



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

August 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 July 31, 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**  
**July 31, 2021**  
(\$ in millions)

	<b>FISCAL 2021</b>
<b>Beginning Balance</b>	<b>\$ 2,363.0</b>
<b>Revenues</b>	
<b>Ongoing:</b>	
May 2021 Consensus Forecast	\$ 11,276.8
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
<b>Subtotal Ongoing Revenue</b>	<b>\$ 10,861.7</b>
<b>One-Time:</b>	
Miscellaneous Adjustments	\$ 11.2
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.2</b>
<b>Total Revenue</b>	<b>\$ 10,872.9</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
Transfer to BSF	\$ 35.0
May Consensus Enhanced FMAP (FY21 Q2-Q4)	\$ (634.7)
May Consensus Caseload Adjustments	\$ 7.5
Public Acts 2, 30, 65, and 67 of 2021	\$ 140.0
Lapse excess funds - VMF II payoff	\$ (10.2)
<b>Subtotal One-Time Expenditures</b>	<b>\$ 66.2</b>
<b>Total Expenditures</b>	<b>\$ 10,383.1</b>
<b>Ending Balance</b>	<b>\$ 2,852.8</b>

**SCHOOL AID FUND**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**July 31, 2021**  
(\$ in millions)

**FISCAL**  
**2021**

<b>Beginning Balance</b>	<b>\$</b>	<b>1,190.5</b>
<b>Revenues</b>		
<b>Ongoing:</b>		
May 2021 Consensus Forecast	\$	15,032.4
General Fund	\$	40.0
Community District Trust Fund	\$	79.8
Federal Revenue	\$	1,811.5
<b>Subtotal Ongoing Revenue</b>	<b>\$</b>	<b>16,963.7</b>
<b>One-Time:</b>		
General Fund	\$	14.5
Federal Revenue - ESSER/GEER	\$	5,574.8
Other Federal Grants One Time	\$	481.3
<b>Subtotal One-Time Revenue</b>	<b>\$</b>	<b>6,070.6</b>
<b>Total Revenue</b>	<b>\$</b>	<b>23,034.3</b>
<b>Expenditures</b>		
<b>Ongoing:</b>		
School Aid - Public Act 165 of 2020	\$	15,340.1
School Aid - Public Act 48 of 2021	\$	(23.2)
Community Colleges - Public Act 165 of 2020	\$	425.7
Universities - Public Act 165 of 2020	\$	356.1
<b>Subtotal Ongoing Expenditures</b>	<b>\$</b>	<b>16,098.7</b>
<b>One-Time:</b>		
School Aid - Public Act 165 of 2020	\$	185.0
School Aid - Public Act 3 of 2021	\$	1,009.2
School Aid - Public Act 47 of 2021	\$	4,373.9
School Aid - Public Act 48 of 2021	\$	832.7
Community Colleges - Pending Supplemental (2021-6)	\$	12.7
<b>Subtotal One-Time Expenditures</b>	<b>\$</b>	<b>6,413.5</b>
<b>Total Expenditures</b>	<b>\$</b>	<b>22,512.2</b>
<b>Ending Balance</b>	<b>\$</b>	<b>1,712.6</b>

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

July 31, 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
93.3	110.5	Agriculture and Rural Development	121.3	5.2	23.8	150.3	95.9
75.9	93.2	Attorney General	105.3	2.1	20.0	127.4	75.0
318.4	389.6	Capital Outlay (2)	332.4	1.4	673.9	1,007.7	274.3
11.9	14.0	Civil Rights	18.0	1.5	1.9	21.4	11.6
1,210.8	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	1,297.2
1,717.3	2,017.3	Corrections	2,050.7	2.5	254.1	2,307.3	1,623.1
367.4	1,134.0	Education	516.7	125.4	155.7	797.8	400.7
400.1	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	423.2
6.6	7.4	Executive Office	7.1	0.0	0.9	8.1	6.1
20,713.6	26,614.3	Health and Human Services	28,453.2	3,090.4	1,192.2	32,735.8	24,004.5
43.9	53.9	Insurance and Financial Service	73.3	51.5	0.0	124.8	50.1
203.3	271.3	Judiciary	313.6	0.4	4.9	319.0	200.0
353.0	444.8	Labor and Economic Opportunity	745.2	683.4	2,850.0	4,278.6	617.5
19.9	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	21.0
126.7	154.3	Legislature	172.4	0.0	93.8	266.2	129.9
260.9	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	324.2
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
66.0	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	162.5
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.1	42.5	29.8
159.2	171.9	Military and Veterans Affairs	102.4	17.0	14.3	133.7	99.0
106.8	132.7	Natural Resources	136.5	5.0	58.2	199.7	103.9
191.4	252.4	State	254.3	12.1	88.1	354.5	185.8
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
684.6	837.6	State Police (3)	737.2	414.1	172.1	1,323.5	585.7
541.0	1,047.2	Technology, Management and Budget (4)	495.0	215.4	697.6	1,408.0	496.9
5.1	6.2	Transportation	0.0	47.0	29.5	76.5	2.4
1,710.4	3,758.1	Treasury	2,080.6	477.6	197.6	2,755.8	1,914.1
<b>\$29,387.5</b>	<b>\$39,893.1</b>		<b>\$39,180.9</b>	<b>\$5,273.3</b>	<b>\$7,371.7</b>	<b>\$51,825.9</b>	<b>\$33,134.2</b>

(1) Includes boilerplate appropriations.

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

(3) Does not include federal FEMA authorization and expenditures allocated to and included within the other departments.

