



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

JOHN S. Roberts  
DIRECTOR

April 25, 2014

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 March 31, 2014. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

[www.michigan.gov/budget](http://www.michigan.gov/budget) under "Financial Reports".

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

Sincerely,



John S. Roberts  
State Budget Director

Attachment

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	Beth Clement, 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 2014**  
**Projected Revenues and Expenditures**  
**March 31, 2014**  
(\$ in millions)

**FISCAL**  
**2014**

<b>Beginning Balance, October 1, 2013</b>	see one-time revenue
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<b>Current Year GF/GP Revenues, January 2014 Consensus Estimate</b>	<b>\$</b>	<b>9,572.5</b>
<b>Revenue Adjustments:</b>		
Local Government Program Payments	\$	(370.6)
Corporate Officer Liability - PA 3 of 2014	\$	(39.6)
Other revenue adjustments	\$	2.5
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>(407.7)</b>
<b>Total FY Resources Available For Expenditure GF/GP - Ongoing</b>		<b>9,164.8</b>

<b>Expenditures, Current Law:</b>		
FY 2014 Enacted with Vetoes	\$	9,055.1
<b>Total Expenditures Projected - Ongoing</b>	<b>\$</b>	<b>9,055.1</b>

<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$</b>	<b>109.7</b>
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<b>Beginning Balance (One-Time Revenue)</b>	<b>\$</b>	<b>1,186.6</b>
Local Government Program Payments	\$	(26.0)
<b>Total FY Resources Available For Expenditure GF/GP - One-Time</b>	<b>\$</b>	<b>1,160.6</b>
<b>One-Time Spending Items:</b>		
PA 59, PA 60, PA 97, PA 102, and PA 107 of 2013; PA 34 of 2014	\$	773.2
Proposed Supplemental Appropriations - Requests 2014-4 and 2014-5	\$	19.0
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$</b>	<b>368.4</b>

<b>Projected Ending Balance, September 30, 2014</b>	<b>\$</b>	<b>478.1</b>
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**SCHOOL AID FUND**  
**Fiscal Year 2014**  
**Projected Revenues and Expenditures**  
**March 31, 2014**  
(\$ in millions)

	<b>FISCAL 2014</b>
<b>Beginning Balance , October 1, 2013</b>	see one-time revenue
<b>Current Year School Aid Fund Revenues, January 2014 Consensus Estimate</b>	<b>\$ 11,560.0</b>
<b>Revenue Adjustments:</b>	
PA 3 of 2014	\$ (28.1)
MPERS Reserve Fund	\$ 156.0
General Fund	\$ 180.0
Federal Revenue	\$ 1,764.4
Federal Supplemental (EHB 4295)	\$ 51.7
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ 2,124.1</b>
<b>Total FY Resources Available for Expenditure School Aid Fund</b>	<b>\$ 13,684.1</b>
<b>School Aid Ongoing Costs</b>	
PA 60 of 2013	\$ 13,168.8
EHB 4295	\$ (109.3)
<b>Community Colleges Ongoing Costs</b>	
PA 60 of 2013	\$ 197.6
<b>Universities Ongoing Costs</b>	
PA 60 of 2013	\$ 200.5
<b>Total School Aid Fund Ongoing Costs Projected</b>	<b>\$ 13,457.6</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$ 226.5</b>
<b>Beginning Balance (One-Time Revenue)</b>	<b>\$ 292.0</b>
General Fund One-Time Transfer (as amended by PA 97 of 2013)	\$ 54.9
<b>Revised Beginning Balance</b>	<b>\$ 346.9</b>
<b>One-Time Spending Items</b>	
PA 60 of 2013	\$ 193.0
PA 97 of 2013	\$ 4.9
EHB 4295	\$ 64.9
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$ 84.1</b>
<b>Projected Ending Balance, September 30, 2014</b>	<b>\$ 310.6</b>

## SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

March 31, 2014

(\$ IN MILLIONS)

### FISCAL YEAR 2013

### FISCAL YEAR 2014

Exp & Enc March 2013	Exp & Enc Yr-to-date FY 2013	Fiscal Year End SEP 30, 2013	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc March 2014	Exp & Enc Yr-to-date FY 2014
4.4	31.5	70.5	Agriculture and Rural Development	79.9	11.2	6.0	30.5
5.7	36.9	80.9	Attorney General	87.9	3.7	6.1	38.0
19.6	137.8	255.7	Capital Outlay**	318.1	9.8	23.4	139.5
1.0	6.5	13.7	Civil Rights	15.2	0.0	1.1	6.6
126.9	735.9	1,296.3	Colleges & Universities	1,368.5	0.0	132.4	774.0
280.1	6,236.6	14,056.7	Community Health	15,299.5	1,461.3	1,029.0	6,464.2
148.2	949.5	1,947.9	Corrections	2,032.6	11.5	151.7	919.7
23.6	114.1	562.5	Education	293.5	13.9	17.0	100.8
12.3	69.0	156.6	Environmental Quality	486.5	35.6	18.1	74.8
0.6	2.4	4.7	Executive Office	5.4	0.2	0.8	2.7
500.5	2,844.1	5,895.0	Human Services	5,985.0	275.4	450.3	2,633.6
0.0	0.0	0.0	Insurance and Financial Services	75.3	17.4	3.6	20.7
19.5	92.0	242.2	Judiciary	283.4	0.1	10.7	90.4
1.5	9.4	20.0	Legislative Auditor General	21.0	0.0	1.5	9.3
9.8	53.0	104.4	Legislature	123.8	0.4	7.8	56.3
22.3	131.2	319.0	Licensing and Regulatory Affairs	305.5	51.2	34.1	129.8
10.1	60.3	130.9	Military Affairs	138.1	14.2	10.2	57.7
5.2	30.6	69.7	Natural Resources	105.1	14.3	3.6	22.2
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
13.6	81.8	189.9	State	219.5	10.0	16.8	84.0
40.0	220.0	537.5	State Police	605.7	27.1	44.0	234.7
26.1	180.3	473.3	Technology, Management & Budget***	344.1	78.1	27.0	149.5
0.0	0.0	23.0	Transportation	121.3	215.3	100.2	100.5
31.3	833.2	2,663.0	Treasury	1,701.4	86.2	24.6	865.6
1.8	19.6	157.1	Michigan Strategic Fund	218.2	25.9	0.5	110.0
<b>\$1,304.2</b>	<b>\$12,875.9</b>	<b>\$29,270.5</b>		<b>\$30,234.5</b>	<b>\$2,362.6</b>	<b>\$2,120.5</b>	<b>\$13,115.2</b>

