



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN S. ROBERTS
DIRECTOR

December 29, 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 November 30, 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 Meekhof, 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 2016
Projected Revenues and Expenditures
November 30, 2015
(\$ in millions)

FISCAL
2016

Beginning Balance, October 1, 2015		see one-time revenue	
Current Year GF/GP Revenues, May 2015 Consensus Estimate	\$		9,881.9
Revenue Adjustments:			
Local Government Program Payments	\$		(462.7)
General Fund share of HMO use tax collections - PA 161 of 2014	\$		406.7
Other revenue adjustments	\$		1.7
Subtotal Additional Revenue Adjustments	\$		(54.3)
Total FY Resources Available For Expenditure GF/GP - Ongoing	\$		9,827.6
Expenditures, Current Law:			
FY 2016 Enacted with Vetoes	\$		9,517.8
Total Expenditures Projected - Ongoing	\$		9,517.8
Current Year Revenues minus Ongoing Costs	\$		309.8
Beginning Balance (One-Time Revenue)			
Local Government Program Payments	\$		(5.8)
Total FY Resources Available For Expenditure GF/GP - One-Time	\$		183.5
One-Time Spending Items:			
PA 79, PA 84, and PA 143 of 2015	\$		458.7
One-Time Revenue minus One-Time Spending	\$		(275.2)
Projected Ending Balance, September 30, 2016	\$		34.6

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2015. Final year-end activity will be reflected in the fiscal year 2015 Comprehensive Annual Financial Report which, by law, must be issued on or before March 31, 2016.

**School Aid Fund
Fiscal Year 2016
Projected Revenues and Expenditures
November 30, 2015
(\$ in millions)**

	FISCAL 2016
Beginning Balance , October 1, 2015	see one-time revenue
Current Year School Aid Fund Revenues, May 2015 Consensus Estimate	\$ 12,242.9
Revenue Adjustments:	
Use Tax Revision (PA 161 of 2014)	\$ 203.3
General Fund	\$ 45.9
Federal Revenue	\$ 1,775.8
Subtotal Additional Revenue Adjustments	\$ 2,025.0
Total FY Resources Available for Expenditure School Aid Fund	\$ 14,267.9
School Aid Ongoing Costs	
PA 85 of 2015	\$ 13,846.6
Community Colleges Ongoing Costs	
PA 85 of 2015	\$ 256.7
Universities Ongoing Costs	
PA 85 of 2015	\$ 205.2
Total School Aid Fund Ongoing Costs Projected	\$ 14,308.5
Current Year Revenues minus Ongoing Costs	\$ (40.6)
Beginning Balance (One-Time Revenue)	\$ 140.4
One-Time Spending Items	
PA 85 of 2015 School Aid	\$ 49.8
PA 139 of 2015 School Aid	\$ 4.3
One-Time Revenue minus One-Time Spending	\$ 86.3
Projected Ending Balance, September 30, 2016	\$ 45.7

¹This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2015. Final year-end activity will be reflected in the fiscal year 2015 Comprehensive Annual Financial Report which, by law, must be issued on or before March 31, 2016.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

November 30, 2015

(\$ IN MILLIONS)

FISCAL YEAR 2015

FISCAL YEAR 2016

Exp & Enc November 2014	Exp & Enc Yr-to-date FY 2015	Fiscal Year End***** SEP 30, 2015	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc November 2015	Exp & Enc Yr-to-date FY 2016
5.4	8.7	75.7	Agriculture and Rural Development	86.6	11.2	4.7	8.2
7.1	9.7	82.7	Attorney General	90.9	0.0	6.3	8.6
19.3	58.5	415.6	Capital Outlay**	324.0	0.0	38.1	56.9
1.1	1.6	15.2	Civil Rights	16.1	0.0	1.1	1.5
153.6	273.5	1,299.1	Colleges & Universities	1,460.7	0.0	154.3	272.8
140.7	258.9	1,971.9	Corrections	1,952.2	0.0	139.7	222.1
17.3	25.4	281.9	Education	305.9	9.0	14.5	27.0
11.6	16.0	163.5	Environmental Quality	463.6	42.9	11.1	20.8
0.8	1.2	5.7	Executive Office	5.5	0.0	0.3	0.6
1,752.7	3,561.5	23,498.2	Health and Human Services	24,967.9	545.9	1,777.5	3,537.7
3.7	5.1	50.6	Insurance and Financial Services	65.1	0.0	3.7	5.0
9.6	16.1	253.0	Judiciary	284.7	0.0	10.7	15.3
1.1	1.1	4.0	Land Bank Fast Track Authority	4.0	0.0	0.0	0.0
1.7	2.4	20.8	Legislative Auditor General	22.8	0.0	1.7	2.4
9.0	16.6	120.1	Legislature	133.4	11.4	9.8	17.0
18.3	66.5	261.0	Licensing and Regulatory Affairs	359.0	52.7	27.7	77.1
9.6	16.0	130.8	Military Affairs	140.7	0.0	8.9	14.7
4.6	8.5	91.3	Natural Resources	122.4	14.1	5.1	8.3
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
15.7	21.1	204.7	State	225.3	9.7	14.2	19.2
37.3	53.9	607.4	State Police	620.0	14.7	38.9	53.9
0.0	0.0	0.0	Talent and Economic Development	435.3	0.0	21.4	35.7
26.9	45.2	649.3	Technology, Management & Budget***	420.2	95.0	27.3	45.0
0.0	22.0	1.5	Transportation	398.5	0.0	20.0	59.7
80.2	383.9	3,159.1	Treasury****	1,879.3	43.7	93.4	406.4
(0.2)	40.6	221.1	Michigan Strategic Fund	171.3	0.0	0.0	66.2
\$2,327.1	\$4,914.0	\$33,584.1		\$34,955.2	\$850.2	\$2,430.3	\$4,982.2

*Includes boilerplate appropriations.