(4) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS  
TO LOCAL UNITS OF GOVERNMENT  
Fiscal Year 2021  
July 31, 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	210.3	20,117.7
Total state spending from state resources	35,359.1	591.3	35,950.4
Percentage of state spending from state resources paid to local units	56.30%	35.57%	55.96%
Required payments to local units (48.97%)	17,315.4	289.6	17,604.9
<b>Surplus/(deficit)</b>	<b>\$2,592.0</b>	<b>(\$79.3)</b>	<b>\$2,512.8</b>

**STATE OF MICHIGAN**  
**YEAR-TO-DATE BALANCE SHEET**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
July 31, 2021  
(\$ in thousands)

**ASSETS**

Current Assets:	
Equity in common cash	\$ <u>875,976</u>
Total Assets	<u>\$ 875,976</u>

**LIABILITIES**

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

**FUND BALANCES**

Committed	<u>875,976</u>
Total Fund Balances	<u>875,976</u>
Total Liabilities and Fund Balances	<u>\$ 875,976</u>

**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
 October 1, 2020 through July 31, 2021  
 (\$ in thousands)

**REVENUES**

Miscellaneous	\$ 17,992
	<hr/>
Total Revenues	17,992
	<hr/>

**EXPENDITURES**

Current:	
General government	284
	<hr/>
Total Expenditures	284
	<hr/>
Excess of Revenues over (under) Expenditures	17,708
	<hr/>

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	29,167
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	29,167
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 46,875 <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**

July 31, 2021  
(\$ in thousands)

**ASSETS**

Current Assets:	
Equity in common cash	\$ 87,057
Investments	-
Other current assets	-
Total Current Assets	<u>87,057</u>
 Noncurrent Assets:	
Investments	<u>732,092</u>
 Total Assets	<u><u>\$ 819,149</u></u>

**LIABILITIES**

Current Liabilities:	
Accounts payable and other liabilities	\$ 7,824
Amounts due to other funds	-
Total Current Liabilities	<u>7,824</u>
 Total Liabilities	<u>7,824</u>

**FUND BALANCES**

Nonspendable	500,000
Restricted	<u>311,326</u>
 Total Fund Balances	<u>811,326</u>
 Total Liabilities and Fund Balances	<u><u>\$ 819,149</u></u>



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

October 1, 2020 through July 31, 2021  
(\$ in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		82,213
		82,213
Total Revenues		82,213

**EXPENDITURES**

Current:		
General government		2,954
Conservation, environment, recreation, and agriculture		10,418
Capital outlay		901
		901
Total Expenditures		14,272
Excess of Revenues over (under) Expenditures		67,941

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		-
		-
Total Other Financing Sources (Uses)		-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	67,941 <sup>1</sup>

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

## REVENUE OVERVIEW

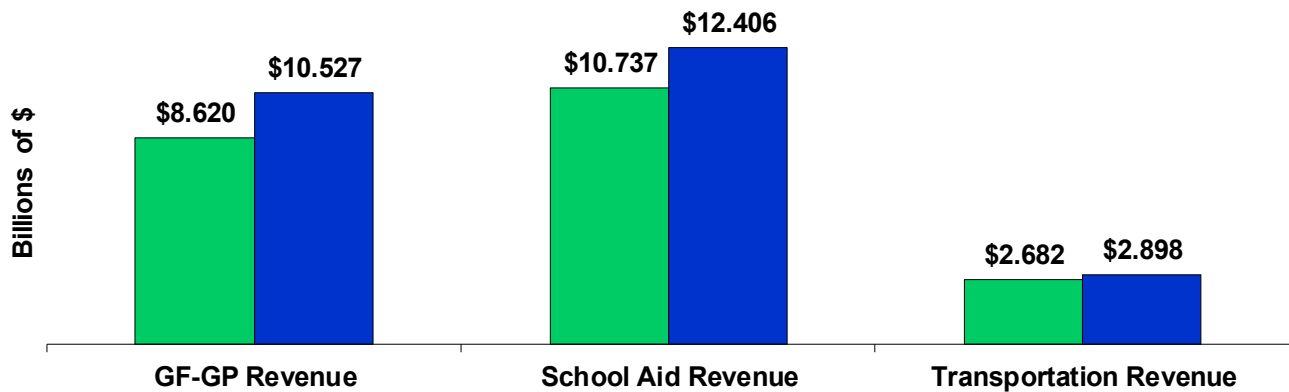
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

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

Due to the effects of the pandemic on revenues and a change in due dates for taxes from a year ago, growth rates are significantly different than usually observed. Total General Fund - General Purpose cash collections were \$741.8 million (37.8 percent) lower in July 2021 than in July 2020. The July 2021 School Aid Fund cash collections were \$147.1 million (11.3 percent) lower than in July 2020. July 2021 transportation collections were \$0.4 million (0.1 percent) lower than in July 2020 (see revenue summary table). July is the tenth 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 \$1,907.0 million (22.1 percent) from a year ago. School Aid Fund cash collections are up \$1,668.9 million (15.5 percent) and transportation collections are up \$216.3 million (8.1 percent).

The FY 2020-21 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on May 21, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2020-21 is \$11,276.8 million and the net School Aid revenue forecast is \$15,032.4 million. The Transportation Funds revenue forecast is \$3,684.5 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

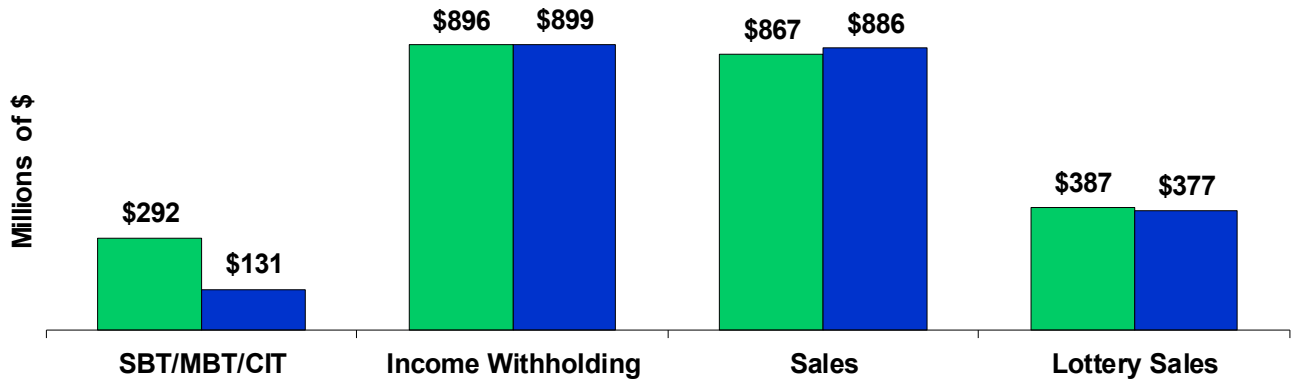
### October through July Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

