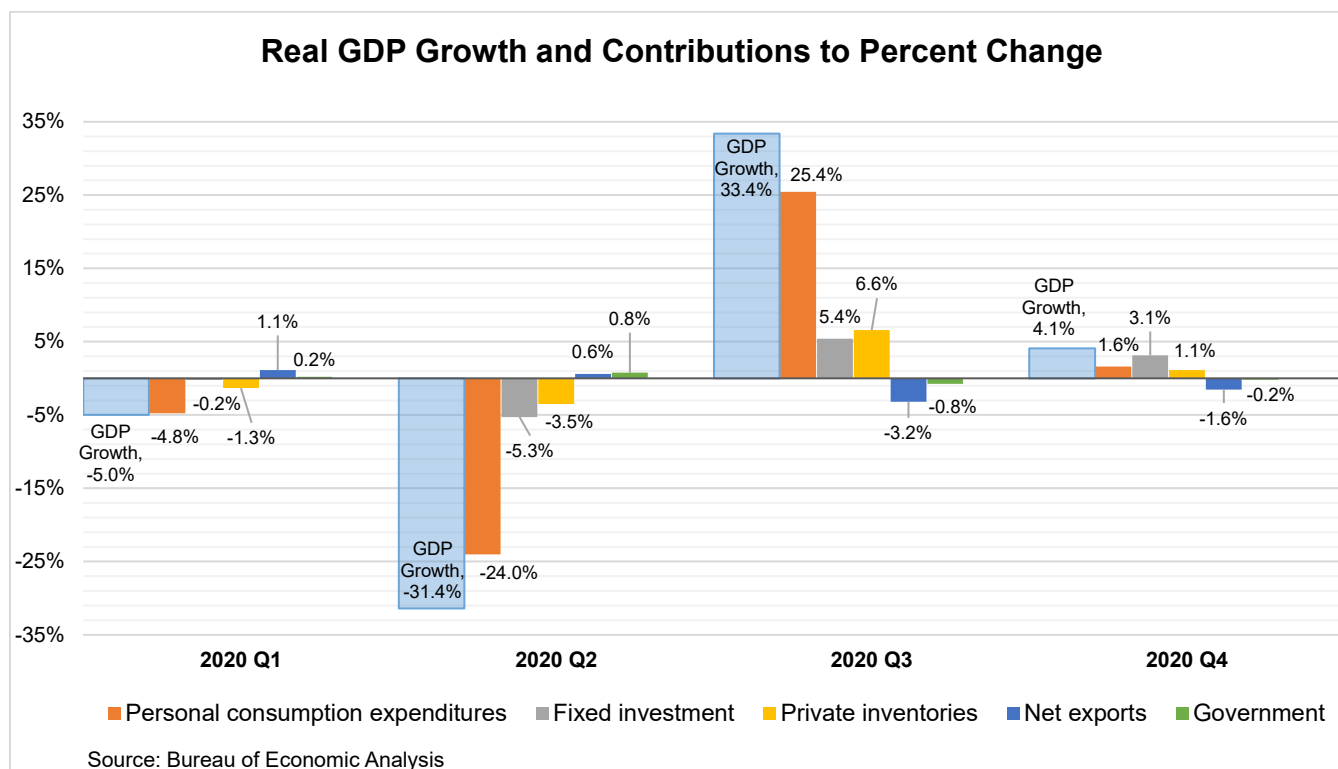
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U.S. Economy

U.S. real **Gross Domestic Product** increased at a 4.1 percent annual rate in the fourth quarter of 2020, according to the “second” estimate, after an increase of a 33.4 percent annual rate in the third quarter. The coronavirus (COVID-19) pandemic that hit the U.S. in 2020 drove the significant swings in GDP. The 2020 quarterly contributions to the percent change in GDP are shown in the graph below. According to estimates, annual real GDP decreased 3.5 percent in 2020, a decline from the 2.2 percent growth of 2019.

