



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

JOHN S. ROBERTS  
DIRECTOR

July 28, 2016

The Honorable Dave Hildenbrand, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Al Pscholka, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

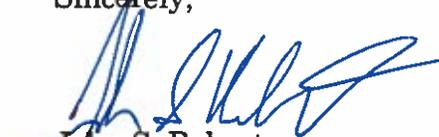
Dear Legislators:

Attached is the monthly financial report for the month ending June 30, 2016. 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 "Financial Reports".

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

Sincerely,



John S. Roberts  
State Budget Director

Attachment

cc: Governor Rick Snyder  
Arlan Meekhof, Sen. Maj. Leader  
Jim Ananich, Senate Min. Leader  
Kevin Cotter, Speaker of the House  
Tim Greimel, House Min. Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency

House Fiscal Agency  
Jack Brandenburg, Chair, Senate Finance Com.  
Jeff Farrington, Chair, House Tax Policy Com.  
Beth Emmitt, Deputy Chief of Staff  
Dick Posthumus, Executive Office  
Mike Moody, Office of Financial Management  
Nancy Duncan, Deputy State Budget Director  
Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2016**  
**Projected Revenues and Expenditures**  
**June 30, 2016**  
(\$ in millions)

**FISCAL  
2016**

<b>Beginning Balance, October 1, 2015</b>	see one-time revenue
<b>Current Year GF/GP Revenues, May 2016 Consensus Estimate</b>	
	<b>\$ 9,734.1</b>
<b>Revenue Adjustments:</b>	
Local Government Program Payments	\$ (462.7)
General Fund share of HMO use tax collections - PA 161 of 2014	\$ 421.0
Other revenue adjustments	\$ 1.0
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ (40.7)</b>
<b>Total FY Resources Available For Expenditure GF/GP - Ongoing</b>	<b>\$ 9,693.4</b>
<b>Expenditures, Current Law:</b>	
FY 2016 Enacted with Vetoes	\$ 9,517.8
<b>Total Expenditures Projected - Ongoing</b>	<b>\$ 9,517.8</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$ 175.6</b>
<b>Beginning Balance (One-Time Revenue)</b>	
	<b>\$ 694.7</b>
Local Government Program Payments	\$ (5.8)
PA 268 of 2016	\$ (1.3)
IT Innovation Fund lapse to general fund	\$ 3.9
<b>Total FY Resources Available For Expenditure GF/GP - One-Time</b>	<b>\$ 691.5</b>
<b>One-Time Spending Items:</b>	
PA 79, PA 84, PA 143, PA 241, and PA 268 of 2015 PA 3, PA 24, PA 192, PA 249, and PA 268 of 2016	\$ 732.1
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$ (40.6)</b>
<b>Projected Ending Balance, September 30, 2016</b>	<b>\$ 135.0</b>

**School Aid Fund  
Fiscal Year 2016  
Projected Revenues and Expenditures  
June 30, 2016  
(\$ in millions)**

**FISCAL  
2016**

<b>Beginning Balance , October 1, 2015</b>		see one-time revenue
<b>Current Year School Aid Fund Revenues, May 2016 Consensus Estimate</b>	\$	<b>12,067.4</b>
<b>Revenue Adjustments:</b>		
Use Tax Revision (PA 161 of 2014)	\$	210.5
General Fund (PA 85 of 2015)	\$	45.9
General Fund Increase (PA 249 of 2016)	\$	9.2
Federal Revenue	\$	1,775.8
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>2,041.4</b>
<b>Total FY Resources Available for Expenditure School Aid Fund</b>	<b>\$</b>	<b>14,108.8</b>
<b>School Aid Ongoing Costs</b>		
PA 85 of 2015	\$	13,846.6
PA 249 of 2016	\$	(158.6)
<b>Community Colleges Ongoing Costs</b>		
PA 85 of 2015	\$	256.7
<b>Universities Ongoing Costs</b>		
PA 85 of 2015	\$	205.2
<b>Total School Aid Fund Ongoing Costs Projected</b>	<b>\$</b>	<b>14,149.9</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$</b>	<b>(41.1)</b>
<b>Beginning Balance (One-Time Revenue)</b>		
	<b>\$</b>	<b>190.2</b>
<b>One-Time Spending Items</b>		
PA 85 of 2015 School Aid	\$	49.8
PA 139 of 2015 School Aid	\$	4.3
PA 249 of 2016 School Aid	\$	(9.2)
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$</b>	<b>145.3</b>
<b>Projected Ending Balance, September 30, 2016</b>	<b>\$</b>	<b>104.2</b>

## SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

June 30, 2016

(\$ IN MILLIONS)