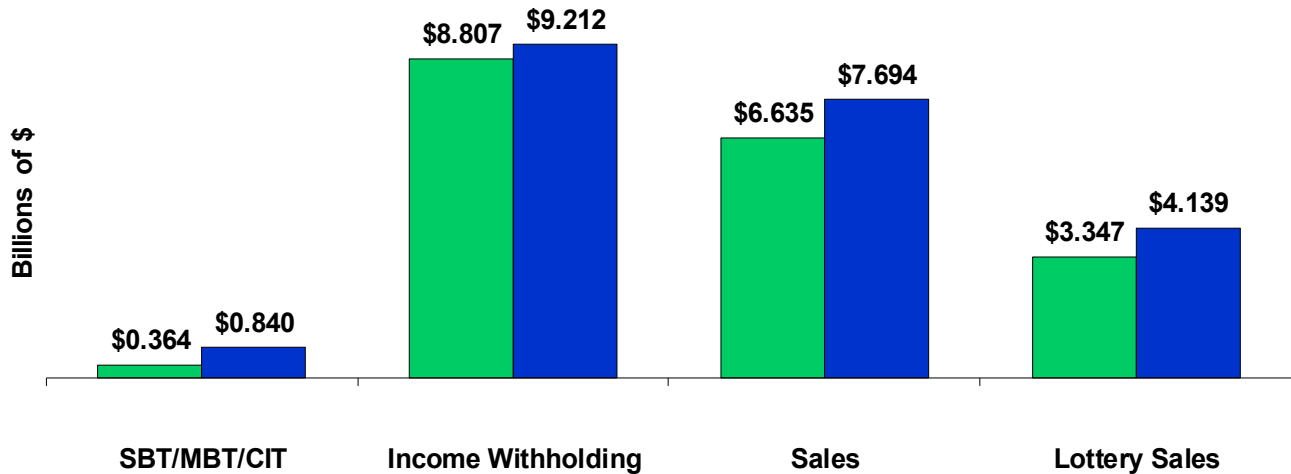
### July Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

### October through July 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: July 31, 2021**

Month-End Cash Collections Data				October Through July Cash Collections Data					Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
<b>Income Taxes</b>											
\$896,179	\$898,945	\$2,766	0.3%	Withholding	\$8,806,831	\$9,212,332	\$405,501	4.6%	\$10,511,500	\$9,971,300	\$11,014,500
253,122	27,473	(225,649)	-89.1%	Quarterlies	871,063	1,278,501	407,438	46.8%	1,208,400	1,019,500	1,358,400
793,703	20,969	(772,734)	-97.4%	Annuals	1,229,025	1,725,786	496,761	40.4%	1,298,100	1,147,600	1,017,400
\$1,943,003	\$947,387	(\$995,617)	-51.2%	Gross Collections	\$10,906,919	\$12,216,619	\$1,309,700	12.0%	\$13,018,000	\$12,138,400	\$13,390,300
184,695	74,610	(110,085)	-59.6%	Less: Refunds	2,222,768	2,331,541	108,773	4.9%	2,517,700	2,366,900	2,738,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$1,758,309	\$872,776	(\$885,532)	-50.4%	Net Personal Income	\$8,684,152	\$9,885,079	\$1,200,927	13.8%	\$10,499,700	\$9,770,700	\$10,651,100
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	390,000	500,000	110,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	57,500	57,500	0	0.0%	69,000	69,000	69,000
452,327	220,548	(231,779)	-51.2%	Less: Disbursements to SAF	2,539,134	2,843,986	304,853	12.0%	3,093,000	2,889,900	3,188,200
\$1,261,232	\$596,479	(\$664,753)	-52.7%	<b>Net Personal Income To GF-GP</b>	<b>\$5,697,518</b>	<b>\$6,483,592</b>	<b>\$786,074</b>	<b>13.8%</b>	<b>\$6,869,700</b>	<b>\$6,211,800</b>	<b>\$6,793,900</b>
<b>Consumption Taxes</b>											
\$136,888	\$142,001	\$5,113	3.7%	Sales (a)	\$1,079,564	\$1,251,400	\$171,836	15.9%	\$1,299,800	\$1,250,200	\$1,356,900
79,107	140,675	61,568	77.8%	Use (a) (h)	576,336	1,015,244	438,909	76.2%	747,500	654,500	1,158,300
17,105	13,920	(3,185)	-18.6%	Tobacco	145,422	144,355	(1,067)	-0.7%	180,100	167,800	176,200
11,051	11,331	279	2.5%	Beer, Wine & Mixed Spirits	41,084	48,098	7,013	17.1%	51,400	50,500	53,000
6,749	8,778	2,029	30.1%	Liquor Specific	51,114	59,553	8,440	16.5%	73,100	57,500	68,000
\$250,900	\$316,705	\$65,804	26.2%	<b>Total Consumption Taxes</b>	<b>\$1,893,519</b>	<b>\$2,518,650</b>	<b>\$625,130</b>	<b>33.0%</b>	<b>\$2,351,900</b>	<b>\$2,180,500</b>	<b>\$2,812,400</b>
<b>Other Taxes</b>											
\$6,267	\$63	(\$6,204)	-99.0%	Single Business	\$4,130	(\$426)	(\$4,557)	na	(\$5,400)	\$0	\$0
104,612	104,944	332	0.3%	Insurance Premiums Taxes	\$387,894	337,332	(50,562)	-13.0%	456,800	380,400	390,000
110,879	105,007	(5,872)	-5.3%	Sub-total SBT & Insurance	392,024	336,905	(55,119)	-14.1%	451,400	380,400	390,000
19,223	5,058	(14,166)	-73.7%	Michigan Business Tax	(520,803)	(507,847)	12,956	2.5%	(553,700)	(643,900)	(626,900)
266,577	125,850	(140,727)	-52.8%	Corporate Income Tax	881,046	1,348,033	466,987	53.0%	1,100,100	912,800	1,384,100
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
16,075	20,676	4,601	28.6%	Telephone & Telegraph	27,431	31,763	4,332	15.8%	32,700	30,000	32,000
989	2,107	1,118	113.0%	Oil & Gas Severance	12,200	15,712	3,512	28.8%	12,800	12,000	14,000
3,141	9,414	6,273	200.0%	Penalties & Interest	60,279	104,141	43,861	72.8%	90,700	127,000	130,000
16,968	21,111	4,143	24.4%	Essential Services Assessment	21,857	29,707	7,850	35.9%	122,000	125,000	126,000
1,288	1,944	656	50.9%	Miscellaneous Other/Railroad	1,467	2,056	589	40.1%	13,500	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(116,667)	(126,667)	(10,000)	-8.6%	(139,900)	(152,000)	(152,000)
\$423,473	\$278,500	(\$144,974)	-34.2%	<b>Total Other Taxes</b>	<b>\$758,834</b>	<b>\$1,233,803</b>	<b>\$474,969</b>	<b>62.6%</b>	<b>\$1,129,600</b>	<b>\$793,300</b>	<b>\$1,299,200</b>
\$1,935,605	\$1,191,683	(\$743,922)	-38.4%	<b>Subtotal GF-GP Taxes</b>	<b>\$8,349,871</b>	<b>\$10,236,045</b>	<b>\$1,886,174</b>	<b>22.6%</b>	<b>\$10,351,200</b>	<b>\$9,185,600</b>	<b>\$10,905,500</b>

