



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRIS KOLB
DIRECTOR

May 29, 2020

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

The Honorable Shane Hernandez, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending April 30, 2020. 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 "Spending and Revenue Reports".

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

Sincerely,

Chris Kolb
State Budget Director

Attachment

cc: Mike Shirkey, Sen. Maj. Leader
Jim Ananich, Senate Min. Leader
Lee Chatfield, Speaker of the House
Christine Greig, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Jim Runestad, Chair, Senate Finance Com.
Lynn Afendoulis, Chair, House Tax Policy Com.
JoAnne Huls, Executive Office
Jay Rising, Executive Office
Jen Flood, Executive Office
Kyle Jen, Deputy State Budget Director
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2020
Projected Revenues and Expenditures
April 30, 2020
(\$ in millions)

FISCAL
2020

Beginning Balance, October 1, 2019	see one-time revenue
Current General Fund General Purpose Revenues, January 2020	
Consensus Estimate	\$ 11,012.1
Revenue Adjustments:	
Shift Venture Michigan Fund II to Voucher Purchase	\$ 22.9
Assumed Income Tax Earmark shift (HB 4125)	\$ (173.2)
Local Government Program Payments	\$ (490.0)
Subtotal Additional Revenue Adjustments	\$ (640.3)
Total FY Resources Available For Expenditure GF/GP - Ongoing	\$ 10,371.8
Expenditures, Current Law:	
Public Acts 52 through 67 of 2019	\$ 10,476.1
Vetoed and Transfers	\$ (536.2)
Supplementals PA 154 and PA 162 of 2019	\$ 159.4
Total Expenditures Projected - Ongoing	\$ 10,099.3
Current Year Revenues minus Ongoing Costs	\$ 272.5
One-Time Revenue:	
Beginning Balance	\$ 916.2
Lawsuit Settlement Proceeds (AG, DEQ)	\$ (7.6)
Other One-Time Revenue	\$ 10.0
Total FY Resources Available For Expenditure GF/GP - One-Time	\$ 918.6
One-Time Expenditures:	
Public Acts 52 through 67 of 2019	\$ 193.9
Vetoed and Transfers	\$ (18.6)
Supplementals PA 154 and PA 162 of 2019	\$ 101.6
Supplementals PA 66 and PA 67 of 2020	\$ 225.7
FY20 Supplementals Proposed with FY21 Executive Budget	\$ 373.0
Total Expenditures Projected - One-Time	\$ 875.6
One-Time Revenue minus One-Time Spending	\$ 43.0
Projected Ending Balance, September 30, 2020	\$ 315.5

SCHOOL AID FUND
Fiscal Year 2020
Projected Revenues and Expenditures
April 30, 2020
(\$ in millions)

FISCAL
2020

Beginning Balance, October 1, 2019	see one-time revenue
Current Year School Aid Fund Revenues, January 2020	
Consensus Estimate	\$ 13,925.4
Revenue Adjustments:	
Assumed Income Tax Earmark shift (HB 4125)	\$ 173.2
General Fund	\$ 45.0
Community District Trust Fund	\$ 75.4
Federal Revenue	\$ 1,749.6
Subtotal Additional Revenue Adjustments	\$ 2,043.2
Total FY Resources Available for Expenditure School Aid Fund	\$ 15,968.6
School Aid Ongoing Costs:	
PA 58 of 2019	\$ 15,162.7
Veto	\$ (55.9)
PA 162 of 2019	\$ 54.9
Pending Supplemental (2020-2)	\$ (3.4)
Community Colleges Ongoing Costs:	
PA 52 of 2019	\$ 414.7
Universities Ongoing Costs:	
PA 62 of 2019	\$ 349.4
Total School Aid Fund Ongoing Costs Projected	\$ 15,922.4
Current Year Revenues minus Ongoing Costs	\$ 46.2
Beginning Balance (One-Time Revenue):	
General Fund Subsidy One-Time	\$ 17.7
MPERS Retirement Obligation Reform Reserve Fund	\$ 1.9
One-Time Spending Items:	
PA 58 of 2019 - School Aid	\$ 72.7
Veto	\$ (72.7)
PA 162 of 2019 - School Aid	\$ 15.7
One-Time Revenue minus One-Time Spending	\$ 198.6
Projected Ending Balance, September 30, 2020	\$ 244.8

SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE
 April 30, 2020
 (\$ in millions)

Fiscal Year 2019

Fiscal Year 2020

Expenditures & Encumbrances Year to Date FY 2019	Fiscal Year End SEP 30, 2019	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2020
75.0	118.5	Agriculture and Rural Development	107.9	9.2	26.5	143.6	75.0
51.4	91.5	Attorney General	104.5	2.8	19.7	126.9	54.9
278.5	458.6	Capital Outlay (2)	333.8	8.1	585.2	927.1	247.5
8.0	15.3	Civil Rights	16.4	1.4	1.4	19.1	8.3
759.5	1,157.2	Colleges and Universities	1,298.0	44.0	14.3	1,356.3	877.4
1,228.6	2,022.8	Corrections	2,001.3	110.2	212.7	2,324.2	1,287.9
198.4	455.7	Education	487.2	111.0	51.6	649.7	204.4
250.4	456.1	Environment, Great Lakes, and Energy	572.9	21.0	512.6	1,106.4	290.0
4.3	6.7	Executive Office	7.1	0.0	1.2	8.4	4.8
14,605.8	25,590.3	Health and Human Services	26,164.7	601.1	323.5	27,089.3	13,834.2
27.7	53.8	Insurance and Financial Service	68.8	4.4	0.0	73.3	31.3
136.2	282.4	Judiciary	310.7	0.7	5.0	316.3	139.8
117.6	266.2	Labor and Economic Opportunity	415.7	301.8	37.0	754.5	259.1
13.6	24.6	Legislative Auditor General	25.9	0.0	1.6	27.6	14.6
88.3	154.8	Legislature	172.2	0.0	71.7	243.9	91.1
255.6	446.3	Licensing and Regulatory Affairs	517.4	(55.2)	38.3	500.5	207.5
2.3	30.2	Marshall Plan for Talent	0.0	0.0	39.9	39.9	0.0
158.2	265.4	Michigan Strategic Fund	89.6	(1.8)	0.0	87.8	62.4
109.2	174.2	Military and Veterans Affairs	168.4	22.1	12.6	203.1	124.0
65.0	139.8	Natural Resources	134.7	6.0	53.4	194.1	84.8
126.0	269.5	State	250.4	26.8	72.6	349.8	137.0
2.3	3.0	State Land Bank Authority	0.5	(0.2)	0.0	0.3	0.0
354.9	696.5	State Police	713.7	581.4	84.7	1,379.9	395.5
347.5	688.0	Technology, Management and Budget (3)	421.6	567.8	191.6	1,181.0	559.6
198.3	202.6	Transportation	0.0	47.0	29.5	76.5	3.1
1,306.3	3,451.4	Treasury	1,953.8	111.2	126.9	2,191.9	1,383.0
\$20,769.0	\$37,521.2		\$36,337.2	\$2,520.9	\$2,513.4	\$41,371.4	\$20,377.3

