



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN E. NIXON, CPA
DIRECTOR

July 30, 2013

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

The Honorable Joseph Haveman, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending June 30, 2013. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

www.michigan.gov/budget under "Financial Reports".

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

Sincerely,

John E. Nixon, CPA
State Budget Director

Attachment

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

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

FISCAL
2013

Beginning Balance, October 1, 2012		<small>see one-time revenue</small>
Current Year GF/GP Revenues, May 2013 Consensus Estimate		
	\$	8,969.2
Revenue Adjustments:		
Local Government Program Payments	\$	(350.6)
Other revenue adjustments	\$	3.2
Subtotal Additional Revenue Adjustments	\$	(347.4)
Total FY Resources Available For Expenditure GF/GP - Ongoing		8,621.8
Expenditures, Current Law:		
FY 2013 Enacted with Vetoes	\$	8,641.0
Pending Supplemental Appropriations - Enrolled House Bill 4112	\$	(59.4)
Total Expenditures Projected - Ongoing		\$ 8,581.6
Current Year Revenues minus Ongoing Costs		\$ 40.2
Beginning Balance (One-Time Revenue)		
May 2013 Consensus Estimate above January 2013 estimate	\$	979.2
One-time revenue decreases (PA 200 of 2012)	\$	396.9
One-time impact of enacted tax law changes	\$	(22.0)
One-time impact of enacted tax law changes	\$	(177.0)
Total FY Resources Available For Expenditure GF/GP - One-Time		\$ 1,177.1
One-Time Spending Items:		
PA 200, PA 201, PA 305, PA 348, PA 349, PA 436, and PA 518 of 2012; and PA 9 of 2013	\$	548.2
Pending Supplemental Appropriations - Enrolled House Bill 4112	\$	34.4
Estimated lapses	\$	(18.0)
Total Expenditures Projected - One-Time		\$ 564.6
One-Time Revenue minus One-Time Spending		\$ 612.5
Projected Ending Balance, September 30, 2013		\$ 652.7

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

	FISCAL 2013
Beginning Balance , October 1, 2012	see one-time revenue
Current Year School Aid Fund Revenues, May 2013 Consensus Estimate	
	\$ 11,127.7
Revenue Adjustments:	
General Fund	\$ 282.4
Federal Revenue	\$ 1,701.0
Subtotal Additional Revenue Adjustments	\$ 1,983.4
Total FY Resources Available for Expenditure School Aid Fund - Ongoing	\$ 13,111.1
School Aid Ongoing Costs	
PA 201 of 2012	\$ 12,750.2
PA 60 of 2013	\$ (52.6)
Revised School Aid Ongoing Costs	\$ 12,697.6
Community Colleges Ongoing Costs	
PA 201 of 2012	\$ 197.6
Universities Ongoing Costs	
PA 201 of 2012	\$ 200.5
Total Expenditures Projected - Ongoing	\$ 13,095.7
Current Year Revenues minus Ongoing Costs	\$ 15.5
Beginning Balance (One-Time Revenue)	
	\$ 254.1
May 2013 Consensus Estimate above January 2013 estimate	\$ 85.7
Total FY Resources Available for Expenditure School Aid Fund - One-Time	\$ 339.8
One-Time Spending Items:	
PA 201 of 2012	\$ 194.3
PA 465 of 2012	\$ 0.2
PA 60 of 2013	\$ 20.0
Revised One-Time Spending Items	\$ 214.5
One-Time Revenue minus One-Time Spending	\$ 125.4
Projected Ending Balance, September 30, 2013	\$ 140.8

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

June 30, 2013

(\$ IN MILLIONS)

FISCAL YEAR 2012

FISCAL YEAR 2013

Exp & Enc June 2012	Exp & Enc Yr-to-date FY 2012	Fiscal Year End SEP 30, 2012	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc June 2013	Exp & Enc Yr-to-date FY 2013
5.0	40.9	63.1	Agriculture and Rural Development	76.5	11.2	4.4	46.2
5.7	49.5	70.8	Attorney General	83.9	3.7	5.8	54.4
19.6	196.8	240.8	Capital Outlay**	320.3	25.4	21.8	199.9
0.9	8.9	12.8	Civil Rights	14.8	2.8	1.0	9.6
104.4	1,025.1	1,175.8	Colleges & Universities	1,295.2	0.0	108.5	1,068.4
1,005.5	9,489.0	13,915.9	Community Health	14,944.9	282.9	1,037.7	9,724.4
144.2	1,405.5	1,936.4	Corrections	1,983.3	22.5	137.0	1,367.9
19.3	167.4	364.8	Education	328.9	9.0	18.2	171.1
10.6	120.1	181.6	Environmental Quality	402.2	32.4	10.8	102.0
0.4	3.1	4.5	Executive Office	4.9	0.0	0.7	4.2
493.0	4,237.8	5,786.7	Human Services	6,519.6	436.1	497.5	4,277.9
19.2	144.0	231.6	Judiciary	273.8	0.0	20.8	148.8
1.4	12.5	17.9	Legislative Auditor General	18.7	0.0	1.6	14.0
8.7	77.8	104.5	Legislature	110.9	0.3	8.6	72.6
30.4	305.9	444.0	Licensing and Regulatory Affairs	606.6	(127.5)	21.9	222.8
9.8	87.3	127.4	Military Affairs	133.6	15.2	8.9	89.2
5.9	39.5	65.9	Natural Resources	101.7	14.5	8.1	48.5
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
13.1	118.6	179.6	State	219.6	9.7	14.3	125.0
41.4	315.7	499.3	State Police	577.3	15.2	44.4	346.4
56.0	399.1	662.1	Technology, Management & Budget***	338.6	143.0	30.5	287.0
0.0	0.0	0.5	Transportation	23.0	0.0	0.0	0.0
163.8	1,405.5	3,149.6	Treasury	1,645.7	97.1	195.7	1,521.4
1.7	42.2	137.7	Michigan Strategic Fund	173.5	24.1	1.1	60.8
\$2,160.0	\$19,692.2	\$29,373.1		\$30,197.5	\$1,017.5	\$2,199.5	\$19,962.4

