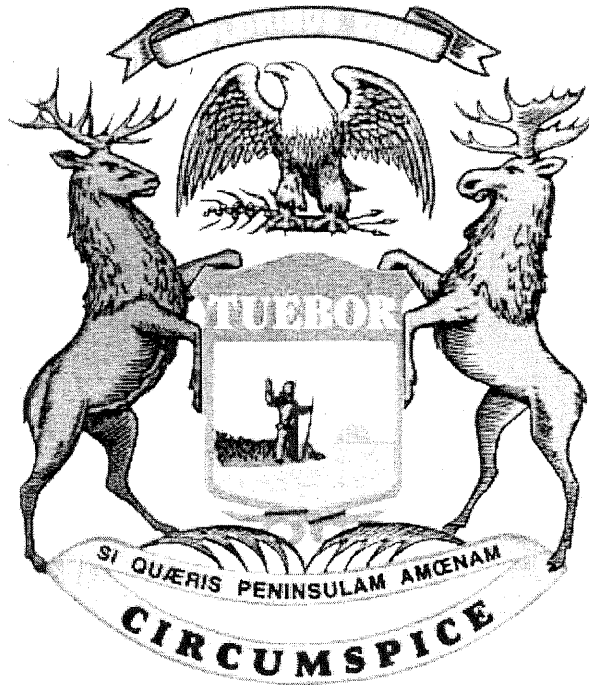


**Consensus Revenue Agreement
Executive Summary
May 16, 2011**

**Economic and Revenue Forecasts
Fiscal Years 2011, 2012 and 2013**



Principals

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Table 1
Consensus Economic Forecast

May 2011

	Calendar 2010 Actual	Percent Change from Prior Year	Calendar 2011 Forecast	Percent Change from Prior Year	Calendar 2012 Forecast	Percent Change from Prior Year	Calendar 2013 Forecast	Percent Change from Prior Year
United States								
Real Gross Domestic Product (Billions of Chained 2005 Dollars)	\$13,248	2.9%	\$13,579	2.5%	\$13,973	2.9%	\$14,406	3.1%
Implicit Price Deflator GDP (2005 = 100)	110.7	1.0%	112.5	1.6%	114.4	1.7%	116.6	1.9%
Consumer Price Index (1982-84 = 100)	218.1	1.6%	224.8	3.1%	229.5	2.1%	234.1	2.0%
Consumer Price Index - Fiscal Year (1982-84 = 100)	217.4	1.7%	222.8	2.5%	228.4	2.5%	232.7	1.9%
Personal Consumption Deflator (2005 = 100)	111.1	1.7%	113.7	2.3%	115.7	1.8%	117.7	1.7%
3-month Treasury Bills Interest Rate (percent)	0.1		0.1		0.3		0.7	
Aaa Corporate Bonds Interest Rate (percent)	4.9		5.0		5.0		5.0	
Unemployment Rate - Civilian (percent)	9.6		9.0		8.8		8.3	
Wage and Salary Employment (millions)	129.818	-0.8%	131.120	1.0%	133.350	1.7%	135.750	1.8%
Housing Starts (millions of starts)	0.585	5.6%	0.625	6.8%	0.865	38.4%	1.106	27.9%
Light Vehicle Sales (millions of units)	11.5	10.6%	13.0	13.0%	14.6	12.3%	15.2	4.1%
Passenger Car Sales (millions of units)	5.7	3.6%	6.7	17.5%	7.5	11.9%	7.7	2.7%
Light Truck Sales (millions of units)	5.8	18.4%	6.3	8.6%	7.1	12.7%	7.5	5.6%
Big 3 Share of Light Vehicles (percent)	44.2		45.6		45.0		45.0	
Michigan								
Wage and Salary Employment (thousands)	3,861	-0.3%	3,927	1.7%	3,966	1.0%	4,014	1.2%
Unemployment Rate (percent)	12.5		10.2		9.8		9.5	
Personal Income (millions of dollars)	\$351,830	2.8%	\$369,070	4.9%	\$379,773	2.9%	\$396,483	4.4%
Real Personal Income (millions of 1982-84 dollars)	\$171,553	2.0%	\$174,915	2.0%	\$176,638	1.0%	\$180,960	2.4%
Wages and Salaries (millions of dollars)	\$174,256	2.1%	\$182,446	4.7%	\$188,467	3.3%	\$195,440	3.7%
Detroit Consumer Price Index (1982-84 = 100)	205.1	0.8%	211.0	2.9%	215.0	1.9%	219.1	1.9%

