



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** October 27, 2017

**TO:** The Honorable Dave Hildenbrand, Chair Senate Appropriations Committee      The Honorable Laura Cox, Chair House Appropriations Committee

The Honorable Jim Stamas, Chair Senate Appropriations Subcommittee on General Government      The Honorable Rob VerHeulen, Chair House Appropriations Subcommittee on General Government

**FROM:** Jeff Mason, President  
Michigan Strategic Fund

**SUBJECT:** Fiscal Year 2017 Business Attraction and Community Revitalization  
Section 1042 Quarterly Report

Section 1042 of Public Act 268 of 2016, the General Government 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 fiscal year 2017 fourth quarter report.

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

Attachment

cc: Al Pscholka, State Budget Director  
Ellen Jeffries, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency



**Michigan Strategic Fund  
Section 1042 Report  
Fiscal Year 2017 Fourth Quarter Report  
July 1, 2017 – September 30, 2017**

Section 1042 of the General Government Omnibus Budget, Public Act 268 of 2016, requires the Michigan Strategic Fund (MSF) to report quarterly on the amount of fiscal year 2017 funds for Business Attraction and Community Revitalization 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 2017, the MSF was appropriated a total of \$115,499,900 for Business Attraction and Community Revitalization. The amounts that have been pre-encumbered, encumbered and expended as of September 30, 2017, are detailed in the table below.

Section 1042 also requires a list of appropriations for Business Attraction and Community Revitalization 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.

<b>Line Item</b>	<b>Pre-encumbered</b>	<b>Encumbered</b>	<b>Expended</b>	<b>Total</b>
Business Attraction and Community Revitalization	\$48,945,381.28	\$37,409,275.52	\$22,026,646.80	\$108,381,303.60

\*Reconciled through 10/20/17, last day to record FY 17 transactions is 11/15/17