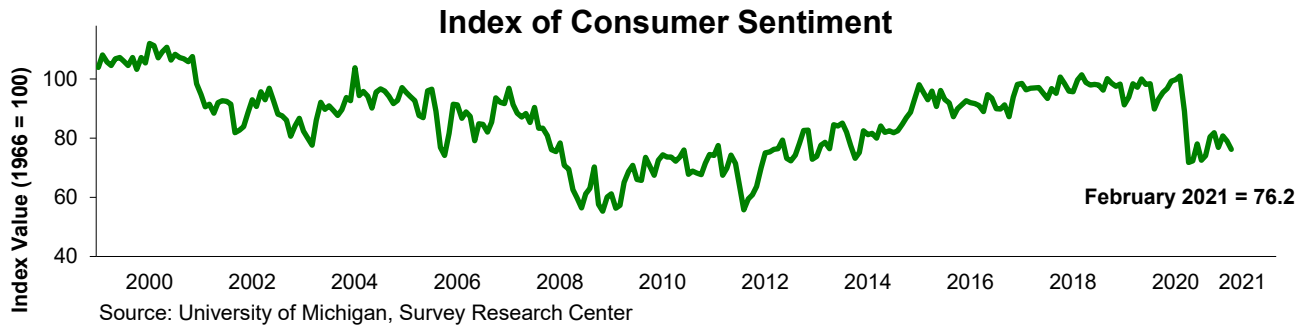


Fixed investment contributed significantly to the increase in the fourth quarter, along with personal consumption expenditures and private inventories. Net exports and government spending were both drags on the economy. Real final sales increased 3.0 percent in the fourth quarter while on the inflation front, the implicit price deflator increased by 2.0 percent.

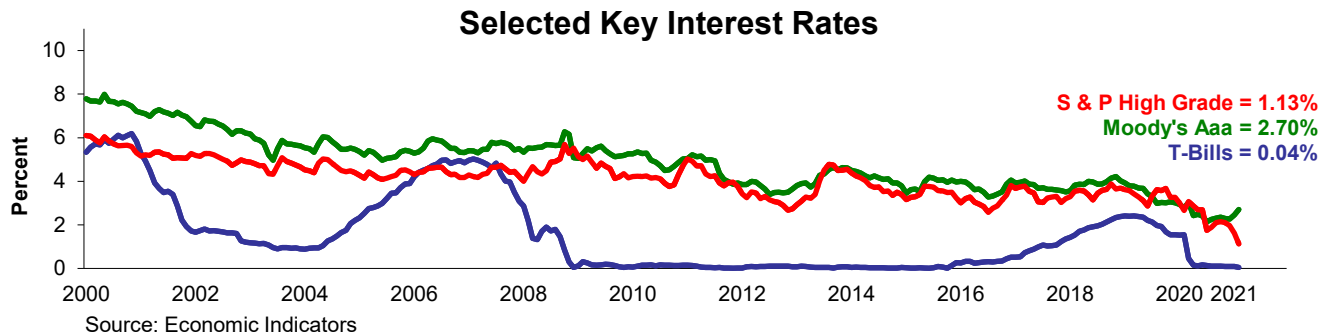
**U.S. wage and salary employment** increased by 379,000 jobs in February. Employment levels were still 9.5 million payroll jobs, or 6.2 percent, below the February 2020 level. In February, sectors with the largest increases in employment include the leisure and hospitality sector with 355,000 jobs, professional and business services with 63,000 jobs, health care and social assistance with 45,600 jobs, and retail trade with 41,100 jobs. Sectors with the largest declines in employment include government employment with 86,000 jobs lost and construction with 61,000 jobs lost.

In February, the U.S. unemployment rate remained relatively flat at 6.2 percent, down slightly from January's 6.3 percent. Civilian employment totaled 150.2 million, a slight increase from January's 150.0 million, while the number unemployed declined slightly to 10.0 million. Of the unemployed, 2.2 million were reported as being on a temporary layoff, a decrease of 0.5 million from 2.7 million in January.