**Includes all capital outlay activity regardless of agency

***Includes Civil Service Commission

****Boilerplate appropriations, which are not included in the initial or supplemental appropriations, account for the majority of the difference between Treasury's total appropriations and total expenditure/encumbrances for the fiscal year.

*****FY15 Transportation and other agency expenditure totals within the September report are different as a result of changes in capital outlay appropriations.

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2016
November, 2015
(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	16,794.5	10.3	16,804.8
Total state spending from state resources	30,216.6	13.9	30,230.5
Percentage of state spending from state resources paid to local units	55.58%		55.59%
Required payments to local units (48.97%)	14,797.1		14,803.9
Surplus/(deficit)	\$1,997.4		\$2,000.9

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2015 Through November 30, 2015
 (in thousands)

REVENUES

Miscellaneous	\$	-
Total Revenues		-

EXPENDITURES

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

OTHER FINANCING SOURCES (USES)

Transfers from other funds		15,833
Transfers to other funds		-
Total Other Financing Sources (Uses)		15,833
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	15,833 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, 2015 through November 30, 2015
 (in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>6,845</u>
Total Revenues		<u>6,845</u>

EXPENDITURES

Current:		
General government		86
Conservation, environment, recreation, and agriculture		(39)
Capital outlay		<u>(2,336)</u>
Total Expenditures		<u>(2,289)</u>
Excess of Revenues over (under) Expenditures		<u>9,134</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		1
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>1</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>9,135</u></u> ¹

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

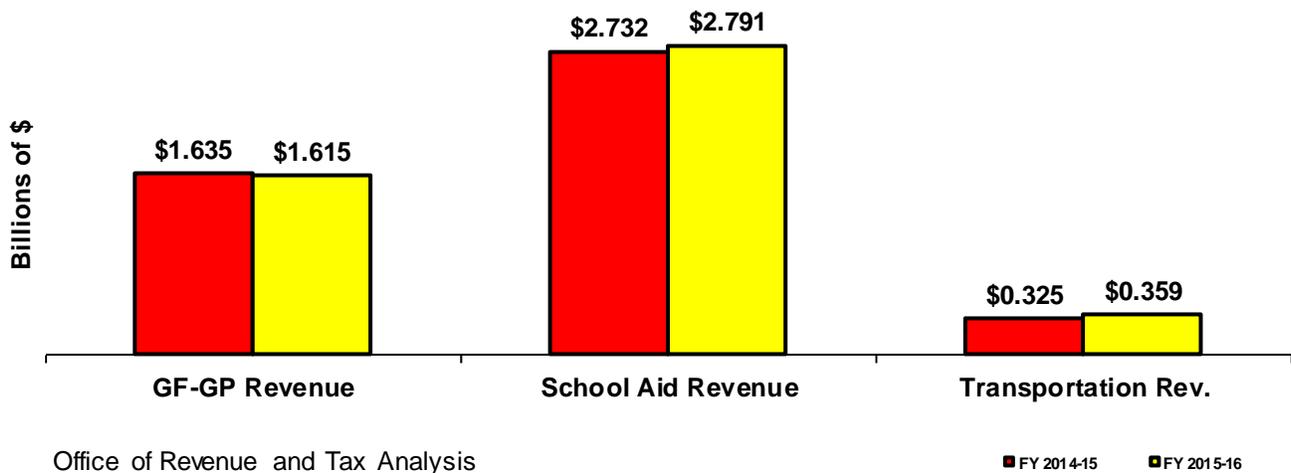
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

