



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

April 30, 2021

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

The Honorable Thomas Albert, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending March 31, 2021. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

[www.michigan.gov/budget](http://www.michigan.gov/budget) under "Spending and Revenue Reports".

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

Sincerely,

David P. Massaron  
State Budget Director

Attachment

cc: Mike Shirkey, Senate Maj. Leader  
Jim Ananich, Senate Min. Leader  
Jason Wentworth, Speaker of the House  
Donna Lasinski, House Min. Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency  
House Fiscal Agency

Jim Runestad, Chair, Senate Finance Com.  
Matt Hall, Chair, House Tax Policy Com.  
JoAnne Huls, Executive Office  
Tricia Foster, Executive Office  
Jen Flood, Executive Office  
Bethany Wicksall, Deputy State Budget Director  
Heather Boyd, Office of Financial Mgmt.  
Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**March 31, 2021**  
(\$ in millions)

**FISCAL**  
**2021**

<b>Beginning Balance</b>	<b>\$ 2,363.0</b>
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<b>Revenues</b>	
<b>Ongoing:</b>	
January 2021 Consensus Forecast	\$ 10,237.5
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
<b>Subtotal Ongoing Revenue</b>	<b>\$ 9,822.4</b>
<b>One-Time:</b>	
Miscellaneous Adjustments	\$ 11.2
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.2</b>
<b>Total Revenue</b>	<b>\$ 9,833.6</b>

<b>Expenditures</b>	
<b>Ongoing:</b>	
Public Acts 165 and 166 of 2020	\$ 10,316.9
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 10,316.9</b>
<b>One-Time:</b>	
Public Acts 165 and 166 of 2020	\$ 285.3
Public Act 257 of 2020	\$ 243.3
Public Act 2 of 2021	\$ 77.0
Transfer to BSF	\$ 35.0
<b>Subtotal One-Time Expenditures</b>	<b>\$ 640.6</b>
<b>Total Expenditures</b>	<b>\$ 10,957.5</b>

<b>Ending Balance</b>	<b>\$ 1,239.1</b>
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**SCHOOL AID FUND**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**March 31, 2021**  
(\$ in millions)

**FISCAL  
2021**

<b>Beginning Balance</b>	<b>\$ 1,190.5</b>
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<b>Revenues</b>	
<b>Ongoing:</b>	
January 2021 Consensus Forecast	\$ 14,030.2
General Fund	\$ 40.0
Community District Trust Fund	\$ 79.8
Federal Revenue	\$ 1,811.5
<b>Subtotal Ongoing Revenue</b>	<b>\$ 15,961.5</b>
<b>One-Time:</b>	
General Fund	\$ 11.0
General Fund - Pending Supplemental (2021-6)	\$ 60.0
Federal Revenue - ESSER II/GEER II	\$ 935.7
<b>Subtotal One-Time Revenue</b>	<b>\$ 1,006.7</b>
<b>Total Revenue</b>	<b>\$ 16,968.2</b>

<b>Expenditures</b>	
<b>Ongoing:</b>	
School Aid - PA 165 of 2020	\$ 15,340.1
School Aid - Pending Supplemental (2021-6)	\$ (60.3)
Community Colleges - PA 165 of 2020	\$ 425.7
Universities - PA 165 of 2020	\$ 356.1
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 16,061.6</b>
<b>One-Time:</b>	
School Aid - PA 165 of 2020	\$ 185.0
School Aid - PA 3 of 2021	\$ 1,009.2
School Aid - Pending Supplemental (2021-4 and 6)	\$ 135.8
Community Colleges - Pending Supplemental (2021-6)	\$ 12.7
<b>Subtotal One-Time Expenditures</b>	<b>\$ 1,342.7</b>
<b>Total Expenditures</b>	<b>\$ 17,404.3</b>

<b>Ending Balance</b>	<b>\$ 754.4</b>
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**SUMMARY OF EXPENDITURES AND ENCUMBRANCES  
GENERAL FUND - ALL PURPOSE**

March 31, 2021

(\$ in millions)

Fiscal Year 2020

Fiscal Year 2021

Expenditures & Encumbrances Year to Date FY 2020	Fiscal Year End SEP 30, 2020	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2021
66.0	110.5	Agriculture and Rural Development	121.3	5.2	24.2	150.7	61.8
45.6	93.2	Attorney General	105.3	2.1	20.0	127.4	43.6
247.3	389.6	Capital Outlay (2)	332.4	0.0	673.9	1,006.3	173.7
7.0	14.0	Civil Rights	18.0	1.5	1.9	21.4	7.0
769.6	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	823.9
1,093.3	2,017.3	Corrections	2,050.7	2.5	253.5	2,306.7	1,064.2
173.5	1,134.0	Education	516.7	9.9	155.7	682.3	272.4
187.5	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	251.9
4.2	7.4	Executive Office	7.1	0.0	0.9	8.1	5.0
11,092.6	26,614.3	Health and Human Services	28,453.2	1,303.9	1,247.4	31,004.5	14,602.6
27.1	53.9	Insurance and Financial Service	73.3	1.5	0.0	74.8	26.0
112.9	271.3	Judiciary	313.6	0.4	4.9	319.0	107.5
230.1	444.8	Labor and Economic Opportunity	745.2	305.1	2,850.0	3,900.3	255.7
12.3	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	12.3
79.2	154.3	Legislature	172.4	0.0	93.8	266.2	77.9
210.7	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	224.2
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
26.0	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	134.1
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.1	42.5	27.8
106.7	171.9	Military and Veterans Affairs	102.4	22.2	17.9	142.4	69.7
76.8	132.7	Natural Resources	136.5	5.0	58.5	199.9	67.4
114.7	252.4	State	254.3	12.1	88.1	354.5	111.1
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
331.4	837.6	State Police (3)	737.2	36.2	191.5	965.0	304.0
188.1	1,047.2	Technology, Management and Budget (4)	495.0	194.4	619.5	1,308.9	323.6
3.1	6.2	Transportation	0.0	47.0	29.5	76.5	2.2
1,092.6	3,758.1	Treasury	2,080.6	148.4	197.6	2,426.6	1,231.1
<b>\$16,298.2</b>	<b>\$39,893.1</b>		<b>\$39,180.9</b>	<b>\$2,218.7</b>	<b>\$7,371.7</b>	<b>\$48,771.3</b>	<b>\$20,280.5</b>

(1) Includes boilerplate appropriations.