(1) Includes boilerplate appropriations.

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

(3) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2020
April 30, 2020
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	19,498.1	162.1	19,660.2
Total state spending from state resources	34,316.0	586.6	34,902.6
Percentage of state spending from state resources paid to local units	56.82%		56.33%
Required payments to local units (48.97%)	16,804.5		17,091.8
Surplus/(deficit)	\$2,693.6		\$2,568.4

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
April 30, 2020
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 1,176,464
Total Assets	<u>\$ 1,176,464</u>

LIABILITIES

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

FUND BALANCES

Committed	<u>1,176,464</u>
Total Fund Balances	<u>1,176,464</u>
Total Liabilities and Fund Balances	<u>\$ 1,176,464</u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2019 Through April 30, 2020
(\$ in thousands)

REVENUES

Miscellaneous	\$ 27,838
	27,838

EXPENDITURES

Current:	
General government	-
	-
Total Expenditures	-
	-
Excess of Revenues over (under) Expenditures	27,838
	27,838

OTHER FINANCING SOURCES (USES)

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	\$ 27,838 ¹
	\$ 27,838 ¹

¹ 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

April 30, 2020
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 93,751
Investments	-
Other current assets	<u>1</u>
Total Current Assets	<u>93,752</u>
 Noncurrent Assets:	
Investments	<u>601,516</u>
 Total Assets	<u>\$ 695,268</u>

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 8,341
Amounts due to other funds	<u>-</u>
Total Current Liabilities	<u>8,341</u>
 Total Liabilities	<u>8,341</u>

FUND BALANCES

Nonspendable	500,000
Restricted	<u>186,926</u>
 Total Fund Balances	<u>686,926</u>
 Total Liabilities and Fund Balances	<u>\$ 695,268</u>

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

October 1, 2019 through April 30, 2020
(\$ in thousands)

REVENUES

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	<u>(30,929)</u>
Total Revenues	<u>(30,929)</u>

EXPENDITURES

Current:	
General government	2,254
Conservation, environment, recreation, and agriculture	5,971
Capital outlay	<u>3,184</u>
Total Expenditures	<u>11,409</u>
Excess of Revenues over (under) Expenditures	<u>(42,338)</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>(22)</u>
Total Other Financing Sources (Uses)	<u>(14)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u><u>\$ (42,352)</u></u> ¹

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

REVENUE OVERVIEW

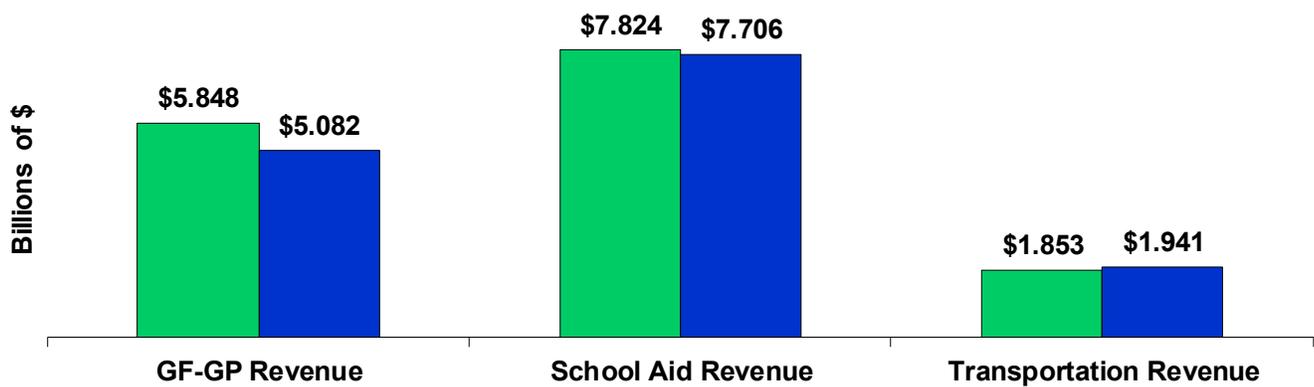
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for April 2020, representing some March and some April economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$730.0 million (51.8 percent) lower in April 2020 than in April 2019. The April 2020 School Aid Fund cash collections were \$433.8 million (37.3 percent) lower than in April 2019. April 2020 transportation collections were \$35.4 million (13.7 percent) lower than in April 2019 (see revenue summary table). April is the seventh month of the state's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections, since they are less affected by the timing of payments. Year-to-date General Fund - General Purpose cash collections are down \$765.5 million (13.1 percent) from a year ago. School Aid Fund cash collections are down \$117.1 million (1.5 percent) and transportation collections are up \$88.8 million (4.8 percent).

