



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: January 30, 2026

To: Sen. Sarah Anthony, Chair, Senate Appropriations Committee

Sen. Jon Bumstead, Minority Vice Chair, Senate Appropriations Committee

Sen. Mary Cavanagh, Chair, Senate Appropriations Subcommittee on LEO/MEDC

Sen. Mark Huizenga, Minority Vice Chair, Senate Appropriations Subcommittee on LEO/MEDC

Rep. Ann Bollin, Chair, House Appropriations Committee

Rep. Nancy Jenkins-Arno, Chair, House Appropriations Subcommittee on Labor and Economic Opportunity

Rep. Jasper Martus, Minority Vice Chair, House Appropriations Subcommittee on Labor and Economic Opportunity

From: Quentin L. Messer, Jr., President, Michigan Strategic Fund

Subject: **FY 2026 Business Attraction and Community Revitalization First Quarter Funds Status Report – Public Act 22 of 2025, Section 519**

Section 519 of Public Act 22 of 2025 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 (FY) 2026 first quarter report.

For questions, please contact our Office of Legislative Affairs at medcgovrelations@michigan.org. You may also contact me directly at messerq@michigan.org.

Attachment

cc: Members, House and Senate Appropriations Committees
Members, House and Senate Appropriations Subcommittee on Labor and Economic Opportunity
House and Senate Policy Offices

Directors, House and Senate Fiscal Agencies
Director, State Budget Office

Michigan Strategic Fund
Business Attraction and Community Revitalization Funds Status Report
FY 2026 First Quarter
Public Act 22 of 2025, Section 519

Section 519 of Public Act 22 of 2025 requires the Michigan Strategic Fund (MSF) to report quarterly on the amount of funds for business attraction and community revitalization considered, 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 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 2026, the MSF was appropriated \$59,350,000 for business attraction and community revitalization. The amounts that have been pre-encumbered, encumbered, and expended as of December 31, 2025, including previous appropriations, are detailed in the following table.

Section 519 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 the governor to balance the budget. Starting in FY 2022, a small amount of work project funds has lapsed due to the process done in SIGMA to record work project authorization. As of FY 2026, a total of \$5.00 has lapsed for appropriation years 2018 through 2022.

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Status	Authorization	Expenditures	Encumbrances	Pre-Encumbrances	Lapsed	Remaining Balance
Closed Appropriation*	\$1,197,559,700	\$1,177,559,695	\$0	\$0	\$20,000,005	\$0
Open Appropriation**	\$359,350,000	\$66,622,732	\$150,688,671	\$65,380,769	\$0	\$76,657,828
Total:	\$1,556,909,700	\$1,244,182,427	\$150,688,671	\$65,380,769	\$20,000,005	\$76,657,828

*Appropriation years 2012 through 2022

**Appropriation years 2023 through 2026