



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN S. ROBERTS
DIRECTOR

July 2, 2015

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

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

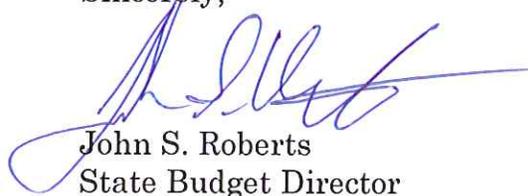
Dear Legislators:

Attached is the monthly financial report for the month ending May 31, 2015. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

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

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

Sincerely,



John S. Roberts
State Budget Director

Attachment

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

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

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2015
Projected Revenues and Expenditures
May 31, 2015
(\$ in millions)

FISCAL
2015

Beginning Balance, October 1, 2014	see one-time revenue
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Current Year GF/GP Revenues, May 2015 Consensus Estimate	\$	9,501.4
Revenue Adjustments:		
Local Government Program Payments	\$	(459.2)
General Fund share of HMO use tax collections - PA 161 of 2014	\$	374.8
Subtotal Additional Revenue Adjustments	\$	(84.4)
Total FY Resources Available For Expenditure GF/GP - Ongoing		9,417.0

Expenditures, Current Law:		
FY 2015 Enacted with Vetoes	\$	9,599.3
Total Expenditures Projected - Ongoing	\$	9,599.3

Current Year Revenues minus Ongoing Costs	\$	(182.3)
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Beginning Balance (One-Time Revenue)	\$	306.4
Current Year GF/GP Revenues, May 2015 Consensus Estimate	\$	223.5
Local Government Program Payments	\$	(8.8)
Total FY Resources Available For Expenditure GF/GP - One-Time	\$	521.1
One-Time Spending Items:		
PA 182, PA 252, PA 281, PA 282, PA 318, PA 356, and PA 414 of 2014;		
PA 5 and PA 6 of 2015	\$	192.8
Executive Order 2015-5	\$	(106.4)
Work project lapse directive (letter 2/11/2015)	\$	(6.6)
Pending supplemental appropriations	\$	92.2
One-Time Revenue minus One-Time Spending	\$	349.1

Projected Ending Balance, September 30, 2015	\$	166.8
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**School Aid Fund
Fiscal Year 2015
Projected Revenues and Expenditures
May 31, 2015
(\$ in millions)**

		FISCAL 2015
Beginning Balance , October 1, 2014		see one-time revenue
Current Year School Aid Fund Revenues, May 2015 Consensus Estimate	\$	11,883.2
Revenue Adjustments:		
Use Tax Revision (PA 161 of 2014)	\$	187.4
Venture Michigan Fund	\$	-
MPSERS Reserve Fund	\$	18.0
General Fund	\$	114.9
General Fund Supplemental (PA 5 of 2015)	\$	(81.2)
Federal Revenue	\$	1,808.2
Subtotal Additional Revenue Adjustments	\$	2,047.3
Total FY Resources Available for Expenditure School Aid Fund	\$	13,930.5
School Aid Ongoing Costs		
PA 196 of 2014	\$	13,494.1
PA 5 of 2015	\$	(93.8)
Anticipated Cost Adjustments	\$	(13.0)
Community Colleges Ongoing Costs		
PA 196 of 2014	\$	197.6
Universities Ongoing Costs		
PA 196 of 2014	\$	200.5
PA 5 of 2015	\$	2.0
Total School Aid Fund Ongoing Costs Projected	\$	13,787.4
Current Year Revenues minus Ongoing Costs	\$	143.0
Beginning Balance (One-Time Revenue)		
	\$	455.1
One-Time Spending Items		
PA 196 of 2014 School Aid	\$	376.2
PA 5 of 2015 School Aid	\$	(89.6)
PA 5 of 2015 Community Colleges	\$	167.1
PA 196 of 2014 Higher Education	\$	4.0
One-Time Revenue minus One-Time Spending	\$	(2.6)
Projected Ending Balance, September 30, 2015	\$	140.4

The anticipated costs savings of \$13.0 million in school aid ongoing costs were incorporated into PA 85 of 2015, signed by the Governor on June 17, 2015.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

May 31, 2015

(\$ IN MILLIONS)

