



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** October 28, 2020

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

The Honorable Curtis Hertel, Jr.  
Minority Vice Chair  
Senate Appropriations Committee

The Honorable Roger Victory, Chair  
Senate Appropriations Subcommittee on  
General Government

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

The Honorable Shane Hernandez, Chair  
House Appropriations Committee

The Honorable Jon Hoadley  
Minority Vice Chair  
House Appropriations Committee

The Honorable Mark Huizenga, Chair  
House Appropriations Subcommittee on  
General Government

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

**FROM:** Mark Burton, President  
Michigan Strategic Fund

**SUBJECT:** FY 2020 Business Attraction and Community Revitalization  
Section 1042 Fourth Quarter Report

Section 1042 of Public Act 56 of 2019, the General Government 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 2020 fourth quarter report.

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

Attachment

cc: Chris Kolb, State Budget Director  
Chris Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency



**Michigan Strategic Fund**  
**Section 1042 Report**  
**Fiscal Year 2020 Fourth Quarter Report**  
**July 1, 2020 – September 30, 2020**

Section 1042 of the General Government Budget, Public Act 56 of 2019, 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 fiscal year 2020, the MSF was appropriated a total of \$79,379,900 for Business Attraction and Community Revitalization. The amounts that have been pre-encumbered, encumbered and expended as of September 30, 2020, 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 fiscal year 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.

**Michigan Strategic Fund**  
**Business Attraction and Community Revitalization through 9/30/2020**

	<b>Authorization</b>	<b>Expenditures</b>	<b>Encumbrances</b>	<b>Pre-encumbrances</b>	<b>Lapsed</b>	<b>Remaining Balance</b>
<b>Closed Appropriations*</b>	\$ 447,800,000.00	\$ 447,800,000.00	\$ -	\$ -	\$ -	\$ -
<b>Open Appropriations**</b>	\$ 549,759,700.00	\$ 268,136,022.00	\$ 181,314,995.00	\$ 69,404,647.00	\$ 20,000,000.00	\$ 10,904,036.00
	<b>\$ 997,559,700.00</b>	<b>\$ 715,936,022.00</b>	<b>\$ 181,314,995.00</b>	<b>\$ 69,404,647.00</b>	<b>\$ 20,000,000.00</b>	<b>\$ 10,904,036.00</b>

*\*Appropriation years 2012 through 2015*

*\*\*Appropriation years 2016 through 2020*