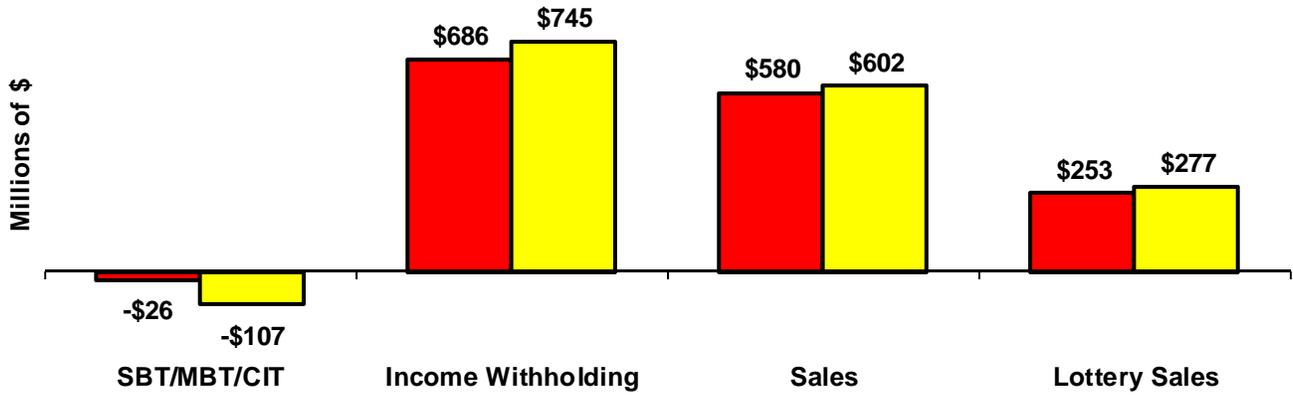
Total General Fund - General Purpose cash collections were \$48.1 million (6.6 percent) lower in November 2015 than in November 2014. The November 2015 School Aid Fund cash collections were \$46.6 million (4.8 percent) higher than in November 2014. November 2015 transportation collections were \$16.8 million (11.3 percent) higher than in November 2014 (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 \$20.5 million (1.3 percent) from a year ago. School Aid Fund cash collections are up \$59.3 million (2.2 percent) and transportation collections are up \$34.5 million (10.6 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 2015-16 is \$9,881.9 million and the net School Aid revenue forecast is \$12,242.9 million. The Transportation Funds revenue forecast is \$2,199.0 million. The next regularly scheduled Consensus Revenue Estimating Conference will be on January 14, 2016.

**October through November Collections
FY 2014-15 and FY 2015-16**



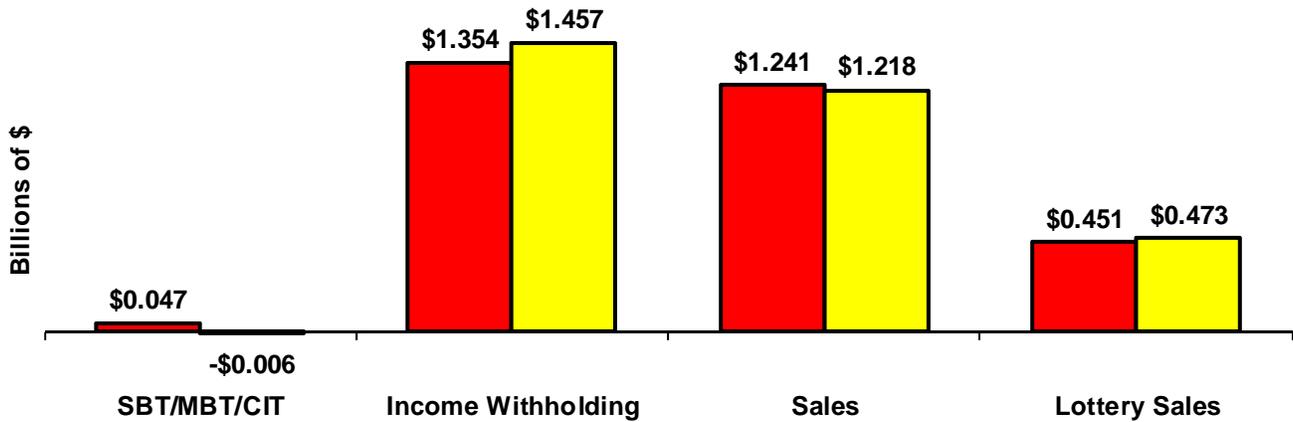
November Revenue Collections FY 2014-15 and FY 2015-16



