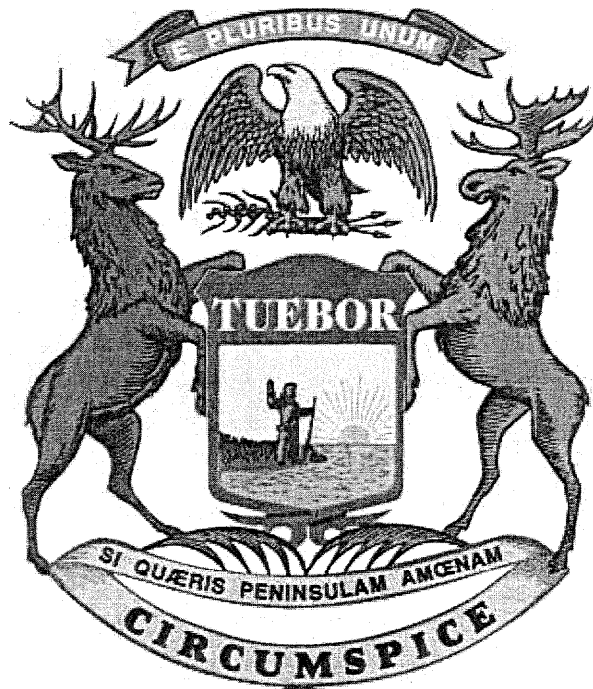


**Consensus Revenue Agreement
Executive Summary
January 13, 2012**

**Economic and Revenue Forecasts
Fiscal Years 2012, 2013 and 2014**



Principals

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Table 1
Consensus Economic Forecast

January 2012

	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	Calendar 2014 Forecast	Percent Change from Prior Year
United States										
Real Gross Domestic Product (Billions of Chained 2005 Dollars)	\$13,088	3.0%	\$13,310	1.7%	\$13,576	2.0%	\$13,875	2.2%	\$14,250	2.7%
Implicit Price Deflator GDP (2005 = 100)	110.7	1.1%	113.1	2.2%	115.0	1.7%	117.0	1.7%	118.9	1.6%
Consumer Price Index (1982-84 = 100)	218.1	1.6%	225.0	3.2%	230.0	2.2%	234.4	1.9%	238.9	1.9%
Consumer Price Index - Fiscal Year (1982-84 = 100)	217.4	1.7%	223.3	2.7%	229.1	2.6%	233.5	1.9%	237.9	1.9%
Personal Consumption Deflator (2005 = 100)	111.1	1.8%	113.9	2.5%	115.6	1.5%	117.3	1.5%	119.1	1.5%
3-month Treasury Bills Interest Rate (percent)	0.1		0.1		0.1		0.2		0.6	
Aaa Corporate Bonds Interest Rate (percent)	4.9		4.7		4.0		4.2		4.4	
Unemployment Rate - Civilian (percent)	9.6		9.0		9.1		8.9		8.4	
Wage and Salary Employment (millions)	129.818	-0.8%	131.159	1.0%	132.340	0.9%	133.530	0.9%	135.400	1.4%
Housing Starts (millions of starts)	0.585	5.6%	0.597	2.0%	0.700	17.3%	0.873	24.7%	1.036	18.7%
Light Vehicle Sales (millions of units)	11.6	11.5%	12.7	9.5%	13.7	7.9%	14.5	5.8%	15.1	4.1%
Passenger Car Sales (millions of units)	5.7	3.6%	6.2	8.8%	6.7	8.1%	7.1	6.0%	7.4	4.2%
Light Truck Sales (millions of units)	5.8	18.4%	6.5	12.1%	7.0	7.7%	7.4	5.7%	7.7	4.1%
Big 3 Share of Light Vehicles (percent)	44.2		46.2		45.3		45.3		45.3	
Michigan										
Wage and Salary Employment (thousands)	3,861	-0.3%	3,927	1.7%	3,954	0.7%	3,986	0.8%	4,034	1.2%
Unemployment Rate (percent)	12.5		10.7		10.4		10.2		9.8	
Personal Income (millions of dollars)	\$342,663	3.3%	\$361,510	5.5%	\$372,355	3.0%	\$382,781	2.8%	\$400,389	4.6%
Real Personal Income (millions of 1982-84 dollars)	\$167,083	-0.7%	\$170,443	2.0%	\$171,592	0.7%	\$173,282	1.0%	\$178,030	2.7%
Wages and Salaries (millions of dollars)	\$173,642	1.7%	\$183,019	5.4%	\$188,692	3.1%	\$195,297	3.5%	\$202,913	3.9%
Detroit Consumer Price Index (1982-84 = 100)	205.1	0.8%	212.1	3.4%	217.0	2.3%	220.9	1.8%	224.9	1.8%

Table 2
January 2012 Consensus Forecast
(millions)

Net Revenue Estimates								
	FY 2011		FY 2012		FY 2013		FY 2014	
	Prelim Actual	Adjusted May 2011 Consensus	Jan 2012 Consensus	Change From May	Adjusted May 2011 Consensus	Jan 2012 Consensus	Change From May	Jan 2012 Consensus
Net GF-GP Revenue Growth	\$8,813.0 14.8%	\$8,752.5 0.8%	\$9,030.5 2.5%	\$278.0	\$8,908.1 1.8%	\$9,034.6 0.0%	\$126.5	\$9,236.0 2.2%
Net SAF Revenue Growth	\$11,248.2 4.0%	\$10,625.3 -4.6%	\$10,763.6 4.3%	\$138.3	\$10,965.2 3.2%	\$11,055.0 2.7%	\$89.8	\$11,359.5 2.8%
Combined GF-GP/SAF Growth	\$20,061.2 8.5%	\$19,377.8 -2.2%	\$19,794.1 -1.3%	\$416.3	\$19,873.3 2.6%	\$20,089.6 1.5%	\$216.3	\$20,595.5 2.5%

Revenue Limit Calculation			Long Term Revenue Trend			
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Income Ratio	\$342,302 9.49%	\$342,663 9.49%	\$362,538 9.49%	\$373,776 9.49%	\$9,527.8 3.2%	\$9,925.5 4.2%
Revenue Limit	\$32,484.5	\$32,518.7	\$34,404.9	\$35,471.3	\$11,658.8 2.6%	\$11,977.2 2.7%
Revenue Subject to Limit	\$26,333.5	\$26,354.8	\$26,842.1	\$27,581.6	\$21,186.6 2.9%	\$21,902.7 3.4%
Amount Under (Over) Limit	\$6,151.0	\$6,164.0	\$7,562.8	\$7,889.8		

Note: CY 2009 Personal Income is used for the FY 2011 revenue limit calculation, CY 2010 for FY 2012, CY 2011 for FY 2013, and CY 2012 for FY 2014.

Budget Stabilization Fund Calculation			School Aid Index		
	FY 2012 Calculations - Pay-Out	FY 2013 Calculations	FY 2014	FY 2013	FY 2014
Revenue Adjustment Factor		NO PAY-IN OR PAY-OUT		1.0239	1.0266
Pupil Membership Factor		NO PAY-IN OR PAY-OUT		1.0064	1.0045
School Aid Index		NO PAY-IN OR PAY-OUT		1.0305	1.0312