*Includes boilerplate appropriations.

**Includes all capital outlay activity regardless of agency

***Includes Civil Service Commission

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2013

June, 2013

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,336.2	148.2	15,484.4
Total state spending from state resources	27,917.6	73.4	27,991.0
Percentage of state spending from state resources paid to local units	54.93%		55.32%
Required payments to local units (48.97%)	13,671.2		13,707.2
Surplus/(deficit)	\$1,665.0		\$1,777.2

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

REVENUES

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

EXPENDITURES

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

OTHER FINANCING SOURCES (USES)

Transfers from other funds		105,000
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>105,000</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ 105,258</u> ¹

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

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

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>14,863</u>
Total Revenues		<u>14,863</u>

EXPENDITURES

Current:		
General government		1,295
Conservation, environment, recreation, and agriculture		1,322
Capital outlay		<u>20,465</u>
Total Expenditures		<u>23,082</u>
Excess of Revenues over (under) Expenditures		<u>(8,218)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		9
Transfers from other funds		-
Transfers to other funds		<u>(16)</u>
Total Other Financing Sources (Uses)		<u>(7)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ (8,225) ¹</u>

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

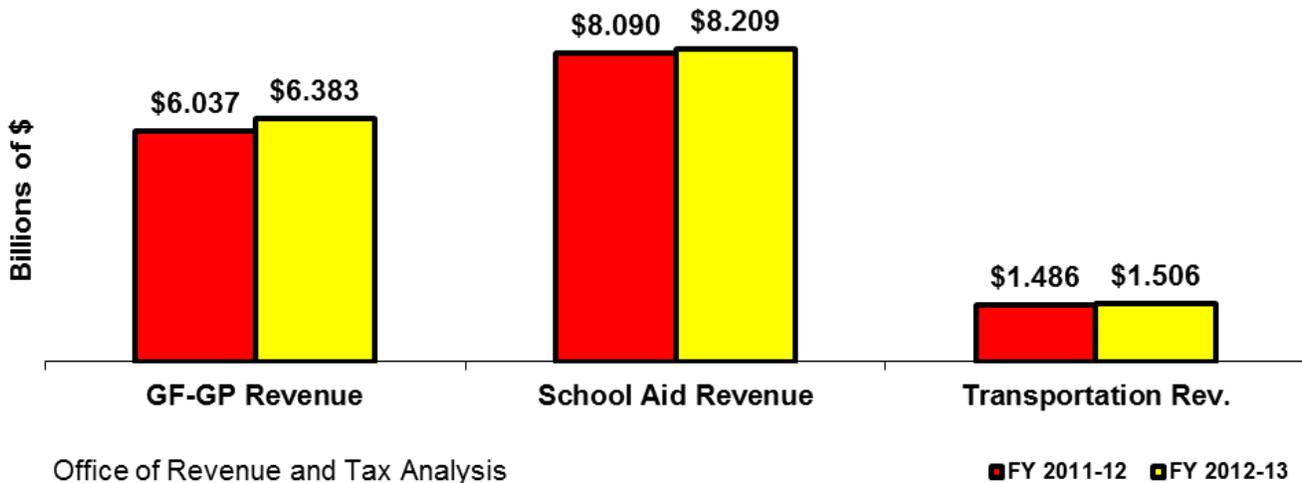
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose cash collections were \$17.3 million (2.1 percent) lower in June 2013 than in June 2012. The June 2013 School Aid Fund cash collections were \$21.4 million (2.7 percent) higher than in June 2012. June 2013 transportation collections were \$11.1 million (6.5 percent) lower than in June 2012 (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 up \$345.7 million (5.7 percent) from a year ago. School Aid Fund cash collections are up \$119.6 million (1.5 percent) and transportation collections are up \$20.2 million (1.4 percent).

