

MSF/MEDC Fiscal Impact of House Roads Proposal

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Proposed Redirection

- **HB 4607 – 21st Century Jobs Fund** **(\$75M)**
- **HB 4608 – Corporate Fund Revenues** **(\$60M)**
 - Casino Revenues **(\$45M)**
 - Other Sources **(\$15M)**

Corporate Revenues (\$60M)

Programs Eliminated

- Automotive initiatives
- Trade missions
- Tribal business development
- Regional collaboration agreements
- Community Development Programs
- Pure Michigan Business Connect
- Strategic Service Providers (SBDC, CDC)
- Defense Center (Protect and Grow Initiative – aka BRAC)
- Federal Matching Funds (ALMMII, UMTRI, IACMI)
- Sponsorships

These initiatives are being eliminated as part of the 2025 budget process.

21st Century Jobs Fund (\$75M)

Programs Funded by the 21st Century Jobs Fund

- **Pure Michigan Travel & Tourism (All funding)**
- **Entrepreneurial Support (All Funding)**
- **Business and Community Incentives (Partial Funding)**

- In order to stabilize Pure Michigan Funding and provide consistency, the 21st Century Jobs Fund was amended in 2011 by HB 4160 (Schmidt) to make marketing for tourism and business an allowable expense.
- These programs have been funded by the 21st Century Jobs Fund in the FY 2012-2015 budgets and in the FY 2016 budget agreement.

Jobs for Michigan Investment Fund

- The Jobs for Michigan Investment Fund was created in statute, as a permanent fund according to the Michigan Constitution, in 2005 and is housed within the Michigan Strategic Fund as a revolving investment fund.
- Annual revenues to the Permanent Fund are extremely inconsistent and depend on the terms of various investments.

2015 Spending Plan

- Economic Development Contingency Fund
- Debt/Private Equity Fund
- Michigan Supplier Diversification Fund
- Venture Capital Fund (later withdrawn)

	\$15.0M
	\$22.5M
	\$15.0M
	<u>\$22.5M</u>
TOTAL:	\$75.0M

2016 Projected Revenue

- Casino Revenues
- Investment Returns

	\$15.3M
	<u>\$10.0M</u>
TOTAL:	\$25.3M

Remaining Programs (\$211M)

• Operations, Staff and Compliance	\$21M
• Community Ventures	\$9.8M
• Business Attraction/Community Revitalization (18% Reduction)	\$93.4M
• Michigan Film Office	\$0.6M
• Community Development Block Grants (Federal)	\$47M
• Arts and Cultural Program (MCACA)	\$10M
• Community College Equipment Program Debt Service	\$4.6M
• Permanent Fund Expenditures	<u>\$25M</u>
	Total: \$211.4M