



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: April 28, 2023

TO: The Honorable Sarah Anthony, Chair
Senate Appropriations Committee

The Honorable Jon Bumstead
Minority Vice Chair
Senate Appropriations Committee

The Honorable Mary Cavanagh, Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Mark Huizenga
Minority Vice Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Angela Witwer, Chair
House Appropriations Committee

The Honorable Sarah Lightner
Minority Vice Chair
House Appropriations Committee

The Honorable Will Snyder, Chair
House Appropriations Subcommittee on
Labor and Economic Opportunity

The Honorable Greg VanWoerkom
Minority Vice Chair
House Appropriations Subcommittee on
Labor and Economic Opportunity

FROM: Quentin L. Messer, Jr., President
Michigan Strategic Fund

SUBJECT: FY 2023 Business Attraction and Community Revitalization
Section 1042 Second Quarter Report

Section 1042 of Public Act 166 of 2022, the FY 2023 Omnibus Budget, requires the Michigan Strategic Fund to report quarterly on the amount of funds for Business Attraction and Community Revitalization considered appropriated, pre-encumbered, encumbered, and expended. Pursuant to this requirement, attached is the FY 2023 second quarter report.

Please contact our Office of Government Relations at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org or 517.881.5861.

Attachment

cc: Members, Senate and House Committees on Appropriations
Chris Harkins, State Budget Director
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

Michigan Strategic Fund
Section 1042 Report
FY 2023 Second Quarter Report
January 1, 2023 – March 31, 2023

Section 1042 of Public Act 166 of 2022, the FY 2023 Omnibus Budget, requires the Michigan Strategic Fund (MSF) to report quarterly on the amount of funds for Business Attraction and Community Revitalization considered appropriated, pre-encumbered, encumbered, and expended, including all previous appropriations for Business Attraction and Community Revitalization, or a predecessor, that were considered appropriated, pre-encumbered, or expended.

Funds are pre-encumbered when the MSF enters into negotiations with a company regarding an incentive. This category also includes those instances where offer letters have been issued or the MSF has approved an incentive but has not yet executed an agreement. Funds are encumbered after a formal written agreement between the MSF and a company has been fully executed. Funds are expended when the MSF determines that a company has met all requirements of a project, as set forth in the formal written agreement, and funds have been disbursed.

For FY 2023, the MSF was appropriated \$100,000,000 for Business Attraction and Community Revitalization. The amounts that have been pre-encumbered, encumbered, and expended as of March 31, 2023, including previous appropriations, are detailed in the following table.

Section 1042 also requires a list of appropriations for Business Attraction and Community Revitalization appropriated, pre-encumbered, encumbered, or expended that have lapsed back to the MSF for any purpose. In FY 2020, \$20,000,000 of appropriation year 2016 work project funds lapsed as part of the agreement between the Legislature and Governor to balance the budget.

Business Attraction and Community Revitalization through 3-31-2023

	Authorization	Expenditures	Encumbrances	PreEncumbrances	Lapsed	Remaining Balance
Closed Appropriations*	\$ 792,799,900	\$ 772,799,900	\$ -	\$ -	\$ 20,000,000	\$ -
Open Appropriations**	\$ 504,759,800	\$ 154,884,509	\$ 139,960,487	\$ 188,181,237	\$ -	\$ 21,733,567
	\$ 1,297,559,700	\$ 927,684,409	\$ 139,960,487	\$ 188,181,237	\$ 20,000,000	\$ 21,733,567

**Appropriation years 2012 through 2018*

***Appropriation years 2019 through 2023*