Office of Revenue and Tax Analysis

FY 2014-15 FY 2015-16

October through November Collections FY 2014-15 and FY 2015-16



Office of Revenue and Tax Analysis

FY 2014-15 FY 2015-16

Revenue Summary FY 2015-16
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2014	2015	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	May 2015 Consensus	Statutory Estimate	May 2015 Consensus
Income Taxes											
\$685,831	\$745,414	\$59,584	8.7%	Withholding	\$1,353,705	\$1,456,562	\$102,857	7.6%	\$8,575,000	\$8,898,300	\$8,898,300
8,703	10,499	1,796	20.6%	Quarterlies	25,668	29,171	3,504	13.7%	960,400	982,400	982,400
12,177	13,772	1,595	13.1%	Annuals	54,924	63,720	8,796	16.0%	925,200	879,000	879,000
706,711	769,685	62,975	8.9%	Gross Collections	1,434,296	1,549,453	115,156	8.0%	\$10,460,600	\$10,759,700	\$10,759,700
19,061	30,069	11,008	57.8%	Less: Refunds	78,036	86,490	8,454	10.8%	1,770,100	1,820,000	1,820,000
0	0	0	na	State Campaign Fund	0	0	0	na	800	800	800
687,650	739,617	51,967	7.6%	Net Personal Income	1,356,261	1,462,963	106,702	7.9%	\$8,689,700	\$8,938,900	\$8,938,900
164,195	178,797	14,602	8.9%	Less: Disbursements to SAF	331,330	357,415	26,084	7.9%	\$2,490,700	\$2,561,900	\$2,561,900
\$523,455	\$560,820	\$37,364	7.1%	NET PERSONAL INCOME TO GF-GP	\$1,024,930	\$1,105,548	\$80,618	7.9%	\$6,199,000	\$6,377,000	\$6,377,000
Consumption Taxes											
\$89,970	\$93,260	\$3,290	3.7%	Sales (a)	\$193,487	\$189,114	(\$4,372)	-2.3%	\$1,190,700	\$1,247,100	\$1,247,100
69,939	78,348	8,409	12.0%	Use (f)	155,135	147,852	(7,283)	-4.7%	946,200	898,900	898,900
15,019	16,152	1,133	7.5%	Tobacco	31,441	32,828	1,388	4.4%	182,400	180,500	180,500
4,532	4,244	(288)	-6.4%	Beer, Wine & Mixed Spirits	8,830	8,845	16	0.2%	45,500	52,500	52,500
4,454	4,470	17	0.4%	Liquor Specific	4,481	4,510	29	0.6%	47,000	48,000	48,000
\$183,913	\$196,474	\$12,560	6.8%	TOTAL CONSUMPTION TAXES	\$393,373	\$383,150	(\$10,223)	-2.6%	\$2,411,800	\$2,427,000	\$2,427,000
Other Taxes											
(\$13,815)	\$274	\$14,089	na	Single Business	(\$10,851)	(\$4,829)	\$6,022	55.5%	(\$20,000)	(\$10,000)	(\$10,000)
276	(11,971)	(12,247)	na	Insurance Premiums Taxes	87,798	57,612	(30,186)	-34.4%	402,000	412,500	412,500
(13,539)	(11,697)	1,842	13.6%	Sub-total SBT & Insurance	76,946	52,783	(24,163)	-31.4%	382,000	402,500	402,500
(33,029)	(98,919)	(65,890)	na	Michigan Business Tax	(46,342)	(120,201)	(73,859)	na	(751,100)	(889,400)	(889,400)
21,140	(8,361)	(29,502)	na	Corporate Income Tax	103,818	119,171	15,353	14.8%	1,029,700	1,060,200	1,060,200
(0)	0	0	-100.0%	Inheritance / Estate	(150)	10	160	na	0	0	0
18,185	14,353	(3,832)	-21.1%	Telephone & Telegraph	18,504	14,806	(3,698)	-20.0%	47,000	46,000	46,000
3,328	1,583	(1,745)	-52.4%	Oil & Gas Severance	6,708	3,464	(3,244)	-48.4%	39,000	41,300	41,300
7,096	7,986	889	12.5%	Penalties & Interest	19,105	17,614	(1,490)	-7.8%	138,000	139,500	139,500
0	0	0	na	Essential Services Assessment	0	0	0	na	0	55,000	55,000
0	164	164	na	Miscellaneous Other/Railroad	5	44	39	na	1,500	1,500	1,500
(11,167)	(11,167)	0	0.0%	Treasury Enforcement Programs (e)	(22,333)	(22,333)	0	0.0%	(139,000)	(140,000)	(140,000)
(\$7,985)	(\$106,059)	(\$98,074)	na	TOTAL OTHER TAXES	\$156,262	\$65,359	(\$90,903)	-58.2%	\$747,100	\$716,600	\$716,600
\$699,384	\$651,235	(\$48,149)	-6.9%	SUBTOTAL GF-GP TAXES	\$1,574,565	\$1,554,057	(\$20,508)	-1.3%	\$9,357,900	\$9,520,600	\$9,520,600

