



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: March 1, 2024

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,
Economic Development, and Lifelong Learning

The Honorable Greg VanWoerkom
Minority Vice Chair
House Appropriations Subcommittee on Labor,
Economic Development, and Lifelong Learning

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

SUBJECT: Section 520 Annual Report on Film Incentives and Credits

Section 520 of the FY 2024 Omnibus budget requires the Michigan Strategic Fund to provide an annual report on film incentives and tax credits at the same time the report required under Section 455 of the Michigan Business Tax Act is submitted (Public Act 36 of 2007, MCL 208.1455).

Pursuant to this requirement, attached is the 2023 report. Also attached is information required under Section 521 of the FY 2024 Omnibus Budget, activities of the Michigan Film and Digital Media Office (MFDMO).

In addition, the report includes an update on the MFDMO's efforts to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives, such as its partnership with the Michigan Accelerates Computer Science (MACS) organization and associated events, including D-Hack 2022.

Please contact the MEDC Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org.

Attachments

cc: Members, Senate and House Committees on Appropriations
Members, Senate and House Appropriations Subcommittees on Labor and Economic Opportunity
Senate Democratic and Republican Policy Offices
House Democratic and Republican Policy Offices
Jen Flood, State Budget Director
Kathryn Summers, Senate Fiscal Agency
Mary Ann Cleary, House Fiscal Agency



DATE: March 1, 2024

TO: Governor Gretchen Whitmer

FROM: Selam Ghirmai, Director

SUBJECT: Michigan Film & Digital Media Office Annual Report

Section 455 of the Michigan Business Tax Act (Public Act 36 of 2007) requires the Michigan Film & Digital Media Office (MFDMO) to submit an annual report on film incentives and tax credits for the previous year. Please find attached the annual report that fulfills this requirement.

Additionally, Section 521 of the FY 2024 Omnibus Budget requires the MFDMO to report on additional activities of the office. That information is included in this report as a courtesy to you.

Also included is an update on the MFDMO's efforts to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives, including a partnership with the Michigan Accelerates Computer Science (MACS) organization and associated events, including D-HACK 2022.

Please contact the MEDC Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions.

cc: Quentin L. Messer Jr., President, Michigan Strategic Fund
Senator Mary Cavanagh, Chair, Senate Finance, Insurance, and Consumer Protection Committee
Senator Mark Huizenga, Minority Vice Chair, Senate Finance, Insurance, and Consumer Protection Committee
Representative Cynthia Neeley, Chair, House Tax Policy Committee
Representative Greg VanWoerkom, Minority Vice Chair, House Tax Policy Committee
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

MICHIGAN FILM INCENTIVES
FY 2023: October 1, 2022 – September 30, 2023

TAX CREDIT PROGRAM

As of December 31, 2011, the Film and Digital Media Production Assistance Program has been operating within the scope of Section 29 of the Michigan Strategic Fund (MSF) Act and no longer approves new film tax credit applications under Section 455 of the Michigan Business Tax Act. However, previously approved projects may be issued a post-production tax credit certificate after the project is complete. In FY 2023, there were no post-production certificates for the tax credit issued.

As of September 30, 2023, a total of \$292,416,203.19 in film tax credits have been paid out by the state, with \$27,326,404.57 in potential film tax credits that remain eligible to be claimed under the tax credit program.

CASH REBATE PROGRAM

During FY 2023, there were no Certificate of Completion requests approved and paid out by the state under the film incentive (direct cash rebate) program. These incentives are cash assistance under appropriated funding. Under Section 29 of the MSF Act, all projects approved in 2012 and thereafter are reported in the online Michigan Film and Digital Media Office Dashboard, which found at: www.michiganbusiness.org/industries/mfdmo/film.