Table 2

May 2011 Consensus Forecast (millions)

Net Revenue Estimates								
	FY 2010		FY 2011		FY 2012		FY 2013	
	Actual	Jan 2011 Consensus	May 2011 Consensus	Change From January	Jan 2011 Consensus	May 2011 Consensus	Change From January	May 2011 Consensus
Net GF-GP Revenue Growth	\$6,785.2 -7.9%	\$7,227.8 6.5%	\$7,524.1 10.9%	\$296.3	\$7,294.1 0.9%	\$7,651.0 1.7%	\$356.9	\$7,517.2 -1.7%
Net SAF Revenue Growth	\$10,816.9 -1.0%	\$10,979.1 1.5%	\$11,111.5 2.7%	\$132.4	\$11,193.7 2.0%	\$11,335.3 2.0%	\$141.7	\$11,626.4 2.6%
Combined GF-GP/SAF Growth	\$17,602.1 -3.7%	\$18,206.9 3.4%	\$18,635.6 5.9%	\$428.7	\$18,487.8 1.5%	\$18,986.3 1.9%	\$498.6	\$19,143.6 0.8%

Revenue Limit Calculation			
	FY 2010	FY 2011	FY 2013
Personal Income Ratio	\$349,612 9.49%	\$342,302 9.49%	\$369,070 9.49%
Revenue Limit	\$33,178.2	\$32,484.5	\$35,024.7
Revenue Subject to Limit	\$24,265.6	\$25,581.2	\$26,613.0
Amount Under (Over) Limit	\$8,912.6	\$6,903.3	\$8,411.7

Note: CY 2008 Personal Income is used for the FY 2010 revenue limit calculation, CY 2009 for FY 2011, CY 2010 for FY 2012, and CY 2011 for FY 2013.

Long Term Revenue Trend		
	FY 2014	FY 2015
Net GF-GP Revenue Growth	\$7,414.0 -1.4%	\$7,363.4 -0.7%
Net SAF Revenue Growth	\$11,977.1 3.0%	\$12,356.3 3.2%
Combined GF-GP/SAF Growth	\$19,391.1 1.3%	\$19,719.7 1.7%

Budget Stabilization Fund Calculation		
	FY 2012	FY 2013
FY 2012 Calculations - Pay-In	\$255.8	1.0212
FY 2013 Calculations	NO PAY-IN OR PAY-OUT	1.0100
		1.0334

School Aid Index		
	FY 2012	FY 2013
Revenue Adjustment Factor	1.0225	1.0212
Pupil Membership Factor	1.0107	1.0100
School Aid Index	1.0334	1.0314

Table 3
May 2011 Consensus Forecast With Tax Plan Impact
(millions)

	FY 2011				FY 2012				FY 2013			
	May 2011 Consensus	May 2011 Consensus Before Tax Plan	May 2011 Tax Plan	May 2011 Consensus After Tax Plan	Change From January	May 2011 Consensus Before Tax Plan	May 2011 Tax Plan	May 2011 Consensus After Tax Plan	Change From January	May 2011 Consensus Before Tax Plan	May 2011 Tax Plan	May 2011 Consensus After Tax Plan
Net GF-GP Revenue	\$7,524.1	\$7,651.0	\$154.7	\$7,805.7	\$511.6	\$7,517.2	\$7,805.7	\$7,517.2	\$438.0	\$7,517.2	\$438.0	\$7,955.2
Growth	10.9%	1.7%		3.7%		-1.7%	3.7%	-1.7%		-1.7%		1.9%
Net SAF Revenue	\$11,111.5	\$11,335.3	(\$689.9)	\$10,645.4	(\$548.3)	\$11,626.4	\$10,645.4	\$11,626.4	(\$662.1)	\$11,626.4	(\$662.1)	\$10,964.3
Growth	2.7%	2.0%		-4.2%		2.6%	-4.2%	2.6%		2.6%		3.0%
Combined GF-GP/SAF	\$18,635.6	\$18,986.3	(\$535.2)	\$18,451.1	(\$36.7)	\$19,143.6	\$18,451.1	\$19,143.6	(\$224.0)	\$19,143.6	(\$224.0)	\$18,919.6
Growth	5.9%	1.9%		-1.0%		0.8%	-1.0%	0.8%		0.8%		2.5%

1) Excludes \$25 million cost to implement the tax changes.