\*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 2014

March, 2014

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,892.4	162.3	16,054.7
Total state spending from state resources	29,133.1	177.0	29,310.1
Percentage of state spending from state resources paid to local units	54.55%		54.78%
Required payments to local units (48.97%)	14,266.5		14,353.2
<b>Surplus/(deficit)</b>	<b>\$1,625.9</b>		<b>\$1,701.5</b>

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
 October 1, 2013 Through March 31, 2014  
 (in thousands)

**REVENUES**

Miscellaneous		\$ <u>79</u>
Total Revenues		<u>79</u>

**EXPENDITURES**

Current:		
General government		<u>-</u>
Total Expenditures		<u>-</u>
Excess of Revenues over (under) Expenditures		<u>79</u>

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds		37,500
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>37,500</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ 37,579</u> <sup>1</sup>

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

STATE OF MICHIGAN  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**MICHIGAN NATURAL RESOURCES TRUST FUND**  
 October 1, 2013 through March 31, 2014  
 (in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>22,862</u>
Total Revenues		<u>22,862</u>

**EXPENDITURES**

Current:		
General government		1,572
Conservation, environment, recreation, and agriculture		1,023
Capital outlay		<u>9,925</u>
Total Expenditures		<u>12,520</u>
Excess of Revenues over (under) Expenditures		<u>10,342</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>-</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>10,342</u></u> <sup>1</sup>

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

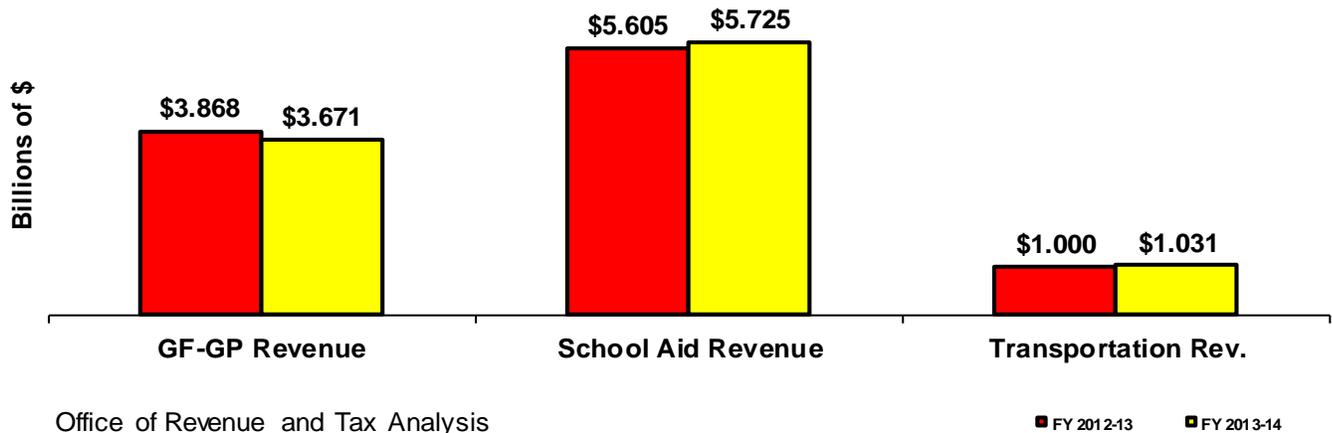
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for March 2014, representing some February 2014 and some March 2014 economic activity in Michigan.