Michigan Film & Digital Media Office Annual Report

FY 2023: October 1, 2022 – September 30, 2023

General Services Provided	
<p>For over 30 years, the Michigan Film & Digital Media Office (MFDMO) has positioned Michigan as a worldwide production destination for the film, digital media, and creative industries. Often the first point of contact for productions, the MFDMO provides the following services, creating a competitive business climate to attract domestic and international production activity from out of state and grow creative industries business of Michigan residents. These services are offered free of charge to all professional and student productions.</p>	
Website	The MFDMO's website (www.michiganbusiness.org/mifilmaddigital) is the one stop shop for all individuals working or seeking work in the creative industries. It provides detailed information for those with a general interest in the operation of the MFDMO and the services it provides.
Production Directory	A searchable online directory featuring 4,292 approved crew, gaming and vendors that provide support services for the film and digital industries.
Location Directory	A searchable online directory, which houses 5,994 locations/properties throughout the state of Michigan, is a source for film and television productions, commercials, still photography shoots, and miscellaneous events.
Location Scouting	The MFDMO provides customized location packages, primarily leveraged by outside productions that are surveying states across the nation for site selection. The office refers productions to professional resident location managers/scouts. To date, a total of 880 locations packages have been sent.
Contacts	2,795 total contacts (project, locations, etc.)
Traffic	There have been 448,106 visits to the production and location directories.
Permitting	The MFDMO assists in-state and out-of-state clients on permitting issues at the municipal, county, state, and federal levels of government.
Note	While no new credits or incentives can be offered through the Michigan Film and Digital Media Production Assistance Program, the MFDMO continues to process incentive claims for previously awarded projects.



Michigan Film & Digital Media Office

Support for D-HACK December 2022





Please note, this report on computer science education activities and events that occurred in December 2022 was shared in the FY22 Annual Report. The MFDMO's computer science activities and events that occurred in December 2023 will be reported in the FY23 Annual Report.

MICHIGAN FILM & DIGITAL MEDIA OFFICE (MFDMO) SUPPORTS D-HACK 2022

In alignment with the Michigan Economic Development Corporation (MEDC) strategic plan, the Michigan Film & Digital Media Office (MFDMO) works to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives. This includes the creation of Michigan Accelerates Computer Science (MACS) organization (co-founded with Accelerate4KIDS non-profit) and supporting of its events. MACS is a collaborative made up of public, private, education and community stakeholders to host interactive, educational events and promote the shared mission of increasing access to computer science education.

D-HACK 2022 invited Detroit Public Schools Community District (DPSCD) students interested in advancing their knowledge of computer science, marketing and entrepreneurship, to register for a Hackathon event in which teams of three, using computer software and engineering, competed to develop a Snapchat Augmented Reality Filter in 12 hours. Lieutenant Governor Gilchrist attended as the keynote speaker, at the request of the MFDMO.



3 WINNING TEAMS

1ST PLACE

Creativity Everlasting Experience (CEE)

2ND PLACE

Gestale

3RD PLACE

VBA

D-HACK

Saturday, December 3 | Ford Resource & Engagement Center

48 Detroit high school students



30 volunteers throughout the day

16 different Detroit schools



12 hours of hacking



12 teams of 3-5 students



TESTIMONIALS

"I had the opportunity to go through the volunteer training and watched the live stream throughout the day. I thought the entire event was extremely well organized and thought out. The instructional videos were easy to follow, and it was fun to watch lines of code turn into a working app. Thank, we are proud to have been a sponsor of the event, and proud to call you a board member. This event was good for the Oakland County community and good for education – thank you so much for putting it on!"

Andrea Berry, Executive Director of Oakland Schools Education Foundation

"Even though the record was not broken I believe you did a lot for the community. My granddaughter has a new respect for the coding process and was proud of her accomplishment. Thank you for bringing this to us and thank you for being on the OSEF board."

John Landis, OSEF Board of Directors

"Thank you Thanh, and the whole MACS team for such an impressive attempt!! 1633 users is SO significant, when thinking about uniting communities around computer science education in such a challenging environment. Your teamwork and dedication was inspiring! The CS First team and all the Googler volunteers are proud to be a part of this -- thank you!"

Tiffany Walter, Google Product Marketing Mgr.

"I agree that the far more important outcome of bringing people together and doing mass educational programming for 1633 people is a pretty amazing impact! Thank you for having us!"

Jasmyn Samaroo, Google Operations Mgr.

"It's obviously disappointing to hear that we didn't set the record, but you're right – we accomplished the goal of getting these great programs in front of more people. And as the adjudicator said, having over 4,000 people participate is great! It's just too bad that more people didn't "complete" the lesson. For me and my wife, it took us each a little over 30 minutes. My son took about an hour, and my daughter took about 90 minutes."

Jeff May, Accelerate4KIDS Board of Directors