### FISCAL YEAR 2015

### FISCAL YEAR 2016

Exp & Enc June 2015	Exp & Enc Yr-to-date FY 2015	Fiscal Year End***** SEP 30, 2015	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc June 2016	Exp & Enc Yr-to-date FY 2016
5.3	47.6	75.7	Agriculture and Rural Development	86.6	11.2	6.9	49.2
6.8	57.1	82.7	Attorney General	90.9	3.7	9.7	59.4
20.8	211.3	476.5	Capital Outlay**	324.0	0.0	21.9	200.1
1.2	10.2	15.2	Civil Rights	16.1	0.0	1.3	10.3
129.8	1,039.3	1,299.1	Colleges & Universities	1,460.7	6.0	122.3	1,197.5
140.6	1,338.1	1,971.9	Corrections	1,952.2	24.0	194.2	1,335.6
15.4	159.3	281.9	Education	305.9	9.0	19.2	168.6
11.5	104.4	163.5	Environmental Quality	463.7	42.9	18.0	220.7
0.8	4.8	5.7	Executive Office	5.5	0.0	0.9	3.7
1,705.6	16,057.8	23,498.2	Health and Human Services	24,967.9	568.5	1,807.7	16,208.5
3.7	31.2	50.6	Insurance and Financial Services	65.1	6.0	5.2	34.4
21.6	152.1	253.0	Judiciary	284.7	0.7	25.3	156.6
0.0	3.1	4.0	Land Bank Fast Track Authority	4.0	0.0	1.1	3.1
1.6	14.1	20.8	Legislative Auditor General	22.8	0.0	2.5	15.6
10.0	91.6	120.1	Legislature	133.4	0.4	10.4	92.1
21.1	273.8	261.0	Licensing and Regulatory Affairs	359.0	52.7	33.8	238.6
10.3	89.0	130.8	Military Affairs	140.7	12.2	13.6	93.5
12.0	58.2	91.3	Natural Resources	122.4	14.2	8.9	59.2
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
13.9	133.5	204.7	State	225.3	14.7	23.0	138.4
45.5	375.2	607.4	State Police	620.0	21.6	59.9	381.9
0.0	0.0	0.0	Talent and Economic Development	435.3	44.0	21.4	161.2
28.9	284.8	627.1	Technology, Management & Budget***	420.2	98.7	39.1	318.4
4.8	82.9	1.5	Transportation	398.5		20.9	198.1
235.4	1,493.6	3,168.1	Treasury****	1,879.3	76.9	222.5	1,584.2
2.7	196.3	221.1	Michigan Strategic Fund	171.3	0.0	0.0	125.7
<b>\$2,449.5</b>	<b>\$22,309.4</b>	<b>\$33,631.8</b>		<b>\$34,955.4</b>	<b>\$1,007.2</b>	<b>\$2,689.8</b>	<b>\$23,054.9</b>

\*Includes boilerplate appropriations.

\*\*Includes all capital outlay activity regardless of agency

\*\*\*Includes Civil Service Commission

\*\*\*\*Boilerplate appropriations, which are not included in the initial or supplemental appropriations, account for the majority of the difference between Treasury's total appropriations and total expenditure/encumbrances for the fiscal year.

\*\*\*\*\*FY15 Transportation and other agency expenditure totals within the September report are different as a result of changes in capital outlay appropriations.

# ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2016  
June, 2016  
(\$ 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	16,794.5	104.7	16,899.2
Total state spending from state resources	30,216.6	209.8	30,426.4
Percentage of state spending from state resources paid to local units	55.58%		55.54%
Required payments to local units (48.97%)	14,797.1		14,899.8
<b>Surplus/(deficit)</b>	<b>\$1,997.4</b>		<b>\$1,999.4</b>

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
 October 1, 2015 Through June 30, 2016  
 (in thousands)

**REVENUES**

Miscellaneous	\$ <u>17,684</u>
Total Revenues	<u>17,684</u>

**EXPENDITURES**

Current:	
General government	<u>136</u>
Total Expenditures	<u>136</u>
Excess of Revenues over (under) Expenditures	<u>17,548</u>

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	71,250
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>71,250</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 88,798</u> <sup>1</sup>

<sup>1</sup> 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, 2015 through June 30, 2016  
(in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>35,675</u>
Total Revenues		<u>35,675</u>

**EXPENDITURES**

Current:		
General government		2,597
Conservation, environment, recreation, and agriculture		5,523
Capital outlay		<u>5,316</u>
Total Expenditures		<u>13,436</u>
Excess of Revenues over (under) Expenditures		<u>22,239</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		1
Transfers from other funds		(19)
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>(18)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>22,221</u></u> <sup>1</sup>

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

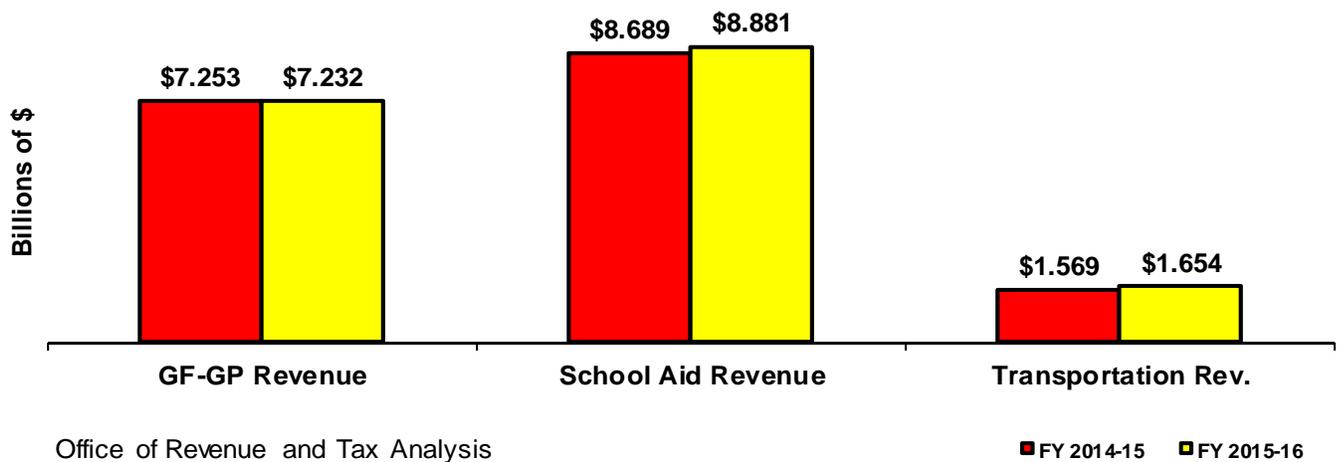
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for June 2016, representing some May 2016 and some June 2016 economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$98.2 million (9.5 percent) lower in June 2016 than in June 2015. The June 2016 School Aid Fund cash collections were \$8.0 million (0.9 percent) lower than in June 2015. June 2016 transportation collections were \$18.2 million (10.7 percent) higher than in June 2015 (see revenue table). June is the ninth 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 \$21.4 million (0.3 percent) from a year ago. School Aid Fund cash collections are up \$192.3 million (2.2 percent) and transportation collections are up \$84.7 million (5.4 percent).