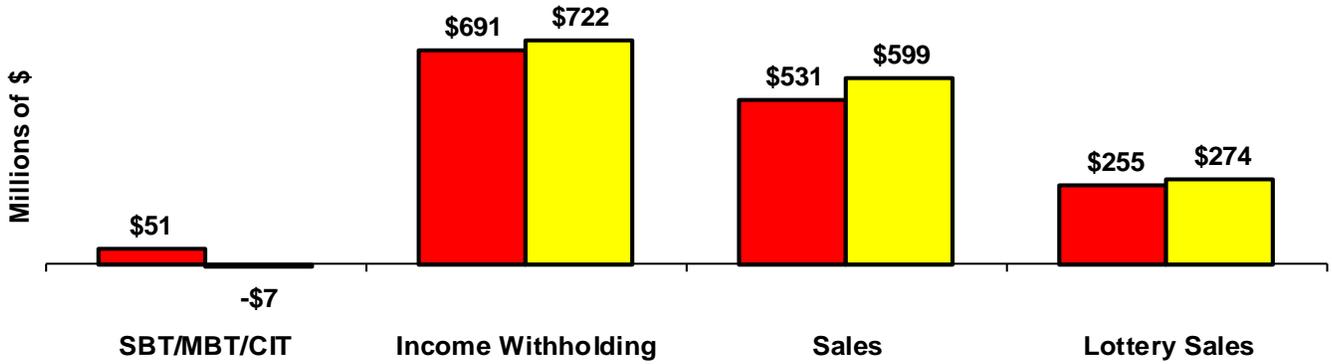
Total General Fund - General Purpose cash collections were \$16.1 million (5.3 percent) lower in March 2014 than in March 2013. The March 2014 School Aid Fund cash collections were \$69.7 million (9.7 percent) higher than in March 2013. March 2014 transportation collections were \$16.4 million (10.4 percent) higher than in March 2013 (see revenue 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 down \$196.8 million (5.1 percent) from a year ago. School Aid Fund cash collections are up \$120.6 million (2.2 percent) and transportation collections are up \$31.3 million (3.1 percent).

The FY 2013-14 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 10, 2014. The revenue estimate for net General Fund – General Purpose revenue for FY 2013-14 is \$9,572.5 million and the net School Aid revenue forecast is \$11,560.0 million. The Transportation Funds revenue forecast is \$2,160.7 million. The next regularly scheduled Consensus Revenue Estimating Conference will be May 15, 2014.

**October through March Collections  
FY 2012-13 and FY 2013-14**



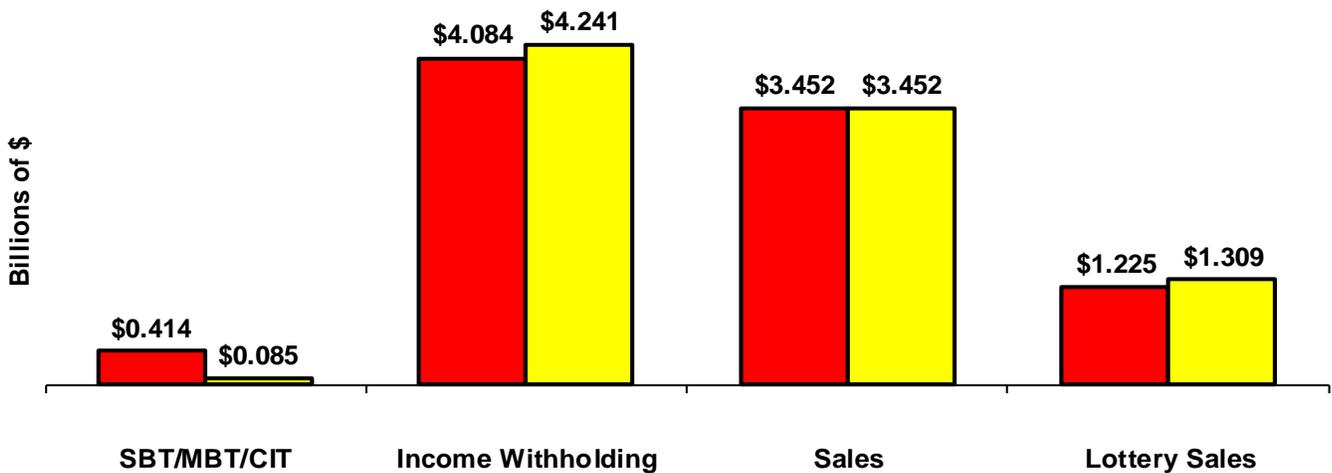
### March Revenue Collections FY 2012-13 and FY 2013-14



