



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** March 31, 2021

**TO:** The Honorable Jim Stamas, Chair  
Senate Appropriations Committee

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

The Honorable Ken Horn, Chair  
Senate Appropriations Subcommittee on  
Labor and Economic Opportunity/MEDC

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

The Honorable Thomas Albert, Chair  
House Appropriations Committee

The Honorable Joe Tate  
Minority Vice Chair  
House Appropriations Committee

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

The Honorable Luke Meerman, Chair  
Joint Committee on Administrative Rules

The Honorable Jon Bumstead, Alternate Chair  
Joint Committee on Administrative Rules

**FROM:** D. Jeffrey Noel, President  
Michigan Strategic Fund

**SUBJECT:** CY 2020 Michigan Strategic Fund Specific Policy Change Report

Section 221 of Public Act 166 of 2020, the FY 2021 Omnibus Budget, requires a report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year. Pursuant to this requirement, attached is the 2020 report for the Michigan Strategic Fund.

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

Attachment

cc: Members, Senate and House Appropriations Committees  
Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC  
Members, House Appropriations Subcommittee on General Government  
Members, Joint Committee on Administrative Rules  
Chris Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency

**Michigan Strategic Fund  
Specific Policy Change Report  
Calendar Year 2020**

Bill Number	PA No.	Effective Date	Subject	Policy Change
SB 690	123	7/1/2020	<b>Michigan Agricultural Safety Grant Program:</b> The legislature appropriated \$15 million in federal CARES Act funding to support the needs of Michigan's agricultural processors and farms in responding to COVID-19. A total of \$10 million was available to processors statewide and \$5 million was available to farms statewide. Applications were processed by East Lansing-based GreenStone Farm Credit Services.	On July 7 2020, the MSF Board approved the Agricultural Safety Grant Program as well as guidelines consistent with PA 123, and waived the MSF background review policy (Resolution 2020-085). Program information and award details are available at <a href="https://www.michiganbusiness.org/agsafety/">https://www.michiganbusiness.org/agsafety/</a> .
SB 690	123	7/1/2020	<b>Michigan Small Business Restart Grant Program:</b> The legislature appropriated \$100 million in federal CARES Act funding to reduce the economic impact of the ongoing pandemic on Michigan small businesses and workers. The MSF was charged with creating and operating the program in coordination with local economic development organizations (EDOs). The program is similar to the Michigan Small Business Relief Program (MSBRP) launched by the MEDC in March 2020.	On July 7, 2020, the MSF Board approved the Restart Program as well as guidelines consistent with PA 123, and allocations to local EDOs (Resolution 2020-086). Program information and award details are available at <a href="https://www.michiganbusiness.org/restart/">https://www.michiganbusiness.org/restart/</a> .
HB 5265	144	7/31/2020	<b>Michigan Small Business Restart Grant Program:</b> Since enactment of the PA 123, appropriation legislation was enacted that included provisions allowing eligibility of previously prohibited MSBRP grant recipients under the Restart Program, provided the aggregate grant amount for such prior recipients under the Restart Program and MSBRP does not exceed \$20,000.	On July 23, 2020, the MSF Board approved amendments to the July 7, 2020, guidelines to make changes consistent with Act 144 (Resolution 2020-094). (Note: The resolution was adopted contingent upon the governor signing the bill.)
HB 5396	166	9/30/2020	<b>Coronavirus Relief Fund Grants:</b> The FY 2021 Omnibus Budget appropriated \$10 million as one-time appropriations and authorized distribution of funding to eight organizations that are summarized in the bill.	On October 27, 2020, the MSF Board approved the Coronavirus Relief Grants consistent with PA 166 and waived the MSF background review policy (Resolution 2020-139).
HB 6119	205	10/15/2020	<b>Convention Center COVID-19 Relief Program:</b> The State Convention Facility Development Act was amended to transfer \$10 million from the Conventional Facility Development Fund to the General Fund in the fiscal year ending September 30, 2020, with up to \$4 million distributed to the MSF to award grants to qualified convention centers.	On October 27, 2020, the MSF Board approved program guidelines consistent with PA 205 and delegation of authority for the MSF Fund Manager and MSF President to approve awards under the program (Resolution 2020-137).
SB 748	257	12/29/2020	<b>Michigan Stages Survival Grant Program:</b> The legislature appropriated \$3.5 million to provide relief funding to help meet the urgent needs of live music and entertainment venues impacted by the COVID-19 virus and recent MDHHS epidemic orders.	On January 14, 2021, the MSF Board approved funding, program guidelines, waived the MSF background review policy, and authorized the Michigan Independent Venue and Promoter Association (MIVPA) to administer the program (Resolution 2021-001). Program information and award details are available at <a href="https://www.michiganbusiness.org/stages/">https://www.michiganbusiness.org/stages/</a> .
SB 748	257	12/29/2020	<b>Michigan Small Business Survival Grant Program:</b> The legislature appropriated \$55 million to support the needs of small businesses that experienced a significant financial hardship due to the COVID-19 emergency "gatherings and face mask order" issued by MDHHS. The MSF was charged with creating and operating the program in coordination with local economic development organizations (EDOs).	On January 14, 2021, the MSF Board approved funding allocations, program guidelines, and waived the MSF background review policy (Resolution 2021-002). Program information and award details are available at <a href="http://www.michiganbusiness.org/survival">www.michiganbusiness.org/survival</a> .
SB 54	343	12/30/2020	<b>Historic Preservation Tax Credits:</b> The enacted legislation amended the Income Tax Act to reinstate a state level income tax credit for the rehabilitation of certain historic buildings. It includes both personal and business income tax credits and is available to the owners of personal residential and commercial properties. The Michigan State Historic Preservation Office (SHPO) may promulgate rules and collect fees to administer the program.	SHPO was in the process of developing rules for adoption by the MSF Board before going through the state rule making process. However, in doing so, it became apparent that, in its current form, the enacted legislation does not provide specific direction in a couple of areas, making the program difficult to implement and administer. The bill sponsor recently indicated he will work with Treasury and SHPO to address these issues in new legislation that will be introduced in 2021. Rule development is on hold pending approval of the new legislation.