The FY 2015-16 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on May 17, 2016. The revenue estimate for net General Fund – General Purpose revenue for FY 2015-16 is \$9,734.1 million and the net School Aid revenue forecast is \$12,067.4 million. The Transportation Funds revenue forecast is \$2,286.2 million. The next regularly scheduled Consensus Revenue Estimating Conference will be in January 2017.

**October through June Collections  
FY 2014-15 and FY 2015-16**



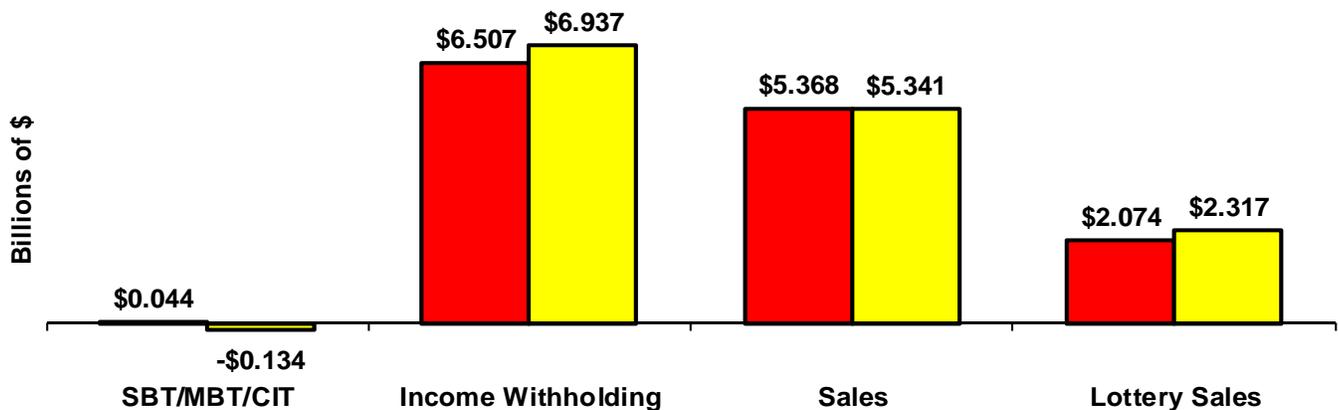
## June Revenue Collections FY 2014-15 and FY 2015-16