FISCAL YEAR 2014

FISCAL YEAR 2015

Exp & Enc May 2014	Exp & Enc Yr-to-date FY 2014	Fiscal Year End SEP 30, 2014	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc May 2015	Exp & Enc Yr-to-date FY 2015
5.7	41.4	70.9	Agriculture and Rural Development	84.5	11.0	5.1	42.3
5.9	49.7	81.4	Attorney General	92.6	3.7	5.9	50.4
22.8	182.3	314.6	Capital Outlay**	321.8	(22.1)	19.4	190.5
1.0	8.7	14.1	Civil Rights	16.6	0.0	1.2	9.0
121.0	1,010.0	1,356.4	Colleges & Universities	1,479.1	(169.1)	35.0	909.4
1,378.1	9,064.1	15,358.8	Community Health	18,147.0	161.3	1,598.9	11,034.8
153.5	1,217.4	1,984.9	Corrections	2,022.2	3.2	146.8	1,197.5
15.8	135.1	399.8	Education	368.3	(68.8)	24.6	143.8
13.6	99.8	254.8	Environmental Quality	473.9	52.2	12.8	92.9
0.4	3.9	5.1	Executive Office	5.9	0.0	0.6	3.9
427.0	3,513.4	5,488.4	Human Services	5,966.8	(33.3)	410.5	3,317.4
15.1	39.4	61.9	Insurance and Financial Services	65.2	0.0	3.6	27.5
19.8	136.4	249.7	Judiciary	287.8	0.0	12.8	130.5
0.0	0.0	1.8	Land Bank Fast Track Authority	4.0	0.0	2.0	3.1
1.5	12.2	20.2	Legislative Auditor General	22.2	0.0	1.5	12.5
8.5	73.9	115.0	Legislature	128.9	(0.1)	9.7	81.6
34.2	197.6	252.5	Licensing and Regulatory Affairs	326.4	54.0	22.8	252.7
9.9	78.8	128.3	Military Affairs	140.7	12.2	10.0	78.7
5.7	37.1	72.1	Natural Resources	126.6	16.7	7.4	46.1
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
14.3	115.0	198.5	State	224.0	10.9	18.5	119.6
44.2	321.6	577.5	State Police	638.8	30.8	42.5	329.8
25.1	206.3	1,013.8	Technology, Management & Budget***	420.1	87.5	33.4	255.9
4.7	107.3	221.6	Transportation	282.6	0.0	3.9	78.1
34.8	1,153.0	2,712.3	Treasury	1,838.9	78.6	35.7	1,258.2
0.6	173.7	221.0	Michigan Strategic Fund	240.7	2.1	34.2	193.6
\$2,363.3	\$17,978.1	\$31,175.3		\$33,725.6	\$230.7	\$2,498.7	\$19,859.9

*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 2015

May, 2015

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	16,560.3	(139.6)	16,420.7
Total state spending from state resources	30,143.5	(297.4)	29,846.1
Percentage of state spending from state resources paid to local units	54.94%		55.02%
Required payments to local units (48.97%)	14,761.3		14,615.6
Surplus/(deficit)	\$1,799.0		\$1,805.1

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2014 Through May 31, 2015
 (in thousands)

REVENUES

Miscellaneous	\$ <u>17,769</u>
Total Revenues	<u>17,769</u>

EXPENDITURES

Current:	
General government	<u>-</u>
Total Expenditures	<u>113</u>
Excess of Revenues over (under) Expenditures	<u>17,657</u>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	62,667
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>62,667</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 80,323</u> ¹

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

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
 October 1, 2014 through May 31, 2015
 (in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>20,012</u>
Total Revenues		<u>20,012</u>

EXPENDITURES

Current:		
General government		1,836
Conservation, environment, recreation, and agriculture		1,890
Capital outlay		<u>9,827</u>
Total Expenditures		<u>13,554</u>
Excess of Revenues over (under) Expenditures		<u>6,458</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		<u>(18)</u>
Total Other Financing Sources (Uses)		<u>(18)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>6,439</u></u> ¹

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

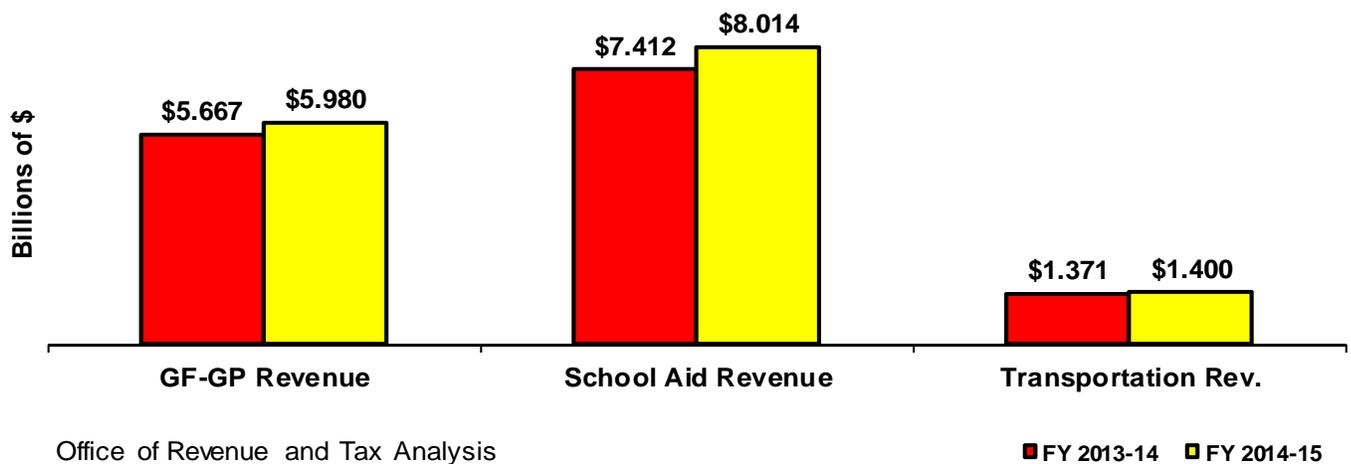
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for May 2015, representing some April and some May economic activity in Michigan.