Office of Revenue and Tax Analysis

FY 2012-13 FY 2013-14

### October through March Collections FY 2012-13 and FY 2013-14



Office of Revenue and Tax Analysis

FY 2012-13 FY 2013-14

**Revenue Summary FY 2013-14**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: March 31, 2014**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus
<b>Income Taxes</b>											
\$691,462	\$722,331	\$30,869	4.5%	Withholding	\$4,083,782	\$4,240,796	\$157,014	3.8%	\$7,963,000	\$8,128,300	\$8,294,900
8,888	7,893	(995)	-11.2%	Quarterlies	320,944	336,098	15,154	4.7%	855,100	850,900	887,900
69,900	63,135	(6,766)	-9.7%	Annuals	159,144	171,348	12,204	7.7%	1,146,500	909,800	952,800
770,250	793,359	23,109	3.0%	Gross Collections	4,563,871	4,748,242	184,371	4.0%	\$9,964,600	\$9,889,000	\$10,135,600
482,036	464,056	(17,980)	-3.7%	Less: Refunds	1,002,100	1,045,554	43,454	4.3%	1,694,200	1,620,100	1,694,200
0	0	0	na	State Campaign Fund	0	0	0	na	800	1,000	1,000
288,214	329,303	41,089	14.3%	Net Personal Income	3,561,770	3,702,688	140,917	4.0%	\$8,269,600	\$8,267,900	\$8,440,400
176,797	182,078	5,281	3.0%	Less: Disbursements to SAF	1,051,179	1,090,850	39,671	3.8%	\$2,338,500	\$2,353,700	\$2,413,300
\$111,417	\$147,225	\$35,808	32.1%	<b>NET PERSONAL INCOME TO GF-GP</b>	<b>\$2,510,591</b>	<b>\$2,611,838</b>	<b>\$101,247</b>	<b>4.0%</b>	<b>\$5,931,100</b>	<b>\$5,914,200</b>	<b>\$6,027,100</b>
<b>Consumption Taxes</b>											
\$4,515	\$5,938	\$1,424	31.5%	Sales (a)	\$34,867	\$32,705	(\$2,162)	-6.2%	\$1,003,500	\$1,153,000	\$1,146,100
62,464	70,023	7,559	12.1%	Use (f)	379,996	434,561	54,564	14.4%	838,300	888,300	919,700
14,774	13,005	(1,768)	-12.0%	Tobacco	91,905	90,691	(1,214)	-1.3%	187,800	188,800	188,100
4,024	3,953	(71)	-1.8%	Beer, Wine & Mixed Spirits	23,318	24,017	699	3.0%	50,700	52,000	51,000
2,906	2,927	21	0.7%	Liquor Specific	18,492	19,086	594	3.2%	44,400	43,500	45,000
\$88,682	\$95,846	\$7,164	8.1%	<b>TOTAL CONSUMPTION TAXES</b>	<b>\$548,578</b>	<b>\$601,060</b>	<b>\$52,482</b>	<b>9.6%</b>	<b>\$2,124,700</b>	<b>\$2,325,600</b>	<b>\$2,349,900</b>
<b>Other Taxes</b>											
\$1,543	(\$1,701)	(\$3,244)	na	Single Business	\$27,691	(\$30,563)	(\$58,254)	na	(\$47,000)	\$0	(\$10,000)
12,001	13,765	1,764	14.7%	Insurance Premiums Taxes	149,520	158,600	9,081	6.1%	301,400	348,200	358,000
13,544	12,064	(1,480)	-10.9%	Sub-total SBT & Insurance	177,210	128,037	(49,173)	-27.7%	254,400	348,200	348,000
(3,508)	(60,750)	(57,242)	na	Michigan Business Tax	4,082	(324,819)	(328,901)	na	(75,800)	(550,000)	(490,000)
53,446	55,849	2,402	4.5%	Corporate Income Tax	382,046	440,100	58,054	15.2%	783,100	957,000	850,000
50	40	(10)	-19.8%	Inheritance / Estate	78	44	(35)	-44.4%	0	0	0
0	0	0	na	Telephone & Telegraph	23,453	19,488	(3,964)	-16.9%	46,500	55,000	45,000
4,535	6,936	2,401	53.0%	Oil & Gas Severance	27,504	31,868	4,364	15.9%	59,500	55,000	62,000
12,848	9,517	(3,331)	-25.9%	Penalties & Interest	64,072	53,516	(10,555)	-16.5%	165,200	138,000	150,000
2	0	(2)	-97.2%	Miscellaneous Other/Railroad	247	14	(234)	-94.5%	1,100	1,000	1,000
(10,667)	(11,083)	(417)	-3.9%	Treasury Enforcement Programs (e)	(64,000)	(65,500)	(1,500)	-2.3%	(134,600)	(129,000)	(133,000)
\$70,251	\$12,573	(\$57,678)	-82.1%	<b>TOTAL OTHER TAXES</b>	<b>\$614,692</b>	<b>\$282,747</b>	<b>(\$331,944)</b>	<b>-54.0%</b>	<b>\$1,099,400</b>	<b>\$875,200</b>	<b>\$833,000</b>
\$270,350	\$255,644	(\$14,707)	-5.4%	<b>SUBTOTAL GF-GP TAXES</b>	<b>\$3,673,861</b>	<b>\$3,495,645</b>	<b>(\$178,216)</b>	<b>-4.9%</b>	<b>\$9,155,200</b>	<b>\$9,115,000</b>	<b>\$9,210,000</b>