Office of Revenue and Tax Analysis

■ FY 2014-15   ■ FY 2015-16

## October through June Collections FY 2014-15 and FY 2015-16



Office of Revenue and Tax Analysis

■ FY 2014-15   ■ FY 2015-16

**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: June 30, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2015	2016	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2016 Consensus
<b>Income Taxes</b>											
\$707,309	\$719,488	\$12,179	1.7%	Withholding	\$6,507,341	\$6,936,632	\$429,292	6.6%	\$8,678,300	\$8,898,300	\$9,216,800
218,834	208,397	(10,437)	-4.8%	Quarterlies	760,136	784,756	24,620	3.2%	1,037,900	982,400	1,058,400
20,488	19,864	(625)	-3.0%	Annuals	878,067	873,754	(4,313)	-0.5%	956,600	879,000	900,000
946,631	947,748	1,117	0.1%	Gross Collections	8,145,544	8,595,143	449,599	5.5%	\$10,672,800	\$10,759,700	\$11,175,200
53,161	56,255	3,094	5.8%	Less: Refunds	1,682,324	1,781,487	99,163	5.9%	1,693,300	1,820,000	1,774,000
0	0	0	na	State Campaign Fund	0	0	0	na	0	800	800
893,470	891,493	(1,977)	-0.2%	Net Personal Income	6,463,220	6,813,656	350,436	5.4%	\$8,979,500	\$8,938,900	\$9,400,400
217,684	218,015	332	0.2%	Less: Disbursements to SAF	1,870,472	1,973,259	102,788	5.5%	\$2,519,300	\$2,561,900	\$2,660,800
\$675,786	\$673,477	(\$2,309)	-0.3%	<b>NET PERSONAL INCOME TO GF-GP</b>	<b>\$4,592,748</b>	<b>\$4,840,396</b>	<b>\$247,648</b>	<b>5.4%</b>	<b>\$6,460,200</b>	<b>\$6,377,000</b>	<b>\$6,739,600</b>
<b>Consumption Taxes</b>											
\$100,712	\$107,038	\$6,326	6.3%	Sales (a)	\$837,592	\$841,019	\$3,427	0.4%	\$1,118,800	\$1,247,100	\$1,153,900
135,282	101,520	(33,761)	-25.0%	Use (f)	972,488	963,385	(9,103)	-0.9%	958,200	898,900	863,600
16,148	16,113	(35)	-0.2%	Tobacco	136,626	138,327	1,701	1.2%	188,100	180,500	188,800
4,544	4,540	(4)	-0.1%	Beer, Wine & Mixed Spirits	30,020	36,704	6,684	22.3%	46,700	52,500	52,000
3,847	4,107	260	6.8%	Liquor Specific	32,185	33,712	1,527	4.7%	49,600	48,000	51,500
\$260,532	\$233,318	(\$27,214)	-10.4%	<b>TOTAL CONSUMPTION TAXES</b>	<b>\$2,008,911</b>	<b>\$2,013,147</b>	<b>\$4,236</b>	<b>0.2%</b>	<b>\$2,361,400</b>	<b>\$2,427,000</b>	<b>\$2,309,800</b>
<b>Other Taxes</b>											
\$6,316	(\$5,687)	(\$12,003)	na	Single Business	\$12,532	(\$14,298)	(\$26,830)	na	\$3,900	(\$10,000)	(\$10,000)
592	2,091	1,500	na	Insurance Premiums Taxes	268,906	227,594	(41,312)	-15.4%	322,400	412,500	316,000
6,907	(3,596)	(10,503)	na	Sub-total SBT & Insurance	281,437	213,296	(68,141)	-24.2%	326,300	402,500	306,000
(65,475)	(114,694)	(49,219)	-75.2%	Michigan Business Tax	(780,019)	(872,738)	(92,719)	-11.9%	(639,400)	(889,400)	(1,031,000)
120,598	114,312	(6,285)	-5.2%	Corporate Income Tax	811,390	752,802	(58,588)	-7.2%	1,077,700	1,060,200	932,000
9	0	(9)	-100.0%	Inheritance / Estate	(136)	20	156	na	0	0	0
1,568	0	(1,568)	-100.0%	Telephone & Telegraph	20,524	15,401	(5,123)	-25.0%	41,800	46,000	42,000
2,220	1,609	(611)	-27.5%	Oil & Gas Severance	25,678	14,146	(11,532)	-44.9%	30,400	41,300	20,400
7,966	5,734	(2,232)	-28.0%	Penalties & Interest	120,458	73,868	(46,590)	-38.7%	124,600	139,500	115,000
0	436	436	na	Essential Services Assessment	0	764	764	na	0	55,000	55,000
0	0	(0)	-100.0%	Miscellaneous Other/Railroad	(353)	56	409	na	2,600	1,500	1,500
(11,583)	(12,250)	(667)	-5.8%	Treasury Enforcement Programs (e)	(103,000)	(107,000)	(4,000)	-3.9%	(149,300)	(140,000)	(147,000)
\$62,211	(\$8,448)	(\$70,659)	na	<b>TOTAL OTHER TAXES</b>	<b>\$375,980</b>	<b>\$90,614</b>	<b>(\$285,365)</b>	<b>-75.9%</b>	<b>\$814,700</b>	<b>\$716,600</b>	<b>\$293,900</b>
\$998,530	\$898,348	(\$100,182)	-10.0%	<b>SUBTOTAL GF-GP TAXES</b>	<b>\$6,977,638</b>	<b>\$6,944,158</b>	<b>(\$33,481)</b>	<b>-0.5%</b>	<b>\$9,636,400</b>	<b>\$9,520,600</b>	<b>\$9,343,300</b>