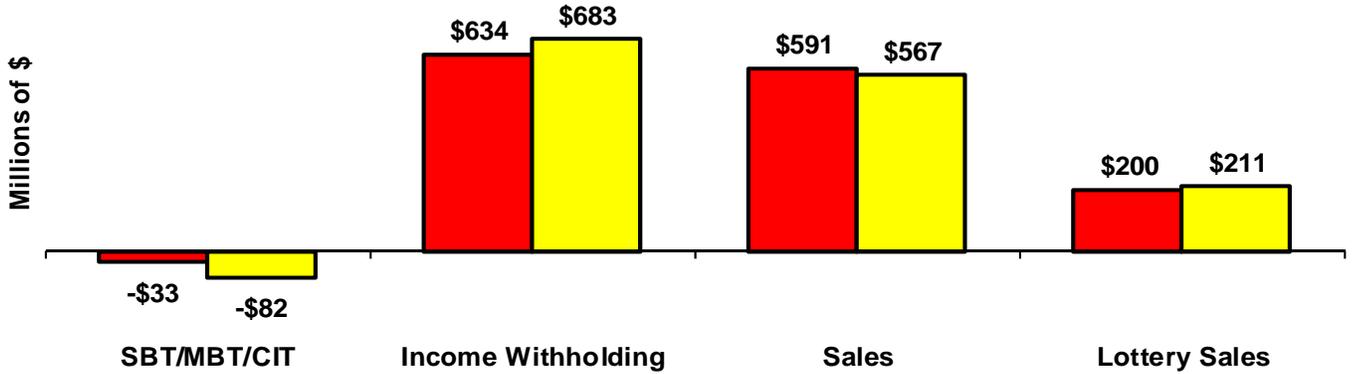
Total General Fund - General Purpose cash collections were \$41.0 million (6.6 percent) higher in May 2015 than in May 2014. The May 2015 School Aid Fund cash collections were \$54.5 million (7.0 percent) higher than in May 2014. May 2015 transportation collections were \$1.8 million (1.1 percent) higher than in May 2014 (see revenue table). May is the eighth 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 \$313.2 million (5.5 percent) from a year ago. School Aid Fund cash collections are up \$601.7 million (8.1 percent) and transportation collections are up \$28.7 million (2.1 percent).

The FY 2014-15 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on May 15, 2015. The revenue estimate for net General Fund – General Purpose revenue for FY 2014-15 is \$9,724.9 million and the net School Aid revenue forecast is \$11,883.2 million. The Transportation Funds revenue forecast is \$2,204.3 million. The next regularly scheduled Consensus Revenue Estimating Conference will be in January 2016.

**October through May Collections
FY 2013-14 and FY 2014-15**



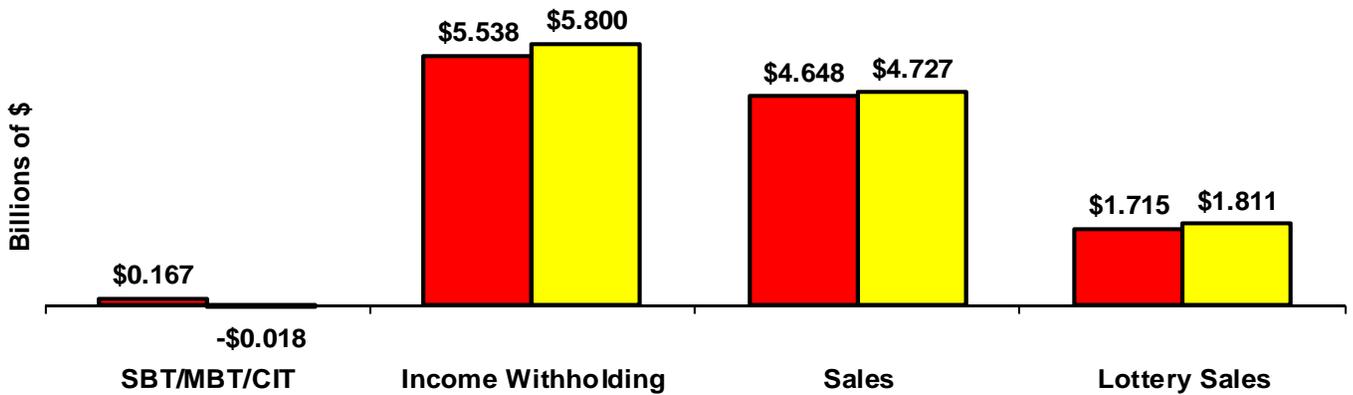
May Revenue Collections FY 2013-14 and FY 2014-15