continued

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

**For The Month Ended: July 31, 2021**

Month-End Cash Collections Data				October Through July Cash Collections Data						Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent				
<b>Non-Tax Revenue (e)</b>												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$12,500	\$8,333	(\$4,167)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	83	83	0	0.0%	400	100	100	
500	583	83	16.7%	Services	5,000	5,833	833	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	10,000	11,667	1,667	16.7%	51,100	14,000	14,000	
(1,523)	(1,523)	0	0.0%	Investments/Interest Costs	1,266	1,266	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	8,333	8,333	0	0.0%	4,100	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	162,500	187,500	25,000	15.4%	279,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	70,000	67,500	(2,500)	-3.6%	75,200	81,000	78,200	
<u>\$25,318</u>	<u>\$27,402</u>	<u>\$2,083</u>	<u>8.2%</u>	<b>Total Non-Tax Revenue</b>	<u>\$269,682</u>	<u>\$290,516</u>	<u>\$20,833</u>	<u>7.7%</u>	<u>\$424,500</u>	<u>\$351,100</u>	<u>\$371,300</u>	
\$1,960,923	\$1,219,085	(\$741,839)	-37.8%	<b>Total GF-GP Revenue</b>	\$8,619,554	\$10,526,561	\$1,907,007	22.1%	\$10,775,700	\$9,536,700	\$11,276,800	
<b>School Aid Fund</b>												
\$352,727	\$364,432	\$11,705	3.3%	Sales Tax 4%	\$2,811,076	\$3,216,922	\$405,846	14.4%	\$3,392,300	\$3,344,700	\$3,644,400	
279,353	278,751	(602)	-0.2%	Sales Tax 2%	1,950,269	2,332,000	381,731	19.6%	2,656,400	2,604,600	2,852,000	
51,582	83,259	31,677	61.4%	Use Tax 2%	482,320	731,565	249,245	51.7%	613,000	576,000	827,900	
11,573	11,593	20	0.2%	State Education Property Tax	1,514,497	1,572,251	57,754	3.8%	2,182,800	2,163,000	2,267,600	
20,805	50,751	29,946	144.0%	Real Estate Transfer Tax	247,907	385,594	137,687	55.5%	335,400	325,000	433,600	
85,000	90,000	5,000	5.9%	Lottery Transfer (b)	751,822	851,983	100,161	13.3%	1,179,900	1,026,800	1,208,100	
0	9,416	9,416	na	Casino Wagering Tax	54,422	73,111	18,689	34.3%	67,000	112,800	134,900	
6,270	7,962	1,692	27.0%	Liquor Excise Tax	49,583	56,644	7,061	14.2%	70,900	57,100	67,600	
34,725	28,259	(6,466)	-18.6%	Cigarette/Tobacco Tax	295,229	293,062	(2,167)	-0.7%	331,800	314,900	325,300	
266	1,321	1,055	396.0%	Indus. & Comm. Facilities Taxes	26,978	31,393	4,414	16.4%	40,900	33,000	37,000	
6,812	8,015	1,203	17.7%	Specific Other	14,064	17,702	3,638	25.9%	27,000	54,100	45,800	
452,327	220,548	(231,779)	-51.2%	Income Tax Earmarking	2,539,134	2,843,986	304,853	12.0%	3,093,000	2,889,900	3,188,200	
<u>\$1,301,441</u>	<u>\$1,154,308</u>	<u>(\$147,133)</u>	<u>-11.3%</u>	<b>Total School Aid Fund</b>	<u>\$10,737,300</u>	<u>\$12,406,212</u>	<u>\$1,668,912</u>	<u>15.5%</u>	<u>\$13,990,400</u>	<u>\$13,501,900</u>	<u>\$15,032,400</u>	
<b>Multi-Fund Revenue Summary</b>												
\$867,232	\$886,138	\$18,906	2.2%	Sales Tax 6%	\$6,635,395	\$7,693,536	\$1,058,141	15.9%	\$8,307,500	\$8,159,000	\$8,906,000	
587,879	607,387	19,508	3.3%	Sales Tax 4% (d)	4,685,126	5,361,536	676,410	14.4%	5,651,100	5,554,400	6,054,000	
279,353	278,751	(602)	-0.2%	Sales Tax 2%	1,950,269	2,332,000	381,731	19.6%	2,656,400	2,604,600	2,852,000	
154,746	249,778	95,032	61.4%	Use Tax 6% (g)	1,446,960	2,194,695	747,735	51.7%	1,826,400	1,722,000	2,477,700	
8,449	27,428	18,978	225.0%	Recreational Marihuana	14,326	85,883	71,557	na	31,364	98,000	75,000	
85,954	69,949	(16,005)	-18.6%	Tobacco Taxes	730,764	725,400	(5,364)	-0.7%	904,100	847,100	886,000	
0	0	0	na	Tobacco Settlement	217,815	236,821	19,006	8.7%	na	na	na	