The FY 2012-13 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on May 15, 2013. The revenue estimate for net General Fund – General Purpose revenue for FY 2012-13 is \$9,189.2 million and the net School Aid revenue forecast is \$11,213.4 million. The Transportation Funds revenue forecast is \$2,109.5 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held in January 2014.

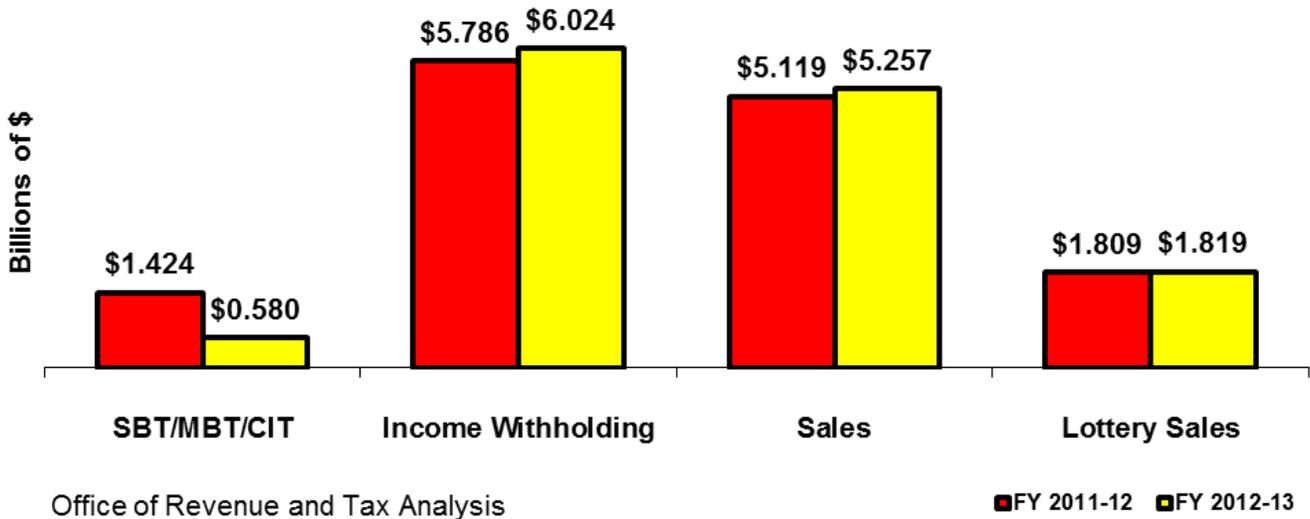
**October through June Collections
FY 2011-12 and FY 2012-13**



