



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

JOHN E. NIXON, CPA  
DIRECTOR

December 30, 2013

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

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

Dear Legislators:

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

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

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

Sincerely,

John E. Nixon, CPA  
State Budget Director

Attachment

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

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2014**  
**Projected Revenues and Expenditures**  
**November 30, 2013**  
(\$ 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, May 2013 Consensus Estimate</b>	<b>\$</b>	<b>9,446.2</b>
<b>Revenue Adjustments:</b>		
Local Government Program Payments	\$	(370.6)
Other revenue adjustments	\$	1.3
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>(369.3)</b>
<b>Total FY Resources Available For Expenditure GF/GP - Ongoing</b>		<b>9,076.9</b>

<b>Expenditures, Current Law:</b>		
FY 2014 Enacted with Vetoes	\$	9,055.0
<b>Total Expenditures Projected - Ongoing</b>	<b>\$</b>	<b>9,055.0</b>

<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$</b>	<b>21.9</b>
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<b>Beginning Balance (One-Time Revenue)</b>	<b>\$</b>	<b>802.9</b>
Local Government Program Payments	\$	(26.0)
<b>Total FY Resources Available For Expenditure GF/GP - One-Time</b>	<b>\$</b>	<b>776.9</b>
<b>One-Time Spending Items:</b>		
PA 59, PA 60, PA 97, and PA 102 of 2013	\$	636.3
PA 107 of 2013	\$	(192.8)
Proposed Supplemental Appropriations - Request 2014-1 (October 15, 2013)	\$	78.7
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$</b>	<b>254.7</b>

<b>Projected Ending Balance, September 30, 2014</b>	<b>\$</b>	<b>276.6</b>
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<sup>1</sup> One-time revenue of \$802.9 million includes preliminary general fund lapses for fiscal year 2013 of \$169.3 million reported on November 26, 2013 pursuant to Public Act 59 of 2013. This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2013. Final year-end activity will be reflected in the fiscal year 2013 Comprehensive Annual Financial Report which, by law, must be issued on or before March 31, 2014.

<sup>2</sup> Appropriations contained in Public Act 107 of 2013, creating the Healthy Michigan Plan, are not available until March 14, 2014.

**SCHOOL AID FUND**  
**Fiscal Year 2014**  
**Projected Revenues and Expenditures**  
**November 30, 2013**  
(\$ in millions)

		<b>FISCAL 2014</b>
<b>Beginning Balance , October 1, 2013</b>		see one-time revenue
<b>Current Year School Aid Fund Revenues, May 2013 Consensus Estimate</b>	<b>\$</b>	<b>11,470.1</b>
<b>Revenue Adjustments:</b>		
MPERS Reserve Fund	\$	156.0
General Fund	\$	180.0
Federal Revenue	\$	1,764.4
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>2,100.4</b>
<b>Total FY Resources Available for Expenditure School Aid Fund</b>	<b>\$</b>	<b>13,570.5</b>
<b>School Aid Ongoing Costs</b>		
PA 60 of 2013	\$	13,168.8
<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>\$</b>	<b>13,566.9</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$</b>	<b>3.6</b>
<b>Beginning Balance (One-Time Revenue)</b>	<b>\$</b>	<b>140.8</b>
General Fund One-Time Transfer (as amended by PA 97 of 2013)	\$	54.9
<b>Revised Beginning Balance</b>	<b>\$</b>	<b>195.7</b>
<b>One-Time Spending Items</b>		
PA 60 of 2013	\$	193.0
PA 97 of 2013	\$	4.9
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$</b>	<b>(2.2)</b>
<b>Projected Ending Balance, September 30, 2014</b>	<b>\$</b>	<b>1.5</b>

<sup>1</sup>This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2013. Final year-end activity will be reflected in the fiscal year 2013 Comprehensive Annual Financial Report which, by law, must be issued on or before March 31, 2014.

## SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

November 30, 2013

(\$ IN MILLIONS)

