



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: January 31, 2025

TO: The Honorable Sarah Anthony, Chair
Senate Appropriations Committee

The Honorable Ann Bollin, Chair
House Appropriations Committee

The Honorable Jon Bumstead
Minority Vice Chair
Senate Appropriations Committee

The Honorable Alabas Farhat
Minority Vice Chair
House Appropriations Committee

The Honorable Mary Cavanagh, Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Nancy Jenkins-Arno, Chair
House Appropriations Subcommittee on Labor
and Economic Opportunity

The Honorable Mark Huizenga
Minority Vice Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Jasper Martus
Minority Vice Chair
House Appropriations Subcommittee on
Labor and Economic Opportunity

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

RE: FY 2025 Business Attraction and Community Revitalization Funds Status Report
Section 519 - First Quarter

Section 519 of Public Act 121 of 2024, the FY 2025 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 2025 first quarter report.

Please contact our Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org.

Attachment

cc: Members, Senate Appropriations Committee
Members, House Appropriations Committee
Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC
Members, House Appropriations Subcommittee on Labor and Economic Opportunity
Senate Democratic and Republican Policy Offices
House Democratic and Republican Policy Offices
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Jen Flood, State Budget Director

Michigan Strategic Fund
Section 519
FY 2025 First Quarter Report
October 1, 2024 – December 31, 2024

Section 519 of Public Act 121 of 2024, the FY 2025 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 2025, the MSF was appropriated \$100,000,000 for Business Attraction and Community Revitalization. The amounts that have been pre-encumbered, encumbered, and expended as of December 31, 2024, 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 Governor to balance the budget. In FY 2023, \$1.65 of appropriation year 2019 work project funds lapsed due to the process done in SIGMA to record work project authorization.

**Business Attraction and Community Revitalization Funds Status Report
FY25 First Quarter**

Status	Authorization	Expenditures	Encumbrances	Pre-Encumbrances	Lapsed	Remaining Balance
Closed Appropriation*	\$1,097,559,700	\$1,077,559,696	\$0	\$0	\$20,000,004	\$0
Open Appropriation**	\$400,000,000	\$75,712,214	\$163,028,079	\$5,182,500	\$0	\$156,077,207
Sum:	\$1,497,559,700	\$1,153,271,909	\$163,028,079	\$5,182,500	\$20,000,004	\$156,077,207

*Appropriation years 2012 through 2021

**Appropriation years 2022 through 2025