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



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



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

For The Month Ended: June 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus	
Income Taxes												
\$623,053	\$641,561	\$18,509	3.0%	Withholding	\$5,785,609	\$6,023,513	\$237,905	4.1%	\$7,604,200	\$7,826,900	\$7,861,800	
158,703	193,445	34,742	21.9%	Quarterlies	512,251	647,744	135,493	26.5%	766,200	744,600	824,800	
13,030	17,269	4,239	32.5%	Annuals	650,553	1,081,930	431,377	66.3%	682,500	888,000	1,110,200	
794,785	852,275	57,490	7.2%	Gross Collections	6,948,412	7,753,187	804,774	11.6%	\$9,052,900	\$9,459,500	\$9,796,800	
53,397	56,782	3,384	6.3%	Less: Refunds	2,074,717	1,606,676	(468,041)	-22.6%	2,134,600	1,552,000	1,625,300	
0	0	0	na	State Campaign Fund	0	0	0	na	900	1,000	1,000	
741,388	795,494	54,105	7.3%	Net Personal Income	4,873,695	6,146,511	1,272,816	26.1%	\$6,917,400	\$7,906,500	\$8,170,500	
183,336	195,341	12,005	6.5%	Less: Disbursements to SAF	1,612,213	1,784,238	172,025	10.7%	\$2,100,200	\$2,239,100	\$2,326,600	
\$558,052	\$600,152	\$42,100	7.5%	NET PERSONAL INCOME TO GF-GP	\$3,261,483	\$4,362,273	\$1,100,791	33.8%	\$4,817,200	\$5,667,400	\$5,843,900	
Consumption Taxes												
\$6,130	\$5,879	(\$251)	-4.1%	Sales (a)	\$53,486	\$53,626	\$139	0.3%	\$1,081,200	\$1,134,700	\$1,002,200	
73,067	79,011	5,943	8.1%	Use (f)	529,685	608,825	79,140	14.9%	794,000	834,700	829,600	
17,840	17,915	75	0.4%	Tobacco	140,786	139,063	(1,722)	-1.2%	192,600	189,500	191,400	
4,933	5,112	179	3.6%	Beer, Wine & Mixed Spirits	36,611	36,599	(12)	0.0%	50,800	50,800	51,500	
4,044	4,347	303	7.5%	Liquor Specific	27,535	29,154	1,620	5.9%	41,800	41,200	42,400	
\$106,015	\$112,264	\$6,250	5.9%	TOTAL CONSUMPTION TAXES	\$788,102	\$867,267	\$79,165	10.0%	\$2,160,400	\$2,250,900	\$2,117,100	
Other Taxes												
\$11,624	(\$9,707)	(\$21,330)	na	Single Business	\$891	(\$16,859)	(\$17,750)	na	(\$66,200)	\$0	\$8,000	
1,461	1,245	(215)	-14.8%	Insurance Premiums Taxes	218,284	211,055	(7,230)	-3.3%	290,200	311,400	297,000	
13,084	(8,462)	(21,546)	na	Sub-total SBT & Insurance	219,175	194,196	(24,979)	-11.4%	224,000	311,400	305,000	
28,144	(23,162)	(51,307)	na	Michigan Business Tax	1,206,470	(74,265)	(1,280,735)	na	798,300	(552,400)	(490,000)	
81,985	83,616	1,631	2.0%	Corporate Income Tax	217,107	671,434	454,327	na	547,100	838,900	920,000	
3	(67)	(70)	na	Inheritance / Estate	226	(15)	(241)	na	200	0	0	
1,104	0	(1,104)	-100.0%	Telephone & Telegraph	27,104	23,453	(3,652)	-13.5%	59,200	57,300	56,000	
3,848	4,967	1,119	29.1%	Oil & Gas Severance	41,115	42,058	943	2.3%	53,600	61,000	53,000	
8,243	14,648	6,405	77.7%	Penalties & Interest	79,112	102,723	23,610	29.8%	167,200	127,500	133,000	
0	(1)	(1)	na	Miscellaneous Other/Railroad	218	246	28	12.9%	1,700	1,000	1,000	
(10,583)	(10,667)	(83)	-0.8%	Treasury Enforcement Programs (e)	(95,250)	(96,000)	(750)	-0.8%	(130,200)	(128,000)	(128,000)	
\$125,829	\$60,873	(\$64,956)	-51.6%	TOTAL OTHER TAXES	\$1,695,277	\$863,828	(\$831,449)	-49.0%	\$1,721,100	\$716,700	\$850,000	
\$789,896	\$773,290	(\$16,606)	-2.1%	SUBTOTAL GF-GP TAXES	\$5,744,862	\$6,093,369	\$348,507	6.1%	\$8,698,800	\$8,634,900	\$8,811,000	

continued

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

For The Month Ended: June 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus
Non-Tax Revenue (e)											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$15,000	\$15,000	\$0	0.0%	\$54,800	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	750	750	0	0.0%	3,200	1,000	1,000
917	917	0	0.0%	Services	8,250	8,250	0	0.0%	10,500	11,000	11,000
1,667	1,667	0	0.0%	Licenses & Permits	15,000	15,000	0	0.0%	16,300	20,000	20,000
0	0	0	na	Investments/Interest Costs	(589)	(304)	285	48.4%	(1,900)	(3,200)	(3,200)
10,667	10,250	(417)	-3.9%	Misc. Non-tax Revenue	96,000	94,250	(1,750)	-1.8%	157,000	118,000	123,000
13,583	13,600	17	0.1%	Liquor Purchase Revolving Fund	122,250	123,100	850	0.7%	174,400	157,200	163,200
3,925	3,600	(325)	-8.3%	From Other Funds-Lottery & Escheats	35,325	33,100	(2,225)	-6.3%	152,100	11,000	43,200
\$32,508	\$31,783	(\$725)	-2.2%	TOTAL NON-TAX REVENUE	\$291,986	\$289,146	(\$2,840)	-1.0%	\$566,400	\$335,000	\$378,200
\$822,404	\$805,073	(\$17,331)	-2.1%	TOTAL GF-GP REVENUE	\$6,036,848	\$6,382,515	\$345,667	5.7%	\$9,265,200	\$8,969,900	\$9,189,200
School Aid Fund											
\$235,897	\$239,937	\$4,039	1.7%	Sales Tax 4%	\$2,095,726	\$2,150,687	\$54,960	2.6%	2,841,000	2,943,200	3,010,900
183,109	186,713	3,604	2.0%	Sales Tax 2%	1,625,770	1,673,022	47,252	2.9%	2,216,000	2,288,700	2,153,600
36,475	39,505	3,030	8.3%	Use Tax 2% (f)	456,549	303,070	(153,478)	-33.6%	412,600	417,300	414,900
30,054	24,541	(5,513)	-18.3%	State Education Property Tax	1,245,875	1,233,667	(12,208)	-1.0%	1,789,500	1,829,400	1,792,000
13,475	11,970	(1,506)	-11.2%	Real Estate Transfer Tax	97,282	131,950	34,667	35.6%	150,100	133,600	190,500
65,000	70,000	5,000	7.7%	Lottery Transfer (b)	520,000	500,000	(20,000)	-3.8%	778,400	744,700	745,000
9,031	8,412	(618)	-6.8%	Casino Wagering Tax	88,680	85,255	(3,426)	-3.9%	115,800	106,300	109,700
3,969	4,255	285	7.2%	Liquor Excise Tax	27,224	28,808	1,585	5.8%	41,300	41,200	42,400
36,218	36,370	152	0.4%	Cigarette/Tobacco Tax	285,816	282,319	(3,497)	-1.2%	374,100	364,800	366,500
1,200	1,352	152	12.7%	Indus. & Comm. Facilities Taxes	28,170	25,075	(3,096)	-11.0%	35,700	43,900	37,900
1,659	2,453	795	47.9%	Specific Other	6,499	11,292	4,794	73.8%	24,000	17,100	23,100
183,336	195,341	12,005	6.5%	Income Tax Earmarking	1,612,213	1,784,238	172,025	10.7%	\$2,100,200	\$2,239,100	\$2,326,600
\$799,423	\$820,848	\$21,425	2.7%	TOTAL SCHOOL AID FUND	\$8,089,804	\$8,209,383	\$119,579	1.5%	\$10,878,700	\$11,169,500	\$11,213,400
\$576,271	\$586,607	\$10,336	1.8%	SALES TAX 6%	\$5,118,647	\$5,257,500	\$138,853	2.7%	\$6,952,800	\$7,194,100	\$7,100,700
393,162	399,894	6,732	1.7%	SALES TAX 4%(d)	3,492,877	3,584,478	91,601	2.6%	4,736,800	4,905,400	4,947,100
183,109	186,713	3,604	2.0%	SALES TAX 2%	1,625,770	1,673,022	47,252	2.9%	2,216,000	2,288,700	2,153,600
109,542	118,516	8,974	8.2%	USE TAX 6% (f)	986,234	911,896	(74,338)	-7.5%	1,206,600	1,252,000	1,244,500
89,647	90,024	377	0.4%	TOBACCO TAXES	707,465	698,810	(8,655)	-1.2%	963,200	941,600	950,000
0	0	0	na	TOBACCO SETTLEMENT	194,430	292,220	97,790	50.3%	na	na	na