### FISCAL YEAR 2013

### FISCAL YEAR 2014

Exp & Enc November 2012	Exp & Enc Yr-to-date FY 2013	Fiscal Year End SEP 30, 2013	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc November 2013	Exp & Enc Yr-to-date FY 2014
5.1	8.2	70.5	Agriculture and Rural Development	79.9	0.0	5.2	8.3
6.7	10.3	80.9	Attorney General	87.9	0.0	6.9	9.8
19.6	58.7	255.7	Capital Outlay**	318.1	0.0	19.3	57.9
1.1	1.6	13.7	Civil Rights	15.2	0.0	1.0	1.5
147.7	257.1	1,296.3	Colleges & Universities	1,368.5	0.0	140.4	254.8
1,194.5	2,278.3	14,056.7	Community Health	15,299.5	300.0	1,139.6	2,286.3
158.8	305.9	1,947.9	Corrections	2,032.6	2.0	144.6	271.5
17.2	33.7	562.5	Education	293.5	4.9	19.2	31.4
16.6	21.3	156.6	Environmental Quality	486.5	0.0	11.0	15.4
0.7	1.1	4.7	Executive Office	5.4	0.0	0.7	1.1
438.0	898.6	5,895.0	Human Services	5,985.0	245.0	460.5	895.9
0.0	0.0	0.0	Insurance and Financial Services	75.3	0.0	3.7	3.8
10.0	16.7	242.2	Judiciary	283.4	0.0	17.9	24.7
1.8	2.7	20.0	Legislative Auditor General	21.0	0.0	1.6	2.4
8.9	15.5	104.4	Legislature	123.8	10.9	9.2	17.1
21.1	32.2	319.0	Licensing and Regulatory Affairs	305.5	52.2	4.3	14.0
10.6	17.0	130.9	Military Affairs	138.1	0.0	9.4	15.9
3.9	7.1	69.7	Natural Resources	105.1	0.2	3.8	6.5
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
14.7	21.0	189.9	State	219.5	0.0	14.4	20.6
35.9	51.1	537.5	State Police	605.7	15.5	36.3	54.4
33.8	54.2	473.3	Technology, Management & Budget***	344.1	75.4	24.5	40.4
0.0	0.0	23.0	Transportation	121.3	0.0	0.0	0.0
58.8	328.1	2,663.0	Treasury	1,701.4	73.2	84.1	365.5
0.8	10.9	157.1	Michigan Strategic Fund	218.2	0.0	60.3	77.0
<b>\$2,206.4</b>	<b>\$4,431.4</b>	<b>\$29,270.5</b>		<b>\$30,234.5</b>	<b>\$779.3</b>	<b>\$2,218.0</b>	<b>\$4,476.3</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

November, 2013

(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,917.4	6.9	15,924.3
Total state spending from state resources	29,132.7	7.1	29,139.8
Percentage of state spending from state resources paid to local units	54.64%		54.65%
Required payments to local units (48.97%)	14,266.3		14,269.8
<b>Surplus/(deficit)</b>	<b>\$1,651.1</b>		<b>\$1,654.5</b>

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

**REVENUES**

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

**EXPENDITURES**

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

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds		12,500
Transfers to other funds		<u>          -</u>
Total Other Financing Sources (Uses)		<u>      12,500</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>      <u>12,500</u><sup>1</sup></u>

<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 November 30, 2013  
 (in thousands)

**REVENUES**

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>16,838</u>
Total Revenues		<u>16,838</u>

**EXPENDITURES**

Current:		
General government		21
Conservation, environment, recreation, and agriculture		199
Capital outlay		<u>5,404</u>
Total Expenditures		<u>5,624</u>
Excess of Revenues over (under) Expenditures		<u>11,214</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>11,214</u></u> <sup>1</sup>

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

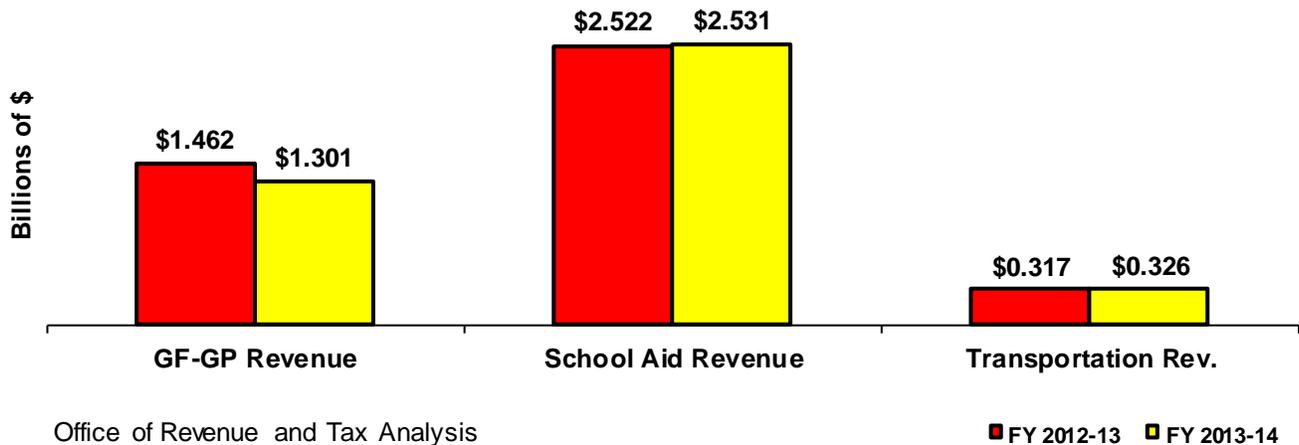
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