continued

Revenue Summary FY 2015-16
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2014	2015	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	May 2015 Consensus	Statutory Estimate	May 2015 Consensus
Non-Tax Revenue (e)											
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$3,333	\$3,333	\$0	0.0%	\$30,000	\$30,000	\$30,000
83	83	0	0.0%	Local Agencies	167	167	0	0.0%	100	100	100
833	833	0	0.0%	Services	1,667	1,667	0	0.0%	8,000	8,000	8,000
833	833	0	0.0%	Licenses & Permits	1,667	1,667	0	0.0%	13,000	13,000	13,000
0	0	0	na	Investments/Interest Costs	0	0	0	na	0	(2,000)	(2,000)
8,417	8,417	0	0.0%	Misc. Non-tax Revenue	16,833	16,833	0	0.0%	81,400	78,700	78,700
14,333	14,333	0	0.0%	Liquor Purchase Revolving Fund	28,667	28,667	0	0.0%	178,500	182,500	182,500
4,250	4,250	0	0.0%	From Other Funds-Lottery & Escheats	8,500	8,500	0	0.0%	56,000	51,000	51,000
<u>\$30,417</u>	<u>\$30,417</u>	<u>\$0</u>	<u>0.0%</u>	TOTAL NON-TAX REVENUE	<u>\$60,833</u>	<u>\$60,833</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$367,000</u>	<u>\$361,300</u>	<u>\$361,300</u>
\$729,800	\$681,651	(\$48,149)	-6.6%	TOTAL GF-GP REVENUE	\$1,635,399	\$1,614,890	(\$20,508)	-1.3%	\$9,724,900	\$9,881,900	\$9,881,900
School Aid Fund											
\$238,028	\$245,924	\$7,896	3.3%	Sales Tax 4%	\$508,568	\$498,074	(\$10,494)	-2.1%	3,067,500	3,196,200	3,196,200
183,140	191,764	8,625	4.7%	Sales Tax 2%	393,407	388,055	(5,353)	-1.4%	2,391,300	2,494,600	2,494,600
78,586	91,366	12,780	16.3%	Use Tax 2% (f)	163,795	178,903	15,107	9.2%	473,000	497,500	497,500
165,132	185,927	20,795	12.6%	State Education Property Tax	1,106,301	1,141,782	35,481	3.2%	1,850,300	1,861,900	1,861,900
28,869	26,045	(2,823)	-9.8%	Real Estate Transfer Tax	57,818	51,723	(6,095)	-10.5%	256,800	268,400	268,400
73,759	55,000	(18,759)	-25.4%	Lottery Transfer (b)	73,759	75,118	1,358	1.8%	780,000	791,000	791,000
8,649	8,803	154	1.8%	Casino Wagering Tax	18,236	18,603	367	2.0%	111,000	112,700	112,700
4,437	4,436	(2)	0.0%	Liquor Excise Tax	4,437	4,436	(2)	0.0%	46,600	47,600	47,600
30,490	32,791	2,301	7.5%	Cigarette/Tobacco Tax	63,830	66,647	2,817	4.4%	347,600	341,600	341,600
1,742	2,240	498	28.6%	Indus. & Comm. Facilities Taxes	9,171	8,699	(472)	-5.1%	36,500	37,600	37,600
380	899	519	na	Specific Other	1,013	1,498	484	47.8%	31,900	31,900	31,900
164,195	178,797	14,602	8.9%	Income Tax Earmarking	331,330	357,415	26,084	7.9%	\$2,490,700	\$2,561,900	\$2,561,900
<u>\$977,406</u>	<u>\$1,023,992</u>	<u>\$46,586</u>	<u>4.8%</u>	TOTAL SCHOOL AID FUND	<u>\$2,731,666</u>	<u>\$2,790,951</u>	<u>\$59,285</u>	<u>2.2%</u>	<u>\$11,883,200</u>	<u>\$12,242,900</u>	<u>\$12,242,900</u>
\$579,853	\$601,638	\$21,785	3.8%	SALES TAX 6%	\$1,241,020	\$1,218,178	(\$22,843)	-1.8%	\$7,503,800	\$7,821,700	\$7,821,700
396,713	409,873	13,160	3.3%	SALES TAX 4%(d)	847,613	830,123	(17,490)	-2.1%	5,112,500	5,327,100	5,327,100
183,140	191,764	8,625	4.7%	SALES TAX 2%	393,407	388,055	(5,353)	-1.4%	2,391,300	2,494,600	2,494,600
148,525	169,714	21,189	14.3%	USE TAX 6% (f)	318,930	326,755	7,825	2.5%	1,419,200	1,396,400	1,396,400
75,470	81,165	5,695	7.5%	TOBACCO TAXES	157,994	164,967	6,973	4.4%	924,400	913,800	913,800
0	0	0	na	TOBACCO SETTLEMENT	0	0	0	na	na	na	na

continued

Revenue Summary FY 2015-16
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: November 30, 2015

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH NOVEMBER CASH COLLECTIONS DATA					REVENUE PROJECTIONS		
November		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2014-15	FY 2015-16	FY 2015-16
2014	2015	Amount	Percent		FY 2014-15	FY 2015-16	Amount	Percent	May 2015 Consensus	Statutory Estimate	May 2015 Consensus
Major Transportation Revenues											
\$11,744	\$12,976	\$1,232	10.5%	Diesel Fuel / Motor Carrier Fuel Tax	\$25,340	\$28,639	\$3,299	13.0%	\$135,500	\$132,500	\$132,500
70,626	75,997	5,371	7.6%	Gasoline	146,693	164,917	18,224	12.4%	820,000	811,500	811,500
54,349	64,158	9,809	18.0%	Motor Vehicle Registration	127,704	140,304	12,600	9.9%	965,000	966,000	966,000
3,011	3,396	385	12.8%	Other Taxes, Fees & Misc.	6,737	7,124	387	5.7%	178,816	178,263	178,263
9,161	9,161	0	0.0%	Comprehensive Transportation (c)	18,321	18,321	0	0.0%	104,955	110,719	110,719
<u>\$148,891</u>	<u>\$165,688</u>	<u>\$16,797</u>	<u>11.3%</u>	TOTAL MAJOR TRANS. REVENUES	<u>\$324,795</u>	<u>\$359,305</u>	<u>\$34,510</u>	<u>10.6%</u>	<u>\$2,204,271</u>	<u>\$2,198,982</u>	<u>\$2,198,982</u>
Lottery Sales By Games											
90,694	108,356	17,662	19.5%	Instant Games (g)	156,979	180,446	23,467	14.9%	na	na	na
69,332	75,925	6,593	9.5%	Daily Games	125,807	131,260	5,453	4.3%	na	na	na
34,664	28,065	(6,599)	-19.0%	Lotto and Big Game	62,587	47,731	(14,857)	-23.7%	na	na	na
944	939	(5)	-0.5%	Keno Game	1,699	1,654	(45)	-2.6%	na	na	na
1,698	2,253	555	32.7%	Other	3,157	4,770	1,613	51.1%	na	na	na
55,768	59,365	3,597	6.4%	Club Games	100,696	104,283	3,587	3.6%	na	na	na
<u>\$253,100</u>	<u>\$276,566</u>	<u>\$23,466</u>	<u>9.3%</u>	TOTAL LOTTERY SALES	<u>\$450,926</u>	<u>\$473,167</u>	<u>\$22,241</u>	<u>4.9%</u>	<u>na</u>	<u>na</u>	<u>na</u>