Office of Revenue and Tax Analysis

■ FY 2013-14 ■ FY 2014-15

October through May Collections FY 2013-14 and FY 2014-15



Office of Revenue and Tax Analysis

■ FY 2013-14 ■ FY 2014-15

Revenue Summary FY 2014-15
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: May 31, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MAY CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
May		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2013-14	FY 2014-15	FY 2014-15
2014	2015	Amount	Percent		FY 2013-14	FY 2014-15	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2015 Consensus
Income Taxes											
\$633,808	\$683,240	\$49,432	7.8%	Withholding	\$5,538,132	\$5,800,032	\$261,900	4.7%	\$8,226,800	\$8,568,600	\$8,575,000
20,117	21,846	1,728	8.6%	Quarterlies	465,285	541,302	76,017	16.3%	878,000	908,500	960,400
76,407	87,781	11,374	14.9%	Annuals	739,950	857,579	117,629	15.9%	804,700	825,700	925,200
730,333	792,867	62,534	8.6%	Gross Collections	6,743,367	7,198,913	455,546	6.8%	\$9,909,500	\$10,302,800	\$10,460,600
122,710	113,251	(9,459)	-7.7%	Less: Refunds	1,634,260	1,629,163	(5,097)	-0.3%	1,895,600	1,797,000	1,770,100
0	0	0	na	State Campaign Fund	0	0	0	na	800	1,000	800
607,623	679,616	71,993	11.8%	Net Personal Income	5,109,107	5,569,750	460,643	9.0%	\$8,013,100	\$8,504,800	\$8,689,700
163,621	180,220	16,599	10.1%	Less: Disbursements to SAF	1,544,342	1,652,788	108,446	7.0%	\$2,357,600	\$2,453,100	\$2,490,700
\$444,002	\$499,396	\$55,394	12.5%	NET PERSONAL INCOME TO GF-GP	\$3,564,765	\$3,916,962	\$352,197	9.9%	\$5,655,500	\$6,051,700	\$6,199,000
Consumption Taxes											
\$82,417	\$88,600	\$6,182	7.5%	Sales (a)	\$645,362	\$736,880	\$91,518	14.2%	\$1,170,000	\$1,187,000	\$1,190,700
70,538	78,985	8,448	12.0%	Use (f)	582,669	593,465	10,796	1.9%	926,600	952,400	946,200
15,283	15,410	127	0.8%	Tobacco	120,031	120,478	447	0.4%	192,900	182,900	182,400
4,215	3,896	(319)	-7.6%	Beer, Wine & Mixed Spirits	32,461	25,476	(6,985)	-21.5%	51,200	52,000	45,500
4,231	4,468	237	5.6%	Liquor Specific	26,579	28,338	1,759	6.6%	46,400	46,000	47,000
\$176,684	\$191,359	\$14,674	8.3%	TOTAL CONSUMPTION TAXES	\$1,407,102	\$1,504,637	\$97,535	6.9%	\$2,387,100	\$2,420,300	\$2,411,800
Other Taxes											
(\$7,404)	(\$963)	\$6,440	-87.0%	Single Business	(\$35,555)	\$6,216	\$41,771	na	(\$45,500)	(\$10,000)	(\$20,000)
3,649	13,874	10,225	na	Insurance Premiums Taxes	226,829	268,314	41,485	18.3%	362,200	396,000	402,000
(3,755)	12,910	16,665	na	Sub-total SBT & Insurance	191,274	274,530	83,256	43.5%	316,700	386,000	382,000
(60,579)	(115,761)	(55,183)	-91.1%	Michigan Business Tax	(411,937)	(714,544)	(302,607)	-73.5%	(723,300)	(429,000)	(751,100)
34,499	34,523	24	0.1%	Corporate Income Tax	614,258	690,792	76,534	12.5%	906,400	907,000	1,029,700
227	3	(224)	-98.7%	Inheritance / Estate	295	(145)	(440)	na	0	0	0
0	0	0	na	Telephone & Telegraph	19,488	18,956	(532)	-2.7%	48,000	45,000	47,000
6,410	2,365	(4,045)	-63.1%	Oil & Gas Severance	47,135	23,458	(23,678)	-50.2%	61,000	68,500	39,000
6,913	22,002	15,089	na	Penalties & Interest	70,120	112,492	42,372	60.4%	110,500	152,000	138,000
0	0	(0)	-100.0%	Miscellaneous Other/Railroad	14	(353)	(366)	na	1,800	1,000	1,500
(11,083)	(11,583)	(500)	-4.5%	Treasury Enforcement Programs (e)	(88,667)	(91,417)	(2,750)	-3.1%	(138,700)	(134,000)	(139,000)
(\$27,367)	(\$55,540)	(\$28,173)	103.0%	TOTAL OTHER TAXES	\$441,981	\$313,769	(\$128,212)	-29.0%	\$582,400	\$996,500	\$747,100
\$593,320	\$635,214	\$41,895	7.1%	SUBTOTAL GF-GP TAXES	\$5,413,848	\$5,735,368	\$321,519	5.9%	\$8,625,200	\$9,468,500	\$9,357,900