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

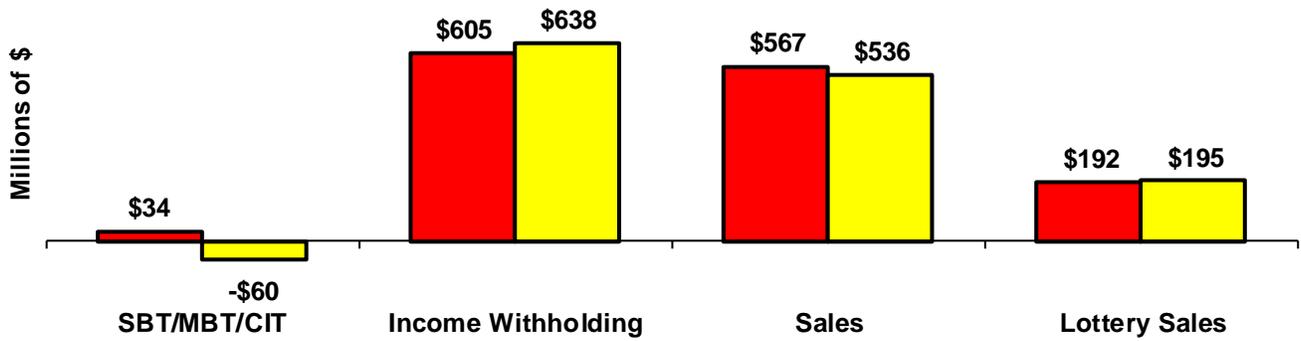
Total General Fund - General Purpose cash collections were \$87.2 million (13.1 percent) lower in November 2013 than in November 2012. The November 2013 School Aid Fund cash collections were \$57.6 million (6.1 percent) lower than in November 2012. November 2013 transportation collections were \$1.4 million (0.9 percent) lower than in November 2012 (see revenue table). November is the second 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 \$161.0 million (11.0 percent) from a year ago. School Aid Fund cash collections are up \$9.3 million (0.4 percent) and transportation collections are up \$9.0 million (2.8 percent).

The FY 2013-14 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on May 15, 2013. The revenue estimate for net General Fund – General Purpose revenue for FY 2013-14 is \$9,446.2 million and the net School Aid revenue forecast is \$11,470.1 million. The Transportation Funds revenue forecast is \$2,122.3 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held on January 10, 2014.

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



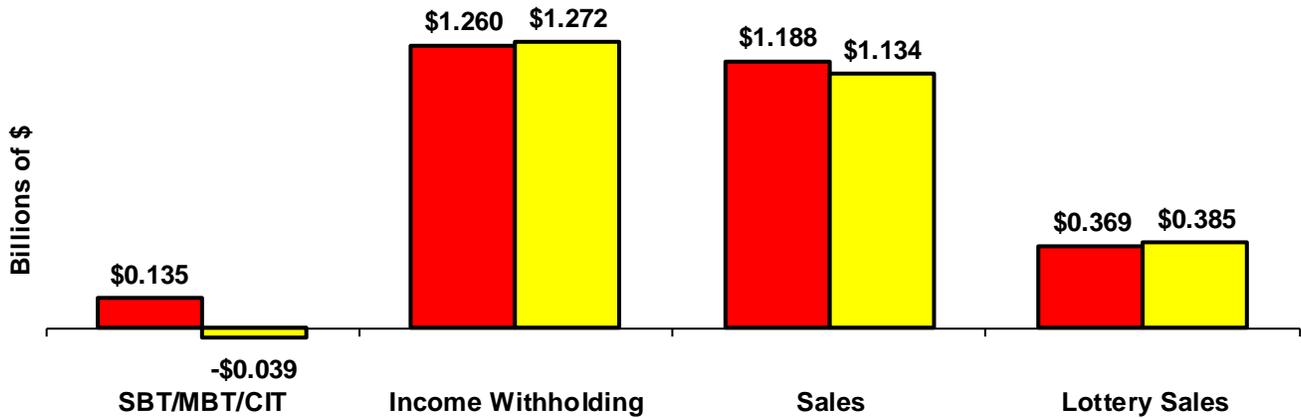
### November Revenue Collections FY 2012-13 and FY 2013-14