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

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

(4) Includes Civil Service Commission.

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

**Fiscal Year 2021**

**March 31, 2021**

(\$ in millions)

	<b>INITIAL APPROPRIATIONS</b>	<b>EXEC. ORDER and SUPPLEMENTALS</b>	<b>TOTAL APPROPRIATIONS YEAR-TO-DATE</b>
Payments to local units of government	19,907.4	170.2	20,077.6
Total state spending from state resources	35,359.1	490.5	35,849.6
Percentage of state spending from state resources paid to local units	56.30%	34.70%	56.01%
Required payments to local units (48.97%)	17,315.4	240.2	17,555.5
<b>Surplus/(deficit)</b>	<b>\$2,592.0</b>	<b>(\$70.0)</b>	<b>\$2,522.1</b>

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

**ASSETS**

Current Assets:

Equity in common cash	\$ 846,568
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Total Assets	<u>\$ 846,568</u>
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**LIABILITIES**

Current Liabilities:

Total Current Liabilities	<u>\$ -</u>
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Total Liabilities	<u>-</u>
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**FUND BALANCES**

Committed	<u>846,568</u>
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Total Fund Balances	<u>846,568</u>
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Total Liabilities and Fund Balances	<u>\$ 846,568</u>
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**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
October 1, 2020 through March 31, 2021  
(\$ in thousands)

**REVENUES**

Miscellaneous	\$ 250
	<hr/>
Total Revenues	250
	<hr/>

**EXPENDITURES**

Current:	
General government	284
	<hr/>
Total Expenditures	284
	<hr/>
Excess of Revenues over (under)	
Expenditures	(34)
	<hr/>

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	17,500
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	17,500
	<hr/>
Excess of Revenues and Other Sources	
over (under) Expenditures and	
Other Uses	\$ 17,466 <sup>1</sup>
	<hr/> <hr/>

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

**STATE OF MICHIGAN**  
**YEAR-TO-DATE BALANCE SHEET**  
**MICHIGAN NATURAL RESOURCES TRUST FUND**

March 31, 2021

(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 28,681
Investments	-
Other current assets	-
Total Current Assets	<u>28,681</u>

Noncurrent Assets:

Investments	<u>752,058</u>
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Total Assets	<u><u>\$ 780,739</u></u>
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**LIABILITIES**

Current Liabilities:

Accounts payable and other liabilities	\$ 9,025
Amounts due to other funds	-
Total Current Liabilities	<u>9,025</u>

Total Liabilities	<u>9,025</u>
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**FUND BALANCES**

Nonspendable	500,000
Restricted	<u>271,715</u>

Total Fund Balances	<u>771,715</u>
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Total Liabilities and Fund Balances	<u><u>\$ 780,739</u></u>
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**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**MICHIGAN NATURAL RESOURCES TRUST FUND**

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

**REVENUES**

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	39,108
	<hr/>
Total Revenues	39,108
	<hr/>

**EXPENDITURES**

Current:	
General government	2,406
Conservation, environment, recreation, and agriculture	7,831
Capital outlay	542
	<hr/>
Total Expenditures	10,778
	<hr/>
Excess of Revenues over (under) Expenditures	28,330
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**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues	-
Proceeds from sale of capital assets	-
Transfers from other funds	-
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	-
	<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 28,330 <sup>1</sup>
	<hr/> <hr/>

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

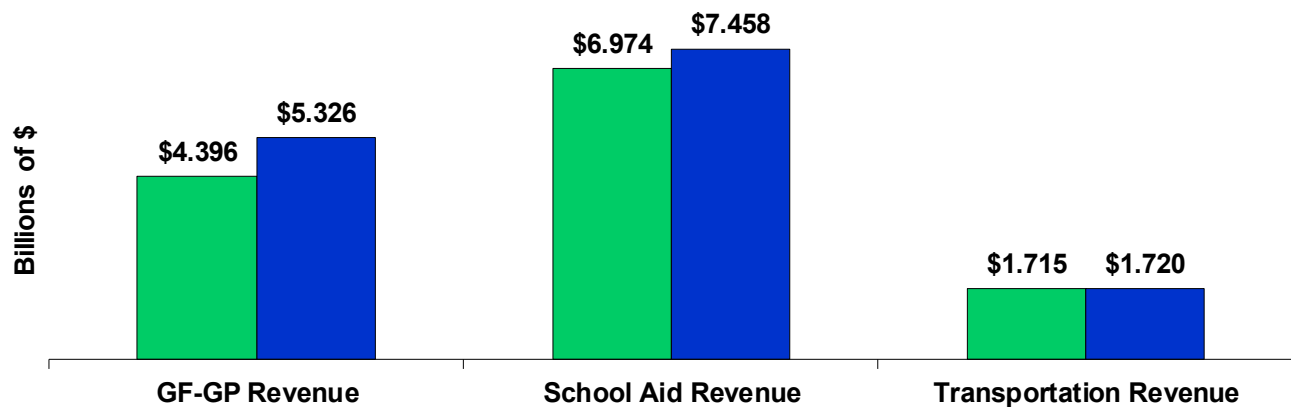
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

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

Total General Fund - General Purpose cash collections were \$56.1 million (13.5 percent) lower in March 2021 than in March 2020. The March 2021 School Aid Fund cash collections were \$118.9 million (13.6 percent) higher than in March 2020. March 2021 transportation collections were \$28.5 million (11.0 percent) higher than in March 2020 (see revenue summary table). March is the sixth 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 \$929.9 million (21.2 percent) from a year ago. School Aid Fund cash collections are up \$483.8 million (6.9 percent) and transportation collections are up \$4.3 million (0.2 percent).