continued

Revenue Summary FY 2014-15
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: May 31, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MAY CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
May		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2013-14	FY 2014-15	FY 2014-15
2014	2015	Amount	Percent		FY 2013-14	FY 2014-15	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2015 Consensus
Non-Tax Revenue (e)											
\$1,667	\$2,500	\$833	50.0%	Federal Aid	\$13,333	\$17,500	\$4,167	31.3%	\$30,900	\$20,000	\$30,000
83	83	0	0.0%	Local Agencies	667	667	0	0.0%	100	1,000	100
833	667	(167)	-20.0%	Services	6,667	5,833	(833)	-12.5%	7,200	10,000	8,000
833	1,083	250	30.0%	Licenses & Permits	6,667	7,917	1,250	18.8%	14,400	10,000	13,000
0	0	0	na	Investments/Interest Costs	139	127	(12)	-8.7%	300	(4,000)	0
10,250	6,783	(3,467)	-33.8%	Misc. Non-tax Revenue	81,500	59,167	(22,333)	-27.4%	85,000	101,000	81,400
13,600	14,875	1,275	9.4%	Liquor Purchase Revolving Fund	110,000	117,375	7,375	6.7%	176,800	173,500	178,500
4,250	4,667	417	9.8%	From Other Funds-Lottery & Escheats	34,000	36,083	2,083	6.1%	78,600	46,000	56,000
\$31,517	\$30,658	(\$858)	-2.7%	TOTAL NON-TAX REVENUE	\$252,972	\$244,668	(\$8,304)	-3.3%	\$393,300	\$357,500	\$367,000
\$624,836	\$665,873	\$41,036	6.6%	TOTAL GF-GP REVENUE	\$5,666,821	\$5,980,036	\$313,216	5.5%	\$9,018,500	\$9,826,000	\$9,724,900
School Aid Fund											
\$241,802	\$233,739	(\$8,063)	-3.3%	Sales Tax 4%	\$1,900,869	\$1,940,313	\$39,444	2.1%	3,002,700	3,083,600	3,067,500
188,399	177,595	(10,804)	-5.7%	Sales Tax 2%	1,480,045	1,493,088	13,044	0.9%	2,347,200	2,409,700	2,391,300
35,269	82,543	47,274	134.0%	Use Tax 2% (f)	291,335	662,344	371,010	127.0%	463,800	476,200	473,000
21,688	18,831	(2,857)	-13.2%	State Education Property Tax	1,236,880	1,249,867	12,987	1.0%	1,804,200	1,841,300	1,850,300
16,234	20,339	4,105	25.3%	Real Estate Transfer Tax	138,441	163,933	25,492	18.4%	233,400	245,300	256,800
60,000	70,000	10,000	16.7%	Lottery Transfer (b)	445,000	473,759	28,759	6.5%	734,100	776,000	780,000
9,275	9,705	430	4.6%	Casino Wagering Tax	72,059	75,572	3,513	4.9%	106,900	112,000	111,000
4,151	4,391	240	5.8%	Liquor Excise Tax	26,346	28,121	1,775	6.7%	46,000	45,500	46,600
31,028	31,285	257	0.8%	Cigarette/Tobacco Tax	243,681	244,588	907	0.4%	359,400	350,400	347,600
3,498	887	(2,611)	-74.6%	Indus. & Comm. Facilities Taxes	22,540	24,015	1,475	6.5%	33,500	36,100	36,500
944	886	(58)	-6.2%	Specific Other	10,637	5,526	(5,110)	-48.0%	31,700	24,100	31,900
163,621	180,220	16,599	10.1%	Income Tax Earmarking	1,544,342	1,652,788	108,446	7.0%	\$2,357,600	\$2,453,100	\$2,490,700
\$775,910	\$830,422	\$54,512	7.0%	TOTAL SCHOOL AID FUND	\$7,412,174	\$8,013,916	\$601,742	8.1%	\$11,520,500	\$11,853,300	\$11,883,200
\$591,402	\$567,159	(\$24,242)	-4.1%	SALES TAX 6%	\$4,648,160	\$4,726,944	\$78,784	1.7%	\$7,354,900	\$7,549,100	\$7,503,800
403,003	389,565	(13,438)	-3.3%	SALES TAX 4%(d)	3,168,115	3,233,855	65,740	2.1%	5,007,700	5,139,400	5,112,500
188,399	177,595	(10,804)	-5.7%	SALES TAX 2%	1,480,045	1,493,088	13,044	0.9%	2,347,200	2,409,700	2,391,300
105,806	161,528	55,722	52.7%	USE TAX 6% (f)	874,004	1,255,809	381,806	43.7%	1,390,700	1,428,600	1,419,200
76,801	77,438	637	0.8%	TOBACCO TAXES	603,171	605,416	2,245	0.4%	940,500	917,900	924,400
0	0	0	na	TOBACCO SETTLEMENT	192,774	190,989	(1,785)	-0.9%	na	na	na