continued

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

**For The Month Ended: July 31, 2021**

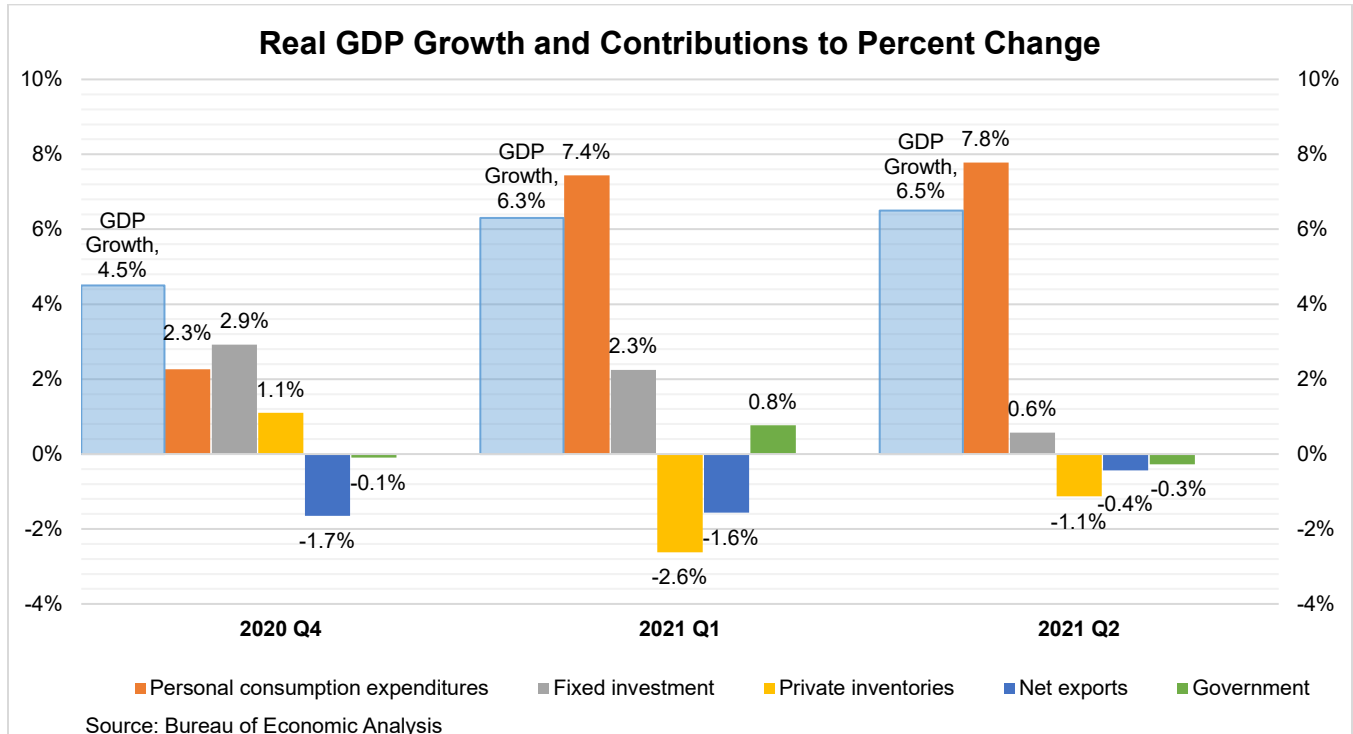
Month-End Cash Collections Data				October Through July Cash Collections Data					Revenue Projections		
July		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 May 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
<b>Major Transportation Revenues</b>											
\$20,530	\$22,892	\$2,363	11.5%	Diesel Fuel / Motor Carrier Fuel Tax	\$186,459	\$201,151	\$14,692	7.9%	\$229,917	\$227,000	\$238,000
88,627	103,247	14,620	16.5%	Gasoline	872,140	904,931	32,791	3.8%	1,086,857	1,150,000	1,155,000
133,669	105,270	(28,399)	-21.2%	Motor Vehicle Registration	1,112,645	1,162,431	49,786	4.5%	1,345,111	1,373,000	1,373,000
4,919	4,920	1	0.0%	Other Taxes, Fees & Misc.	35,645	44,023	8,378	23.5%	119,062	217,996	182,419
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	84,718	85,366	648	0.8%	102,047	102,439	136,123
39,000	50,000	11,000	28.2%	Income Tax Earmarking	390,000	500,000	110,000	28.2%	468,000	600,000	600,000
\$295,216	\$294,866	(\$350)	-0.1%	<b>Total Major Trans. Revenues</b>	<b>\$2,681,608</b>	<b>\$2,897,902</b>	<b>\$216,294</b>	<b>8.1%</b>	<b>\$3,350,994</b>	<b>\$3,670,435</b>	<b>\$3,684,542</b>
<b>Lottery Sales By Games</b>											
\$214,205	\$196,430	(\$17,775)	-8.3%	Instant Games (f)	\$1,753,929	\$2,201,893	\$447,964	25.5%	na	na	na
87,705	91,471	3,766	4.3%	Daily Games	776,019	967,890	191,871	24.7%	na	na	na
28,165	30,245	2,081	7.4%	Lotto and Big Game (f)	284,039	405,536	121,497	42.8%	na	na	na
688	661	(27)	-4.0%	Keno Game	7,038	7,354	316	4.5%	na	na	na
1,054	1,787	733	69.6%	Lucky For Life	10,842	12,504	1,662	15.3%	na	na	na
8,004	6,205	(1,799)	-22.5%	Other (f)	78,887	66,564	(12,323)	-15.6%	na	na	na
46,772	50,215	3,443	7.4%	Club Games	436,357	477,726	41,369	9.5%	na	na	na
\$386,593	\$377,015	(\$9,578)	-2.5%	<b>Total Lottery Sales</b>	<b>\$3,347,111</b>	<b>\$4,139,468</b>	<b>\$792,357</b>	<b>23.7%</b>	<b>na</b>	<b>na</b>	<b>na</b>

- (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 \$364.2 million and the year-to date 2021 revenues are \$422.0 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 \$364.2 million and the year-to-date 2021 LCSS revenues are \$422.0 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 6.5 percent annual rate in the second quarter of 2021, according to the advance estimate, up from the 6.3 percent annual rate in the first quarter of 2021. The past three quarterly contributions to the percent change in GDP are shown in the graph below. Annual real GDP decreased 3.4 percent in 2020, a decline from the 2.3 percent growth of 2019.