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

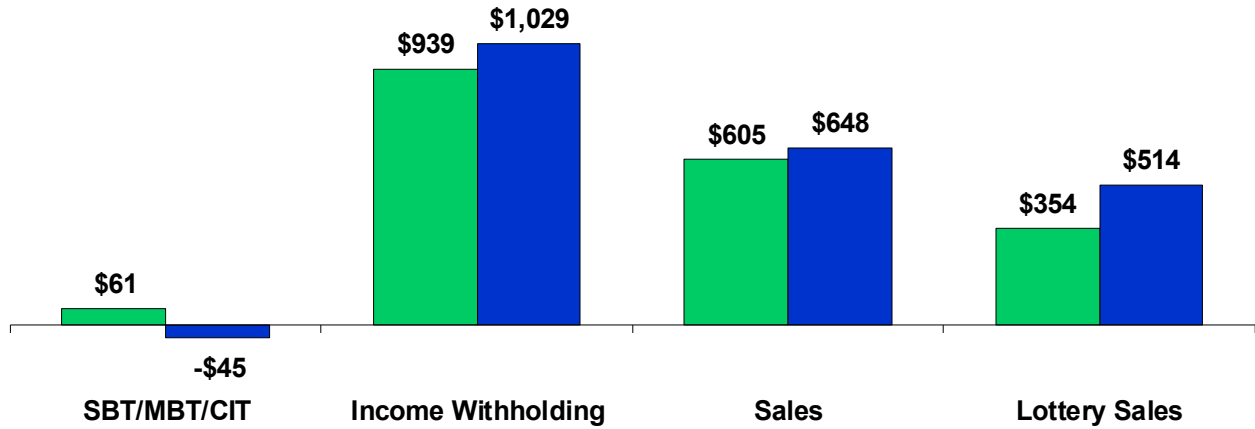
**October through March Collections  
FY 2019-20 and FY 2020-21**



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

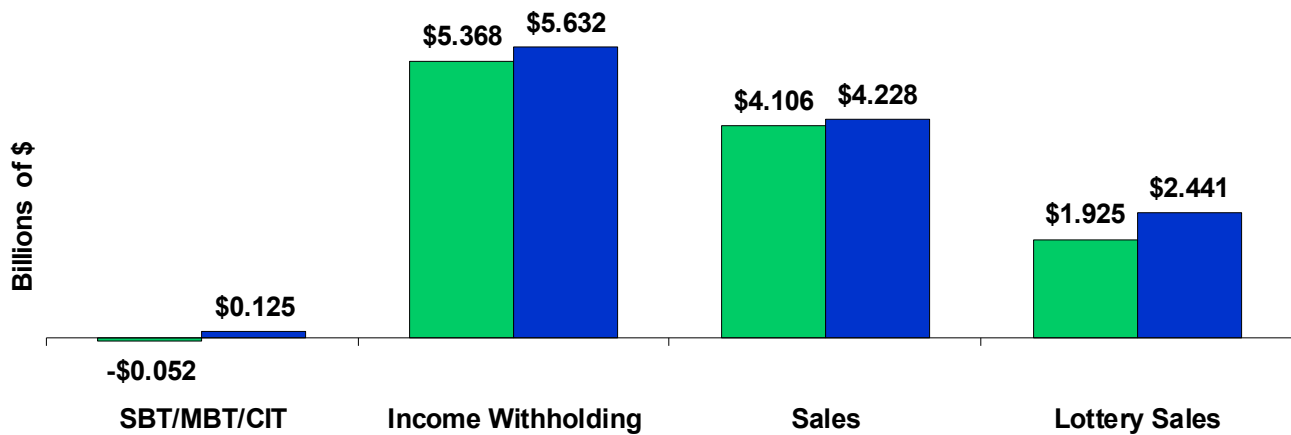
### March Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

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



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

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

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

Month-End Cash Collections Data				October Through March Cash Collections Data					Revenue Projections		
March		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
Income Taxes											
\$938,584	\$1,029,236	\$90,651	9.7%	Withholding	\$5,368,276	\$5,631,718	\$263,442	4.9%	\$10,502,700	\$9,971,300	\$10,364,500
16,950	24,549	7,600	44.8%	Quarterlies	458,514	554,394	95,880	20.9%	1,208,400	1,019,500	976,400
83,373	110,911	27,538	33.0%	Annuals	227,235	280,387	53,152	23.4%	1,298,100	1,147,600	1,229,600
\$1,038,907	\$1,164,695	\$125,789	12.1%	Gross Collections	\$6,054,025	\$6,466,499	\$412,474	6.8%	\$13,009,200	\$12,138,400	\$12,570,500
656,429	726,140	69,710	10.6%	Less: Refunds	1,454,350	1,210,987	(243,363)	-16.7%	2,517,700	2,366,900	2,416,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$382,477	\$438,556	\$56,078	14.7%	Net Personal Income	\$4,599,675	\$5,255,511	\$655,836	14.3%	\$10,490,900	\$9,770,700	\$10,153,300
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	234,000	300,000	66,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	34,500	34,500	0	0.0%	69,000	69,000	69,000
241,908	271,141	29,232	12.1%	Less: Disbursements to SAF	1,409,397	1,505,398	96,000	6.8%	3,093,000	2,889,900	2,993,000
\$95,819	\$111,665	\$15,846	16.5%	Net Personal Income To GF-GP	\$2,921,778	\$3,415,614	\$493,836	16.9%	\$6,860,900	\$6,211,800	\$6,491,300
Consumption Taxes											
\$97,781	\$107,345	\$9,564	9.8%	Sales (a)	\$662,020	\$694,028	\$32,008	4.8%	\$1,299,800	\$1,250,200	\$1,274,700
98,081	123,802	25,721	26.2%	Use (a) (h)	350,709	600,136	249,428	71.1%	735,300	654,500	818,300
12,164	12,523	359	2.9%	Tobacco	83,796	85,540	1,744	2.1%	180,100	167,800	174,700
3,057	998	(2,059)	-67.3%	Beer, Wine & Mixed Spirits	23,331	25,661	2,330	10.0%	51,400	50,500	53,000
4,058	17,107	13,049	322.0%	Liquor Specific	26,737	31,010	4,273	16.0%	73,100	57,500	68,000
\$215,141	\$261,775	\$46,633	21.7%	Total Consumption Taxes	\$1,146,592	\$1,436,376	\$289,783	25.3%	\$2,339,700	\$2,180,500	\$2,388,700
Other Taxes											
\$52	\$13	(\$40)	-75.6%	Single Business	(\$9,934)	(\$360)	\$9,574	-96.4%	(\$5,400)	\$0	\$0
20,050	4,418	(15,632)	-78.0%	Insurance Premiums Taxes	\$215,834	178,923	(36,911)	-17.1%	456,800	380,400	398,700
20,102	4,431	(15,672)	-78.0%	Sub-total SBT & Insurance	205,900	178,563	(27,337)	-13.3%	451,400	380,400	398,700
8,369	(109,070)	(117,439)	na	Michigan Business Tax	(543,815)	(478,259)	65,557	12.1%	(553,700)	(643,900)	(626,900)
52,867	63,857	10,990	20.8%	Corporate Income Tax	501,624	603,715	102,091	20.4%	1,104,800	912,800	1,074,400
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
0	0	0	na	Telephone & Telegraph	11,355	11,087	(268)	-2.4%	32,400	30,000	32,000
1,470	1,939	469	31.9%	Oil & Gas Severance	10,199	8,258	(1,941)	-19.0%	12,800	12,000	12,000
7,186	9,347	2,160	30.1%	Penalties & Interest	46,651	47,896	1,245	2.7%	90,700	127,000	120,000
180	130	(50)	-27.9%	Essential Services Assessment	935	1,408	473	50.6%	122,000	125,000	126,000
85	12	(73)	-86.0%	Miscellaneous Other/Railroad	176	102	(74)	-42.1%	3,800	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(70,000)	(76,000)	(6,000)	-8.6%	(139,800)	(152,000)	(152,000)
\$78,593	(\$42,021)	(\$120,615)	na	Total Other Taxes	\$163,026	\$296,771	\$133,745	82.0%	\$1,124,400	\$793,300	\$986,200
\$389,554	\$331,418	(\$58,135)	-14.9%	Subtotal GF-GP Taxes	\$4,231,396	\$5,148,761	\$917,365	21.7%	\$10,325,000	\$9,185,600	\$9,866,200