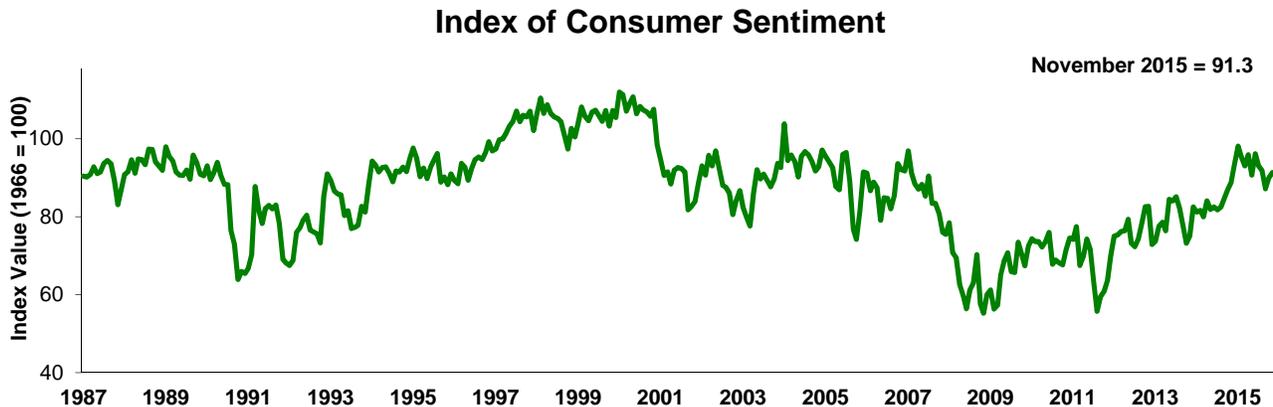
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- a GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, and Constitutional Revenue shares.
- b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School 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.
- g Beginning in October 2014, Instant Games includes iLottery net win amounts.

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



Source: University of Michigan, Survey Research Center

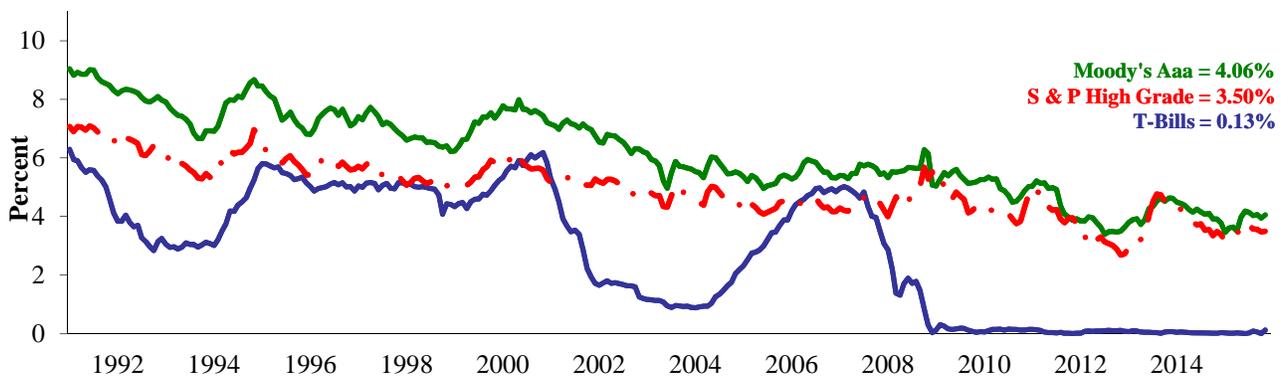
The **Index of Consumer Sentiment** increased in November to 91.3 index-points, 1.2 index-points above the October value and 2.5 index-points above November 2014. For the November survey, Survey Director Richard Curtin noted, “Although some of the gains recorded earlier in the month evaporated in late November, consumer confidence remained quite favorable, just below the average for the past six months (91.6). Other than for the past twelve months, the Sentiment Index was higher in November than any time since the start of 2007. Nonetheless, the data indicate that consumers have become increasingly aware of economic cross-currents. Importantly, these concerns were not directly related to the recent terrorism in Paris and elsewhere as few consumers thought these attacks would have an impact on the US economy.” Curtin observed, “Nearly all of the recent advance was focused on current conditions rather than future economic prospects, and the entire November gain was due to lower income households. Households with incomes in the top third of the distribution, who account for more than half of all spending, expressed a more cautious optimism.” On buying plans, Curtin reported, “Buying plans remained very favorable in November largely due to the availability of discounted prices and low interest rates. Positive views about buying conditions for household durables were highly dependent on deep discounting.” In November, consumers in all four regions reported an increase in confidence. Northeastern consumers reported the largest increase in confidence of 3.1 index-points, followed by the Southern region with an increase in confidence of 1.3 index-points. The gap across regions decreased from last month to 3.8 index-points, with Western consumers on top and Southern consumers on the bottom.

