



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

CHRISTOPHER M. HARKINS
DIRECTOR

June 2, 2022

The Honorable Jim Stamas, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Thomas Albert, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Legislative Transfer Request 2022-4

I recommend the following fiscal year 2022 legislative transfer for your approval. This transfer is in accordance with section 393(2) of Act No. 431, P.A. 1984, as amended and is recommended for approval by the House and Senate Appropriations Committees.

The following information summarizes the transfer recommendation:

<u>Department</u>	<u>Transfer Amount</u>
Labor and Economic Opportunity	\$100,800,000

Sincerely,

Christopher M. Harkins
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Jason Wentworth, Speaker of the House
Jim Ananich, Senate Minority Leader
Donna Lasinski, 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
Jen Flood, Deputy Chief of Staff
Bethany Wicksall, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-TRNLET-0046

SIGMA

Run Date: 05/31/2022

Transfer Letter Detail

Run Time: 2:13:00 PM

Legislative Transfer

Letter # 2022-4

Labor and Economic Opportunity

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	B24000		(100,800,000)
State restricted contingency revenues 376	2015	STRS	(100,800,000)

TO: ONE-TIME APPROPRIATIONS

Critical industry program	T38773		100,800,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	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 PA 132 of 2021. Funds are transferred to the Critical Industry Program in support of a transformational investment project involving Ford Motor Company. Revenue to support this transfer is available in the Strategic Outreach and Attraction Reserve Fund (SOAR), created in PA 137 of 2021, and capitalized in PA 132 of 2021. After the previous SOAR transfer (approved in March 2022), there is \$333.9 million remaining to support this request. 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 Board approved performance-based incentives for the aforementioned 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. These investments will create a minimum of 3,030 jobs in the State. The \$100.8 million transfer to the CIP will support the creation of new jobs 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.