Office of Revenue and Tax Analysis

■ FY 2012-13 ■ FY 2013-14

### October through November 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: November 30, 2013**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2012	2013	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	May 2013 Consensus	Statutory Estimate	May 2013 Consensus
<b>Income Taxes</b>											
\$605,451	\$637,777	\$32,326	5.3%	Withholding	\$1,260,367	\$1,272,011	\$11,644	0.9%	\$7,861,800	\$8,128,300	\$8,128,300
7,618	8,195	577	7.6%	Quarterlies	20,862	26,276	5,415	26.0%	824,800	850,900	850,900
11,253	11,620	367	3.3%	Annuals	48,891	63,488	14,597	29.9%	1,110,200	909,800	909,800
624,322	657,592	33,270	5.3%	Gross Collections	1,330,120	1,361,776	31,656	2.4%	\$9,796,800	\$9,889,000	\$9,889,000
12,753	14,909	2,156	16.9%	Less: Refunds	62,459	62,565	106	0.2%	1,625,300	1,620,100	1,620,100
0	0	0	na	State Campaign Fund	0	0	0	na	1,000	1,000	1,000
611,568	642,683	31,115	5.1%	Net Personal Income	1,267,661	1,299,210	31,550	2.5%	\$8,170,500	\$8,267,900	\$8,267,900
145,233	152,435	7,202	5.0%	Less: Disbursements to SAF	306,293	313,939	7,646	2.5%	\$2,326,600	\$2,353,700	\$2,353,700
\$466,335	\$490,248	\$23,913	5.1%	<b>NET PERSONAL INCOME TO GF-GP</b>	\$961,368	\$985,272	\$23,904	2.5%	\$5,843,900	\$5,914,200	\$5,914,200
<b>Consumption Taxes</b>											
\$5,801	\$4,595	(\$1,205)	-20.8%	Sales (a)	\$12,946	\$10,689	(\$2,257)	-17.4%	\$1,002,200	\$1,153,000	\$1,153,000
72,090	69,769	(2,321)	-3.2%	Use (f)	139,081	147,611	8,530	6.1%	829,600	888,300	888,300
17,206	18,320	1,114	6.5%	Tobacco	32,558	33,931	1,373	4.2%	191,400	188,800	188,800
4,100	4,567	467	11.4%	Beer, Wine & Mixed Spirits	8,200	8,847	646	7.9%	51,500	52,000	52,000
3,400	3,875	474	13.9%	Liquor Specific	3,415	3,911	496	14.5%	42,400	43,500	43,500
\$102,597	\$101,125	(\$1,472)	-1.4%	<b>TOTAL CONSUMPTION TAXES</b>	\$196,201	\$204,988	\$8,787	4.5%	\$2,117,100	\$2,325,600	\$2,325,600
<b>Other Taxes</b>											
\$3,100	(\$11,505)	(\$14,605)	na	Single Business	\$15,736	(\$17,433)	(\$33,169)	na	\$8,000	\$0	\$0
226	(866)	(1,093)	na	Insurance Premiums Taxes	65,192	69,725	4,533	7.0%	297,000	348,200	348,200
3,326	(12,372)	(15,698)	na	Sub-total SBT & Insurance	80,929	52,293	(28,636)	-35.4%	305,000	348,200	348,200
4,762	(71,550)	(76,313)	na	Michigan Business Tax	(2,010)	(161,205)	(159,196)	na	(490,000)	(550,000)	(550,000)
25,767	23,425	(2,343)	-9.1%	Corporate Income Tax	121,270	139,361	18,091	14.9%	920,000	957,000	957,000
14	0	(14)	-100.0%	Inheritance / Estate	7	1	(7)	-92.3%	0	0	0
23,427	18,759	(4,668)	-19.9%	Telephone & Telegraph	24,065	19,118	(4,948)	-20.6%	56,000	55,000	55,000
4,700	1,825	(2,875)	-61.2%	Oil & Gas Severance	8,869	7,437	(1,432)	-16.1%	53,000	55,000	55,000
10,311	7,820	(2,491)	-24.2%	Penalties & Interest	26,320	19,162	(7,158)	-27.2%	133,000	138,000	138,000
225	10	(215)	-95.5%	Miscellaneous Other/Railroad	239	10	(229)	-95.6%	1,000	1,000	1,000
(10,667)	(10,750)	(83)	-0.8%	Treasury Enforcement Programs (e)	(21,333)	(21,500)	(167)	-0.8%	(128,000)	(129,000)	(129,000)
\$61,867	(\$42,833)	(\$104,700)	na	<b>TOTAL OTHER TAXES</b>	\$238,356	\$54,676	(\$183,680)	-77.1%	\$850,000	\$875,200	\$875,200
\$630,799	\$548,541	(\$82,259)	-13.0%	<b>SUBTOTAL GF-GP TAXES</b>	\$1,395,925	\$1,244,936	(\$150,989)	-10.8%	\$8,811,000	\$9,115,000	\$9,115,000

