

The group of economic leaders estimated that this year's net revenue forecast will be \$31.5 billion, which is \$883 million lower than it estimated at its first meeting of the year in January. In 2024, Friday's consensus set net revenue estimates to \$31.1 billion – \$1.8 billion less than estimated in January. By 2025, the group estimated the net revenue will be \$32.2 billion, a \$1.6 billion drop from its January estimate.

Michigan was looking at ending the current budget year with a roughly \$9 billion surplus. Now, State Budget Director Chris Harkins estimates that the surplus will be closer to \$7.5 billion. Even with these forecasts, the state is in a good position and Michigan's economy will maintain momentum.

House and Senate leaders and the Whitmer administration will take these projections to the negotiating table and create their final budget that will take effect on October 1. Between now and July 1, a bipartisan legislative committee will be formed to iron out differences between the proposed budgets from the House, Senate and Governor in the coming weeks.