continued

Revenue Summary FY 2014-15
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: May 31, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH MAY CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
May		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2013-14	FY 2014-15	FY 2014-15
2014	2015	Amount	Percent		FY 2013-14	FY 2014-15	Amount	Percent	CAFR Totals (h)	Statutory Estimate	May 2015 Consensus
Major Transportation Revenues											
\$11,076	\$9,658	(\$1,418)	-12.8%	Diesel Fuel / Motor Carrier Fuel Tax	\$91,757	\$89,814	(\$1,943)	-2.1%	\$137,816	\$131,500	\$135,500
63,520	57,970	(5,550)	-8.7%	Gasoline	542,863	549,028	6,164	1.1%	820,626	815,000	820,000
72,957	80,696	7,739	10.6%	Motor Vehicle Registration	633,283	657,199	23,916	3.8%	940,556	946,500	965,000
4,508	5,914	1,406	31.2%	Other Taxes, Fees & Misc.	30,278	32,578	2,299	7.6%	119,953	175,628	178,816
9,117	8,746	(371)	-4.1%	Comprehensive Transportation (c)	72,936	71,213	(1,723)	-2.4%	102,721	109,926	104,955
<u>\$161,179</u>	<u>\$162,984</u>	<u>\$1,806</u>	<u>1.1%</u>	TOTAL MAJOR TRANS. REVENUES	<u>\$1,371,117</u>	<u>\$1,399,831</u>	<u>\$28,714</u>	<u>2.1%</u>	<u>\$2,121,673</u>	<u>\$2,178,554</u>	<u>\$2,204,271</u>
Lottery Sales By Games											
74,117	80,679	6,562	8.9%	Instant Games (g)	599,210	665,343	66,132	11.0%	na	na	na
53,992	55,570	1,578	2.9%	Daily Games	446,647	485,214	38,568	8.6%	na	na	na
23,822	25,366	1,544	6.5%	Lotto and Big Game	240,739	230,606	(10,133)	-4.2%	na	na	na
775	734	(40)	-5.2%	Keno Game	6,817	6,460	(357)	-5.2%	na	na	na
2,234	1,174	(1,060)	-47.5%	Other	37,064	11,049	(26,014)	-70.2%	na	na	na
44,727	45,941	1,214	2.7%	Club Games	384,697	403,746	19,049	5.0%	na	na	na
<u>\$199,667</u>	<u>\$211,121</u>	<u>\$11,454</u>	<u>5.7%</u>	TOTAL LOTTERY SALES	<u>\$1,715,173</u>	<u>\$1,810,759</u>	<u>\$95,586</u>	<u>5.6%</u>	<u>na</u>	<u>na</u>	<u>na</u>

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a GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, and Constitutional Revenue shares.

b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.

c The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).

d 2% collections adjusted to reflect exemption on residential utilities.

e Non-tax revenue items other than interest are estimates.

f In June, 2014 Public Act 161 retroactively (back to April 2014) expanded the use tax to include Health Maintenance Organizations. The May 2014 Consensus projections do not include this legislative change.

g Beginning in October 2014, Instant Games includes iLottery net win amounts.

h 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

Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

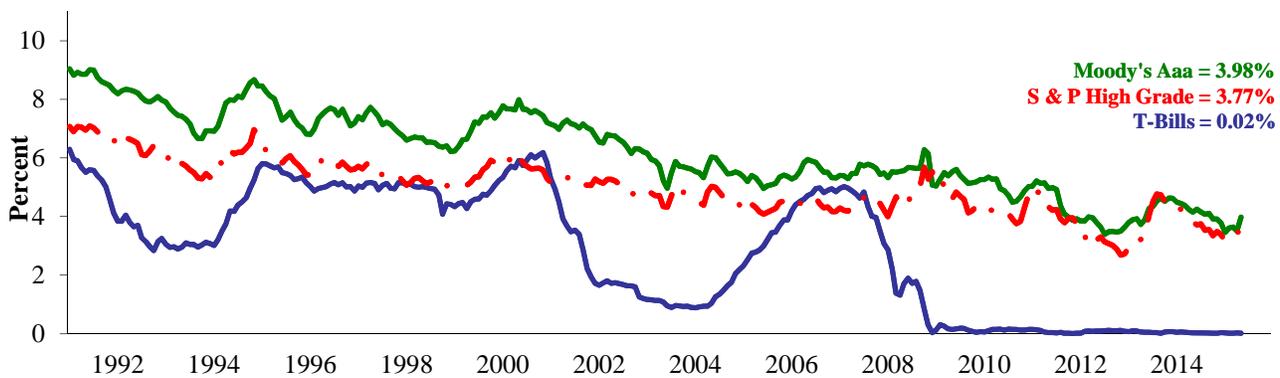
The **Index of Consumer Sentiment** increased in May to 90.7 index-points, 5.2 index-points below the April value but 8.8 index-points above May 2014. On the decrease in confidence, Survey Director Richard Curtin noted, “Although the loss in confidence narrowed in late May, the decline for the month as a whole was still substantial as consumers have adopted more modest prospects for a rebound following the economy’s dismal 1st quarter performance. The decline was widespread among all age and income subgroups as well as across all regions of the country.” Curtin observed, “Despite the May decline, in the first five months of 2015, the Sentiment Index has averaged 94.6. The last year that the average level of the Sentiment Index was higher was in 2004, when it averaged 95.2.” On buying attitudes, Curtin reported, “perceptions of prices have grown increasingly less positive for homes, vehicles, and large household durables. Judgements on prices reflect both changes in market prices as well as what consumers judge as affordable given their current incomes. The differences in buying plans between homes and vehicles compared with household durables and other retail sales is the importance of interest rates. Currently low interest rates had the largest positive impact on home purchases, followed by vehicle purchases, and generally had only a minor impact on sales of household durables.” In May, consumers in all four regions reported a decrease in confidence. Northeastern consumers reported the largest decrease in confidence of 8.4 index-points followed by Western consumers with a decrease in confidence of 7.8 index-points. The gap across regions decreased from last month to 8.4 index-points, with Northeastern consumers on top and Western consumers on the bottom.