*continued*

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

**For The Month Ended: November 30, 2013**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14
2012	2013	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	May 2013 Consensus	Statutory Estimate	May 2013 Consensus
<b>Non-Tax Revenue (e)</b>											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$3,333	\$3,333	\$0	0.0%	\$20,000	\$20,000	\$20,000
83	83	0	0.0%	Local Agencies	167	167	0	0.0%	1,000	1,000	1,000
917	917	0	0.0%	Services	1,833	1,833	0	0.0%	11,000	11,000	11,000
1,667	1,667	0	0.0%	Licenses & Permits	3,333	3,333	0	0.0%	20,000	20,000	20,000
0	0	0	na	Investments/Interest Costs	0	0	0	na	(3,200)	(4,000)	(4,000)
10,917	9,500	(1,417)	-13.0%	Misc. Non-tax Revenue	21,833	19,000	(2,833)	-13.0%	123,000	114,000	114,000
13,833	13,667	(167)	-1.2%	Liquor Purchase Revolving Fund	27,667	27,333	(333)	-1.2%	163,200	164,000	164,000
3,833	433	(3,400)	-88.7%	From Other Funds-Lottery & Escheats	7,667	867	(6,800)	-88.7%	43,200	5,200	5,200
<b>\$32,917</b>	<b>\$27,933</b>	<b>(\$4,983)</b>	<b>-15.1%</b>	<b>TOTAL NON-TAX REVENUE</b>	<b>\$65,833</b>	<b>\$55,867</b>	<b>(\$9,967)</b>	<b>-15.1%</b>	<b>\$378,200</b>	<b>\$331,200</b>	<b>\$331,200</b>
<b>\$663,716</b>	<b>\$576,474</b>	<b>(\$87,242)</b>	<b>-13.1%</b>	<b>TOTAL GF-GP REVENUE</b>	<b>\$1,461,758</b>	<b>\$1,300,803</b>	<b>(\$160,955)</b>	<b>-11.0%</b>	<b>\$9,189,200</b>	<b>\$9,446,200</b>	<b>\$9,446,200</b>
<b>School Aid Fund</b>											
\$231,904	\$219,791	(\$12,114)	-5.2%	Sales Tax 4%	\$485,618	\$463,877	(\$21,741)	-4.5%	3,010,900	3,107,200	3,107,200
180,015	170,068	(9,947)	-5.5%	Sales Tax 2%	378,210	360,403	(17,808)	-4.7%	2,153,600	2,224,900	2,224,900
36,143	34,884	(1,259)	-3.5%	Use Tax 2% (f)	69,639	73,806	4,167	6.0%	414,900	444,200	444,200
231,266	182,285	(48,981)	-21.2%	State Education Property Tax	1,085,357	1,112,627	27,270	2.5%	1,792,000	1,818,000	1,818,000
17,164	22,888	5,723	33.3%	Real Estate Transfer Tax	33,476	43,958	10,483	31.3%	190,500	202,100	202,100
60,000	60,000	0	0.0%	Lottery Transfer (b)	60,000	60,000	0	0.0%	745,000	742,500	742,500
9,142	9,059	(83)	-0.9%	Casino Wagering Tax	19,573	18,153	(1,419)	-7.3%	109,700	112,000	112,000
3,368	3,865	497	14.8%	Liquor Excise Tax	3,368	3,865	497	14.8%	42,400	43,500	43,500
34,932	37,192	2,261	6.5%	Cigarette/Tobacco Tax	66,098	68,885	2,787	4.2%	366,500	359,800	359,800
1,650	828	(821)	-49.8%	Indus. & Comm. Facilities Taxes	10,298	9,196	(1,102)	-10.7%	37,900	39,000	39,000
1,045	966	(80)	-7.6%	Specific Other	3,930	2,424	(1,506)	-38.3%	23,100	23,100	23,100
145,233	152,435	7,202	5.0%	Income Tax Earmarking	306,293	313,939	7,646	2.5%	\$2,326,600	\$2,353,700	\$2,353,700
<b>\$951,862</b>	<b>\$894,261</b>	<b>(\$57,601)</b>	<b>-6.1%</b>	<b>TOTAL SCHOOL AID FUND</b>	<b>\$2,521,859</b>	<b>\$2,531,133</b>	<b>\$9,274</b>	<b>0.4%</b>	<b>\$11,213,400</b>	<b>\$11,470,100</b>	<b>\$11,470,100</b>
\$566,523	\$536,386	(\$30,137)	-5.3%	SALES TAX 6%	\$1,187,574	\$1,133,532	(\$54,043)	-4.6%	\$7,100,700	\$7,330,700	\$7,330,700
386,507	366,318	(20,190)	-5.2%	SALES TAX 4%(d)	809,364	773,129	(36,235)	-4.5%	4,947,100	5,105,800	5,105,800
180,015	170,068	(9,947)	-5.5%	SALES TAX 2%	378,210	360,403	(17,808)	-4.7%	2,153,600	2,224,900	2,224,900
108,233	104,653	(3,580)	-3.3%	USE TAX 6% (f)	208,720	221,417	12,697	6.1%	1,244,500	1,332,500	1,332,500
86,464	92,060	5,596	6.5%	TOBACCO TAXES	163,608	170,507	6,899	4.2%	950,000	936,400	936,400
0	0	0	na	TOBACCO SETTLEMENT	0	608	608	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: November 30, 2013**

