



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** July 31, 2023

**TO:** The Honorable Sarah Anthony, Chair  
Senate Appropriations Committee

The Honorable Jon Bumstead  
Minority Vice Chair  
Senate Appropriations Committee

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

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

The Honorable Angela Witwer, Chair  
House Appropriations Committee

The Honorable Sarah Lightner  
Minority Vice Chair  
House Appropriations Committee

The Honorable Will Snyder, Chair  
House Appropriations Subcommittee on  
Labor and Economic Opportunity

The Honorable Greg VanWoerkom  
Minority Vice Chair  
House Appropriations Subcommittee on  
Labor and Economic Opportunity

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

**SUBJECT:** FY 2023 Business Attraction and Community Revitalization  
Section 1042 Third Quarter Report

Section 1042 of Public Act 166 of 2022, the FY 2023 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 2023 third quarter report.

Please contact our Office of Government Relations at [medcgovrelations@michigan.org](mailto:medcgovrelations@michigan.org) if you have any questions. In addition, please do not hesitate to contact me at [messerq@michigan.org](mailto:messerq@michigan.org) or 517.881.5861.

Attachment

cc: Members, Senate and House Committees on Appropriations  
Chris Harkins, State Budget Director  
Kathryn Summers, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency

**Michigan Strategic Fund  
Section 1042 Report  
FY 2023 Third Quarter Report  
April 1, 2023 – June 30, 2023**

Section 1042 of Public Act 166 of 2022, the FY 2023 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 2023, 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 June 30, 2023, 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.

**Business Attraction and Community Revitalization through 6-30-2023**

	<b>Authorization</b>	<b>Expenditures</b>	<b>Encumbrances</b>	<b>PreEncumbrances</b>	<b>Lapsed</b>	<b>Remaining Balance</b>
<b>Closed Appropriations*</b>	\$792,799,900	\$772,799,900	\$0	\$0	\$20,000,000	\$0
<b>Open Appropriations**</b>	\$504,759,800	\$187,943,150	\$155,815,504	\$161,001,146	\$0	\$0
	<b>\$1,297,559,700</b>	<b>\$960,743,050</b>	<b>\$155,815,504</b>	<b>\$161,001,146</b>	<b>\$20,000,000</b>	<b>\$0</b>

*\*Appropriation years 2012 through 2018*

*\*\*Appropriation years 2019 through 2023*