



MICHIGAN LEGISLATURE

July 21, 2022

Mr. Chris Harkins, Director
Office of the State Budget
Department of Technology, Management, and Budget
6th Floor Romney Building
Lansing, MI 48090

Dear Director Harkins,

For your information, the attached transfer package has been approved by a majority of the members of both the House and Senate Appropriations Committees.

The transfers approved are from the Office of the State Budget letter dated June 2, 2022, Legislative Transfer Request 2022-4. The transfer is for Labor and Economic Opportunity.

If you need further information, please do not hesitate to contact us.

Sincerely,

Two handwritten signatures in black ink. The signature on the left is "Thomas A. Albert" and the signature on the right is "Jim Stamas".

Thomas Albert, Chair
House Appropriations Committee

Jim Stamas, Chair
Senate Appropriations Committee

FINAL LEGISLATIVE TRANSFER PACKAGE



Mary Ann Cleary, Director
Viola Bay Wild, Transfer Coordinator
Compiled by Tumai Burris, Budget Assistant

Summary Sheet

SBO LETTER: 2022-4
June 2, 2022

| Department | Analyst | Page | Total Transfer |
|--------------------------------|----------------|------|----------------------|
| Labor and Economic Opportunity | Viola Bay Wild | 1 | \$100,800,000 |
| Total | | | \$100,800,000 |

2022-4 Legislative Transfers

| Budget | Year-to-Date Total Approps | Contingency Fund Transfers (Increases Budget) | | | | | | % Budget Increased | |
|--------------------------------|-------------------------------|---|------------|------------|------------|----------------------|------------|-----------------------|--------------|
| | | IDG | Federal | Local | Private | Restricted | GF/GP | | TOTAL |
| Labor and Economic Opportunity | 4,426,922,600 | | | | | 100,800,000 | | 100,800,000 | 2.28% |
| TOTAL* | \$78,208,313,400 | \$0 | \$0 | \$0 | \$0 | \$100,800,000 | \$0 | \$100,800,000 | 0.13% |

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$100,800,000**

S.B.O. LETTER: **6/2/22**
 S.B.O. REQUEST: **2022-4**
 ANALYST: **Viola Bay Wild**

| TRANSFER ITEMS | Y-T-D AUTH. | Y-T-D EXPEND. & ENCUMB. AS OF 6/14/22 | BALANCE AVAILABLE AS OF 6/14/22 | GOV'S REC. 6/2/22 | HOUSE ACTION 6/15/22 | SENATE ACTION 6/23/22 |
|---|----------------|--|---------------------------------------|-------------------------|----------------------------|-----------------------------|
| FROM: PUBLIC ACT 87 OF 2021, ARTICLE 5 SEC. 980(2) | | | | | | |
| Contingency funds | 338,900,000 | NA | NA | (100,800,000) | (100,800,000) | (100,800,000) |
| Funding source: | | | | | | |
| Total state restricted revenues | 338,900,000 | NA | NA | (100,800,000) | (100,800,000) | (100,800,000) |
| TO: SEC. 109(12). ONE-TIME APPROPRIATIONS | | | | | | |
| Critical industry program | 600,000,100 | 0 | 600,000,100 | 100,800,000 | 100,800,000 | 100,800,000 |
| Funding source: | | | | | | |
| Strategic outreach and attraction reserve fund | 600,000,100 | 0 | 600,000,100 | 100,800,000 | 100,800,000 | 100,800,000 |

This transfer provides \$100.8 million in state restricted contingency authorization to the Critical Industry Program (CIP) pursuant to Sec. 301 of 2021 PA 132. Funds are transferred to the Critical Industry Program for an investment project involving Ford Motor Company. Funding is available in the Strategic Outreach and Attraction Reserve Fund (SOAR), created in 2021 PA 137, and capitalized in 2021 PA 132. After the previous SOAR transfer (Transfer Request 2022-1 approved in March 2022), there is \$333.9 million restricted funding remaining in the fund. This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR fund in its enacting legislation.

The Michigan Strategic Fund (MSF) Board approved performance-based incentives for the project on June 2, 2022. The project secures an up to \$1.16 billion capital investment in Michigan by Ford Motor Company to increase capacity to produce new battery electric vehicles, make capital investments to existing internal combustion engine manufacturing, and construct a new packaging facility. According to the MSF, it is estimated that these investments will create a minimum of 3,030 jobs in Michigan. The \$100.8 million transfer to the CIP will support investments at the following five sites (four existing and one new site): Rouge Electrical Vehicle Center, Michigan Assembly Plant, Monroe Packaging Center (new), Rawsonville Plant, and Livonia Transmission.