continued

**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: June 30, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2015	2016	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2016 Consensus
<b>Non-Tax Revenue (e)</b>											
\$2,500	\$2,917	\$417	16.7%	Federal Aid	\$20,000	\$22,500	\$2,500	12.5%	\$38,500	\$30,000	\$35,000
83	8	(75)	-90.0%	Local Agencies	750	300	(450)	-60.0%	0	100	100
667	625	(42)	-6.2%	Services	6,500	6,250	(250)	-3.8%	7,200	8,000	7,500
1,083	958	(125)	-11.5%	Licenses & Permits	9,000	8,250	(750)	-8.3%	11,500	13,000	11,500
0	0	0	na	Investments/Interest Costs	127	302	175	na	400	(2,000)	(1,000)
6,783	6,433	(350)	-5.2%	Misc. Non-tax Revenue	65,950	63,850	(2,100)	-3.2%	75,100	78,700	77,200
14,875	16,333	1,458	9.8%	Liquor Purchase Revolving Fund	132,250	141,000	8,750	6.6%	194,700	182,500	196,000
4,667	5,375	708	15.2%	From Other Funds-Lottery & Escheats	40,750	45,000	4,250	10.4%	70,600	51,000	64,500
\$30,658	\$32,650	\$1,992	6.5%	<b>TOTAL NON-TAX REVENUE</b>	<b>\$275,327</b>	<b>\$287,452</b>	<b>\$12,125</b>	<b>4.4%</b>	<b>\$398,000</b>	<b>\$361,300</b>	<b>\$390,800</b>
\$1,029,188	\$930,998	(\$98,190)	-9.5%	<b>TOTAL GF-GP REVENUE</b>	<b>\$7,252,965</b>	<b>\$7,231,609</b>	<b>(\$21,356)</b>	<b>-0.3%</b>	<b>\$10,034,400</b>	<b>\$9,881,900</b>	<b>\$9,734,100</b>
<b>School Aid Fund</b>											
\$262,808	\$275,611	\$12,803	4.9%	Sales Tax 4%	\$2,203,121	\$2,203,065	(\$56)	0.0%	2,960,100	3,196,200	2,990,000
203,054	185,742	(17,312)	-8.5%	Sales Tax 2%	1,696,143	1,668,837	(27,305)	-1.6%	2,305,500	2,494,600	2,326,700
67,641	50,760	(16,881)	-25.0%	Use Tax 2% (f)	486,244	481,693	(4,552)	-0.9%	476,400	497,500	480,000
27,448	31,013	3,565	13.0%	State Education Property Tax	1,277,315	1,305,560	28,245	2.2%	1,857,600	1,861,900	1,894,100
20,894	23,346	2,452	11.7%	Real Estate Transfer Tax	184,828	188,698	3,870	2.1%	258,400	268,400	276,000
70,000	79,000	9,000	12.9%	Lottery Transfer (b)	543,759	631,118	87,358	16.1%	784,100	791,000	850,000
8,904	8,798	(107)	-1.2%	Casino Wagering Tax	84,476	85,459	983	1.2%	110,800	112,700	112,000
3,795	4,031	237	6.2%	Liquor Excise Tax	31,916	33,367	1,452	4.5%	49,100	47,600	51,100
32,783	32,713	(70)	-0.2%	Cigarette/Tobacco Tax	277,371	280,825	3,454	1.2%	363,900	341,600	361,400
1,287	1,018	(269)	-20.9%	Indus. & Comm. Facilities Taxes	25,302	23,596	(1,706)	-6.7%	34,700	37,600	36,000
2,453	736	(1,716)	-70.0%	Specific Other	7,979	5,707	(2,272)	-28.5%	27,300	31,900	29,300
217,684	218,015	332	0.2%	Income Tax Earmarking	1,870,472	1,973,259	102,788	5.5%	\$2,519,300	\$2,561,900	\$2,660,800
\$918,751	\$910,783	(\$7,967)	-0.9%	<b>TOTAL SCHOOL AID FUND</b>	<b>\$8,688,925</b>	<b>\$8,881,184</b>	<b>\$192,259</b>	<b>2.2%</b>	<b>\$11,747,100</b>	<b>\$12,242,900</b>	<b>\$12,067,400</b>
\$641,068	\$645,094	\$4,026	0.6%	SALES TAX 6%	\$5,368,012	\$5,340,612	(\$27,399)	-0.5%	\$7,246,400	\$7,821,700	\$7,310,000
438,014	459,352	21,338	4.9%	SALES TAX 4%(d)	3,671,869	3,671,775	(94)	0.0%	4,940,900	5,327,100	4,983,300
203,054	185,742	(17,312)	-8.5%	SALES TAX 2%	1,696,143	1,668,837	(27,305)	-1.6%	2,305,500	2,494,600	2,326,700
202,923	160,314	(42,609)	-21.0%	USE TAX 6% (f) (i)	1,458,732	1,517,378	58,645	4.0%	1,434,600	1,396,400	1,440,000
81,145	80,972	(174)	-0.2%	TOBACCO TAXES	686,562	695,111	8,549	1.2%	953,600	913,800	957,100
0	0	0	na	TOBACCO SETTLEMENT	190,989	189,031	(1,957)	-1.0%	na	na	na

continued

**Revenue Summary FY 2015-16**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
**(in thousands)**

**For The Month Ended: June 30, 2016**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2015	2016	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2016 Consensus
<b>Major Transportation Revenues</b>											
\$9,429	\$10,266	\$837	8.9%	Diesel Fuel / Motor Carrier Fuel Tax	\$99,243	\$104,294	\$5,051	5.1%	\$136,714	\$132,500	\$139,500
61,256	76,580	15,324	25.0%	Gasoline	610,283	655,525	45,242	7.4%	866,609	811,500	856,000
85,099	87,861	2,762	3.2%	Motor Vehicle Registration	742,297	779,131	36,834	5.0%	978,146	966,000	1,015,000
4,723	4,915	192	4.1%	Other Taxes, Fees & Misc.	37,301	38,137	836	2.2%	132,672	178,263	182,305
8,746	7,784	(963)	-11.0%	Comprehensive Transportation (c)	79,959	76,684	(3,275)	-4.1%	91,516	110,719	93,405
<u>\$169,252</u>	<u>\$187,405</u>	<u>\$18,153</u>	<u>10.7%</u>	<b>TOTAL MAJOR TRANS. REVENUES</b>	<u>\$1,569,083</u>	<u>\$1,653,771</u>	<u>\$84,687</u>	<u>5.4%</u>	<u>\$2,205,657</u>	<u>\$2,198,982</u>	<u>\$2,286,210</u>
<b>Lottery Sales By Games</b>											
79,083	93,695	14,612	18.5%	Instant Games (g)	763,238	875,185	111,947	14.7%	na	na	na
57,970	58,558	588	1.0%	Daily Games	556,633	583,455	26,822	4.8%	na	na	na
24,614	33,403	8,789	35.7%	Lotto and Big Game (g)	264,314	330,436	66,122	25.0%	na	na	na
721	706	(16)	-2.2%	Keno Game	7,364	7,076	(289)	-3.9%	na	na	na
1,108	1,098	(10)	-0.9%	Other	12,440	13,080	640	5.1%	na	na	na
44,602	46,961	2,359	5.3%	Club Games	459,885	494,719	34,833	7.6%	na	na	na
<u>\$209,662</u>	<u>\$235,656</u>	<u>\$25,994</u>	<u>12.4%</u>	<b>TOTAL LOTTERY SALES</b>	<u>\$2,074,206</u>	<u>\$2,316,797</u>	<u>\$242,592</u>	<u>11.7%</u>	<u>na</u>	<u>na</u>	<u>na</u>