The FY 2019-20 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 10, 2020. The revenue estimate for net General Fund – General Purpose revenue for FY 2019-20 is \$11,012.1 million and the net School Aid revenue forecast is \$13,925.5 million. The Transportation Funds revenue forecast is \$3,659.7 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

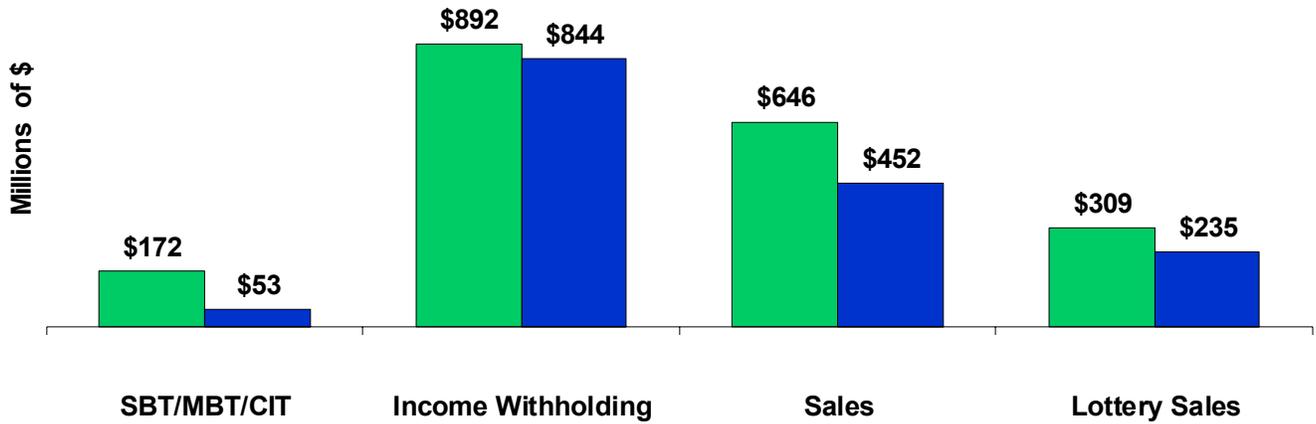
October through April Collections FY 2018-19 and FY 2019-20



Source: Office of Revenue and Tax Analysis

■ FY 2018-19 ■ FY 2019-20

April Revenue Collections FY 2018-19 and FY 2019-20



Source: Office of Revenue and Tax Analysis

■ FY 2018-19 ■ FY 2019-20

October through April Collections FY 2018-19 and FY 2019-20



Source: Office of Revenue and Tax Analysis

■ FY 2018-19 ■ FY 2019-20

Revenue Summary FY 2019-20
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2020

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2018-19	FY 2019-20	FY 2019-20
2019	2020	Amount	Percent		FY 2018-19	FY 2019-20	Amount	Percent	Prelim. Totals (i)	Statutory Estimate	January 2020 Forecast
Income Taxes											
\$892,119	\$844,282	(\$47,837)	-5.4%	Withholding	\$5,933,737	\$6,212,558	\$278,821	4.7%	\$9,935,100	\$10,194,000	\$10,194,000
177,857	47,143	(130,714)	-73.5%	Quarterlies	626,889	505,657	(121,231)	-19.3%	1,284,000	1,371,400	1,371,400
912,179	107,956	(804,223)	-88.2%	Annuals	1,126,868	335,191	(791,677)	-70.3%	1,337,500	1,176,500	1,176,500
\$1,982,155	\$999,381	(\$982,774)	-49.6%	Gross Collections	\$7,687,493	\$7,053,406	(\$634,087)	-8.2%	\$12,556,600	\$12,741,900	\$12,741,900
573,141	337,940	(235,202)	-41.0%	Less: Refunds	1,788,011	1,792,290	4,279	0.2%	2,124,500	2,163,300	2,163,300
0	0	0	na	State Campaign Fund	0	0	0	na	800	800	800
\$1,409,013	\$661,441	(\$747,573)	-53.1%	Net Personal Income	\$5,899,482	\$5,261,116	(\$638,366)	-10.8%	\$10,431,300	\$10,577,800	\$10,577,800
22,000	39,000	17,000	77.3%	Less: Disbursements to MTF	154,000	273,000	119,000	77.3%	264,000	468,000	468,000
0	5,750	5,750	na	Less: Disbursements to Renew Michigan	0	40,250	40,250	na	69,000	69,000	69,000
459,830	232,654	(227,177)	-49.4%	Less: Disbursements to SAF	1,789,779	1,642,051	(147,728)	-8.3%	2,845,000	2,860,700	2,860,700
\$927,183	\$384,037	(\$543,146)	-58.6%	Net Personal Income To GF-GP	\$3,955,704	\$3,305,815	(\$649,889)	-16.4%	\$7,253,300	\$7,180,100	\$7,180,100
Consumption Taxes											
\$103,907	\$88,884	(\$15,023)	-14.5%	Sales (a)	\$735,058	\$747,104	\$12,046	1.6%	\$1,277,100	\$1,355,900	\$1,355,900
90,876	32,502	(58,374)	-64.2%	Use (a) (h)	442,697	383,211	(59,487)	-13.4%	753,400	749,000	749,000
12,909	15,100	2,191	17.0%	Tobacco	98,787	98,896	110	0.1%	175,700	169,100	169,100
3,540	2,033	(1,507)	-42.6%	Beer, Wine & Mixed Spirits	26,643	25,363	(1,279)	-4.8%	50,200	52,000	52,000
4,409	5,098	689	15.6%	Liquor Specific	29,777	31,835	2,058	6.9%	61,300	61,000	61,000
\$215,640	\$143,617	(\$72,023)	-33.4%	Total Consumption Taxes	\$1,332,962	\$1,286,409	(\$46,553)	-3.5%	\$2,317,700	\$2,387,000	\$2,387,000
Other Taxes											
\$7,146	\$1,471	(\$5,675)	-79.4%	Single Business	(\$59,002)	(\$8,463)	\$50,539	85.7%	(\$67,700)	\$0	\$0
67,263	75,430	8,167	12.1%	Insurance Premiums Taxes	\$266,562	291,264	24,702	9.3%	314,900	361,800	361,800
74,409	76,901	2,492	3.3%	Sub-total SBT & Insurance	207,560	282,801	75,241	36.3%	247,200	361,800	361,800
11,345	16,039	4,694	41.4%	Michigan Business Tax	(514,538)	(527,776)	(13,238)	-2.6%	(511,500)	(641,000)	(641,000)
153,916	35,014	(118,902)	-77.3%	Corporate Income Tax	665,169	536,638	(128,531)	-19.3%	1,278,100	1,210,100	1,210,100
0	0	0	na	Inheritance / Estate	5	0	(5)	-100.0%	0	0	0
4	0	(4)	-100.0%	Telephone & Telegraph	10,440	11,355	915	8.8%	30,300	30,000	30,000
959	936	(23)	-2.3%	Oil & Gas Severance	13,098	11,136	(1,962)	-15.0%	22,300	22,000	22,000
21,852	6,736	(15,116)	-69.2%	Penalties & Interest	88,038	53,387	(34,651)	-39.4%	125,500	128,000	128,000
3	82	80	na	Essential Services Assessment	787	1,017	231	29.3%	111,200	121,000	121,000
(0)	0	0	-100.0%	Miscellaneous Other/Railroad	177	176	(1)	-0.7%	2,300	2,000	2,000
(12,517)	(12,667)	(150)	-1.2%	Treasury Enforcement Programs (e)	(88,067)	(88,667)	(600)	-0.7%	(147,200)	(150,000)	(150,000)
\$249,971	\$123,042	(\$126,929)	-50.8%	Total Other Taxes	\$382,669	\$280,068	(\$102,601)	-26.8%	\$1,158,200	\$1,083,900	\$1,083,900
\$1,392,795	\$650,696	(\$742,099)	-53.3%	Subtotal GF-GP Taxes	\$5,671,334	\$4,872,292	(\$799,042)	-14.1%	\$10,729,200	\$10,651,000	\$10,651,000