The advance estimate of real **Gross Domestic Product** for the first quarter of 2015 is \$16,264.1 billion (chained 2005 dollars), a decrease of 0.7 percent at an annual rate. In the fourth quarter of 2014, real gross domestic product increased 2.2 percent. The decrease in first quarter real GDP was mainly due to negative contributions from exports, non-residential fixed investment, and state and local government spending. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 1.8 percent in the first quarter, compared to a 4.4 percent increase in the fourth quarter. Real residential fixed investment increased 5.0 percent in the first quarter compared to an increase of 3.8 percent in the fourth quarter. Real nonresidential fixed investment decreased 2.8 percent in the first quarter while real equipment expenditures increased 2.7 percent. Real federal government expenditures increased 0.1 percent in the first quarter, compared to a 7.3 percent

decrease in the fourth quarter. Real state and local government spending decreased 1.8 percent in the first quarter, compared to a 1.6 percent increase in the fourth quarter. Exports of goods and services decreased 7.6 percent in the first quarter, compared to a 4.5 percent increase in the fourth quarter. Imports increased 1.8 percent in the first quarter compared to an increase of 10.4 percent in the fourth quarter. Private inventory investment increased \$95.0 billion in the first quarter, following an \$80.0 billion increase in the fourth quarter. Real final sales decreased 1.1 percent in the first quarter compared to an increase of 2.3 percent in the fourth quarter. On the inflation front, the **implicit price deflator** decreased 0.1 percent in the first quarter compared to a 0.2 percent increase observed in the fourth quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), increased 0.4 percent in May, up from a 0.1 percent increase in April. Energy prices increased 4.3 percent in May, up from a 1.3 percent decrease in April, while the all-items less food and energy component increased 0.1 percent in May. Compared to May 2014, the all-items index remained unchanged. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.6 percent; medical care, 2.8 percent; apparel, -1.5 percent; education and communication, 0.1 percent; other goods and services, 1.4 percent; recreation, 0.2 percent; housing, 1.9 percent; and transportation, -7.3 percent, with gasoline prices down -25.0 percent.

Selected Key Interest Rates

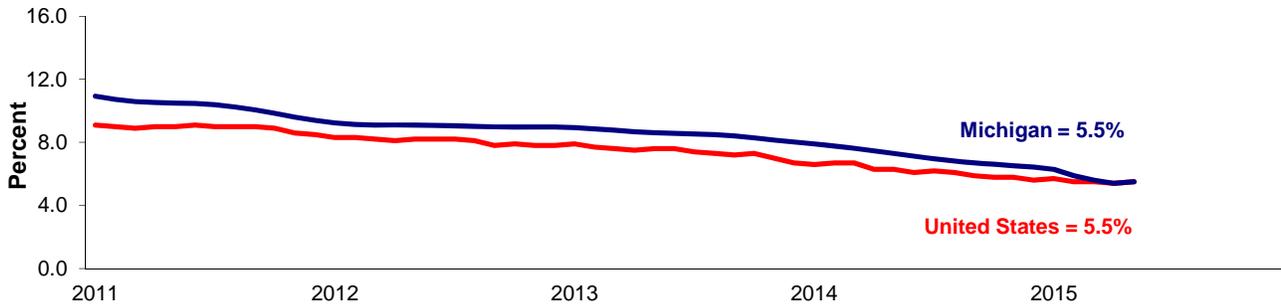


Source: Economic Indicators

Short-term **interest rates** decreased 0.01 percentage point in May as the 3-month Treasury bill (T-bill) rate was 0.02 percent. Compared to one year ago, the T-bill rate was down 0.01 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.46 percentage point to an interest yield of 3.98 percent in May. The Aaa bond yield was down 0.18 percentage point from its year-ago level. The interest rate on High-grade municipal bonds increased 0.37 percentage point from the April level to 3.40 percent in May and was down 0.03 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 April 29th meeting. The FOMC stated “the Committee today reaffirmed its view that the current 0 to ¼ percent target range for the federal funds rate 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 May, the **U. S. unemployment rate** increased 0.1 percentage point from a month ago to 5.5 percent and was 0.8 percentage points lower than a year ago. Civilian employment totaled 148.8 million persons in May. The number unemployed was 8.7 million nationwide.