-1-1-

- a GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, and Constitutional Revenue shares.
- 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 In June, 2014 Public Act 161 retroactively (back to April 2014) expanded the use tax to include Health Maintenance Organizations.
- g Lottery Sales include iLottery net win amounts for Instant Games and Lotto and Big Game, beginning in October 2014 and January 2016, respectively.
- h Official CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.
- i Use tax collections include the Local Community Stabilization Share. Per 2014 Public Act 80, the fiscal year 2016 Local Community Stabilization Share is \$96.4M.

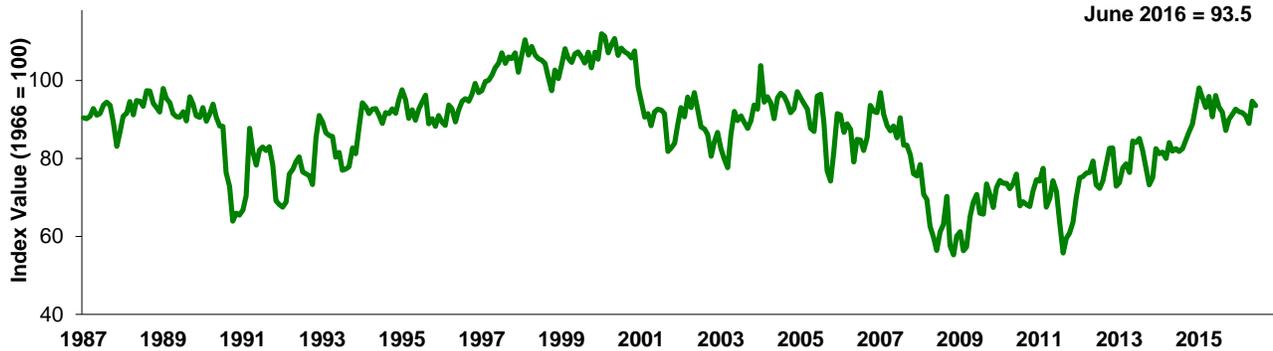
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U. S. Economy

#### Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

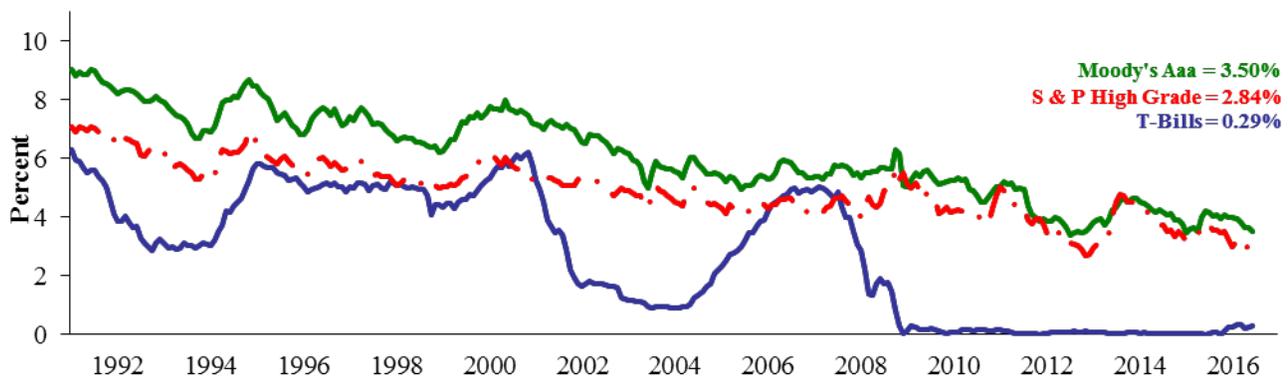
The **Index of Consumer Sentiment** increased in June to 93.5 index-points, 1.2 index-points below the May value and 2.6 index-points below June 2015. For the June survey, Survey Director Richard Curtin noted, “Consumers were a bit less optimistic in late June due to rising concerns about prospects for the national economy. While no recession is anticipated, consumers increasingly expect a slower pace of economic growth in the year ahead. Importantly, the persistent strength in personal finances will keep the level of consumer spending at relatively high levels and continue to support an uninterrupted economic expansion.” Curtin observed, “Consumers voiced the most positive assessments of their finances since late 2000 due to near record references to income increases and nearly the fewest complaints about inflation. Recently improved finances were cited by 49%, unchanged from May, and the highest level in the last decade.” On purchasing plans, Curtin reported, “Buying attitudes edged upward for large household durables and downward for vehicles and homes. All of the changes were quite minor, when compared with a year ago. Vehicle buying plans were dominated by low interest rates on credit purchases, especially among higher income and middle age groups, the most likely to purchase new vehicles.” In June, consumers in two of the four regions reported an increase in confidence. Western consumers reported the largest increase in confidence of 3.5 index-points, followed by Southern consumers with an increase of 1.5 index-points. The gap across regions increased from last month to 9.6 index-points, with Western consumers on top and Midwestern consumers on the bottom.