*continued*

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

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

Month-End Cash Collections Data				October Through March Cash Collections Data						Revenue Projections		
March		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent				
Non-Tax Revenue (e)												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$7,500	\$5,000	(\$2,500)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	50	50	0	0.0%	300	100	100	
500	583	83	16.7%	Services	3,000	3,500	500	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	6,000	7,000	1,000	16.7%	51,100	14,000	14,000	
0	0	0	na	Investments/Interest Costs	3,474	3,474	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	5,000	5,000	0	0.0%	14,500	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	97,500	112,500	15,000	15.4%	290,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	42,000	40,500	(1,500)	-3.6%	75,100	81,000	78,200	
\$26,842	\$28,925	\$2,083	7.8%	Total Non-Tax Revenue	\$164,524	\$177,024	\$12,500	7.6%	\$445,700	\$351,100	\$371,300	
\$416,395	\$360,343	(\$56,052)	-13.5%	Total GF-GP Revenue	\$4,395,920	\$5,325,784	\$929,865	21.2%	\$10,770,700	\$9,536,700	\$10,237,500	
School Aid Fund												
\$254,394	\$277,828	\$23,434	9.2%	Sales Tax 4%	\$1,719,594	\$1,792,492	\$72,898	4.2%	\$3,387,600	\$3,344,700	\$3,444,400	
181,380	185,394	4,015	2.2%	Sales Tax 2%	1,239,975	1,240,669	694	0.1%	2,656,400	2,604,600	2,686,400	
49,082	69,925	20,844	42.5%	Use Tax 2%	291,844	442,136	150,292	51.5%	622,500	576,000	657,900	
14,133	21,659	7,526	53.2%	State Education Property Tax	1,440,908	1,488,504	47,596	3.3%	2,189,900	2,163,000	2,237,600	
17,131	31,535	14,404	84.1%	Real Estate Transfer Tax	170,614	231,931	61,317	35.9%	335,400	325,000	363,600	
80,000	80,000	0	0.0%	Lottery Transfer (b)	431,822	491,983	60,161	13.9%	1,179,900	1,026,800	1,058,100	
4,662	9,092	4,430	95.0%	Casino Wagering Tax	54,422	37,475	(16,946)	-31.1%	67,000	112,800	116,500	
3,983	17,009	13,026	327.0%	Liquor Excise Tax	26,179	29,872	3,693	14.1%	70,900	57,100	67,600	
24,695	25,423	728	2.9%	Cigarette/Tobacco Tax	170,119	173,660	3,541	2.1%	331,800	314,900	322,300	
5,032	6,082	1,050	20.9%	Indus. & Comm. Facilities Taxes	15,472	19,197	3,725	24.1%	40,900	33,000	37,000	
487	680	193	39.7%	Specific Other	4,023	4,852	830	20.6%	27,000	54,100	45,800	
241,908	271,141	29,232	12.1%	Income Tax Earmarking	1,409,397	1,505,398	96,000	6.8%	3,093,000	2,889,900	2,993,000	
\$876,886	\$995,768	\$118,882	13.6%	Total School Aid Fund	\$6,974,370	\$7,458,169	\$483,799	6.9%	\$14,002,300	\$13,501,900	\$14,030,200	
Multi-Fund Revenue Summary												
\$605,369	\$648,440	\$43,071	7.1%	Sales Tax 6%	\$4,105,965	\$4,228,155	\$122,190	3.0%	\$8,307,700	\$8,159,000	\$8,406,000	
423,990	463,046	39,056	9.2%	Sales Tax 4% (d)	2,865,990	2,987,487	121,497	4.2%	5,651,300	5,554,400	5,719,600	
181,380	185,394	4,015	2.2%	Sales Tax 2%	1,239,975	1,240,669	694	0.1%	2,656,400	2,604,600	2,686,400	
147,246	209,776	62,531	42.5%	Use Tax 6% (g)	875,533	1,326,408	450,875	51.5%	1,813,200	1,722,000	1,967,700	
906	3,047	2,141	236.0%	Recreational Marihuana	1,604	34,310	32,705	na	31,364	98,000	75,000	
61,125	62,928	1,802	2.9%	Tobacco Taxes	421,087	429,851	8,764	2.1%	904,100	847,100	879,000	
6	0	(6)	-100.0%	Tobacco Settlement	6,545	0	(6,545)	-100.0%	na	na	na	