continued

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

For The Month Ended: June 30, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH JUNE CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
June		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus	
Major Transportation Revenues												
\$10,205	\$9,861	(\$345)	-3.4%	Diesel Fuel / Motor Carrier Fuel Tax	\$93,946	\$96,253	\$2,307	2.5%	\$126,782	\$128,500	\$128,500	
75,730	68,935	(6,795)	-9.0%	Gasoline	610,663	604,862	(5,801)	-0.9%	818,798	825,500	815,000	
72,483	68,047	(4,435)	-6.1%	Motor Vehicle Registration	672,345	689,300	16,956	2.5%	876,064	877,000	890,000	
4,230	4,171	(59)	-1.4%	Other Taxes, Fees & Misc.	34,548	34,836	288	0.8%	121,038	164,524	166,564	
8,610	9,122	512	5.9%	Comprehensive Transportation (c)	74,399	80,812	6,413	8.6%	98,742	104,322	109,463	
<u>\$171,258</u>	<u>\$160,136</u>	<u>(\$11,122)</u>	<u>-6.5%</u>	TOTAL MAJOR TRANS. REVENUES	<u>\$1,485,901</u>	<u>\$1,506,064</u>	<u>\$20,162</u>	<u>1.4%</u>	<u>\$2,041,425</u>	<u>\$2,099,845</u>	<u>\$2,109,527</u>	
Lottery Sales By Games												
56,851	64,825	7,974	14.0%	Instant Games	577,911	607,270	29,359	5.1%	na	na	na	
52,744	51,916	(829)	-1.6%	Daily Games	507,915	492,447	(15,468)	-3.0%	na	na	na	
25,208	24,052	(1,156)	-4.6%	Lotto and Big Game	294,266	285,473	(8,793)	-3.0%	na	na	na	
928	859	(69)	-7.4%	Keno Game	9,276	8,495	(780)	-8.4%	na	na	na	
0	0	0	na	Lucky Lines Game	1,625	0	(1,625)	-100.0%	na	na	na	
0	0	0	na	Millionaires Raffle	6,788	5,100	(1,688)	-24.9%	na	na	na	
40,427	40,995	568	1.4%	Club Games	410,943	420,042	9,100	2.2%	na	na	na	
<u>\$176,159</u>	<u>\$182,647</u>	<u>\$6,488</u>	<u>3.7%</u>	TOTAL LOTTERY SALES	<u>\$1,808,723</u>	<u>\$1,818,828</u>	<u>\$10,105</u>	<u>0.6%</u>	<u>na</u>	<u>na</u>	<u>na</u>	