The revised estimate of real **Gross Domestic Product** for the first quarter of 2016 is \$16,514.6 billion (chained 2005 dollars), an increase of 1.1 percent at an annual rate. In the fourth quarter of 2015, real gross domestic product increased 1.4 percent. The increase in first quarter real GDP was mainly due to personal consumption expenditures, residential fixed investment, and state and local government spending. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 1.5 percent in the first quarter, compared to a 2.4 percent increase in the fourth quarter. Real residential fixed investment increased 15.6 percent in the first quarter compared to an increase of 10.1 percent in the fourth quarter. Real nonresidential fixed investment decreased 4.5 percent in the first quarter while real equipment expenditures decreased 8.7 percent. Real federal government spending decreased 1.6 percent in the first quarter, compared to a 2.3 percent increase in

the fourth quarter. Real state and local government spending increased 3.2 percent in the first quarter, compared to a 1.2 percent decrease in the fourth quarter. Exports of goods and services increased 0.3 percent in the first quarter, compared to a 2.0 percent decrease in the fourth quarter. Imports decreased 0.5 percent in the first quarter, compared to a decrease of 0.7 percent in the fourth quarter. Private inventory investment increased \$68.3 billion in the first quarter, following a \$78.3 billion increase in the fourth quarter. Real final sales increased 1.3 percent in the first quarter compared to an increase of 1.6 percent in the fourth quarter. On the inflation front, the **implicit price deflator** increased 0.4 percent in the first quarter compared to a 0.9 percent increase observed in the fourth quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), increased 0.2 percent in June, the same increase as in May. Energy prices increased 1.3 percent in June, up from a 1.2 percent increase in May, while the all-items less food and energy component increased 0.2 percent in June. Compared to June 2015, the all-items index increased 1.1 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 0.4 percent; medical care, 3.6 percent; apparel, 0.4 percent; education and communication, 1.0 percent; other goods and services, 1.9 percent; recreation, 1.0 percent; housing, 2.4 percent; and transportation, -3.4 percent, with gasoline prices down -15.4 percent.

### Selected Key Interest Rates

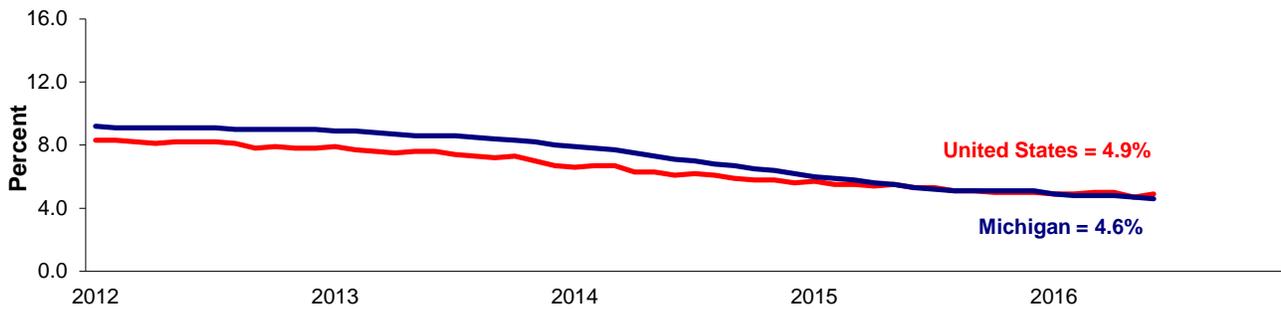


Source: Economic Indicators

Short-term **interest rates** increased 0.02 percentage point in June as the 3-month Treasury bill (T-bill) rate was 0.29 percent. Compared to one year ago, the T-bill rate increased 0.28 percentage point. The Aaa corporate bond rate, a long-term interest rate, decreased 0.15 percentage point to an interest yield of 3.50 percent in June. The Aaa bond yield was down 0.69 percentage point from its year-ago level. The interest rate on High-grade municipal bonds decreased 0.11 percentage point from the May level to 2.84 percent in June and was down 0.92 percentage point from its year-ago level. The Federal Open Market Committee (FOMC), given the economic outlook, decided to maintain the target range for the federal funds rate at 0.25-0.50 percent for the June 15th meeting. The FOMC stated "In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation." The Committee "seeks to foster maximum employment and price stability."

In June, the **U. S. unemployment rate** increased 0.2 percentage point from a month ago to 4.9 percent and was 0.4 percentage point lower than a year ago. Civilian employment totaled 151.1 million persons in June. The number unemployed was 7.8 million nationwide.