*continued*

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

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

Month-End Cash Collections Data				October Through March Cash Collections Data						Revenue Projections		
March		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary	FY 2020-21 Statutory	FY 2020-21 January 2021	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Total (i)	Estimate	Forecast	
Major Transportation Revenues												
\$14,732	\$15,423	\$691	4.7%	Diesel Fuel / Motor Carrier Fuel Tax	\$118,563	\$114,892	(\$3,671)	-3.1%	\$229,917	\$227,000	\$238,000	
84,098	77,251	(6,848)	-8.1%	Gasoline	584,884	507,773	(77,110)	-13.2%	1,086,857	1,150,000	1,155,000	
109,160	132,357	23,197	21.3%	Motor Vehicle Registration	703,695	720,217	16,522	2.3%	1,345,111	1,373,000	1,373,000	
3,797	4,187	390	10.3%	Other Taxes, Fees & Misc.	23,303	25,426	2,123	9.1%	119,062	217,996	182,419	
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	50,831	51,220	389	0.8%	102,047	102,439	132,523	
39,000	50,000	11,000	28.2%	Income Tax Earmarking	234,000	300,000	66,000	28.2%	468,000	600,000	600,000	
\$259,259	\$287,754	\$28,495	11.0%	Total Major Trans. Revenues	\$1,715,276	\$1,719,527	\$4,252	0.2%	\$3,350,994	\$3,670,435	\$3,680,942	
Lottery Sales By Games												
\$186,181	\$279,620	\$93,439	50.2%	Instant Games (f)	\$927,629	\$1,298,679	\$371,050	40.0%	na	na	na	
82,839	117,450	34,611	41.8%	Daily Games	442,650	570,936	128,286	29.0%	na	na	na	
28,689	35,242	6,553	22.8%	Lotto and Big Game (f)	174,396	268,638	94,242	54.0%	na	na	na	
814	905	91	11.2%	Keno Game	4,196	4,424	227	5.4%	na	na	na	
1,262	1,455	193	15.3%	Lucky For Life	6,694	6,988	294	4.4%	na	na	na	
6,864	9,578	2,715	39.5%	Other (f)	55,919	36,571	(19,348)	-34.6%	na	na	na	
47,202	69,703	22,500	47.7%	Club Games	313,539	255,025	(58,513)	-18.7%	na	na	na	
\$353,852	\$513,953	\$160,101	45.2%	Total Lottery Sales	\$1,925,023	\$2,441,261	\$516,238	26.8%	na	na	na	

- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.
- (c) The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).
- (d) 2% collections adjusted to reflect exemption on residential utilities.
- (e) Non-tax revenue items other than interest are estimates.
- (f) Lottery Sales include iLottery net win amounts; and Other lottery games includes the new Fast Cash games, which began in July 2017.
- (g) Gross Use tax collections include the transferred amounts to the Local Community Stabilization Authority, which are front-loaded at the beginning of the fiscal year. The year-to-date 2020 revenues were \$232.9 million and the year-to-date 2021 revenues are \$284.1 million. Per 2014 Public Act 80, the total fiscal year 2020 Local Community Stabilization Share (LCSS) was \$465.9 million and the total fiscal year 2021 LCSS is \$491.5 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2020 LCSS revenues were \$232.9 million and the year-to-date 2021 LCSS revenues are \$284.1 million.
- (i) Official Comprehensive Annual Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.

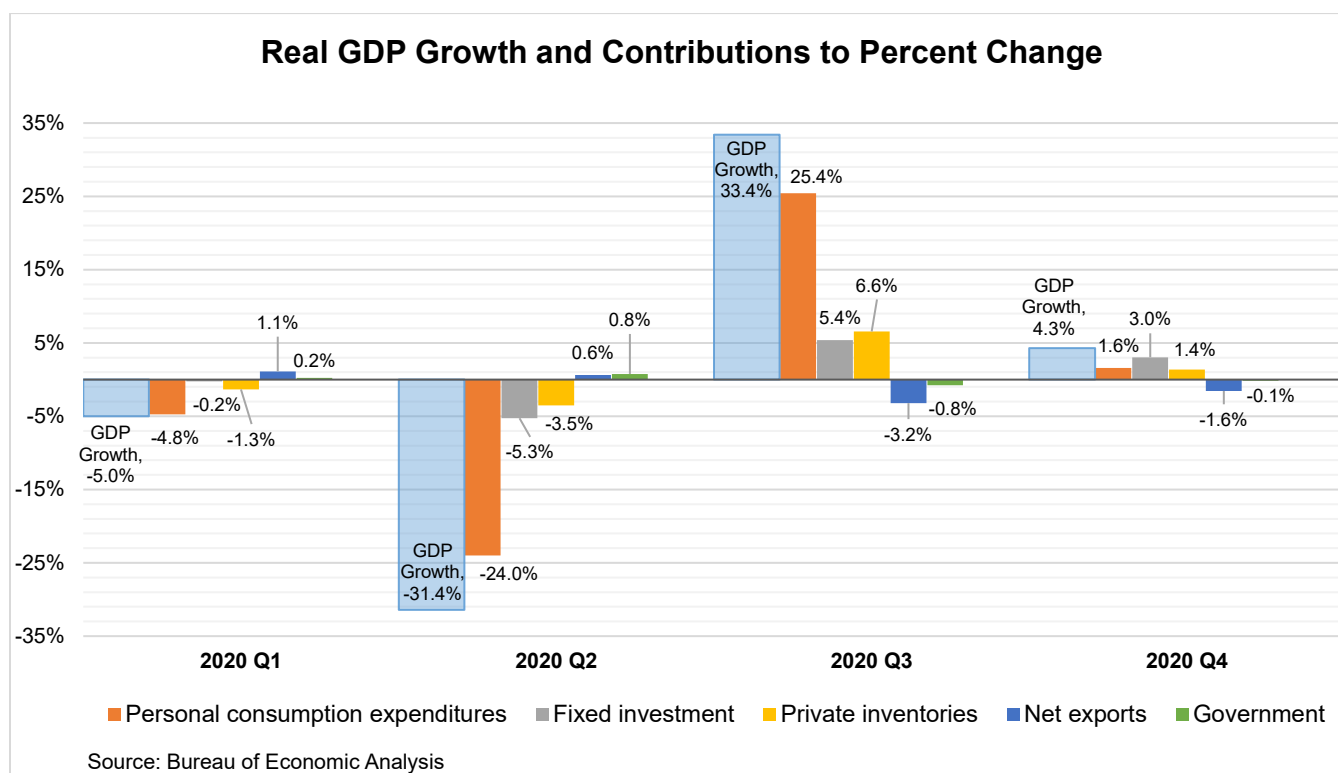
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U.S. Economy

U.S. real **Gross Domestic Product** increased at a 4.3 percent annual rate in the fourth quarter of 2020, according to the revised estimate, after an increase of a 33.4 percent annual rate in the third quarter. The coronavirus (COVID-19) pandemic that hit the U.S. in 2020 drove the significant swings in GDP. The 2020 quarterly contributions to the percent change in GDP are shown in the graph below. Annual real GDP decreased 3.5 percent in 2020, a decline from the 2.2 percent growth of 2019.