Unemployment Rates 2011 - 2015

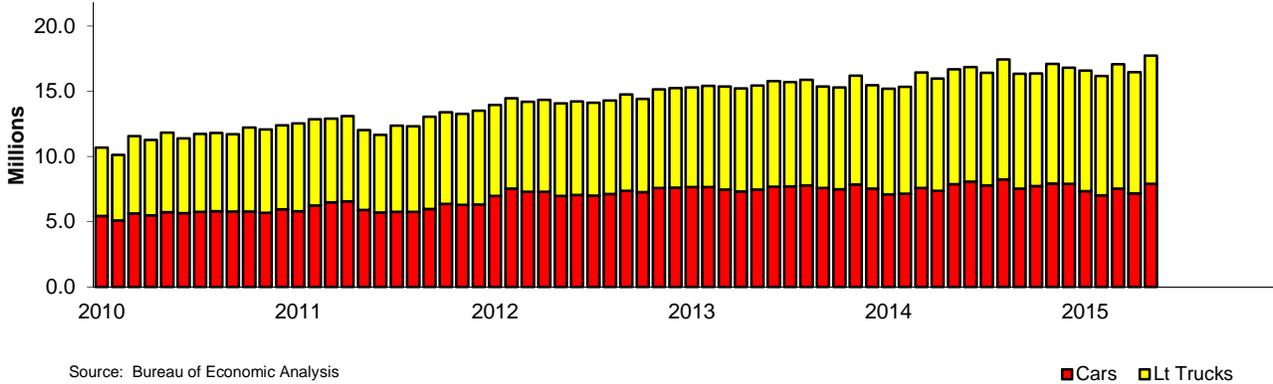


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In May, the **Michigan jobless rate** increased 0.1 percentage point to 5.5 percent from April. The May unemployment rate is 1.8 percentage points below the year ago level. In May, the labor force rose 10,000 to 4,750,000, while the number of people employed increased by 4,000 to 4,487,000. In May, there were 264,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

Motor Vehicle Sector

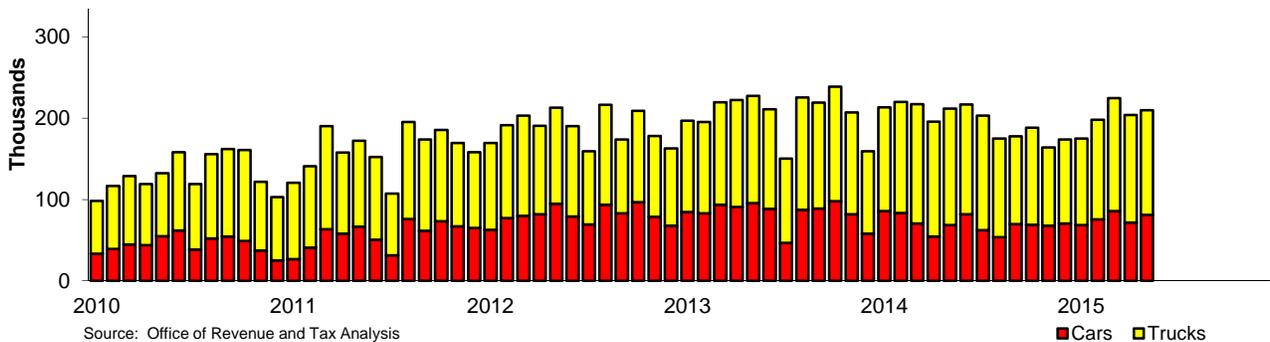
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) increased 7.6 percent in May compared to April, selling at a 17.7 million unit seasonally adjusted annual rate. Domestic car sales increased 11.9 percent from April while domestic light truck sales increased 6.2 percent. Import car sales increased 5.8 percent while import light truck sales increased 2.8 percent. Compared to last year, light vehicle sales increased 6.3 percent. Domestic car sales increased 3.8 percent from the year ago level while domestic light truck sales increased 8.9 percent. Import car sales were down 8.5 percent from last year while import truck sales increased 27.2 percent. As a result, the domestic share of U.S. light vehicle sales increased 0.3 percentage point from a year ago. For fiscal year 2015 year-to-date, domestic light vehicles recorded a 79.5 percent share of a 16.8 million-unit market.

Michigan motor vehicle production increased to 209,902 units in May from 204,040 units in April. From a year ago, motor vehicle production decreased 0.9 percent in Michigan and decreased 1.8 percent nationally. In May, Michigan's car production was 81,014 units while the state's truck production was 128,888 units. Compared with a year ago, car production increased 18 percent in Michigan and remained unchanged nationwide. The state's truck production decreased 10 percent while national truck production decreased 3 percent from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit
Based on the May 15, 2015 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2012-13 Actual	Fiscal Year 2013-14 Estimate	Fiscal Year 2014-15 Estimate
Applicable Calendar Year Personal Income	\$358,152	\$378,443	\$386,471
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$33,988.6</u>	<u>\$35,914.2</u>	<u>\$36,676.1</u>
Revenue Limit	\$33,988.6	\$35,914.2	\$36,676.1
State Revenue Subject to Limit	<u>\$27,441.1</u>	<u>\$27,244.0</u>	<u>\$28,486.3</u>
Amount Under (Over) Limit	\$6,547.6	\$8,670.2	\$8,189.8

Sources:

Personal Income Estimate

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).

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

Revenue Subject to the Limit

The FY 2012-13 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2013.

The FY 2013-14 calculation uses the May 15, 2015 Consensus Revenue Agreement.

The FY 2014-15 calculation uses the May 15, 2015 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