## Unemployment Rates 2012 - 2016



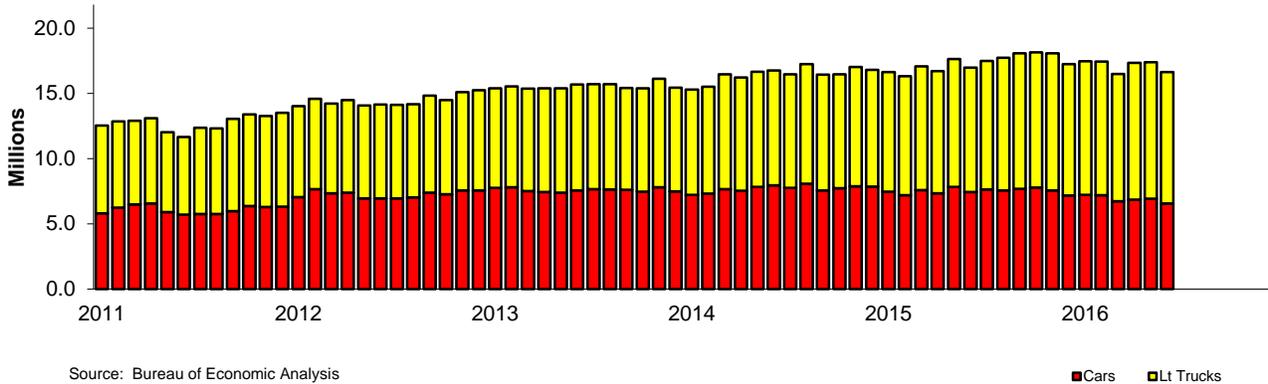
Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In June, the **Michigan jobless rate** decreased 0.1 percentage point to 4.6 percent. The June unemployment rate is 0.7 percentage point below the year ago level. In June, the labor force fell 31,000 to 4,837,000, while the number of people employed declined 25,000 to 4,616,000. In June, there were 222,000 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 1.2 percent from April to June compared to a 1.4 percent increase from February to April. The all-items less food and energy index increased 0.5 percent from April. The food index decreased 0.9 percent from April to June while the energy index increased 11.9 percent. Compared to June 2015, the all-items index increased 2.3 percent. For individual component items, the changes from one year ago were: food and beverages, 1.1 percent; apparel, 1.0 percent; education and communication, 2.0 percent; transportation, -1.3 percent; recreation, 7.3 percent; medical care, 4.7 percent; housing, 2.1 percent; and other goods and services, 3.3 percent.

## Motor Vehicle Sector

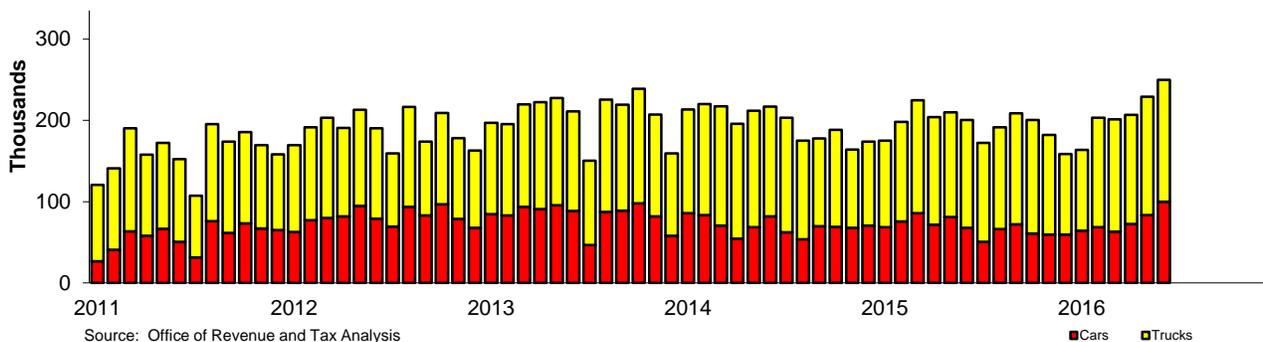
### U. S. Light Vehicle Sales



**U.S. light vehicle sales** (cars + light trucks) decreased 4.5 percent in June compared to May, selling at a 16.6 million unit seasonally adjusted annual rate. Domestic car sales decreased 4.7 percent from May while domestic light truck sales decreased 3.8 percent. Import car sales decreased 6.9 percent while import light truck sales decreased 4.5 percent. Compared to last year, light vehicle sales decreased 2.0 percent. Domestic car sales decreased 11.3 percent from the year ago level while domestic light truck sales increased 1.8 percent. Import car sales were down 13.1 percent from last year while import truck sales increased 22.2 percent. As a result, the domestic share of U.S. light vehicle sales decreased 1.3 percentage points from a year ago. For fiscal year 2016 year-to-date, domestic light vehicles recorded a 78.0 percent share of a 17.3 million-unit market.

**Michigan motor vehicle production** increased to 249,599 units in June from 229,171 units in May. From a year ago, motor vehicle production increased 24 percent in Michigan and increased 6 percent nationally. In June, Michigan's car production was 100,004 units while the state's truck production was 149,595 units. Compared with a year ago, car production increased 47 percent in Michigan and rose 1 percent nationwide. The state's truck production increased 13 percent while national truck production increased 9 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 May 17, 2016 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<b>Fiscal Year 2013-14 Actual</b>	<b>Fiscal Year 2014-15 Actual</b>	<b>Fiscal Year 2015-16 Estimate</b>
Applicable Calendar Year Personal Income	\$378,443	\$386,471	\$403,726
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$35,914.2</u>	<u>\$36,676.1</u>	<u>\$38,313.6</u>
Revenue Limit	\$35,914.2	\$36,676.1	\$38,313.6
State Revenue Subject to Limit	<u>\$27,432.5</u>	<u>\$29,277.6</u>	<u>\$29,010.0</u>
<b>Amount Under (Over) Limit</b>	<b>\$8,481.7</b>	<b>\$7,398.5</b>	<b>\$9,303.6</b>

Sources:

Personal Income Estimate

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

The FY 2014-15 calculation uses the official personal income estimate for calendar year 2013 (Survey of Current Business, October 2014).

The FY 2015-16 calculation uses the official personal income estimate for calendar year 2014 (Survey of Current Business, October 2015).

Revenue Subject to the Limit

The FY 2013-14 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2014.

The FY 2014-15 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2015.

The FY 2015-16 calculation uses the May 17, 2016 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