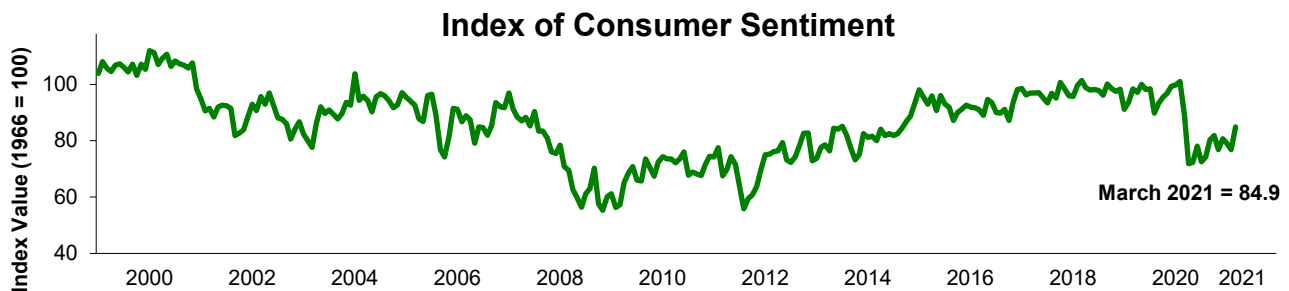


Fixed investment contributed significantly to the increase in the fourth quarter, along with personal consumption expenditures and private inventories. Net exports and government spending were both drags on the economy. Real final sales increased 2.9 percent in the fourth quarter while on the inflation front, the implicit price deflator increased by 1.9 percent.

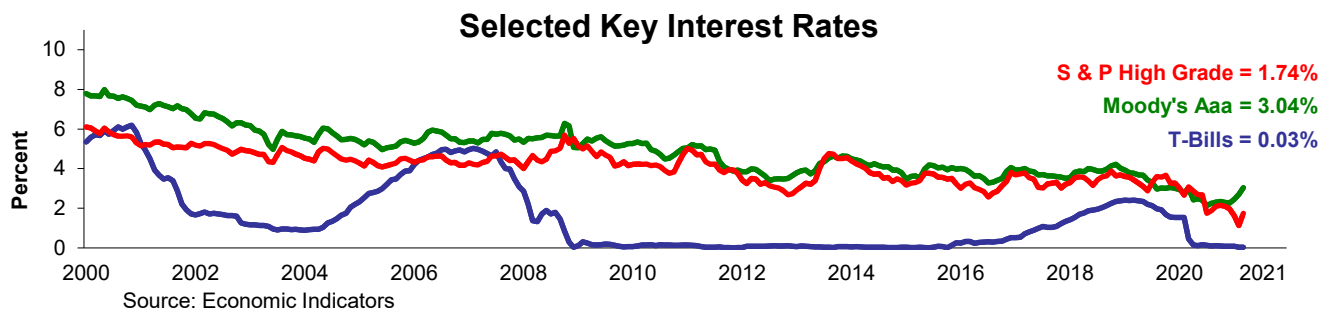
**U.S. wage and salary employment** increased by 916,000 jobs in March. Employment levels were still 8.4 million payroll jobs, or 5.5 percent, below the February 2020 level. In March, sectors with the largest increases in employment include the leisure and hospitality sector with 280,000 jobs; government employment with 136,000 jobs; construction with 110,000 jobs; trade, transportation, and utilities with 94,000 jobs; and professional and business services with 66,000 jobs. Of the increases in government employment, most was in educational employment, with an increase of 76,000 jobs in local government education and 49,600 jobs in state government education. In addition, private education increased 64,400 jobs in March.

In March, the U.S. unemployment rate declined slightly to 6.0 percent, down from February's 6.2 percent. Civilian employment totaled 150.8 million, an increase from February's 150.2 million, while the number unemployed declined slightly to 9.7 million. Of the unemployed, 2.0 million were reported as being on a temporary layoff, a decrease of 0.2 million from 2.2 million in February.

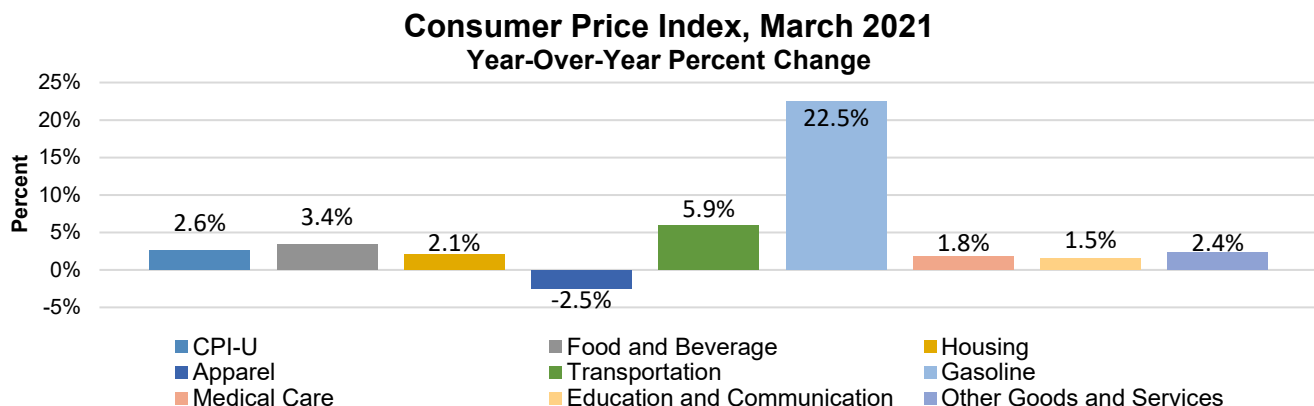
The **Index of Consumer Sentiment** increased 8.1 index-points from February, up to 84.9 in March. The year-over-year consumer sentiment is 4.2 index-points below March 2020 levels, which had already begun to decline from February 2020's high of 101.0 due to the start of the pandemic.