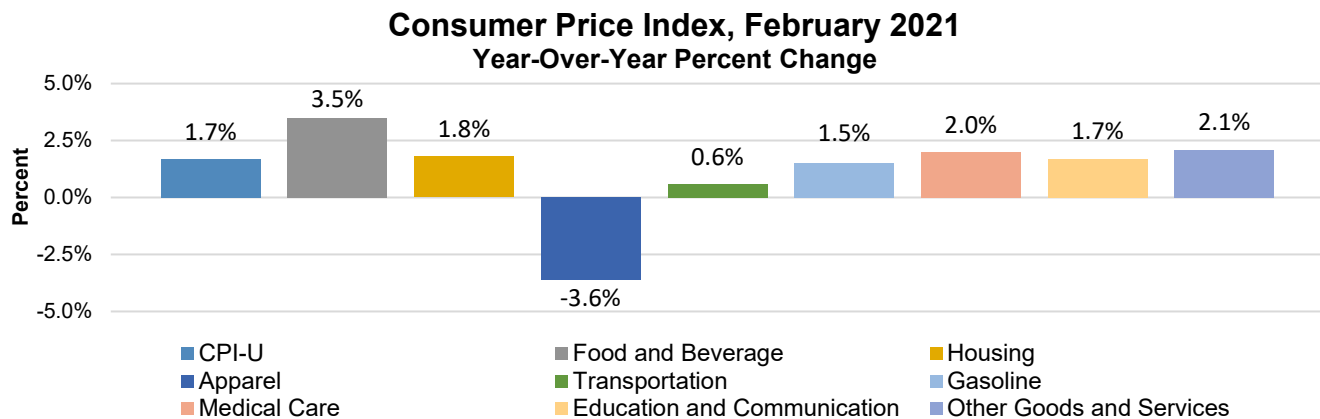
The **Index of Consumer Sentiment** decreased 2.8 index-points from January, down to 76.2 in February. The year-over-year consumer sentiment is 24.8 index-points below February 2020 levels.



Short-term **interest rates** declined in February, as the 3-month Treasury bill (T-bill) rate dropped to 0.04 percent, after remaining at 0.09 percent for three months. Compared to one year ago, the T-bill rate decreased 1.50 percentage points. The Aaa corporate bond rate increased 0.25 percentage points to an interest yield of 2.70 percent in February, the highest rate since March 2020, and was down only 0.08 percentage points from its year-ago level. The interest rate on high-grade municipal bonds declined 0.48 percentage points to 1.13 percent in February and was down 1.53 percentage points from a year ago.



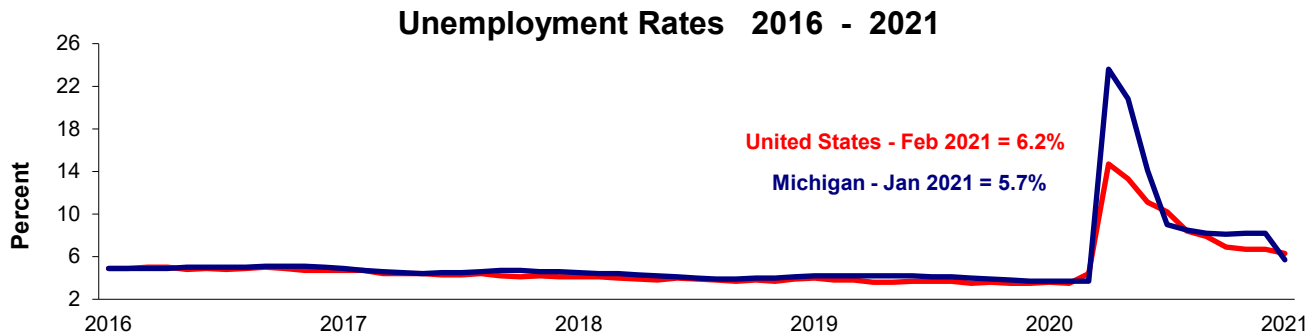
**U.S. retail prices**, as measured by the Consumer Price Index (CPI-U), are up 1.7 percent from February 2020 to February 2021. Food and beverage experienced the largest year-over-year price increase (3.5 percent), followed by other goods and services (2.1 percent), housing (1.8 percent), medical care (2.0 percent), gasoline (1.5 percent), education and communication (1.7 percent), and apparel (1.7 percent). Apparel was the only major category to decline, down 3.6 percent from February of last year.





## Michigan Economy

The **Michigan jobless rate** declined 2.5 percentage points to 5.7 percent in January, according to the most recent data, down from December's adjusted 8.2 percent jobless rate. This is the lowest unemployment rate since March 2020 but is due largely to people withdrawing from the workforce. The civilian labor force decreased by 119,000 in January, a 2.5 percent decline from December, the number unemployed decreased by 129,000, a 32.3 percent decline, while the number employed only increased by 10,000, a 0.2 percent increase from December to January. The number unemployed is 47.3 percent higher than in January 2020.

