



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

GRETCHEN WHITMER  
GOVERNOR

JENNIFER L. FLOOD  
DIRECTOR

December 10, 2024

The Honorable Sarah Anthony, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Angela Witwer, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Legislative Transfer Request 2025-3

I recommend the following fiscal year 2025 legislative transfers for your approval. These transfers are in accordance with section 393(2) of Act No. 431, P.A. 1984, as amended and are recommended for approval by the House and Senate Appropriations Committees.

The following information summarizes the transfer recommendations:

<u>Department</u>	<u>Transfer Amount</u>
Labor and Economic Opportunity	\$127,700,000
<b>Total</b>	<b>\$127,700,000</b>

If you have any questions regarding this request, please contact my office at (517) 335-3420.

Sincerely,

Jennifer L. Flood  
State Budget Director

Attachment

cc: Winnie Brinks, Senate Majority Leader  
Joe Tate, Speaker of the House  
Aric Nesbitt, Senate Minority Leader  
Matt Hall, House Minority Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency  
House Fiscal Agency

Departments  
JoAnne Huls, Chief of Staff  
Tricia Foster, Chief Operating Officer  
Zack Pohl, Deputy Chief of Staff  
Patti Tremblay, Director of Legislative Affairs  
Kyle Guerrant, Deputy State Budget Director  
Heather Boyd, Office of Financial Management  
Internal State Budget Office

**Report ID:** BUD-TRNLET-0046

**SIGMA**

**Run Date:** 12/05/2024

**Transfer Letter Detail**

**Run Time:** 4:30:49 PM

**Legislative Transfer**

**Letter # 2025-3**

**Labor and Economic Opportunity**

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(27,700,000)
State restricted contingency revenues 376	2015	STRS	(27,700,000)

**TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE**

Critical industry program	38773		27,700,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	27,700,000

This transfer provides \$27.7 million in state restricted contingency authorization to the Critical Industry Program (CIP) pursuant to Article 9, Sec. 210 of PA 121 of 2024. Funds are transferred into the CIP to support a grant to Detroit Diesel Corporation to modernize and enhance the company's current plant located in Redford Charter Township and the City of Detroit to maintain its existing production capacity while expanding and equipping it to manufacture electric components for medium and heavy-duty electric trucks.

The Michigan Strategic Fund (MSF) Board approved performance-based incentives for this project on December 10, 2024. The project secures up to \$285 million in capital investment in the Township of Redford, Wayne County, preserves more than 2,000 jobs at the facility while creating up to 436 new hourly and salaried positions. This CIP grant, in addition to the other incentives approved by the MSF Board, will position the site as a potential cornerstone for future zero-emission vehicle (ZEV) component manufacturing within the company's wide-ranging footprint, reinforcing its role in Michigan's automotive future.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR). This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR transfers of \$50 million and \$120 million requested on December 3, 2024 (transfer letter 2025-2), are pending with the Legislature. In addition, this transfer request includes a separate SOAR transfer of \$100 million that has also been recommended. If all transfers are approved, there would be \$406.4 million remaining in the SOAR fund to support future transfers.

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**Legislative Transfer**

**Letter # 2025-3**

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(100,000,000)
State restricted contingency revenues 376	2015	STRS	(100,000,000)

**TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE**

Michigan strategic site readiness program	54315		100,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	100,000,000

This transfer provides \$100 million in state restricted contingency authorization to the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Article 9, Sec. 210 of PA 121 of 2024. Funds are transferred into the MSSRP to support a grant to the University of Michigan for site development, construction, and other related eligible activities under the MSSRP necessary to construct at least two state-of-the-art advanced computing facilities in Ypsilanti, Michigan. One of the facilities will be utilized primarily by the university and the other is intended to be used by Los Alamos National Laboratory (LANL) for advanced research.

The Michigan Strategic Fund (MSF) Board approved the MSSRP performance-based grant for this project on December 10, 2024. The total cost of the project is expected to exceed \$1.2 billion, and the project is expected to become fully operational by 2030. The development of the project is expected to create highly skilled federal research lab positions and provide a significant attraction opportunity for out-of-state companies that are interested in partnering with LANL or the university. This project supports the state's growing artificial intelligence ecosystem and the investment positions Michigan for additional anticipated federal investments to support artificial intelligence research hubs across the country.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR). This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR transfers of \$50 million and \$120 million requested on December 3, 2024 (transfer letter 2025-2), are pending with the Legislature. In addition, this transfer request includes a separate SOAR transfer of \$27.7 million that has also been recommended. If all transfers are approved, there would be \$406.4 million remaining in the SOAR fund to support future transfers.