Short-term **interest rates** declined in March, as the 3-month Treasury bill (T-bill) rate dropped to 0.03 percent, 0.01 percentage point lower than February's 0.04 percent. Compared to one year ago, at the start of the pandemic, the T-bill rate decreased 0.43 percentage points. The Aaa corporate bond rate increased 0.34 percentage points to an interest yield of 3.04 percent in March, the highest rate since March 2020, and was up 0.02 percentage points from its year-ago level. The interest rate on high-grade municipal bonds increased 0.61 percentage points to 1.74 percent in March but was down 1.33 percentage points from a year ago.



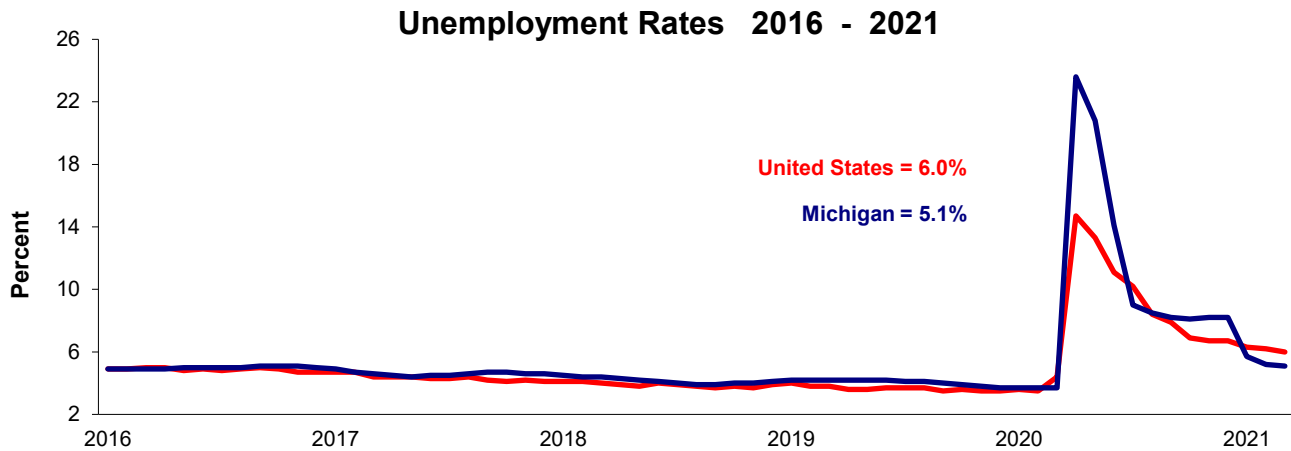
**U.S. retail prices**, as measured by the Consumer Price Index (CPI-U), are up 2.6 percent from March 2020 to March 2021. Gasoline experienced the largest year-over-year price increase (22.5 percent) due to the dramatic decline in gasoline prices at the onset of the pandemic. Transportation was next in largest price increase (5.9 percent), followed by food and beverage (3.4 percent), other goods and services (2.4 percent), housing (2.1 percent), medical care (1.8 percent), and education and communication (1.5 percent). Apparel was the only major category to decline, down 2.5 percent from March of last year.





## Michigan Economy

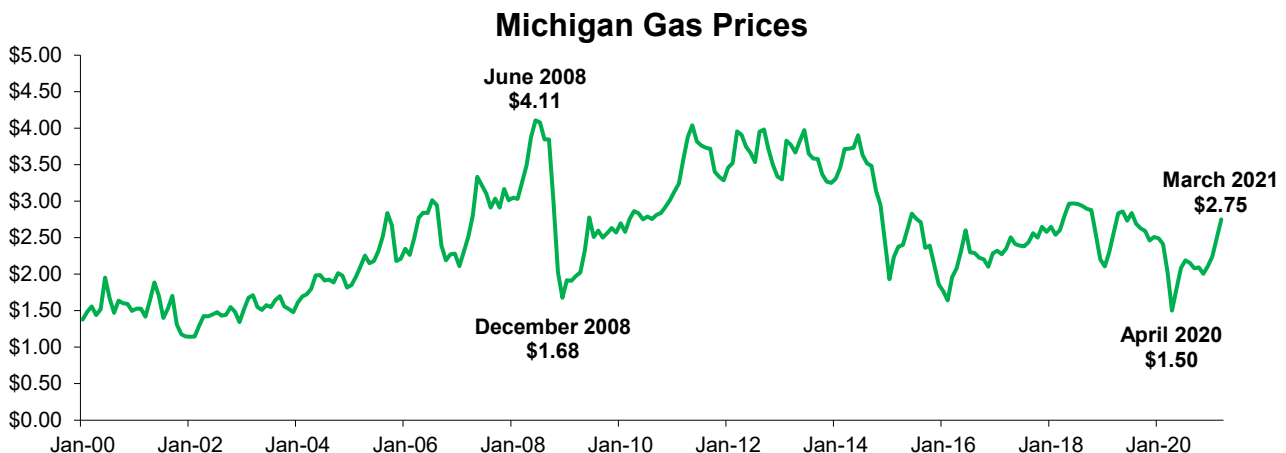
The **Michigan jobless rate** declined 0.1 percentage points to 5.1 percent in March, down from February's 5.2 percent jobless rate. This is the lowest unemployment rate since March 2020 and below the national unemployment rate of 6.0 percent. The civilian labor force remained relatively flat, increasing by only 8,000 in March, a 0.2 percent increase from February. The number unemployed decreased by 4,000, a 1.6 percent decline, while the number employed remained relatively flat, increasing by only 12,000, a 0.3 percent increase from February to March. The number unemployed is 30.6 percent higher than in March 2020, at the start of the pandemic in the U.S.