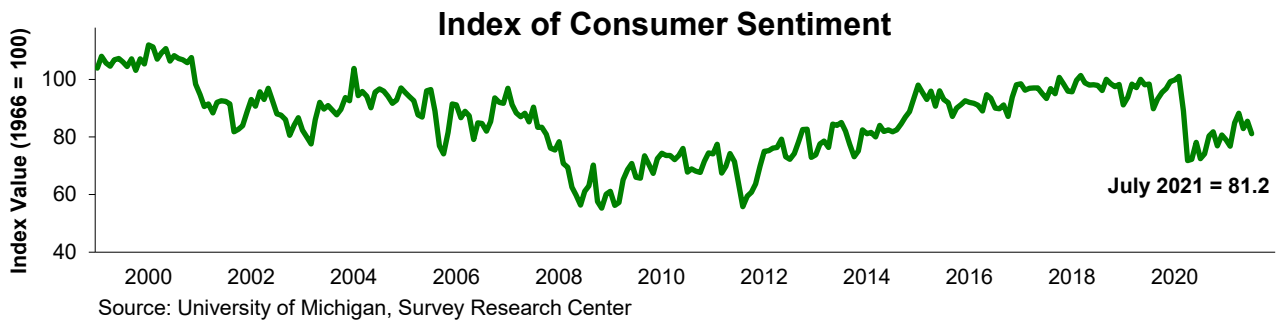


Personal consumption expenditures contributed significantly to the increase in GDP in the second quarter of 2021, as it did in the first quarter of 2021. Fixed investment made minor contributions to the increase in GDP. Private inventories, net exports, and government spending were drags on the economy. Real final sales increased 7.7 percent in the second quarter according to the advance estimate while on the inflation front, the implicit price deflator increased by 6.1 percent.

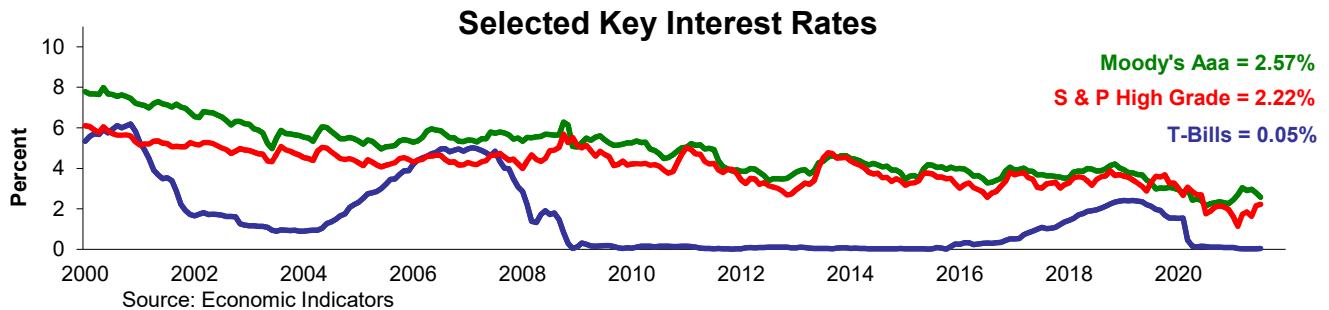
**U.S. wage and salary employment** increased by 943,000 jobs in July, after gaining 938,000 jobs in June, according to revised estimates. Employment levels were still 5.7 million payroll jobs, or 3.7 percent, below the February 2020 level, prior to the pandemic. In July, sectors with the largest increases in employment include leisure and hospitality with 380,000 jobs, government employment with 240,000 jobs of which 220,700 were in the local government education sector, education and health services with 87,000 jobs, professional and business services with 60,000 jobs, trade, transportation, and utilities with 47,000 jobs of which 49,700 jobs were in transportation and warehousing which made up for the job losses in retail trade sector, and other services with 39,000 jobs.

In July, the U.S. unemployment rate declined to 5.4 percent, down from June's 5.9 percent. Civilian employment increased slightly to 152.6 million in July, while the number unemployed decreased to 8.7 million. Of the unemployed, 1.2 million were reported as being on a temporary layoff in July, a decline from June's 1.8 million.

The **Index of Consumer Sentiment** decreased 4.3 index-points from June, down to 81.2 in July. The year-over-year consumer sentiment is 8.7 index-points above July 2020 levels, which had plummeted from February 2020's high of 101.0 due to the pandemic.

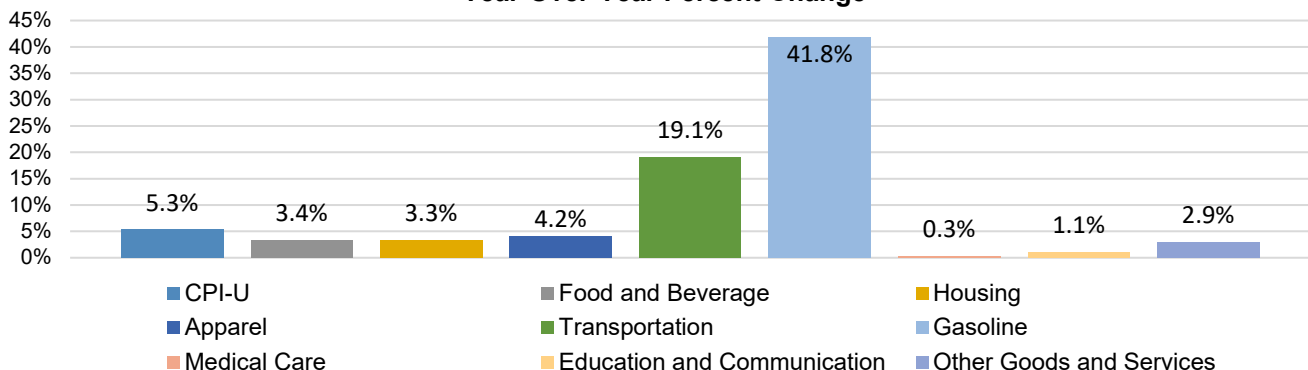


Short-term **interest rates** increased slightly in July, as the 3-month Treasury bill (T-bill) rate increased to 0.05 percent, up 0.02 percentage points from June. Compared to one year ago, the T-bill rate decreased 0.08 percentage points. The Aaa corporate bond rate decreased 0.22 percentage points to an interest yield of 2.57 percent in July but was up 0.43 percentage points from its year-ago level. The interest rate on high-grade municipal bonds increased 0.06 percentage points to 2.22 percent in July and was up 0.47 percentage points from a year ago.



