



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

GRETCHEN WHITMER  
GOVERNOR

CHRISTOPHER M. HARKINS  
DIRECTOR

September 7, 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 2022-5

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	\$27,000,000

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

Legislative Transfer

Letter # 2022-5

Labor and Economic Opportunity

FROM: BOILERPLATE APPROPRIATIONS

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

TO: ONE-TIME APPROPRIATIONS

Michigan strategic site readiness program	T54315		27,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	27,000,000

This transfer provides \$27 million in state restricted contingency authorization to the Strategic Site Readiness Program (SSRP) pursuant to Sec. 301 of PA 132 of 2021. Funds are transferred to the Strategic Site Readiness Program in support of a grant to Thomas Township, Saginaw County for a transformational investment project involving Hemlock Semiconductor Operations. 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 previously approved SOAR transfers from March and June 2022, there is \$233.1 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 September 7, 2022. The grant to Thomas Township secures an up to \$375 million investment in Michigan by Hemlock Semiconductor Operations (HSC), the longest operating, and only domestically headquartered manufacturer of polysilicon in the world. This capital investment will bring long-term economic opportunity and security in the semiconductor industry and create up to 170 new jobs in Thomas Township, Saginaw County. The \$27 million transfer to the SSRP will support the expansion of sanitary sewer infrastructure capacity in Thomas Township and Saginaw Township, without which HSC's planned capital investments cannot move forward. These infrastructure upgrades will create the necessary conditions for HSC's \$375 million capital investment that will expand polysilicon manufacturing capacity for HSC's semiconductor and solar operations, and ensure HSC continues to produce this critical material in Michigan.