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2012-13	FY 2013-14	FY 2013-14	
2012	2013	Amount	Percent		FY 2012-13	FY 2013-14	Amount	Percent	May 2013	Statutory	May 2013	
									Consensus	Estimate	Consensus	
<b>Major Transportation Revenues</b>												
\$11,998	\$12,152	\$154	1.3%	Diesel Fuel / Motor Carrier Fuel Tax	\$23,609	\$25,021	\$1,412	6.0%	\$128,500	\$130,000	\$130,000	
73,122	73,428	306	0.4%	Gasoline	139,764	147,781	8,016	5.7%	815,000	812,500	812,500	
59,894	57,993	(1,901)	-3.2%	Motor Vehicle Registration	129,837	129,025	(812)	-0.6%	890,000	905,000	905,000	
3,171	2,999	(172)	-5.4%	Other Taxes, Fees & Misc.	6,586	6,513	(73)	-1.1%	166,564	167,961	167,961	
8,694	8,900	206	2.4%	Comprehensive Transportation (c)	17,387	17,799	412	2.4%	109,463	106,794	106,794	
<u>\$156,878</u>	<u>\$155,471</u>	<u>(\$1,407)</u>	<u>-0.9%</u>	<b>TOTAL MAJOR TRANS. REVENUES</b>	<u>\$317,183</u>	<u>\$326,139</u>	<u>\$8,956</u>	<u>2.8%</u>	<u>\$2,109,527</u>	<u>\$2,122,255</u>	<u>\$2,122,255</u>	
<b>Lottery Sales By Games</b>												
62,814	65,773	2,959	4.7%	Instant Games	120,872	129,864	8,993	7.4%	na	na	na	
49,553	52,177	2,625	5.3%	Daily Games	100,561	104,419	3,858	3.8%	na	na	na	
35,455	23,749	(11,706)	-33.0%	Lotto and Big Game	58,218	47,920	(10,297)	-17.7%	na	na	na	
852	802	(51)	-5.9%	Keno Game	1,772	1,637	(135)	-7.6%	na	na	na	
0	8,010	8,010	na	Other	0	11,740	11,740	na	na	na	na	
43,128	44,965	1,837	4.3%	Club Games	87,237	89,459	2,222	2.5%	na	na	na	
<u>\$191,802</u>	<u>\$195,476</u>	<u>\$3,674</u>	<u>1.9%</u>	<b>TOTAL LOTTERY SALES</b>	<u>\$368,659</u>	<u>\$385,040</u>	<u>\$16,381</u>	<u>4.4%</u>	<u>na</u>	<u>na</u>	<u>na</u>	

-11-

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

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

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U. S. Economy

#### Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

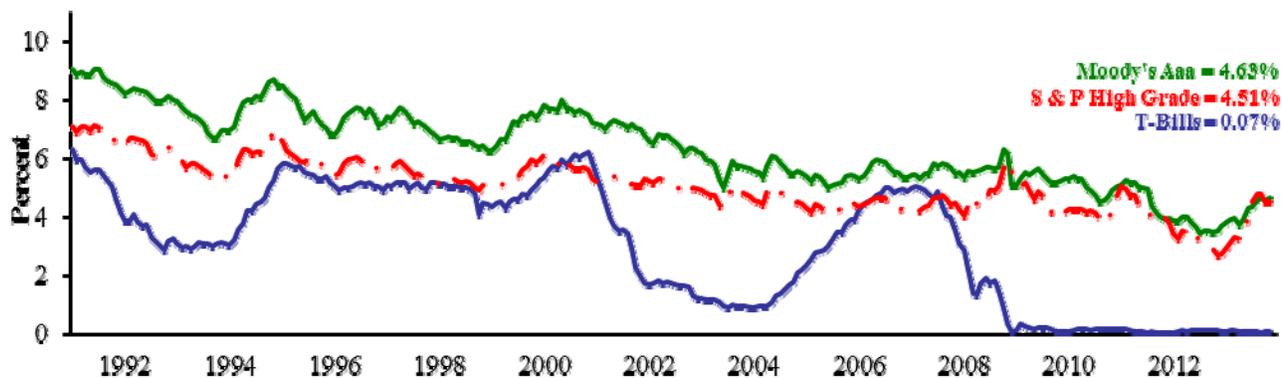
The **Index of Consumer Sentiment** rose in November to 75.1 index-points, 1.9 index-points above the October value but 7.6 index-points below November 2012. On the increase in confidence, Survey Director Richard Curtin observed, “Confidence rebounded in the last half of November, shaking off the last remnants of the federal shutdown. The late November gains were due to an improved outlook for the economy, with gains primarily among upper income households. Gains in household income and wealth reflected in more optimistic personal financial assessments among those in the upper third of the income distribution, whereas households in the bottom third reported declines in their incomes as well as negative changes in their net worth.” Curtin noted, “While rising stock prices and low interest rates will favor holiday sales of upper-end consumers, lower income households were still more concerned about job gains. Unfortunately, confidence in government economic policies remained near record lows. Moreover, there are lingering concerns over the upcoming deadline for reaching a settlement on the federal budget ceiling.” On home values, Curtin reported, “Current homeowners judged recent changes in the value of their homes less favorably in the November survey and anticipated slower gains in the year ahead. When asked to evaluate current home buying and selling conditions, consumers gave less positive assessments in November.” In November, consumers in three of the four regions reported an increase in confidence. Midwestern consumers reported an increase in confidence of 2.2 index-points. Western consumers reported the largest increase in confidence of 10.0 index points followed by Northeastern consumers at a 5.7 index-point increase. The gap across regions decreased from last month to 4.9 index-points, with Midwestern consumers on top and Southern consumers on the bottom.