continued

Revenue Summary FY 2019-20
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2020

Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2018-19	FY 2019-20	FY 2019-20
2019	2020	Amount	Percent		FY 2018-19	FY 2019-20	Amount	Percent	Prelim. Totals (i)	Statutory Estimate	January 2020 Forecast
Non-Tax Revenue (e)											
\$1,108	\$1,108	\$0	0.0%	Federal Aid	\$7,758	\$7,758	\$0	0.0%	\$2,100	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	58	58	0	0.0%	0	100	100
583	583	0	0.0%	Services	4,083	4,083	0	0.0%	600	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	8,167	8,167	0	0.0%	9,300	14,000	14,000
(9,784)	(684)	9,100	93.0%	Investments/Interest Costs	(16,270)	2,789	19,059	na	10,300	9,000	9,000
833	833	0	0.0%	Misc. Non-tax Revenue	5,833	5,833	0	0.0%	16,800	10,000	10,000
16,667	19,667	3,000	18.0%	Liquor Purchase Revolving Fund	125,417	137,667	12,250	9.8%	253,000	230,000	230,000
6,250	6,250	0	0.0%	From Other Funds-Lottery & Escheats	41,500	43,750	2,250	5.4%	86,700	81,000	81,000
<u>\$16,832</u>	<u>\$28,932</u>	<u>\$12,100</u>	<u>71.9%</u>	Total Non-Tax Revenue	<u>\$176,547</u>	<u>\$210,106</u>	<u>\$33,559</u>	<u>19.0%</u>	<u>\$378,800</u>	<u>\$361,100</u>	<u>\$361,100</u>
\$1,409,627	\$679,628	(\$729,998)	-51.8%	Total GF-GP Revenue	\$5,847,881	\$5,082,398	(\$765,483)	-13.1%	\$11,108,000	\$11,012,100	\$11,012,100
School Aid Fund											
\$277,706	\$240,581	(\$37,126)	-13.4%	Sales Tax 4%	\$1,928,737	\$1,960,175	\$31,438	1.6%	\$3,372,100	\$3,543,000	\$3,543,000
182,725	51,039	(131,686)	-72.1%	Sales Tax 2%	1,304,878	1,291,014	(13,863)	-1.1%	2,636,000	2,779,200	2,779,200
62,767	35,669	(27,098)	-43.2%	Use Tax 2%	349,190	327,514	(21,676)	-6.2%	602,500	610,500	610,500
31,679	17,140	(14,539)	-45.9%	State Education Property Tax	1,360,435	1,458,048	97,613	7.2%	2,113,200	2,170,900	2,170,900
19,780	21,564	1,784	9.0%	Real Estate Transfer Tax	179,139	192,179	13,039	7.3%	350,100	361,000	361,000
85,000	90,000	5,000	5.9%	Lottery Transfer (b)	587,000	521,822	(65,178)	-11.1%	1,070,600	1,010,000	1,010,000
10,131	0	(10,131)	-100.0%	Casino Wagering Tax	70,423	54,422	(16,001)	-22.7%	117,300	121,300	121,300
4,355	4,940	585	13.4%	Liquor Excise Tax	29,413	31,119	1,706	5.8%	60,200	60,600	60,600
26,207	30,655	4,448	17.0%	Cigarette/Tobacco Tax	200,552	200,774	223	0.1%	327,500	319,400	319,400
3,628	2,200	(1,429)	-39.4%	Indus. & Comm. Facilities Taxes	18,603	17,672	(931)	-5.0%	39,500	38,500	38,500
0	2,295	2,295	na	Recreational Marihuana	0	3,899	3,899	na	0	23,600	23,600
451	1,725	1,274	283.0%	Specific Other	5,355	5,748	393	7.3%	25,900	26,800	26,800
<u>459,830</u>	<u>232,654</u>	<u>(227,177)</u>	<u>-49.4%</u>	Total School Aid Fund	<u>1,789,779</u>	<u>1,642,051</u>	<u>(147,728)</u>	<u>-8.3%</u>	<u>2,845,000</u>	<u>2,860,700</u>	<u>2,860,700</u>
<u>\$1,164,262</u>	<u>\$730,463</u>	<u>(\$433,799)</u>	<u>-37.3%</u>		<u>\$7,823,503</u>	<u>\$7,706,437</u>	<u>(\$117,066)</u>	<u>-1.5%</u>	<u>\$13,559,900</u>	<u>\$13,925,500</u>	<u>\$13,925,500</u>
Multi-Fund Revenue Summary											
\$645,569	\$452,007	(\$193,562)	-30.0%	Sales Tax 6%	\$4,519,439	\$4,557,972	\$38,533	0.9%	\$8,246,400	\$8,682,800	\$8,682,800
462,844	400,968	(61,876)	-13.4%	Sales Tax 4% (d)	3,214,561	3,266,958	52,396	1.6%	5,610,400	5,903,600	5,903,600
182,725	51,039	(131,686)	-72.1%	Sales Tax 2%	1,304,878	1,291,014	(13,863)	-1.1%	2,636,000	2,779,200	2,779,200
188,302	107,008	(81,294)	-43.2%	Use Tax 6% (g)	1,047,570	982,541	(65,028)	-6.2%	1,793,900	1,825,400	1,825,400
64,869	75,879	11,011	17.0%	Tobacco Taxes	496,415	496,966	552	0.1%	878,500	869,800	869,800
220,629	211,270	(9,358)	-4.2%	Tobacco Settlement	220,632	217,815	(2,817)	-1.3%	na	na	na