-11-

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

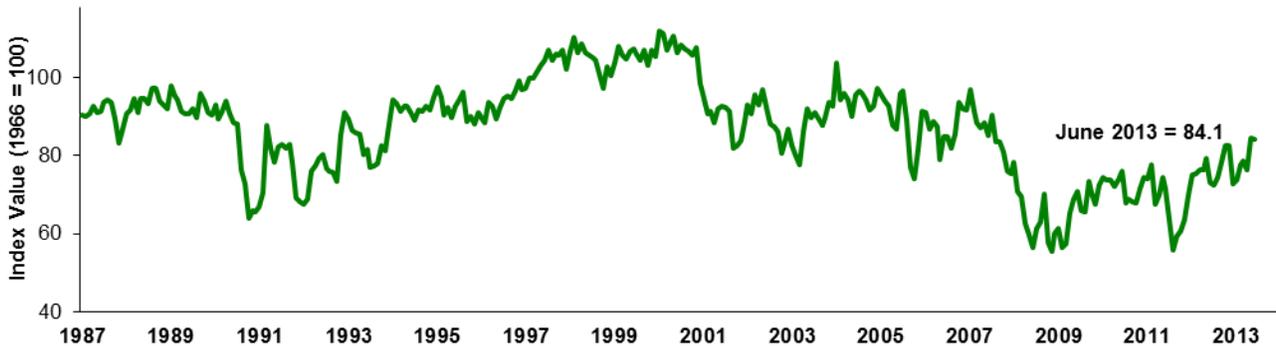
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U. S. Economy

Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

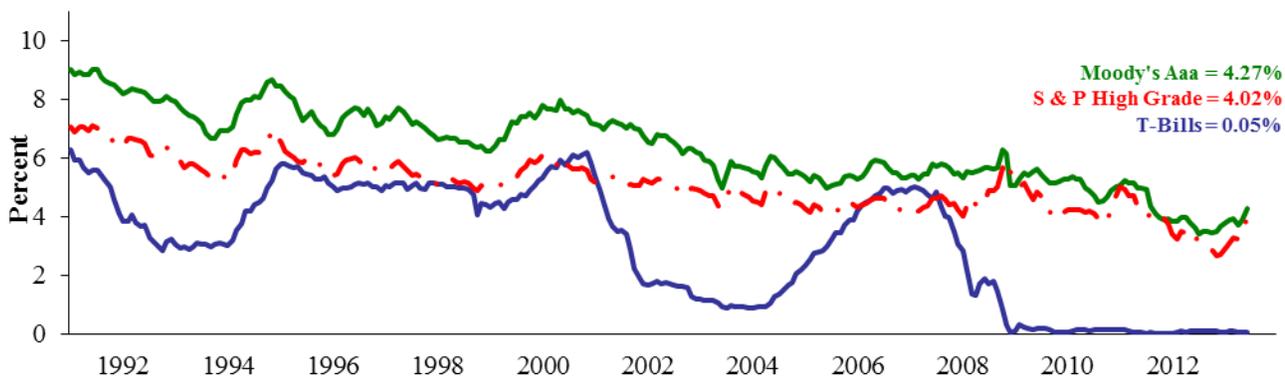
The **Index of Consumer Sentiment** fell in June to 84.1 index-points, 0.4 index-points below the May value and 10.9 index-points above June 2012. On the slight change in confidence, Survey Director Richard Curtin observed, “Consumer confidence rebounded in late June to nearly regain the favorable level recorded in May (which was the highest level since July 2007). The entire June strength in the Sentiment Index was among higher income households (+4.8 points) while declines were recorded among households with incomes below \$75,000 (-4.3 points). Households in the top third of the income distribution were the most optimistic since the June 2007 survey. Higher income households reported more frequent increases in their incomes as well as household wealth.” Curtin noted, “Younger and upper income households were more likely to report income gains in the June survey, while older and lower income households were more likely to cite lower incomes and living standards.” On buying attitudes for durables, Curtin reported, “Although buying plans for household durables and vehicles slipped in the June survey, other than for last month, they remained more favorable in June than any other time during the past year. The small decline was due to less attractive pricing as the fewest consumers mentioned the availability of price discounts for either household durables or vehicles than any other month during the past year.” In June, consumers in two of the four regions reported an increase in confidence. Western consumers reported the largest increase in confidence at 4.0 index-points. Northeastern consumers reported the largest decrease in confidence at 7.8 index-points. The gap across regions decreased from last month to 5.2 index-points, with Western consumers on top and Southern consumers on the bottom.