continued

**Revenue Summary FY 2013-14**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: March 31, 2014**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus
<b>Non-Tax Revenue (e)</b>											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$10,000	\$10,000	\$0	0.0%	\$22,500	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	500	500	0	0.0%	100	1,000	1,000
917	833	(83)	-9.1%	Services	5,500	5,250	(250)	-4.5%	9,000	11,000	10,000
1,667	833	(833)	-50.0%	Licenses & Permits	10,000	7,500	(2,500)	-25.0%	4,800	20,000	10,000
0	0	0	na	Investments/Interest Costs	(151)	337	488	na	(1,200)	(4,000)	(2,500)
10,250	8,417	(1,833)	-17.9%	Misc. Non-tax Revenue	63,500	53,750	(9,750)	-15.4%	106,800	114,000	101,000
13,600	14,333	733	5.4%	Liquor Purchase Revolving Fund	82,300	84,000	1,700	2.1%	170,600	164,000	172,000
3,600	4,250	650	18.1%	From Other Funds-Lottery & Escheats	22,300	14,050	(8,250)	-37.0%	94,800	5,200	51,000
<b>\$31,783</b>	<b>\$30,417</b>	<b>(\$1,367)</b>	<b>-4.3%</b>	<b>TOTAL NON-TAX REVENUE</b>	<b>\$193,949</b>	<b>\$175,387</b>	<b>(\$18,562)</b>	<b>-9.6%</b>	<b>\$407,400</b>	<b>\$331,200</b>	<b>\$362,500</b>
<b>\$302,134</b>	<b>\$286,060</b>	<b>(\$16,073)</b>	<b>-5.3%</b>	<b>TOTAL GF-GP REVENUE</b>	<b>\$3,867,810</b>	<b>\$3,671,032</b>	<b>(\$196,778)</b>	<b>-5.1%</b>	<b>\$9,562,800</b>	<b>\$9,446,200</b>	<b>\$9,572,500</b>
<b>School Aid Fund</b>											
\$217,806	\$244,944	\$27,139	12.5%	Sales Tax 4%	\$1,412,705	\$1,412,107	(\$597)	0.0%	2,925,500	3,107,200	3,002,500
168,270	191,036	22,766	13.5%	Sales Tax 2%	1,097,866	1,098,227	361	0.0%	2,280,700	2,224,900	2,345,300
31,232	35,012	3,780	12.1%	Use Tax 2% (f)	188,656	217,280	28,624	15.2%	432,400	444,200	459,800
21,776	12,270	(9,506)	-43.7%	State Education Property Tax	1,178,817	1,193,795	14,979	1.3%	1,770,900	1,818,000	1,798,000
10,140	14,878	4,738	46.7%	Real Estate Transfer Tax	87,970	110,086	22,117	25.1%	202,300	202,100	217,400
45,000	65,000	20,000	44.4%	Lottery Transfer (b)	300,000	320,000	20,000	6.7%	734,300	742,500	745,000
10,916	10,120	(796)	-7.3%	Casino Wagering Tax	57,681	53,690	(3,991)	-6.9%	110,700	112,000	114,000
2,874	2,880	6	0.2%	Liquor Excise Tax	18,342	18,944	602	3.3%	43,800	43,500	44,500
29,993	26,403	(3,590)	-12.0%	Cigarette/Tobacco Tax	186,580	184,117	(2,464)	-1.3%	371,900	359,800	361,100
3,558	3,646	88	2.5%	Indus. & Comm. Facilities Taxes	18,172	17,328	(844)	-4.6%	33,900	39,000	35,000
584	354	(230)	-39.4%	Specific Other	6,710	8,894	2,184	32.6%	24,600	23,100	24,100
176,797	182,078	5,281	3.0%	Income Tax Earmarking	1,051,179	1,090,850	39,671	3.8%	\$2,338,500	\$2,353,700	\$2,413,300
<b>\$718,945</b>	<b>\$788,620</b>	<b>\$69,675</b>	<b>9.7%</b>	<b>TOTAL SCHOOL AID FUND</b>	<b>\$5,604,677</b>	<b>\$5,725,318</b>	<b>\$120,641</b>	<b>2.2%</b>	<b>\$11,269,500</b>	<b>\$11,470,100</b>	<b>\$11,560,000</b>
\$531,279	\$599,276	\$67,997	12.8%	SALES TAX 6%	\$3,452,373	\$3,451,739	(\$635)	0.0%	\$7,153,800	\$7,330,700	\$7,349,400
363,009	408,240	45,231	12.5%	SALES TAX 4%(d)	2,354,508	2,353,512	(996)	0.0%	4,873,100	5,105,800	5,004,100
168,270	191,036	22,766	13.5%	SALES TAX 2%	1,097,866	1,098,227	361	0.0%	2,280,700	2,224,900	2,345,300
93,696	105,035	11,339	12.1%	USE TAX 6% (f)	568,652	651,841	83,189	14.6%	1,270,700	1,332,500	1,379,500
74,240	65,354	(8,887)	-12.0%	TOBACCO TAXES	461,833	455,734	(6,099)	-1.3%	957,400	936,400	942,000
(186)	0	186	100.0%	TOBACCO SETTLEMENT	12	608	596	na	na	na	na

continued

**Revenue Summary FY 2013-14**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: March 31, 2014**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MARCH CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
March		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14	
2013	2014	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	Preliminary Totals (g)	Statutory Estimate	January 2014 Consensus	
<b>Major Transportation Revenues</b>												
\$9,228	\$11,380	\$2,152	23.3%	Diesel Fuel / Motor Carrier Fuel Tax	\$64,476	\$70,795	\$6,319	9.8%	\$128,910	\$130,000	\$130,600	
56,162	65,913	9,751	17.4%	Gasoline	401,383	412,820	11,437	2.8%	821,632	812,500	818,000	
78,383	82,686	4,303	5.5%	Motor Vehicle Registration	459,468	472,832	13,364	2.9%	906,530	905,000	927,500	
4,521	4,687	167	3.7%	Other Taxes, Fees & Misc.	21,331	20,946	(386)	-1.8%	127,998	167,961	175,215	
9,122	9,117	(5)	-0.1%	Comprehensive Transportation (c)	53,446	54,050	603	1.1%	114,629	106,794	109,404	
<u>\$157,415</u>	<u>\$173,783</u>	<u>\$16,368</u>	<u>10.4%</u>	<b>TOTAL MAJOR TRANS. REVENUES</b>	<u>\$1,000,105</u>	<u>\$1,031,443</u>	<u>\$31,338</u>	<u>3.1%</u>	<u>\$2,099,699</u>	<u>\$2,122,255</u>	<u>\$2,160,718</u>	
<b>Lottery Sales By Games</b>												
82,509	98,456	15,947	19.3%	Instant Games	404,872	446,832	41,960	10.4%	na	na	na	
70,053	67,905	(2,148)	-3.1%	Daily Games	333,770	338,045	4,275	1.3%	na	na	na	
38,753	39,503	749	1.9%	Lotto and Big Game	185,672	194,993	9,321	5.0%	na	na	na	
1,172	1,034	(138)	-11.8%	Keno Game	5,844	5,236	(608)	-10.4%	na	na	na	
2,782	5,640	2,858	103.0%	Other	3,892	30,492	26,600	na	na	na	na	
59,439	61,125	1,686	2.8%	Club Games	290,813	292,996	2,183	0.8%	na	na	na	
<u>\$254,709</u>	<u>\$273,662</u>	<u>\$18,953</u>	<u>7.4%</u>	<b>TOTAL LOTTERY SALES</b>	<u>\$1,224,862</u>	<u>\$1,308,594</u>	<u>\$83,731</u>	<u>6.8%</u>	<u>na</u>	<u>na</u>	<u>na</u>	