continued

Revenue Summary FY 2019-20
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: April 30, 2020

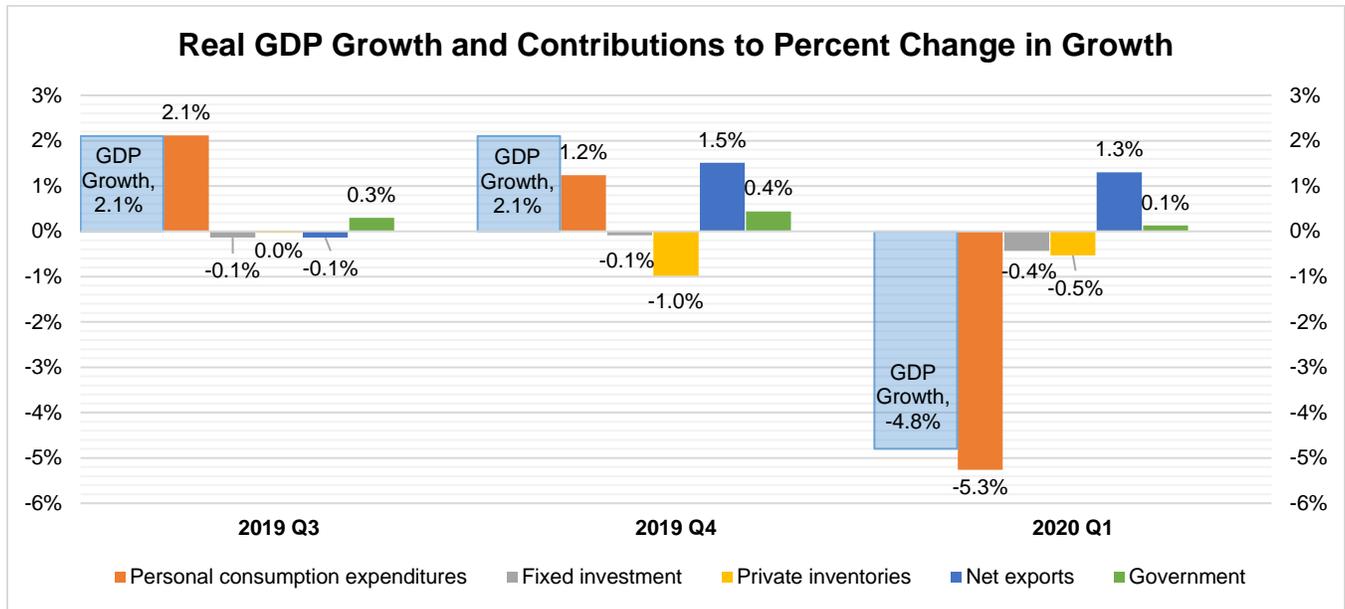
Month-End Cash Collections Data				October Through April Cash Collections Data					Revenue Projections		
April		Difference		Source of Revenue	Year-to-Date		Difference		FY 2018-19	FY 2019-20	FY 2019-20
2019	2020	Amount	Percent		FY 2018-19	FY 2019-20	Amount	Percent	Prelim. Totals (i)	Statutory Estimate	January 2020 Forecast
Major Transportation Revenues											
\$20,601	\$18,742	(\$1,859)	-9.0%	Diesel Fuel / Motor Carrier Fuel Tax	\$142,672	\$137,305	(\$5,367)	-3.8%	\$243,208	\$246,000	\$246,000
99,940	84,830	(15,110)	-15.1%	Gasoline	683,529	669,713	(13,816)	-2.0%	1,214,820	1,213,000	1,213,000
103,639	69,533	(34,105)	-32.9%	Motor Vehicle Registration	781,458	773,228	(8,230)	-1.1%	1,348,694	1,388,000	1,388,000
2,624	1,089	(1,535)	-58.5%	Other Taxes, Fees & Misc.	29,819	24,392	(5,428)	-18.2%	130,899	234,917	234,917
8,916	9,098	181	2.0%	Comprehensive Transportation (c)	61,033	63,683	2,649	4.3%	106,783	109,760	109,760
22,000	39,000	17,000	77.3%	Income Tax Earmarking	154,000	273,000	119,000	77.3%	264,000	468,000	468,000
<u>\$257,719</u>	<u>\$222,290</u>	<u>(\$35,429)</u>	<u>-13.7%</u>	Total Major Trans. Revenues	<u>\$1,852,512</u>	<u>\$1,941,320</u>	<u>\$88,808</u>	<u>4.8%</u>	<u>\$3,308,405</u>	<u>\$3,659,677</u>	<u>\$3,659,677</u>
Lottery Sales By Games											
\$147,529	\$136,602	(\$10,927)	-7.4%	Instant Games (f)	\$985,993	\$1,064,231	\$78,238	7.9%	na	na	na
72,620	60,396	(12,224)	-16.8%	Daily Games	496,840	503,046	6,206	1.2%	na	na	na
27,196	19,584	(7,613)	-28.0%	Lotto and Big Game (f)	303,094	193,980	(109,114)	-36.0%	na	na	na
694	589	(105)	-15.1%	Keno Game	5,030	4,785	(245)	-4.9%	na	na	na
1,117	829	(288)	-25.8%	Lucky For Life	8,135	7,523	(612)	-7.5%	na	na	na
4,726	3,361	(1,365)	-28.9%	Other (f)	41,210	59,280	18,070	43.8%	na	na	na
55,566	13,377	(42,188)	-75.9%	Club Games	371,535	326,916	(44,619)	-12.0%	na	na	na
<u>\$309,447</u>	<u>\$234,738</u>	<u>(\$74,709)</u>	<u>-24.1%</u>	Total Lottery Sales	<u>\$2,211,837</u>	<u>\$2,159,761</u>	<u>(\$52,076)</u>	<u>-2.4%</u>	<u>na</u>	<u>na</u>	<u>na</u>