The revised estimate of real **Gross Domestic Product** for the first quarter of 2013 is \$13,725.7 billion (chained 2005 dollars), an increase of 1.8 percent at an annual rate. In the fourth quarter of 2012, real gross domestic product increased 0.4 percent. The increase in first quarter real GDP was mainly due to personal consumption expenditures, and private inventory investment. Imports, which are a subtraction in calculating GDP, decreased. Real personal consumption expenditures increased 2.6 percent in the first quarter, compared to a 1.8 percent increase in the fourth quarter. Real residential fixed investment increased 14.0 percent in the first quarter compared to an increase of 17.6 percent in the fourth quarter. Real nonresidential fixed investment increased 0.4 percent in the first quarter while equipment and software increased 4.1 percent. Real federal government expenditures decreased 8.7 percent in the first quarter, compared to a 14.8 percent increase in the fourth quarter. Real state and

local government spending decreased 2.1 percent in the first quarter, compared to a decrease of 1.5 percent in the fourth quarter. Exports of goods and services decreased 1.1 percent in the first quarter, compared to a 2.8 percent decrease in the fourth quarter. Imports decreased 0.4 percent in the first quarter compared to a decrease of 4.2 percent in the fourth quarter. Private inventory investment increased \$36.7 billion in the first quarter, following a \$13.3 billion increase in the fourth quarter. Real final sales increased 1.8 percent in the first quarter compared to an increase of 1.9 percent in the fourth quarter. On the inflation front, the **implicit price deflator** increased 1.3 percent in the first quarter compared to a 1.0 percent increase observed in the fourth quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), increased 0.5 percent in June, up from an increase of 0.1 percent in May. Energy prices increased 3.4 percent in June, up from a 0.4 percent increase in May, while the all-items less food and energy component increased 0.2 percent in June. Compared to June 2012, the all-items index increased 1.8 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.4 percent; medical care, 2.1 percent; apparel, 0.7 percent; education and communication, 1.2 percent; other goods and services, 1.6 percent; housing, 2.3 percent; recreation, 0.3 percent; and transportation, 1.7 percent, with gasoline prices up 2.8 percent.

Selected Key Interest Rates

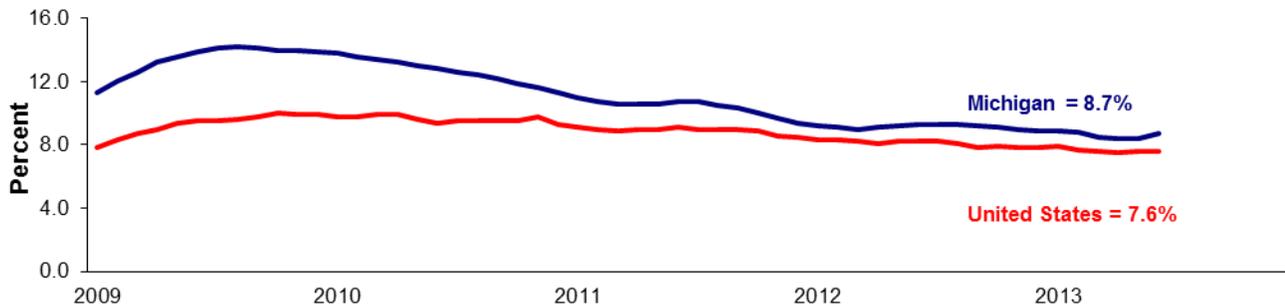


Source: Economic Indicators

Short-term **interest rates** remained unchanged in June as the 3-month Treasury bill (T-bill) rate was 0.05 percent. Compared to one year ago, the T-bill rate was down 0.04 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.38 percentage point to an interest yield of 4.27 percent in June. The Aaa bond yield was up 0.63 percentage point from its year-ago level. The interest rate on High-grade municipal bonds increased 0.63 percentage point from the April level to 3.39 percent in June, and was up 0.72 percentage point from its year-ago level. The Federal Open Market Committee kept the target range for the federal funds rate between 0 and 0.25 percent at the June 19th meeting. The FOMC stated “the Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.” The Committee “will closely monitor incoming information on economic and financial developments in coming months.”

In June, the **U. S. unemployment rate** remained unchanged from a month ago at 7.6 percent and was 0.6 of a percentage point lower than a year ago. Civilian employment totaled 144.1 million persons in June. The number unemployed was 11.8 million nationwide.