The revised estimate of real **Gross Domestic Product** for the third quarter of 2015 is \$16,417.8 billion (chained 2005 dollars), an increase of 2.1 percent at an annual rate. In the second quarter of 2015, real gross domestic product increased 3.9 percent. The increase in third quarter real GDP was mainly due to personal consumption expenditures, residential fixed investment, and state and local government spending. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 3.0 percent in the third quarter, compared to a 3.6 percent increase in the second quarter. Real residential fixed investment increased 7.3 percent in the third quarter compared to an increase of 9.3 percent in the second quarter. Real nonresidential fixed investment increased 2.4 percent in the third quarter while real equipment expenditures increased 9.5 percent. Real federal government spending increased 0.1 percent in the third quarter, compared to no

change in the second quarter. Real state and local government spending increased 2.6 percent in the third quarter, compared to a 4.3 percent increase in the second quarter. Exports of goods and services increased 0.9 percent in the third quarter, compared to a 5.1 percent increase in the second quarter. Imports increased 2.1 percent in the third quarter, compared to an increase of 3.0 percent in the second quarter. Private inventory investment increased \$90.2 billion in the third quarter, following a \$113.5 billion increase in the second quarter. Real final sales increased 3.0 percent in the third quarter compared to an increase of 3.9 percent in the second quarter. On the inflation front, the **implicit price deflator** increased 1.3 percent in the third quarter compared to a 2.1 percent increase observed in the second quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), remained unchanged in November, down from a 0.2 percent increase in October. Energy prices decreased 1.3 percent in November, down from a 0.3 percent increase in October, while the all-items less food and energy component increased 0.2 percent in November. Compared to November 2014, the all-items index increased 0.5 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.2 percent; medical care, 2.9 percent; apparel, -1.5 percent; education and communication, 1.3 percent; other goods and services, 2.1 percent; recreation, 0.6 percent; housing, 2.1 percent; and transportation, -6.3 percent, with gasoline prices down -24.1 percent.

Selected Key Interest Rates

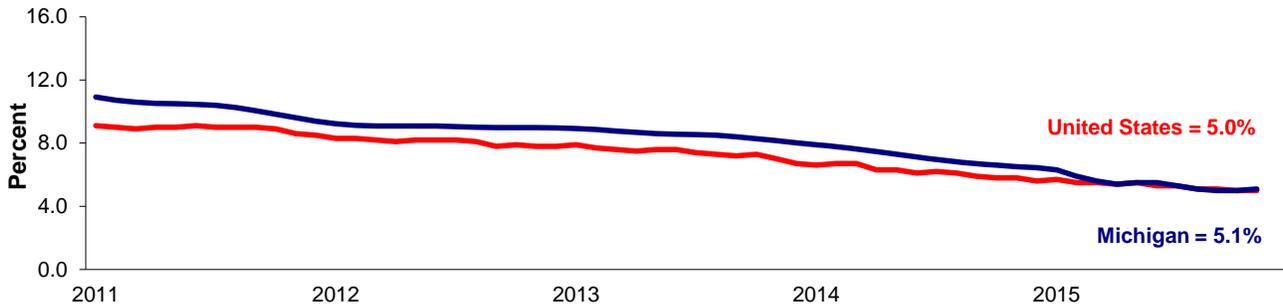


Source: Economic Indicators

Short-term **interest rates** increased 0.12 percentage point in November as the 3-month Treasury bill (T-bill) rate was 0.13 percent. Compared to one year ago, the T-bill rate decreased 0.11 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.11 percentage point to an interest yield of 4.06 percent in November. The Aaa bond yield was up 0.14 percentage point from its year-ago level. The interest rate on High-grade municipal bonds decreased 0.08 percentage point from the October level to 3.50 percent in November and was up 0.01 percentage point from its year-ago level. The Federal Open Market Committee raised the target range for the federal funds rate between 0.25 and 0.50 percent at the December 16th meeting. The FOMC stated “In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation.” The Committee “seeks to foster maximum employment and price stability.”

In November, the **U. S. unemployment rate** remained unchanged from a month ago at 5.0 percent and was 0.8 percentage point lower than a year ago. Civilian employment totaled 149.4 million persons in November. The number unemployed was 7.9 million nationwide.