- (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 2019 revenues were \$255.6 million and the year-to date 2020 revenues are \$271.8 million. Per 2014 Public Act 80, the total fiscal year 2019 Local Community Stabilization Share (LCSS) was \$438.0 million and the total fiscal year 2020 LCSS is \$465.9 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2019 LCSS revenues were \$255.6 million and the year-to-date 2020 LCSS revenues are \$271.8 million.
- (i) Official CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

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

Economic Highlights
(All data seasonally adjusted unless otherwise noted.)
U.S. Economy

U.S. **Gross Domestic Product** declined for the first time in 23 quarters at the start of 2020. Real GDP declined at a 4.8 percent annual rate for the first quarter of 2020 according to the advance estimate. The annual real GDP growth rate for 2019 is 2.3 percent, a deceleration from the 2.9 percent growth of 2018. The coronavirus (COVID-19) pandemic that hit the U.S. towards the end of the first quarter of 2020 is expected to cause a significant decline in GDP in the second quarter of 2020 and an overall annual decline for 2020.



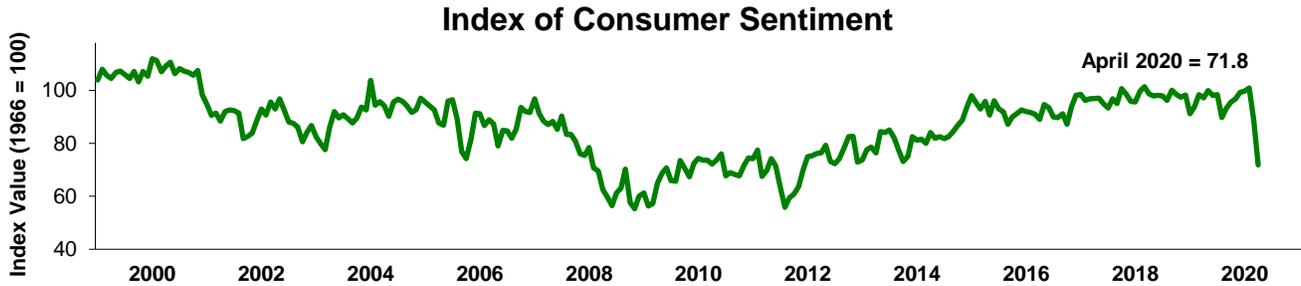
Personal consumption expenditures contributed significantly to the decline in the first quarter, along with fixed investment, and private inventories. Net exports remained positive due to the decline in exports being partially offset by the decline in imports. Government spending also contributed positively to GDP. Real final sales decreased 4.3 percent in the first quarter while on the inflation front, the implicit price deflator remained steady at 1.4 percent.

The COVID-19 pandemic is a significant impact on the economy. The extent of the impact depends on the outbreak’s length and severity.

U.S. wage and salary employment fell in April by 20.5 million jobs due to the economic impacts of COVID-19. This one-month decline is the largest since the series began recording in 1939 and employment is the lowest since January 2011. In April, leisure and hospitality fell by 7.7 million jobs, primarily in food services and drinking places. Education and health services decreased by 2.5 million jobs, professional business services decreased by 2.2 million jobs, and retail trade decreased by 2.1 million jobs. Average hourly earnings for all employees on private nonfarm payrolls decreased by 0.6 percent from a year ago while the average workweek increased by 0.1 hour to 34.2 hours in April.

In April, the U.S. unemployment rate increased 10.3 percentage points to 14.7 percent, the highest rate and largest one-month increase in the history of this data series that began in January 1948. Civilian employment totaled 133.4 million persons, a decline of 22.4 million from March, while the number unemployed increased to 23.1 million, up from 7.1 million in March. Of the unemployed, 18.1 million are reported as being on a temporary layoff, an increase of 16.2 million from March.

The **Index of Consumer Sentiment** declined 17.3 index-points in April to 71.8, from March's 89.1. The two months decline from February to April was 29.3 index-points, while the year over year decline was 25.4. Consumers cited concerns about a worsening economy at high rates, 89 percent, only below the peak of 96 percent from February 2009. A majority, 58 percent, of consumers expect the economy to improve in the next year, although a majority still expect bad financial times. A near all-time high 55 percent of consumers negatively view buying conditions for large household durables and home buying conditions are viewed as the least favorable by consumers since 1984.



Source: University of Michigan, Survey Research Center

Housing starts, new privately owned housing units started, declined sharply in April to 891 thousand units. April declined 30.2 percent from March's 1,276 thousand units and declined 44.9 percent from the January 2020 peak of 1,617 thousand units. Year-over-year, housing starts are down 29.7 percent. April's housing starts are the lowest since February of 2015.