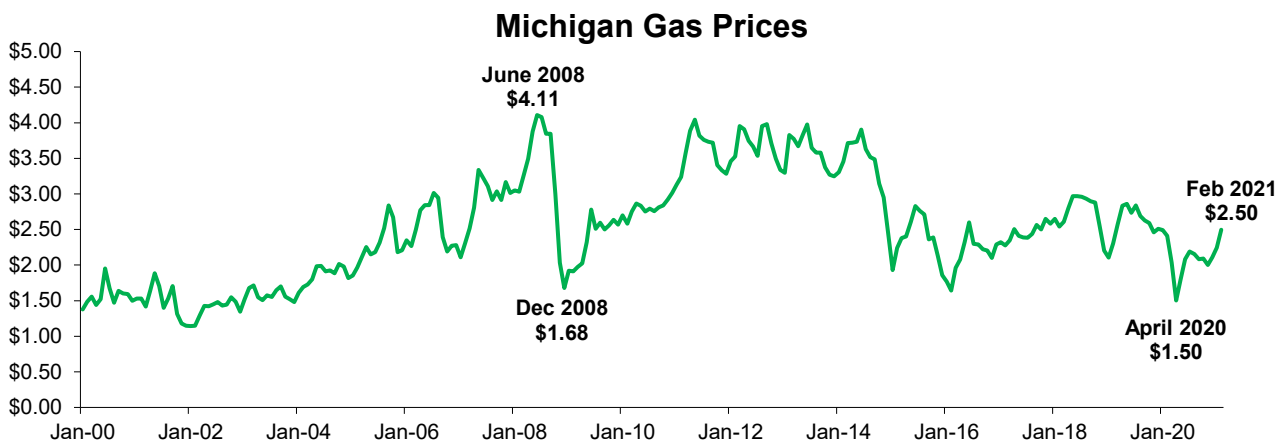


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

**Michigan wage and salary employment** increased in January by 24,000 jobs from December, and was down 398,000 jobs, or 8.9 percent, from January 2020. In January, sectors with the largest gains include leisure and hospitality services with 9,000 jobs, government with 8,000 jobs, and trade, transportation, and utilities with 4,000 jobs. All other major sectors had relatively flat employment changes.

**Michigan initial claims for unemployment** increased in March, April, and May peaking at 388,554 initial claims the week ending April 4<sup>th</sup>, 2020 and were down to 11,393 the week of March 6<sup>th</sup>, 2021 the lowest since the week of March 14<sup>th</sup>, 2020. In total, there were 2,373,351 initial claims over the past fifty-one weeks. In the last ten weeks, Michigan has averaged 18,945 initial claims each week. Michigan initial claims data are not seasonally adjusted.

Michigan gasoline prices increased in February 2021 to \$2.50 per gallon, up 25 cents a gallon from last month's average. Year-over-year gasoline prices are up for the first time since February 2020, up 3.5 percent from last year's February average of \$2.41 per gallon.

