



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** October 31, 2024

**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,  
Economic Development, and Lifelong Learning

The Honorable Greg VanWoerkom  
Minority Vice Chair  
House Appropriations Subcommittee on Labor,  
Economic Development, and Lifelong Learning

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

**RE:** FY 2024 Business Attraction and Community Revitalization  
Section 525 Fourth Quarter Report

Section 525 of Public Act 119 of 2023, the FY 2024 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 2024 fourth quarter report.

Please contact our Office of Legislative Affairs 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).

Attachment

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

**Michigan Strategic Fund**  
**Section 525**  
**FY 2024 Fourth Quarter Report**  
**October 1, 2023 – September 30, 2024**

Section 525 of Public Act 119 of 2023, the FY 2024 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 2024, 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 September 30, 2024, including previous appropriations, are detailed in the following table.

Section 525 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.

**FY24 Q4 Business Attraction and Community Revitalization Funds Status Report  
through September 30, 2024**

<b>Status</b>	<b>Authorization</b>	<b>Expenditures</b>	<b>Encumbrances</b>	<b>Pre-Encumbrances</b>	<b>Lapsed</b>	<b>Remaining Balance</b>
Closed Appropriation*	\$918,179,800.00	\$898,179,798.35	\$0.00	\$0.00	\$20,000,001.65	\$0.00
Open Appropriation**	\$479,379,900.00	\$230,893,649.86	\$183,491,242.73	\$64,995,007.41	\$0.00	\$0.00
<b>Total:</b>	<b>\$1,397,559,700.00</b>	<b>\$1,129,073,448.21</b>	<b>\$183,491,242.73</b>	<b>\$64,995,007.41</b>	<b>\$20,000,001.65</b>	<b>\$0.00</b>