**U.S. retail prices**, as measured by the Consumer Price Index (CPI-U), are up 5.3 percent from July 2020 to July 2021, the same year-over-year increase as in June. Gasoline experienced the largest year-over-year price increase (41.8 percent) due to the dramatic decline in gasoline prices for much of 2020 due to the pandemic. Transportation was next in largest price increase (19.1 percent). Far lower year-over-year percent changes can be seen in apparel (4.2 percent), food and beverage (3.4 percent), housing (3.3 percent), and other goods and services (2.9 percent).

**Consumer Price Index, July 2021  
Year-Over-Year Percent Change**

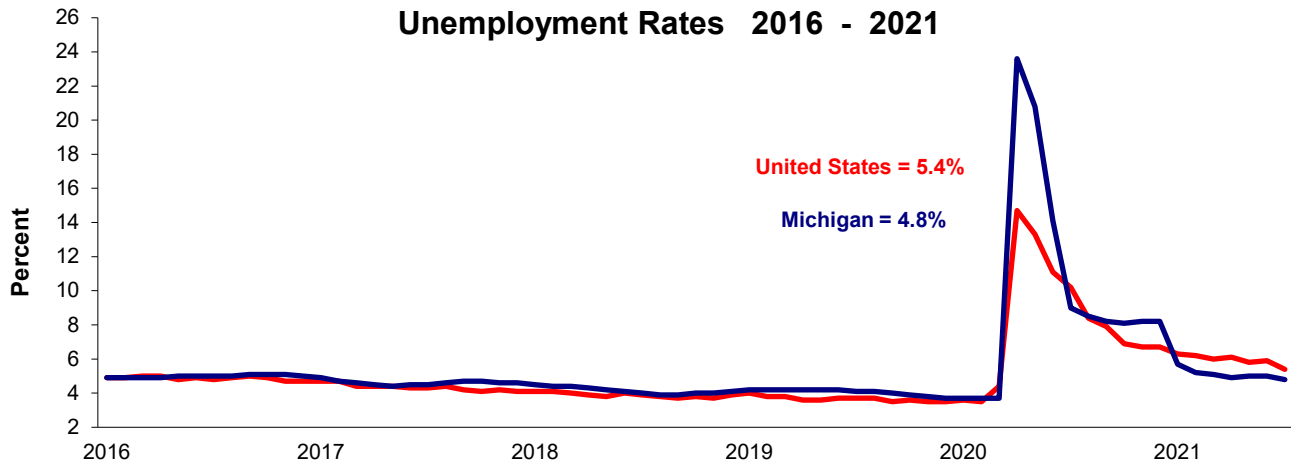


Source: Bureau of Labor Statistics



## Michigan Economy

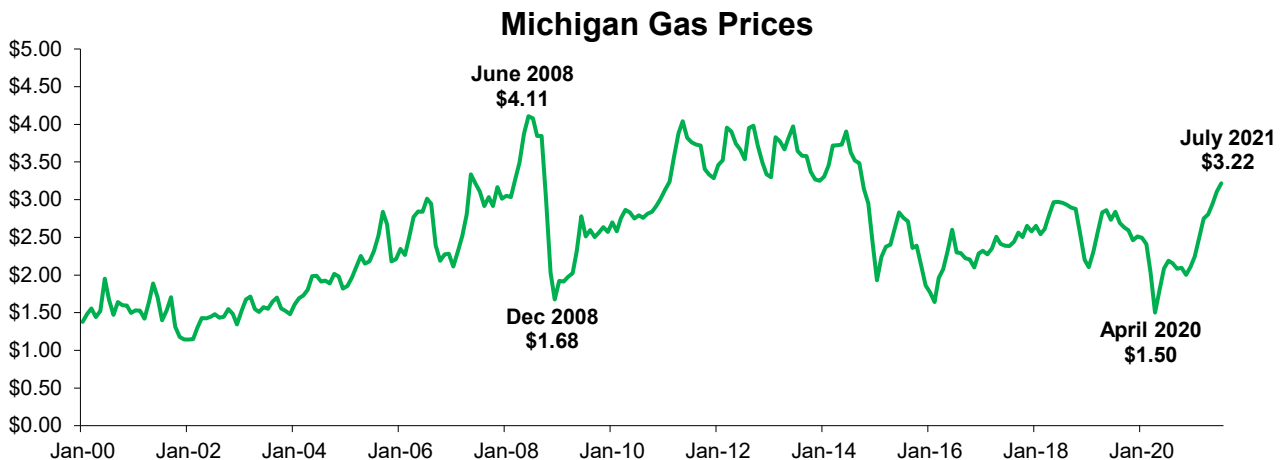
The **Michigan jobless rate** declined slightly to 4.8 percent in July, down from June's 5.0 percent jobless rate. This is below the national unemployment rate which declined to 5.4 percent in July. The civilian labor force decreased by 4,000 in July, a -0.1 percent change from June. The number unemployed decreased by 8,000 in July, a -3.4 percent change, while the number employed increased by 4,000, a 0.1 percent change from June to July. The number unemployed is 47.9 percent lower than in July 2020, half a year into the pandemic in the U.S.



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

**Michigan wage and salary employment** increased in July by 31,000 jobs from June's revised estimate, and was up 182,000 jobs, or 4.6 percent, from July 2020. In July, the sectors with the largest increases in employment include leisure and hospitality services with 12,000 jobs gained, professional and business services with 9,000 jobs gained, trade, transportation, and utilities with 5,000 jobs gained, and government with 4,000 jobs gained. In July, all other major sectors gained or lost less than 1,000 jobs. Transportation equipment lost 6,000 jobs in July and is a sub-sector of manufacturing which only lost 1,000 jobs for the month due to gains in other manufacturing sub-sectors.