The preliminary estimate of real **Gross Domestic Product** for the third quarter of 2013 is \$15,819.0 billion (chained 2005 dollars), an increase of 3.6 percent at an annual rate. In the second quarter of 2013, real gross domestic product increased 2.5 percent. The increase in third quarter real GDP was mainly due to private inventory investment, personal consumption expenditures, exports, nonresidential fixed investment, residential investment, and state and local government spending. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 1.4 percent in the third quarter, compared to a 1.8 percent increase in the second quarter. Real residential fixed investment increased 13.0 percent in the third quarter compared to an increase of 14.2 percent in the second quarter. Real nonresidential fixed investment increased 3.5 percent in the third quarter while equipment was unchanged. Real federal government expenditures decreased 1.4 percent in the

third quarter, compared to a 1.6 percent decrease in the second quarter. Real state and local government spending increased 1.7 percent in the third quarter, compared to an increase of 0.4 percent in the second quarter. Exports of goods and services increased 3.7 percent in the third quarter, compared to an 8.0 percent increase in the second quarter. Imports increased 2.7 percent in the third quarter compared to an increase of 6.9 percent in the second quarter. Private inventory investment increased \$116.5 billion in the third quarter, following a \$56.6 billion increase in the second quarter. Real final sales increased 1.9 percent in the third quarter compared to an increase of 2.1 percent in the second quarter. On the inflation front, the **implicit price deflator** increased 2.0 percent in the third quarter compared to a 0.6 percent increase observed in the second quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), remained unchanged in November, up from a decrease of 0.1 percent in October. Energy prices decreased 1.0 percent in November, up from a 1.7 percent decrease in October, while the all-items less food and energy component increased 0.2 percent in November. Compared to November 2012, the all-items index increased 1.2 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.2 percent; medical care, 2.2 percent; apparel, -0.1 percent; education and communication, 1.6 percent; other goods and services, 1.6 percent; housing, 2.1 percent; recreation, 0.5 percent; and transportation, -0.9 percent, with gasoline prices down 5.8 percent.

### Selected Key Interest Rates

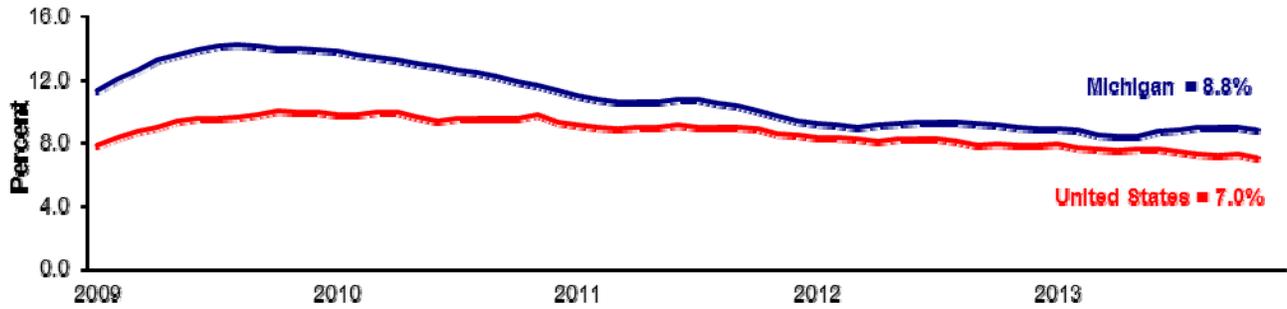


Source: Economic Indicators

Short-term **interest rates** increased 0.01 percentage point in November as the 3-month Treasury bill (T-bill) rate was 0.07 percent. Compared to one year ago, the T-bill rate was down 0.04 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.10 percentage point to an interest yield of 4.63 percent in November. The Aaa bond yield was up 1.13 percentage points from its year-ago level. The interest rate on High-grade municipal bonds increased 0.01 percentage point from the October level to 4.51 percent in November and was up 1.83 percentage points 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 October 30th meeting. The FOMC stated “the Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.” The Committee “seeks to foster maximum employment and price stability.”

In November, the **U. S. unemployment rate** decreased 0.3 percentage point from a month ago to 7.0 percent and was 0.8 of a percentage point lower than a year ago. Civilian employment totaled 144.4 million persons in November. The number unemployed was 10.9 million nationwide.

