



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

JENNIFER L. FLOOD
DIRECTOR

December 02, 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: Administrative Transfer Request 2025-1

The attached administrative transfer for fiscal year 2025 is in accordance with section 822j(3) of Act No. 121, P.A. 2024. The act provides that transfers may be effective 30 days after notifying the Senate and House Appropriations committees.

The following information summarizes the transfer:

<u>Department</u>	<u>Transfer Amount</u>
Technology, Management and Budget	\$166,265,800
Total	\$166,265,800

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 Guarrant, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-TRNLET-0046**Run Date:** 12/02/2024**Run Time:** 1:49:49 PM**SIGMA****Transfer Letter Detail****Administrative Transfer****Letter # 2025-1****Technology, Management and Budget****FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(166,265,800)
State restricted contingency revenues	1441	STRS	(166,265,800)

TO: SPECIAL PROGRAMS

Make it in Michigan	52330		166,265,800
Make it in Michigan competitiveness fund	1596	STRS	166,265,800

Consistent with Section 822j, Article 5 of Public Act 121 of 2024, this transfer requests \$166.3 million from the Make it in Michigan Competitiveness Fund (MIIMCF) to leverage federal funding opportunities, including but not limited to those contained in the Bipartisan Infrastructure Law (BIL), the Inflation Reduction Act (IRA), and the CHIPS and Science Act (CHIPS) to support 14 strategic investments:

1. \$50 million will be used by the grant recipient (Revex Technologies, Inc - Houghton) to support critical next-generation mineral processing of nickel that once refined will be able to create 4.5 million EV batteries over the next decade, with 335 jobs expected to be created. Combined with \$134.4 million in private funding, the MIIMCF grant will be used to leverage \$145 million in federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$329.4 million.

2. \$40 million will be used by the grant recipient (Hemlock Semiconductor - Hemlock) to construct a new manufacturing facility to increase the production capacity of hyper-pure semiconductor-grade polysilicon, with 150 jobs expected to be created. Combined with \$407 million in private funding, the MIIMCF grant will be used to leverage \$325 million in federal funding from the CHIPS Incentives Program - Commercial Fabrication Facilities program. The total estimated cost of this project is \$772 million.

3. \$25 million will be used by the grant recipient (Mitra Future Technologies, Inc. - Muskegon) to support AmPLIFI (American Production of Lithium Iron Phosphate and Future Innovation), an ambitious project for domestic manufacturing of lithium iron phosphate (LFP) cathode active materials for energy storage systems (ESS) and electric vehicle (EV) applications, with nearly 780 jobs expected to be created. Combined with \$221 million in private funding, the MIIMCF grant will be used to leverage \$100 million in federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$346 million.

4. \$15 million will be used by the grant recipient (Nanograp - Flint) to support the establishment of a state-of-the-art silicon monoxide (SiO) anode manufacturing facility that will strengthen domestic supply chains and markets by onshoring battery materials, with 200 jobs expected to be created. Combined with \$85 million in private funding, the MIIMCF grant will be used to leverage \$60 million in federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$160 million.

5. \$10 million will be used to create a Michigan Climate Investment Fund (MCIF). Administered by the Department of Environment, Great Lakes, and Energy (EGLE), MCIF resources will be used to increase the number of Michigan-based community lenders that can provide financing for clean technology projects in low-income and disadvantaged communities. This effort is expected to generate \$200 million in investment and 5,000 jobs when fully implemented as part of utilizing a new \$6 billion Clean Communities Investment Accelerator (CCIA) program in the IRA

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6. \$9.2 million will be used by the Department of Labor and Economic Opportunity (LEO) (in partnership with the Michigan Manufacturing Technology Center, the Michigan Small Business Development Center, and the Centrepolis Accelerator) to help at-risk auto manufacturers retool facilities and retrain workforces to support domestic production of electric vehicles and components. Combined with \$9.2 million in private funding, the MIIMCF grant will be used to leverage \$18.4 million in federal funding from the Domestic Manufacturing Conversion Grants for Electrified Vehicles: State Partnerships for Small and Medium Sized Manufacturers (SMMs) in the IRA. The total estimated cost of this project is \$36.8 million.

7. \$7.6 million will be used by the grant recipient (ZF North America, Inc. - Marysville) to create and expand e-beam production capacity by retrofitting an existing manufacturing facility, with nearly 200 jobs expected to be created. Combined with \$78.8 million in private funding, the MIIMCF grant will be used to leverage \$119 million in federal funding from the Domestic Manufacturing Conversion Grant Program in the IRA. The total estimated cost of this project is \$205 million.

8. \$6.5 million will be used by the grant recipient (Michigan Community Capital - Lansing) for mixed-use housing projects to revitalize downtown neighborhoods through the New Markets Tax Credit program, thereby contributing to the statewide goal of creating or preserving 75,000 housing units across the state. Combined with \$48.5 million in private funding, the MIIMCF grant will be used to leverage \$65 million in federal funding from section 45D in the IRS Internal Revenue Code. The total estimated investment from this project is \$120 million.

9. \$1 million will be used by the grant recipient (Inter-Tribal Council of Michigan, Inc.) to make at least 300 homes energy efficient, as well as to transform 12 tribal government facilities into community resilience hubs. The MIIMCF grant will be used to leverage \$20 million in federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$21 million.

10. \$1 million will be used by the grant recipient (EcoWorks - Detroit) to empower local residents to own and benefit from energy resources; improve transportation access, health, and emergency response to power outages; and to reduce energy costs. The MIIMCF grant will be used to leverage \$20 million in federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$21 million.

11. \$500,000 for the Michigan Innovative Finance Asset Scan for Transportation (MIFAST). Administered by the Michigan Department of Transportation (MDOT), this award will assess transportation assets and provide analysis of innovative financing to rebuild transportation infrastructure across the state. Combined with \$500,000 in state funding, the MIIMCF grant will be used to leverage \$2 million in federal funding from the Innovative Finance and Asset Concession Grant Program in the BIL. The total estimated cost of this project is \$3 million.

12. \$270,000 will be used by the grant recipient (Midwest Tribal Energy Resources Association, Inc.) to expand access to energy efficiency and weatherization infrastructure for Michigan's federally designated tribal governments by improving indoor air quality, lowering energy costs, and investing in leadership development training to build capacity in accessing additional related resources. The MIIMCF grant will be used to leverage \$5.4 million in federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$5.7 million.

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13. \$150,000 will be used by the grant recipient (Inter-Tribal Council of Michigan) to enable the engagement of Michigan's federally recognized Tribal governments and enrolled members/citizens in the social, cultural, and bio-physical protection and restoration of Manoomin/Mnomen, or wild rice. The MIIMCF grant will be used to leverage \$3 million in federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$3.2 million.

14. \$62,500 will be used by the grant recipient (West Michigan Shoreline Regional Development Commission - Lake, Mason, Muskegon, Newaygo, and Oceana Counties) to support research directed toward expanding food processing operations, workforce education training, and product development within the agricultural economy of Michigan's west region. Combined with \$62,500 in private funding, the MIIMCF grant will be used to leverage \$125,000 in federal funding from the Consolidated Appropriations Act of 2021. The total estimated cost of this project is \$250,000.