



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: April 30, 2022

TO: The Honorable Jim Stamas, Chair
Senate Appropriations Committee

The Honorable Thomas Albert, Chair
House Appropriations Committee

The Honorable Curtis Hertel, Jr.
Minority Vice Chair
Senate Appropriations Committee
and Subcommittee on LEO/MEDC

The Honorable Joe Tate
Minority Vice Chair
House Appropriations Committee

The Honorable Terry Sabo
Minority Vice Chair
House Appropriations Subcommittee on
General Government

The Honorable Greg VanWoerkom, Chair
House Appropriations Subcommittee on
General Government

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

SUBJECT: FY 2022 Business Attraction and Community Revitalization
Section 1042 Second Quarter Report

Section 1042 of Public Act 87 of 2021, the FY 2022 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 2022 second-quarter report.

If you have any questions, please contact our Office of Government Relations at 517.335.1847.

Attachment

cc: 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 2022 Second Quarter Report
January 1, 2022 –March 31, 2022

Section 1042 of Public Act 87 of 2021, the FY 2022 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 2022, the MSF was appropriated a total of \$100,000,000 for Business Attraction and Community Revitalization. The amounts that have been pre-encumbered, encumbered, and expended as of March 31, 2022, 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 3/31/22

	Authorization	Expenditures	Encumbrances	PreEncumbrances	Lapsed	Remaining Balance
Closed Appropriations*	677,299,900	657,299,900	-	-	20,000,000	-
Open Appropriations**	520,259,800	191,630,680	130,097,487	109,602,745	-	88,928,888
	1,197,559,700	848,930,580	130,097,487	109,602,745	20,000,000	88,928,888

**Appropriation years 2012 through 2017*

***Appropriation years 2018 through 2022*