Source: U.S. Department of Housing and Urban Development

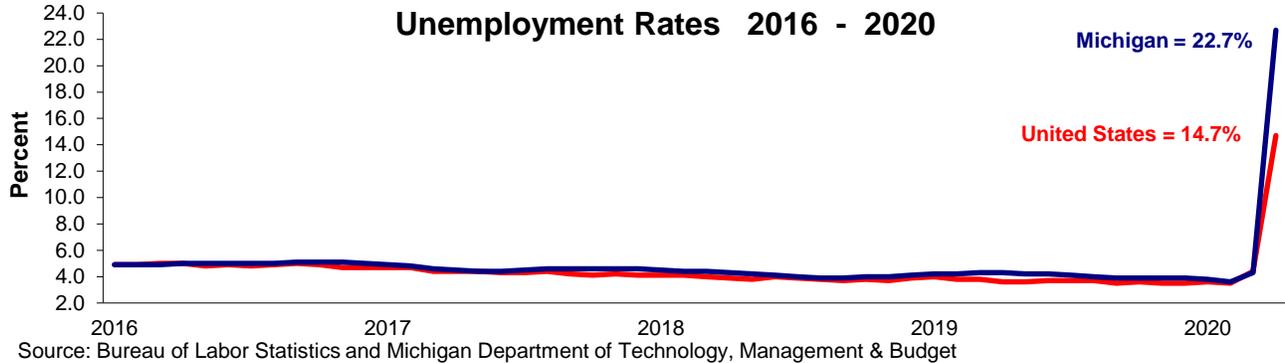
U.S. weekly initial unemployment claims spiked in March through May due to the COVID-19 pandemic, declining to 2,981,000 initial claims for the week ending May 9th, the 6th straight week of declining initial claims. The weekly insured unemployment rate was 15.7 percent for the week ending May 2nd.



Source: U.S. Employment and Training Administration

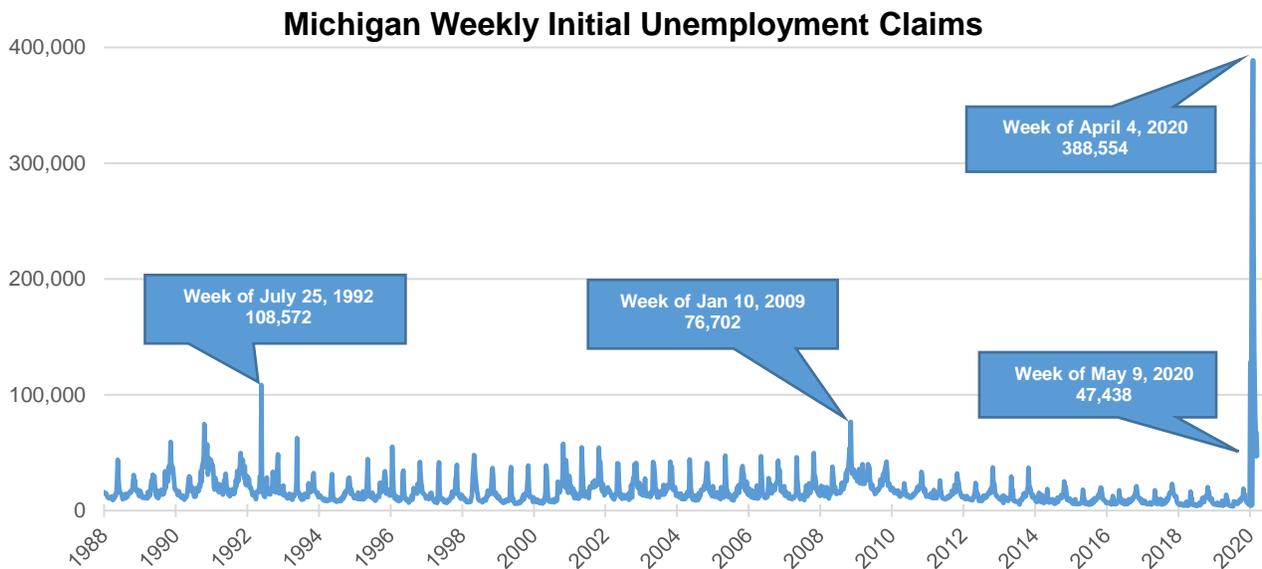
Michigan Economy

The **Michigan jobless rate** was 22.7 percent in April, 18.4 percentage points higher than March as well as a year ago. The April labor force decreased by 291,000 from March and puts Michigan's labor force numbers on par with levels from 1991.



Michigan wage and salary employment declined in April by 1,009,000 jobs. A staggering increase from March's decline of 24,000 jobs. All major sectors declined or remained flat. Leisure and hospitality services declined 237,000 jobs, manufacturing declined 174,000 jobs, trade transportation and utilities declined 159,000 jobs, professional and business services declined 143,000 jobs, education and health services declined 109,000 jobs, and construction declined 79,000 jobs. The loss in leisure and hospitality services represents a 56.8 percent decline since March and a 58.7 percent decline from a year ago. Construction's decline is 44.0 percent from March and 41.6 percent from a year ago.

Michigan initial claims for unemployment increased dramatically in March, April and May, peaking at 388,554 initial claims the week ending April 4th and declining to 47,438 the week of May 9th. In total, there were 1,376,650 initial claims over the past eight weeks.



