



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** January 29, 2021

**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 Roger Victory, Chair  
Senate Appropriations Subcommittee on  
General Government

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

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

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

**SUBJECT:** FY 2021 Business Attraction and Community Revitalization  
Section 1042 First Quarter Report

Section 1042 of Public Act 166 of 2020, the FY 2021 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 2021 first quarter report.

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

Attachment

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



**Michigan Strategic Fund**  
**Section 1042 Report**  
**FY 2021 First Quarter Report**  
**October 1, 2020 – December 31, 2020**

Section 1042 of Public Act 166 of 2020, the FY 2021 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 2021, 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 December 31, 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 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.

**Michigan Strategic Fund**  
**Business Attraction and Community Revitalization through 12/31/2020**

	<b>Authorization</b>	<b>Expenditures</b>	<b>Encumbrances</b>	<b>PreEncumbrances</b>	<b>Lapsed</b>	<b>Remaining Balance</b>
<b>Closed Appropriations*</b>	\$ 561,800,000.00	\$ 541,800,000.00	\$0.00	\$ -	\$ 20,000,000.00	\$ -
<b>Open Appropriations**</b>	\$ 535,759,700.00	\$ 211,952,812.13	\$155,937,498.98	\$ 79,770,575.00	\$ -	\$ 88,098,813.89
	<b>\$ 1,097,559,700.00</b>	<b>\$ 753,752,812.13</b>	<b>\$155,937,498.98</b>	<b>\$ 79,770,575.00</b>	<b>\$ 20,000,000.00</b>	<b>\$ 88,098,813.89</b>

*\*Appropriation years 2012 through 2016*

*\*\*Appropriation years 2017 through 2021*