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

**Michigan wage and salary employment** increased in March by 15,000 jobs from February, and was down 282,000 jobs, or 6.4 percent, from March 2020. In March, sectors with the largest gains include leisure and hospitality services with 6,000 jobs; trade, transportation, and utilities with 4,000 jobs; and construction with 3,000 jobs. All other major sectors had relatively flat employment changes and no major sectors lost jobs.

Michigan gasoline prices increased in March 2021 to \$2.75 per gallon, up 25 cents a gallon from last month's average. Year-over-year gasoline prices are up significantly from the \$2.03 per gallon in March 2020, when they began to decline sharply at the start of the pandemic.

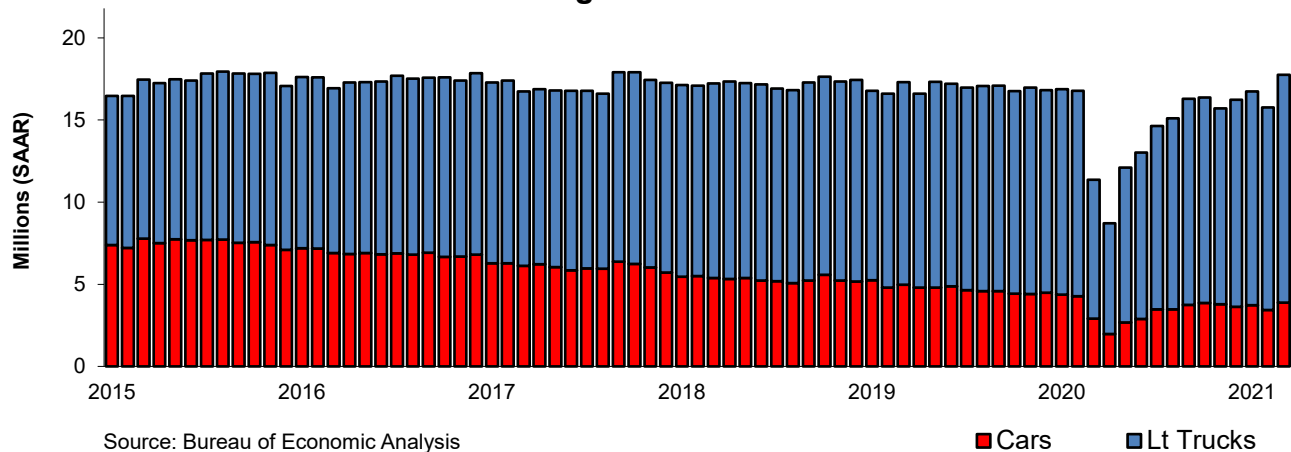


Source: AAA Michigan

## Motor Vehicle Sector

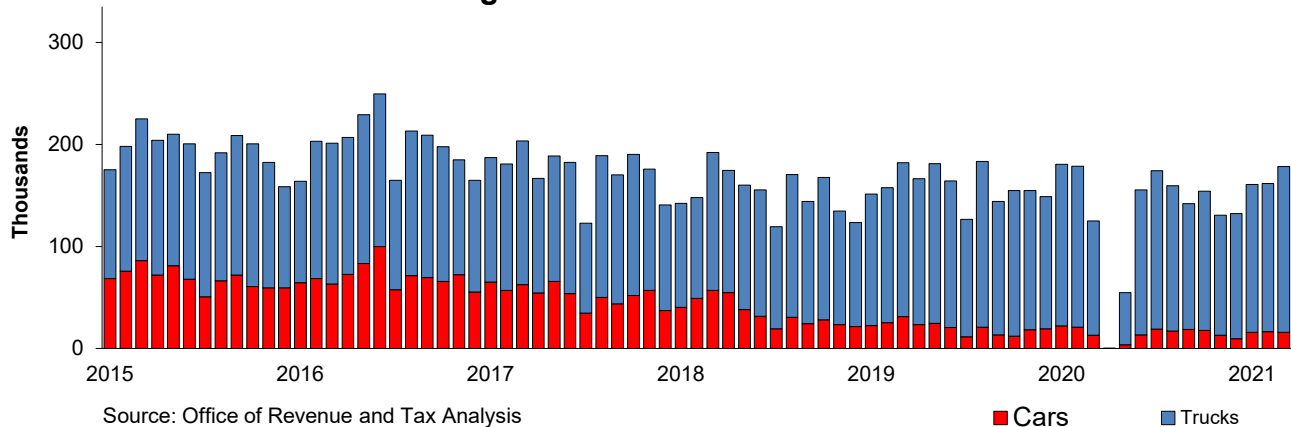
**U.S. light vehicle sales** (cars and light trucks) increased 12.6 percent in March from February, selling at a 17.7 million unit seasonally adjusted annual rate. Domestic car sales increased 16.7 percent and light truck sales increased 12.1 percent from February. Import car sales and light truck sales increased 4.5 percent and 13.5 percent, respectively, from February. Compared to last year, when the pandemic began in the U.S., light vehicle sales in March were up, increasing 56.2 percent. Domestic car sales increased 23.5 percent while light truck sales increased 56.7 percent from the year ago levels. Import car sales were up 69.1 percent while import light truck sales were up 94.5 percent from last year when imports were nearly stopped. For March 2021, domestic light vehicles recorded a 76.0 percent share of a 17.7 million unit market, up 0.3 percent from February.

### U.S. Light Vehicle Sales



**Michigan motor vehicle production** was up in March, with 178,269 total units, 10.3 percent above February's production, and up 42.8 percent from a year ago, when production was partially shut down due to the start of the pandemic in the U.S. Nationally, motor vehicle production was up 32.9 percent from a year ago. In March, Michigan's car production was 15,964 units while the state's truck production was 162,305 units. Compared with a year ago, car production increased 21.5 percent in Michigan but declined 5.8 percent nationwide, while truck production increased 45.3 percent in Michigan and 44.1 percent nationwide from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

### Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit**  
**Based on the January 15, 2021 Consensus Revenue Agreement**  
**(Article IX, Section 26)**  
(in millions)

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

Sources:

Personal Income Estimate

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

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

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

Revenue Subject to the Limit

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

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

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

Column detail may not add to totals due to rounding

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