-11-

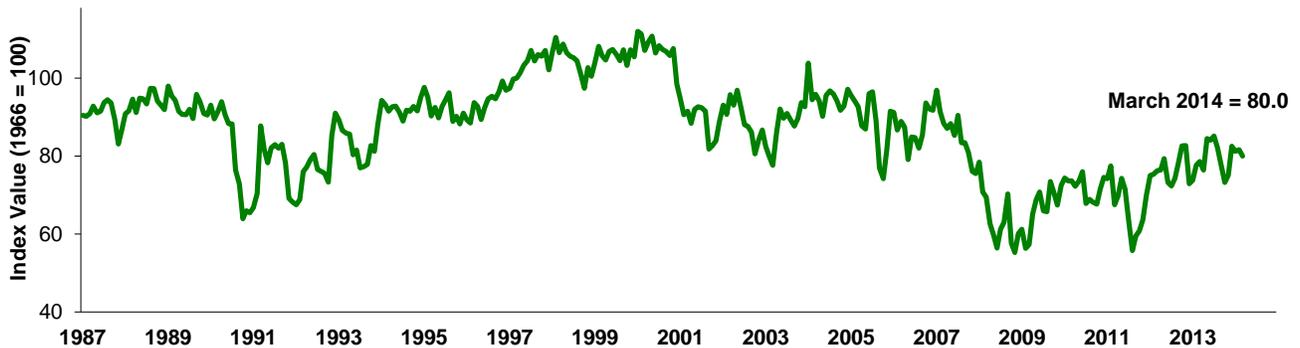
- a GF-GP Sales has been estimated based on CTF and Health Initiative shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.
- c The CTF distributions have been estimated (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.
- g Preliminary 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**

**Index of Consumer Sentiment**



Source: University of Michigan, Survey Research Center

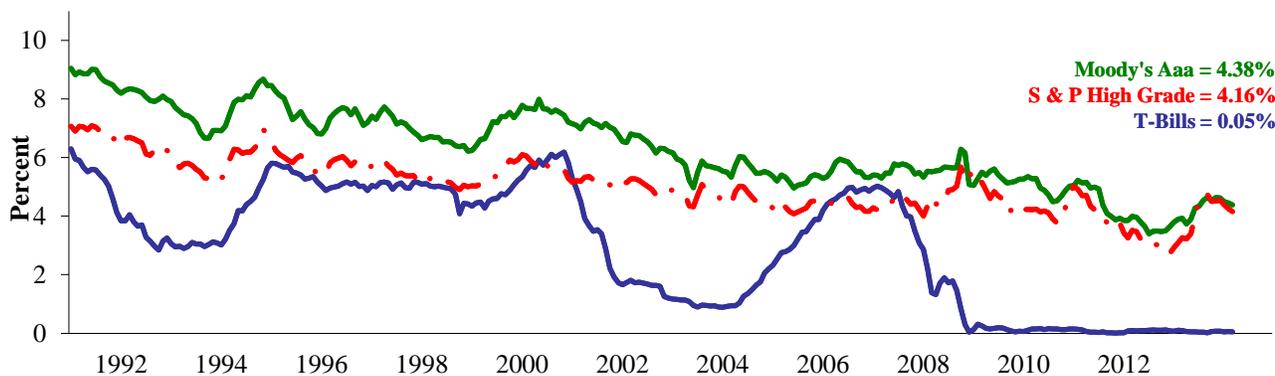
The **Index of Consumer Sentiment** fell in March to 80.0 index-points, 1.6 index-points below the February value but 1.4 index-points above March 2013. On the increase in confidence, Survey Director Richard Curtin noted, “Consumer confidence posted an insignificant decline in March from the prior two months, with the loss mainly due to less favorable prospects for the overall economy. Personal finances remained strong despite the rising costs of home heating, as the highest proportion of households in nearly five years expected an improved financial situation. Importantly, the fewest consumers in more than two years expected additional declines in the unemployment rate, with the majority anticipating no change in the jobless rate during the year ahead.” Curtin observed, “While news reports of rising joblessness remained unchanged in March from February, the proportion of consumers that reported hearing of job gains fell to a six month low. A good deal of the job losses were due to the harsh winter. When asked directly about the prospects for the unemployment rate, more consumers anticipated that it would remain unchanged during the year ahead, and fewer expected the jobless rate to either increase or decrease.” On buying attitudes, Curtin reported, “Vehicle buying attitudes worsened for the second month, as favorable buying attitudes fell to 61% in March from 68% in January, with most of the decline due to less frequent references to low interest rates. Home buying attitudes also posted slight declines in March, especially among households with incomes in the top third.” In March, consumers in two of the four regions reported an increase in confidence. Northeastern consumers reported an increase in confidence of 1.6 index-points, followed by Western consumers with an increase of 0.5 index-points. Midwestern consumers reported the largest decrease in confidence at 5.2 index points. The gap across regions decreased from last month to 3.5 index-points, with Southern consumers on top and Midwestern consumers on the bottom.