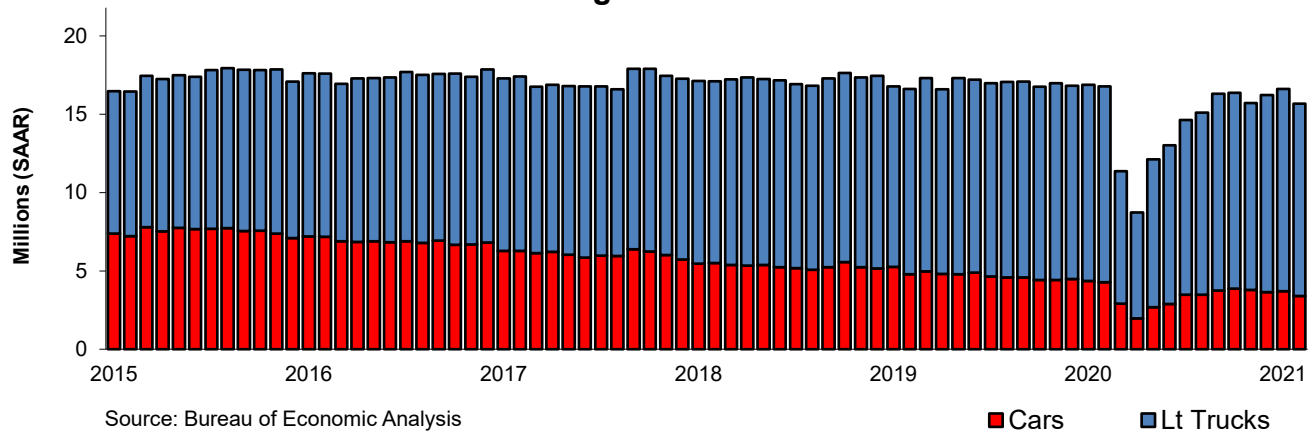


Source: AAA Michigan

## Motor Vehicle Sector

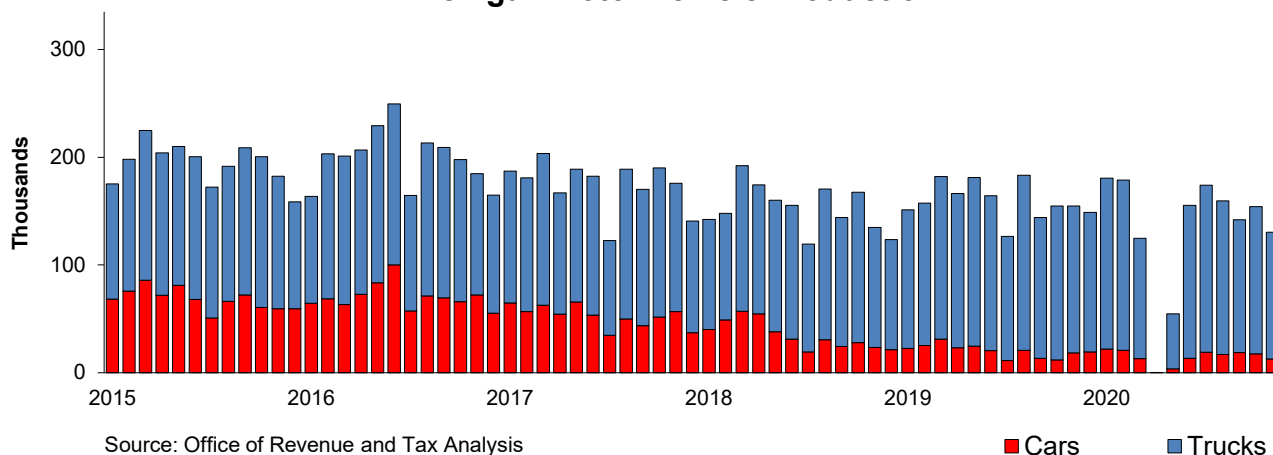
**U.S. light vehicle sales** (cars and light trucks) decreased 5.7 percent in February from January, selling at a 15.7 million unit seasonally adjusted annual rate. Domestic car sales declined 10.3 percent and light truck sales declined 5.6 percent from January. Import car sales and light truck sales declined 2.1 percent and 3.2 percent, respectively, from January. Compared to last year, light vehicle sales in February were down, declining 6.6 percent. Domestic car sales decreased 24.7 percent while light truck sales decreased only 3.2 percent from the year ago levels. Import car sales were down 7.5 percent while import light truck sales were up 3.0 percent from last year. For February 2021, domestic light vehicles recorded a 76.2 percent share of a 15.7 million unit market, down 6.6 percent from January.

### U.S. Light Vehicle Sales



**Michigan motor vehicle production** was up in January, with 160,746 total units, 21.5 percent above December's production, but down 11.0 percent from a year ago. Nationally, motor vehicle production was down 12.9 percent from a year ago. In January, Michigan's car production was 15,737 units while the state's truck production was 145,009 units. Compared with a year ago, car production declined 28.8 percent in Michigan and 24.4 percent nationwide, while truck production declined 8.5 percent in Michigan and 9.2 percent nationwide 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 15, 2021 Consensus Revenue Agreement**  
**(Article IX, Section 26)**  
(in millions)

	<b>Fiscal Year 2019-20 Estimate</b>	<b>Fiscal Year 2020-21 Estimate</b>	<b>Fiscal Year 2021-22 Estimate</b>
Applicable Calendar Year Personal Income	\$484,030	\$491,632	\$521,130
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$45,934.4</u>	<u>\$46,655.9</u>	<u>\$49,455.2</u>
Revenue Limit	\$45,934.4	\$46,655.9	\$49,455.2
State Revenue Subject to Limit	<u>\$34,527.8</u>	<u>\$34,135.5</u>	<u>\$35,332.8</u>
<b>Amount Under (Over) Limit</b>	<b>\$11,406.6</b>	<b>\$12,520.4</b>	<b>\$14,122.4</b>

Sources:

Personal Income Estimate

The FY 2019-20 calculation uses the official personal income estimate for calendar year 2018 (Survey of Current Business, October 2019).

The FY 2020-21 calculation uses the official personal income estimate for calendar year 2019 (Survey of Current Business, October 2020).

The FY 2021-22 calculation uses the January 15, 2021 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2019-20 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2020-21 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2021-22 calculation uses the January 15, 2021 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