



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: January 31, 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 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 2024 Business Attraction and Community Revitalization
Section 525 First Quarter Report

Section 525 of Public Act 119 of 2023, the FY 2024 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 2024 first 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
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, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

Michigan Strategic Fund
Section 525
FY 2024 First Quarter Report
October 1, 2023 – December 31, 2023

Section 525 of Public Act 119 of 2023, the FY 2024 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 2024, 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 December 31, 2023, including previous appropriations, are detailed in the following table.

Section 525 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 December 31, 2023**

Status	Authorization	Expenditures	Encumbrances	Pre-Encumbrances	Lapsed	Remaining Balance
Closed Appropriation*	\$918,179,800	\$898,179,800	\$0	\$0	\$20,000,000	\$0
Open Appropriation**	\$479,379,900	\$115,125,297	\$196,709,016	\$167,545,588	\$0	\$0
Total:	\$1,397,559,700	\$1,013,305,097	\$196,709,016	\$167,545,588	\$20,000,000	\$0

*Appropriation years 2012 through 2019

**Appropriation years 2020 through 2023