The revised estimate of real **Gross Domestic Product** for the fourth quarter of 2013 is \$15,942.3 billion (chained 2005 dollars), an increase of 2.6 percent at an annual rate. In the third quarter of 2013, real gross domestic product increased 4.1 percent. The increase in fourth quarter real GDP was mainly due to personal consumption expenditures, exports, and nonresidential fixed investment. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 3.3 percent in the fourth quarter, compared to a 2.0 percent increase in the third quarter. Real residential fixed investment decreased 7.9 percent in the fourth quarter compared to an increase of 10.3 percent in the third quarter. Real nonresidential fixed investment increased 5.7 percent in the

fourth quarter while equipment increased 10.9 percent. Real federal government expenditures decreased 12.8 percent in the fourth quarter, compared to a 1.5 percent decrease in the third quarter. Real state and local government spending was unchanged in the fourth quarter, compared to an increase of 1.7 percent in the third quarter. Exports of goods and services increased 9.5 percent in the fourth quarter, compared to a 3.9 percent increase in the third quarter. Imports increased 1.5 percent in the fourth quarter compared to an increase of 2.4 percent in the third quarter. Private inventory investment increased \$111.7 billion in the fourth quarter, following a \$115.7 billion increase in the third quarter. Real final sales increased 2.7 percent in the fourth quarter compared to an increase of 2.5 percent in the third quarter. On the inflation front, the **implicit price deflator** increased 1.6 percent in the fourth quarter compared to a 2.0 percent increase observed in the third quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), increased 0.2 percent in March, up from the 0.1 percent increase compared to February. Energy prices decreased 0.1 percent in March, up from a 0.5 percent decrease in February, while the all-items less food and energy component increased 0.2 percent in March. Compared to March 2013, the all-items index increased 1.5 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.7 percent; medical care, 2.2 percent; apparel, 0.4 percent; education and communication, 1.1 percent; other goods and services, 1.9 percent; housing, 2.8 percent; recreation, 0.3 percent; and transportation, -1.1 percent, with gasoline prices down 4.7 percent.

### Selected Key Interest Rates

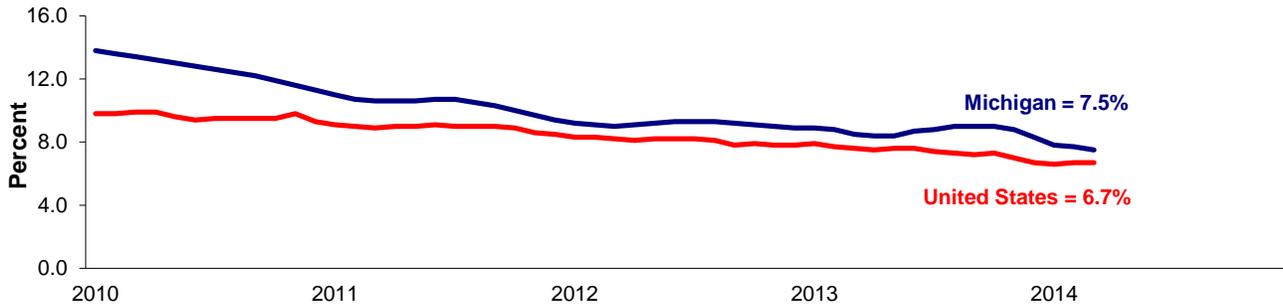


Source: Economic Indicators

Short-term **interest rates** decreased 0.01 percentage point in March 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, decreased 0.07 percentage point to an interest yield of 4.38 percent in March. The Aaa bond yield was up 0.45 percentage point from its year-ago level. The interest rate on High-grade municipal bonds decreased 0.09 percentage point from the February level to 4.16 percent in March and was up 0.89 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 March 19th meeting. The FOMC stated “the Committee today reaffirmed its view that a highly accommodative stance of monetary policy remains appropriate. In determining how long to maintain the current 0 to ¼ percent target range for the federal funds rate, the Committee will assess progress – both realized and expected – toward its objectives of maximum employment and 2 percent inflation.” The Committee “seeks to foster maximum employment and price stability.”

In March, the **U. S. unemployment rate** remained unchanged from a month ago at 6.7 percent and was 0.8 percentage point lower than a year ago. Civilian employment totaled 145.7 million persons in March. The number unemployed was 10.5 million nationwide.

