



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: October 28, 2016

TO: The Honorable Dave Hildenbrand, Chair Senate Appropriations Committee
The Honorable Al Pscholka, Chair House Appropriations Committee
The Honorable Jim Stamas, Chair Senate Appropriations Subcommittee on General Government
The Honorable Laura Cox, Chair House Appropriations Subcommittee on General Government

FROM: Jeremy Hedges
Chief Deputy Director
Department of Talent and Economic Development

SUBJECT: Fiscal Year 2016 Business Attraction and Community Revitalization
Section 1042 Quarterly Report

Section 1042 of Public Act 84 of 2015, the General Government Omnibus Budget, requires the Michigan Strategic Fund to report quarterly on the amount of funds from the Business Attraction and Community Revitalization line item considered appropriated, pre-encumbered, encumbered and expended. Pursuant to this requirement, attached is the fiscal year 2016 fourth quarter report.

If you have any questions, please contact our Office of Legislative Affairs at 517.335.1847.

Attachment

cc: John Roberts, State Budget Director
Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency



**Michigan Strategic Fund
Section 1042 Report
Fiscal Year 2016 Fourth Quarter Report
July 1, 2016 – September 30, 2016**

Section 1042 of the General Government Omnibus Budget, Public Act 84 of 2015, requires the Michigan Strategic Fund (MSF) to report quarterly on the amount of fiscal year 2016 funds for the Business Attraction and Community Revitalization line item considered appropriated, pre-encumbered, encumbered and expended.

Funds are pre-encumbered when the MSF enters into negotiations with a company regarding an incentive. This category also includes those instances where commitment 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.

In fiscal year 2016, the MSF was appropriated a total of \$114,000,000 for the Business Attraction and Community Revitalization line item. The amounts that have been pre-encumbered, encumbered and expended as of September 30, 2016, are detailed in the table below.

Section 1042 also requires a list of appropriations for the Business Attraction and Community Revitalization line item that were considered appropriated, pre-encumbered, encumbered or expended that have lapsed back to the MSF for any purpose. To date, no funds have lapsed back.

Line Item	Pre-encumbered	Encumbered	Expended	Total
Business Attraction and Community Revitalization	\$56,360,036	\$20,306,408	\$12,293,786	\$88,960,230

*Reconciled through 10/21/16, last day to record FY 16 transactions is 11/16/16