**Michigan gasoline prices** increased in July 2021 to \$3.22 per gallon, up 11.1 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$2.19 per gallon in July 2020, when they had declined sharply due to the pandemic. July 2021 gas prices are 38.0 cents a gallon higher than they were two years ago in July 2019 and are similar to prices last seen in 2014.

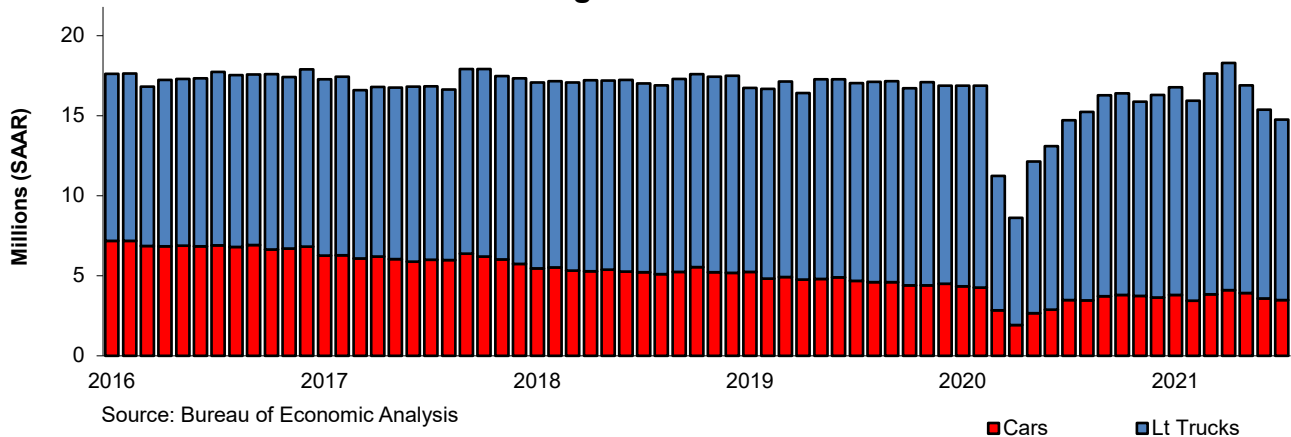


Source: AAA Michigan

## Motor Vehicle Sector

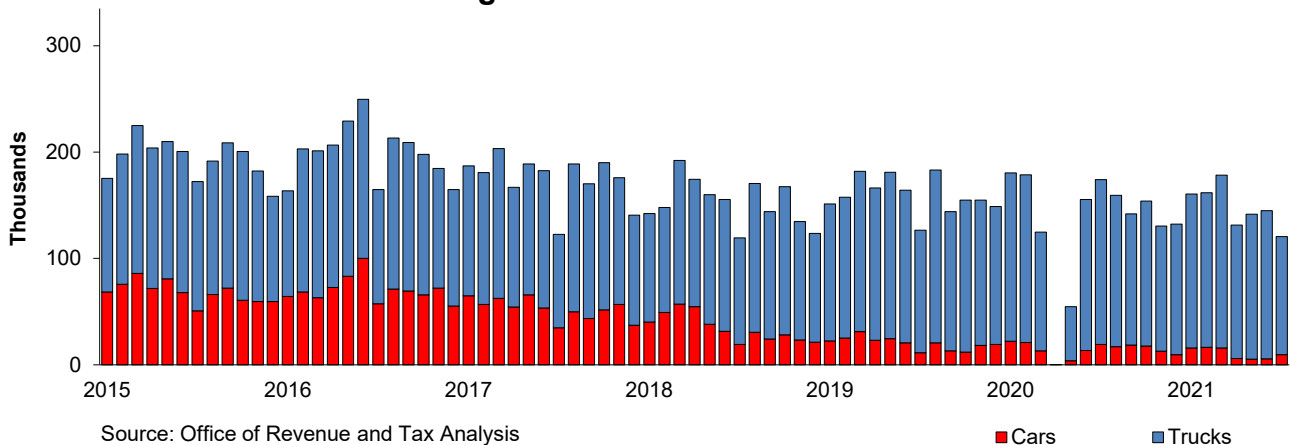
**U.S. light vehicle sales** (cars and light trucks) declined 4.1 percent in July from June, selling at a 14.8 million unit seasonally adjusted annual rate. Domestic car sales declined 4.2 percent and light truck sales declined 5.0 percent from June. Import car sales and light truck sales declined 0.2 percent and 2.9 percent, respectively, from June. Compared to July 2020, light vehicle sales were flat, up only 0.3 percent. Domestic car sales decreased 8.3 percent while light truck sales decreased 0.4 percent from the year ago levels. Import car sales were up 24.0 percent while import light truck sales were up 3.4 percent from last year. Domestic light vehicles recorded a 74.5 percent share of July 2021 sales, down 0.5 percentage points from June.

### U.S. Light Vehicle Sales



**Michigan motor vehicle production** was down in July, with 120,481 total units, 16.9 percent below June's production and down 30.8 percent from a year ago. Nationally, motor vehicle production totaled 632,533 units, which was down 29.0 percent from a year ago. In July, Michigan's car production was 9,590 units while the state's truck production was 110,891 units. Michigan motor vehicle production data are not seasonally adjusted.

### Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit  
Based on the May 21, 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	\$528,093
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$45,934.4</u>	<u>\$46,655.9</u>	<u>\$50,116.0</u>
Revenue Limit	\$45,934.4	\$46,655.9	\$50,116.0
State Revenue Subject to Limit	<u>\$34,516.9</u>	<u>\$36,198.7</u>	<u>\$36,833.5</u>
<b>Amount Under (Over) Limit</b>	<b>\$11,417.6</b>	<b>\$10,457.2</b>	<b>\$13,282.5</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 May 21, 2021 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2019-20 calculation uses the May 21, 2021 Consensus Revenue Agreement.

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

The FY 2021-22 calculation uses the May 21, 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