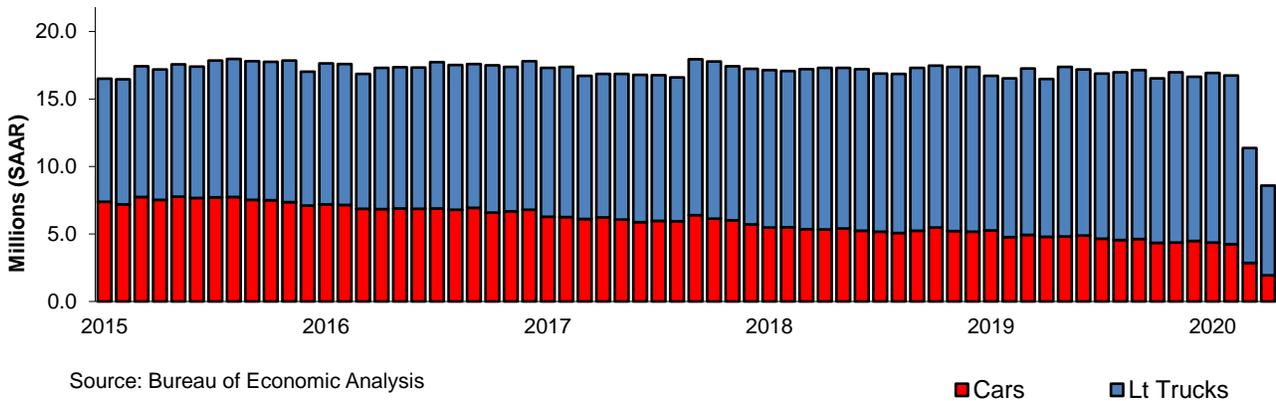
Source: U.S. Employment and Training Administration

Michigan gasoline prices decreased in April to \$1.50 per gallon, down 53 cents a gallon from last month's average of \$2.03 and a two month decline of 91 cents a gallon. From a year ago, gasoline prices were down 46.9 percent from the April 2019 average of \$2.83 per gallon.

Motor Vehicle Sector

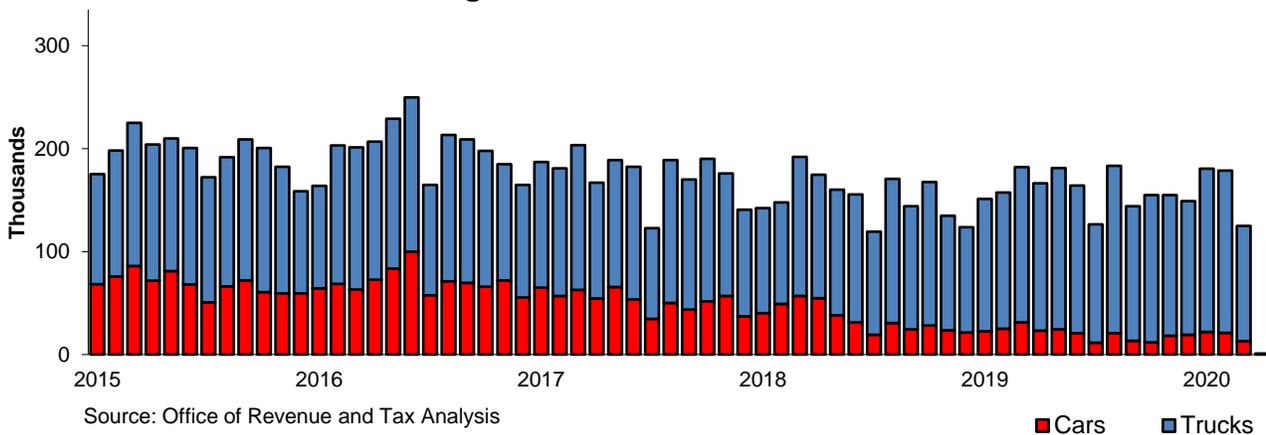
U.S. light vehicle sales (cars and light trucks) decreased 24.5 percent in April from March levels, selling at a 8.6 million unit seasonally adjusted annual rate. Sales have declined 48.8% since February, two months ago. Domestic car sales decreased 32.5 percent from March and 53.1 percent from February while domestic light truck sales decreased 22.9 percent from March and 46.6 percent from February. Import car sales decreased 29.1 percent and import light truck sales decreased 18.3 percent from March. Compared to last year, light vehicle sales decreased by 47.9 percent. Domestic car sales decreased 58.1 percent from the year ago level while domestic light truck sales decreased 43.4 percent. Import car sales were down 62.9 percent from last year while import light truck sales were down 43.0 percent. For April 2020, domestic light vehicles recorded a 78.7 percent share of a 8.6 million-unit market, an increase of 0.8 percentage points from a year ago.

U.S. Light Vehicle Sales



Michigan motor vehicle production declined to 1 unit in April, a nearly 100.0 percent decrease from March and a year ago. Michigan's auto production was suspended in April due to the COVID-19 pandemic, resulting in state-wide plant closures. Motor vehicle production was also disrupted nationally and was down 99.9 percent from a year ago. In April, Michigan's car production was 0 units while the state's truck production was 1 unit. Compared with a year ago, car production decreased 100.0 percent in Michigan and decreased 99.7 percent nationwide. The state's truck production decreased nearly 100.0 percent while national truck production decreased 99.9 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 January 10, 2020 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2018-19 Estimate	Fiscal Year 2019-20 Estimate	Fiscal Year 2020-21 Estimate
Applicable Calendar Year Personal Income	\$460,270	\$484,030	\$502,423
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$43,679.6</u>	<u>\$45,934.4</u>	<u>\$47,679.9</u>
Revenue Limit	\$43,679.6	\$45,934.4	\$47,679.9
State Revenue Subject to Limit	<u>\$33,733.3</u>	<u>\$34,387.2</u>	<u>\$35,211.5</u>
Amount Under (Over) Limit	\$9,946.3	\$11,547.2	\$12,468.4

Sources:

Personal Income Estimate

The FY 2018-19 calculation uses the official personal income estimate for calendar year 2017 (Survey of Current Business, October 2018).

The FY 2019-20 calculation uses the January 10, 2020 Consensus Revenue Agreement.

The FY 2020-21 calculation uses the January 10, 2020 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2018-19 calculation uses the January 10, 2020 Consensus Revenue Agreement.

The FY 2019-20 calculation uses the January 10, 2020 Consensus Revenue Agreement.

The FY 2020-21 calculation uses the January 10, 2020 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