### Unemployment Rates 2010 - 2014

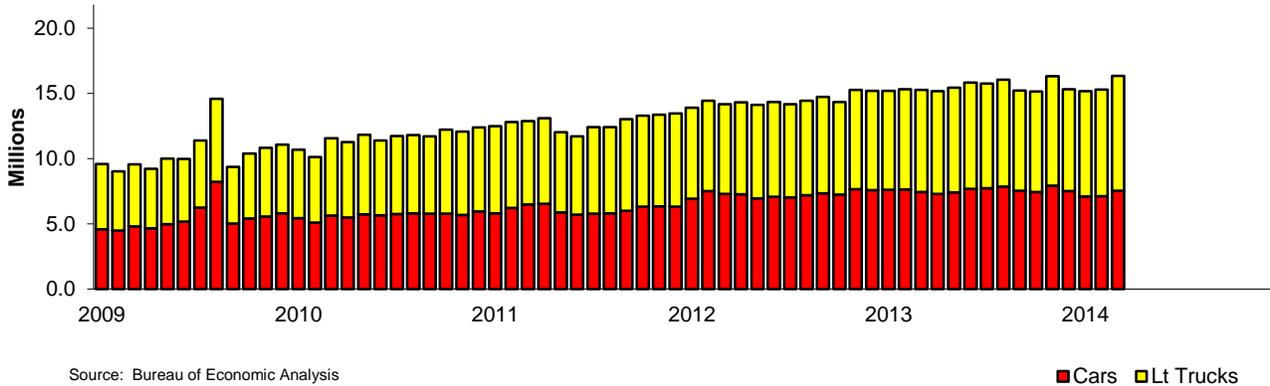


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In March, the **Michigan jobless rate** decreased 0.2 of a percentage point to 7.5 percent from 7.7 percent in February. The March unemployment rate is 1.1 percentage points below the year ago level. In March, the labor force increased by 11,000 to 4,730,000, while the number of people employed increased by 19,000 to 4,375,000. In March, there were 355,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

## Motor Vehicle Sector

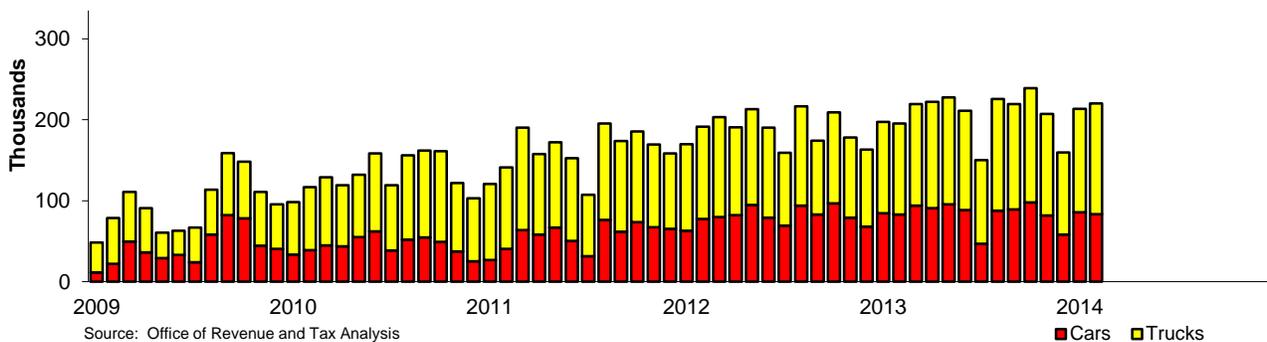
### U. S. Light Vehicle Sales



**U.S. light vehicle sales** (cars + light trucks) increased by 6.9 percent in March compared to February, selling at a 16.3 million unit seasonally adjusted annual rate. Domestic car sales increased 5.5 percent while domestic light truck sales increased 7.4 percent. Import car sales increased 6.0 percent while import light truck sales increased 10.8 percent. Compared to last year, light vehicle sales increased 6.9 percent. Domestic car sales were down 0.5 percent while domestic light truck sales increased 10.3 percent. Import car sales were up 6.0 percent from last year while import truck sales increased 24.2 percent. As a result, the domestic share of U.S. light vehicle sales decreased 1.1 percentage points from a year ago. For fiscal year 2014 year-to-date, domestic light vehicles recorded a 77.8 percent share of a 15.6 million-unit market.

**Michigan motor vehicle production** increased to 219,961 units in February from 213,423 units in January. From a year ago, motor vehicle production increased 12 percent in Michigan and rose 25 percent nationally. In February, Michigan's car production was 83,520 units while the state's truck production was 136,441 units. Compared with a year ago, car production increased 1 percent in Michigan and increased 17 percent nationwide. The state's truck production increased 21 percent while national truck production increased 30 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, 2014 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<b>Fiscal Year 2011-12 Actual</b>	<b>Fiscal Year 2012-13 Estimate</b>	<b>Fiscal Year 2013-14 Estimate</b>
Applicable Calendar Year Personal Income	\$342,663	\$358,152	\$378,443
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,518.7</u>	<u>\$33,988.6</u>	<u>\$35,914.2</u>
Revenue Limit	\$32,518.7	\$33,988.6	\$35,914.2
State Revenue Subject to Limit	<u>\$27,288.3</u>	<u>\$28,074.3</u>	<u>\$28,472.0</u>
<b>Amount Under (Over) Limit</b>	<b>\$5,230.4</b>	<b>\$5,914.4</b>	<b>\$7,442.3</b>

Sources:

Personal Income Estimate

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).

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

Revenue Subject to the Limit

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 January 10, 2014 Consensus Revenue Agreement.

The FY 2013-14 calculation uses the January 10, 2014 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