Unemployment Rates 2009 - 2013



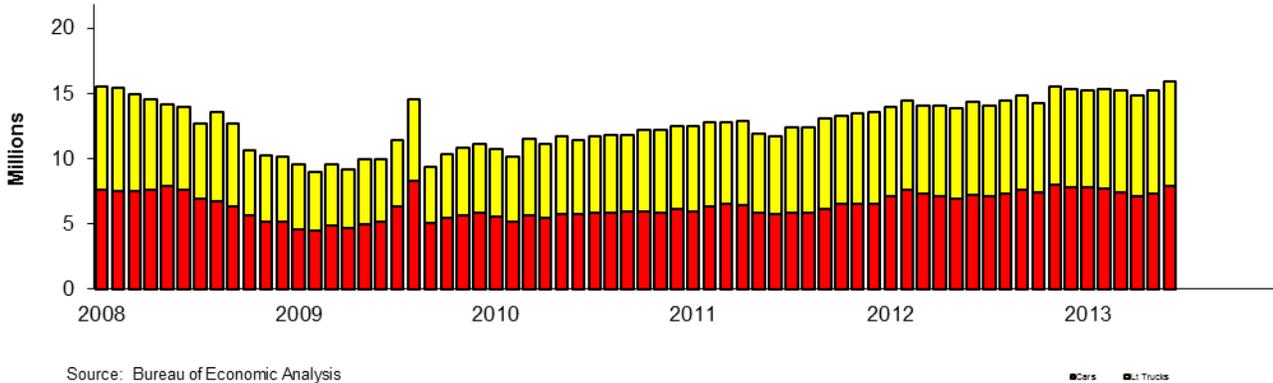
Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In June, the **Michigan jobless rate** increased 0.3 percentage point to 8.7 percent from May. The June unemployment rate is 0.6 of a percentage point below the year ago level. In June, the labor force increased by 21,000 to 4,719,000, while the number of people employed increased by 9,000 to 4,311,000. In June, there were 408,000 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 no change from February to April. The all-items less food and energy index increased 0.6 percent from April to June. The food index increased 0.1 percent from April to June while the energy index increased 6.6 percent. Compared to June 2012, the all-items index increased 3.3 percent. For individual component items, the changes from one year ago were: food and beverages, 1.4 percent; apparel, 6.8 percent; education and communication, 0.9 percent; transportation, 4.2 percent; recreation, 5.0 percent; medical care, 5.0 percent; housing, 3.5 percent; and other goods and services, 0.3 percent.

Motor Vehicle Sector

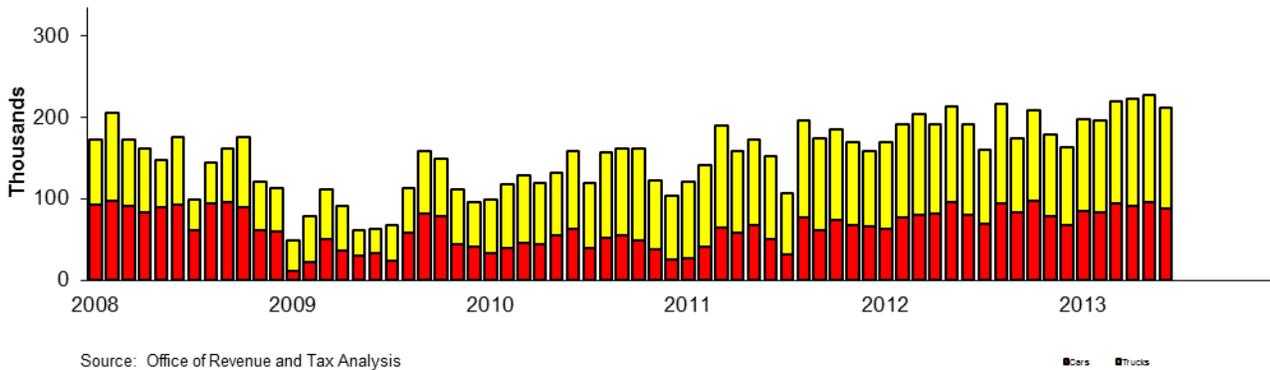
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) increased 2.5 percent in June compared to May, selling at a 15.9 million unit seasonally adjusted annual rate. Domestic car sales increased 8.0 percent while domestic light truck sales increased 0.9 percent. Import car sales increased 4.2 percent while import light truck sales increased 7.3 percent. Compared to last year, light vehicle sales increased 10.9 percent. Domestic car sales were up 10.4 percent while domestic light truck sales increased 10.7 percent. Import car sales were up 6.3 percent from last year while import truck sales increased 22.7 percent. As a result, the domestic share of U.S. light vehicle sales decreased 0.2 percentage points from a year ago. For fiscal year 2013 year-to-date, domestic light vehicles recorded a 78.4 percent share of a 15.9 million-unit market.

Michigan motor vehicle production decreased slightly to 211,183 units in June from 227,589 units in May. From a year ago, motor vehicle production increased 11 percent in Michigan and rose 13 percent nationally. In June, Michigan's car production was 88,428 units while the state's truck production was 122,755 units. Compared with a year ago, car production increased 12 percent in Michigan and also rose 12 percent nationwide. The state's truck production increased 10 percent while national truck production increased 14 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 15, 2013 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2010-11 Actual	Fiscal Year 2011-12 Actual	Fiscal Year 2012-13 Estimate
Applicable Calendar Year Personal Income	\$345,933	\$342,663	\$358,152
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,829.0</u>	<u>\$32,518.7</u>	<u>\$33,988.6</u>
Revenue Limit	\$32,829.0	\$32,518.7	\$33,988.6
State Revenue Subject to Limit	<u>\$27,248.2</u>	<u>\$27,288.3</u>	<u>\$27,580.8</u>
Amount Under (Over) Limit	\$5,580.8	\$5,230.4	\$6,407.8

Sources:

Personal Income Estimate

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

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

The FY 2012-13 calculation uses the official personal income estimate for calendar year 2011 (Survey of Current Business, October 2012).

Revenue Subject to the Limit

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

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

The FY 2012-13 calculation uses the May 15, 2013 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

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