Unemployment Rates 2011 - 2015

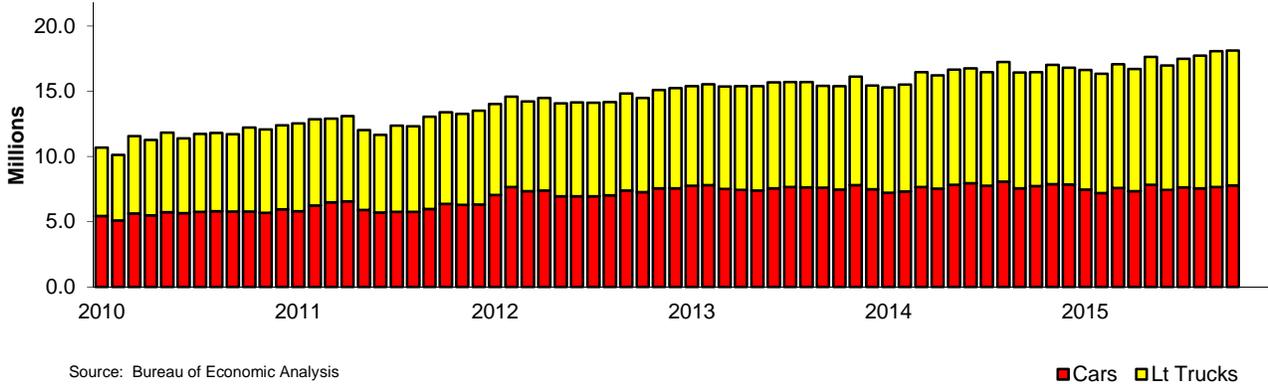


Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In November, the **Michigan jobless rate** increased 0.1 percentage point to 5.1 percent from October. The November unemployment rate is 1.4 percentage points below the year ago level. In November, the labor force grew 21,000 to 4,764,000, while the number of people employed increased 15,000 to 4,520,000. In November, there were 244,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

Motor Vehicle Sector

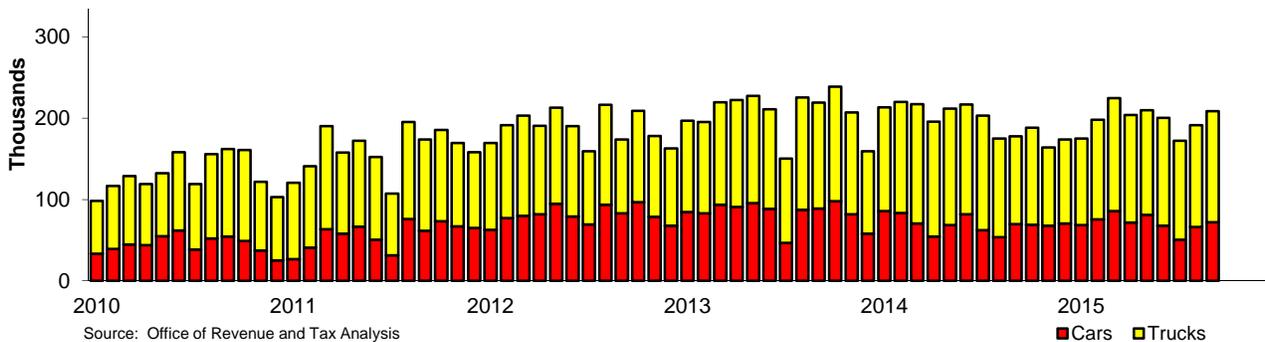
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) decreased 0.4 percent in November compared to October, selling at an 18.1 million unit seasonally adjusted annual rate. Domestic car sales decreased 4.4 percent from October while domestic light truck sales increased 1.5 percent. Import car sales increased 1.9 percent while import light truck sales increased 1.5 percent. Compared to last year, light vehicle sales increased 6.1 percent. Domestic car sales decreased 5.5 percent from the year ago level while domestic light truck sales increased 8.3 percent. Import car sales were down 0.2 percent from last year while import truck sales increased 52.3 percent. As a result, the domestic share of U.S. light vehicle sales decreased 2.8 percentage points from a year ago. For fiscal year 2016 year-to-date, domestic light vehicles recorded a 77.7 percent share of an 18.1 million-unit market.

Michigan motor vehicle production decreased to 200,635 units in October from 208,895 units in September. From a year ago, motor vehicle production increased 7 percent in Michigan but decreased 3 percent nationally. In October, Michigan's car production was 60,630 units while the state's truck production was 140,005 units. Compared with a year ago, car production decreased 12 percent in Michigan and fell 19 percent nationwide. The state's truck production increased 17 percent while national truck production increased 8 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 2013-14 Actual	Fiscal Year 2014-15 Estimate	Fiscal Year 2015-16 Estimate
Applicable Calendar Year Personal Income	\$378,443	\$386,471	\$401,901
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$35,914.2</u>	<u>\$36,676.1</u>	<u>\$38,140.4</u>
Revenue Limit	\$35,914.2	\$36,676.1	\$38,140.4
State Revenue Subject to Limit	<u>\$27,432.5</u>	<u>\$28,486.3</u>	<u>\$29,126.1</u>
Amount Under (Over) Limit	\$8,481.7	\$8,189.8	\$9,014.3

Sources:

Personal Income Estimate

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).

The FY 2015-16 calculation uses the May 15, 2015 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2013-14 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2014.

The FY 2014-15 calculation uses the May 15, 2015 Consensus Revenue Agreement.

The FY 2015-16 calculation uses the May 15, 2015 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

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