### Unemployment Rates 2009 - 2013

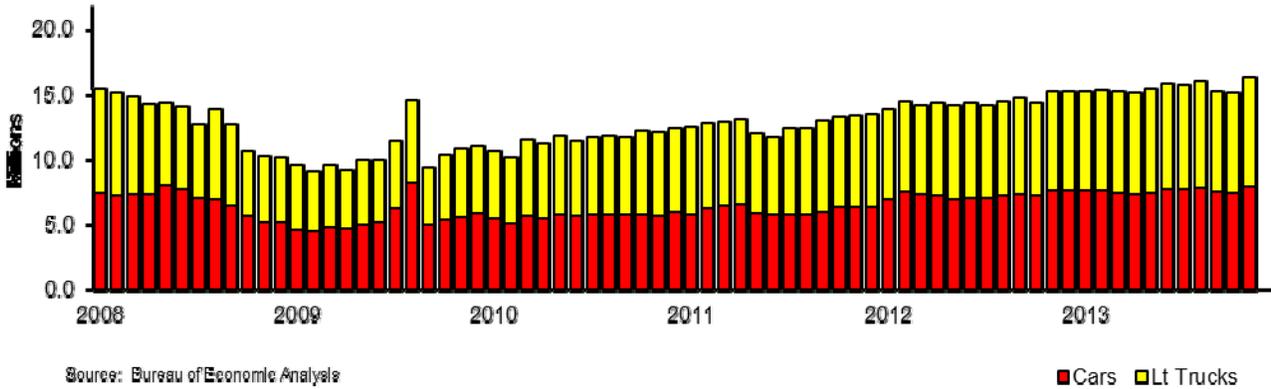


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In November, the **Michigan jobless rate** decreased 0.2 of a percentage point to 8.8 percent from 9.0 percent in October. The November unemployment rate is 0.2 of a percentage point below the year ago level. In November, the labor force decreased by 17,000 to 4,707,000, while the number of people employed decreased by 7,000 to 4,294,000. In November, there were 413,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

## Motor Vehicle Sector

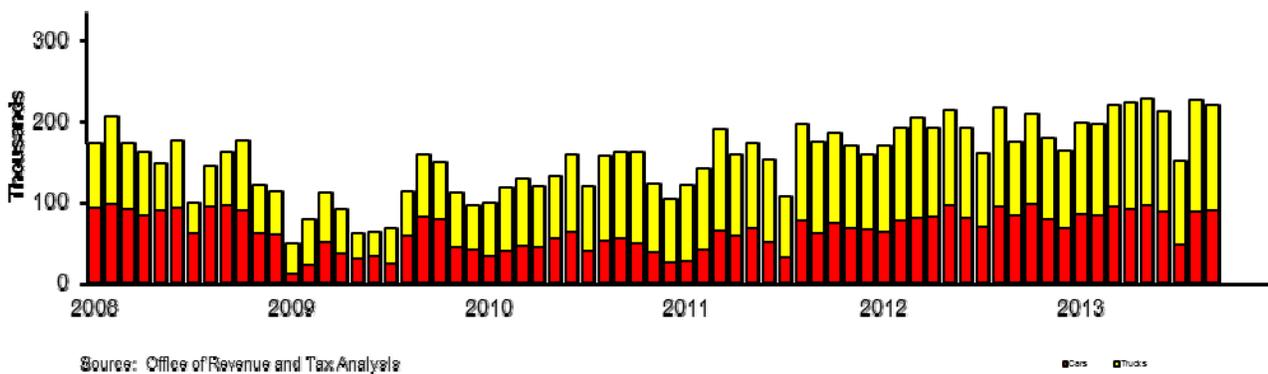
### U. S. Light Vehicle Sales



**U.S. light vehicle sales** (cars + light trucks) increased sharply by 7.7 percent in November compared to October, selling at a 16.3 million unit seasonally adjusted annual rate. Domestic car sales increased 5.3 percent while domestic light truck sales increased 9.7 percent. Import car sales increased 10.2 percent while import light truck sales increased 3.0 percent. Compared to last year, light vehicle sales increased 6.9 percent. Domestic car sales were up 2.7 percent while domestic light truck sales increased 8.6 percent. Import car sales were up 5.4 percent from last year while import truck sales increased 20.3 percent. As a result, the domestic share of U.S. light vehicle sales decreased 0.7 of a percentage point from a year ago. For fiscal year 2014 year-to-date, domestic light vehicles recorded a 77.4 percent share of a 15.7 million-unit market.

**Michigan motor vehicle production** decreased to 207,156 units in November from 238,918 units in October. From a year ago, motor vehicle production increased 16 percent in Michigan and rose 4 percent nationally. In November, Michigan's car production was 81,954 units while the state's truck production was 125,202 units. Compared with a year ago, car production increased 4 percent in Michigan and decreased 7 percent nationwide. The state's truck production increased 26 percent while national truck production increased 13 percent from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

### Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit  
Based on the May 15, 2013 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<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	\$370,599
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,518.7</u>	<u>\$33,988.6</u>	<u>\$35,169.8</u>
Revenue Limit	\$32,518.7	\$33,988.6	\$35,169.8
State Revenue Subject to Limit	<u>\$27,288.3</u>	<u>\$27,580.8</u>	<u>\$28,130.5</u>
<b>Amount Under (Over) Limit</b>	<b>\$5,230.4</b>	<b>\$6,407.8</b>	<b>\$7,039.4</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 May 15, 2013 Consensus Revenue Agreement.

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

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 May 15, 2013 Consensus Revenue Agreement.

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

Column detail may not add to totals because of rounding

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