

# **Overview of MSF and MEDC Work Projects and Federal Funding**

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# WHAT IS A WORK PROJECT?

- In accordance with the MCL 18.1451a, a work project is a one-time non-recurring endeavor that accomplishes specific objectives and need to carry-forward the budget authority from the original appropriation act to complete the specific project.
- A work project continues to be available until completion of the work or 48 months after the last day of the fiscal year in which the appropriation was originally made.
- The remaining balance will lapse to the state fund.

# OVERVIEW OF WORK PROJECTS AT MSF AND MEDC

# 12 new work projects for FY24

- 58% outstanding obligations
- 19% expended
- 7% committed
- 17% unobligated

# Revenue source of work projects

- 3 Federal
- 4 State restricted
- 5 GF/GP

#### Ongoing vs. onetime

- 6 ongoing
- 6 one-time

# DEFINITIONS

- **Expended** Funds have been paid to the award recipient. The award recipient must be in an executed agreement that has been recorded in the accounting system before funds can be disbursed.
- **Outstanding Obligations** The remaining funds on awards, approved by the approving body, in executed agreements and recorded in the accounting system.
- **Committed** Signed MEDC issued offer letter in place or approved by the approving body, but no executed agreement is in place.
- **Unobligated** Available funds that have not been expended, obligated, or committed.

Business Attraction and Community Revitalization

FY26 Governor's Executive Recommendation: \$100.0M

#### Programs

- Michigan Business Development Program
- Michigan Community Revitalization Program
- Small Business Support
- Michigan Ready Sites Program
- Business Marketing Campaign (Pure Opportunity)

Business Attraction and Community Revitalization

FY26 Governor's Executive Recommendation: \$100.0M

#### **Funding Allocation**

- Active Work Projects:
  - Expended: \$54.5M (20%)
  - Outstanding Obligations: \$147.1M (53%)
  - Committed: \$70.3M (26%)

#### Outcomes

- 68 approved Business Development Program projects that committed to creating +7,200 jobs and + 2.7 billion in 54 communities
- In FY 2024, Community Revitalization Program invested \$30.1 million, leveraging \$213.1 million in private investment in 8 communities.
- 13,691 small businesses supported and +850 new small businesses started
- Identified or improved access to +750 acres of future industrial or commercial land across the state
- 28,000 new leads for the state's business attraction /retention efforts through our Pure Opportunity business marketing campaign



# SILBOND CORPORATION | Weston

EVONIK

\$900,000 Business Development Program \$7.9M investment Made possible through \$100M Business Attraction and Community Revitalization line item

EVONIK

### **CHEBOYGAN COFFEE ROASTERS** *Cheboygan* \$25,000 Match on Main Program \$24,000 investment 4 jobs Made possible through \$100M Business Attraction and Community Revitalization line item

**PROJECTS** 

1 Coffee Roasters

# **Revitalization** & Placemaking

#### Program

• To provide real estate and place-based infrastructure rehabilitation and development gap financing in the form of grants.

### **Funding Allocation**

- Active Work Projects:
  - Expended: \$44.1M (15%)
  - Outstanding Obligations : \$130.8M (44%)
  - Committed: \$65.9M (22%)

### Outcomes

• In FY 2024, invested \$116.5 million, leveraging \$762.4 million in private investment in 63 communities.

### WALTER FRENCH JUNIOR HIGH Lansing

\$5 Million Revitalization and Placemaking Program Grant \$34.4 Million investment 76 affordable housing units

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PLACES

PROJECTS

# Small Business Support Hubs

FY26 Governor's Executive Recommendation: \$10.0M

#### Program

• To support small businesses disproportionately impacted by COVID-19 through investment into a statewide network of entrepreneurial hubs equipped to serve the needs of small businesses through direct support and network referral relationships.

### **Funding Allocation**

- Active Work Projects:
  - Expended: \$16.6M (22%)
  - Outstanding Obligations : \$58.4M (78%)

#### Outcomes

- Served 5,500 unique businesses
- Driven 976 new business starts
- Attracted +\$155 million in follow-on funding
- Assisted 48% underserved businesses
- Served 72% of entrepreneurs for the first time by ecosystem partners

### BATTLE CREEK FOOD REIMAGINED

Small Business Support Hub | Battle Creek FY26 Request: \$10M to help grow businesses in every region of the state, at every stage

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PLACES

PEOPLE

PROJECTS

Strategic Outreach and Attraction (SOAR) Fund

### **Programs**

- Critical Industry Program (CIP)
- Strategic Site Readiness Program (SSRP)

### **SOAR Funds to MSF**

- SOAR is initially appropriated to the fund that is within LEO.
- SOAR funds are appropriated to MSF by either an approved legislative transfer or direct appropriation.
- MSF work projects are for CIP and SSRP projects or allocations that have received an approved legislative transfer or direct appropriations.

Strategic Outreach and Attraction (SOAR) Fund

### **Funding Allocation**

- Active Work Projects:
  - Expended: \$994.9M (52%)
  - Outstanding Obligations: \$535.4M (28%)
  - Committed: \$186.2M (10%)

### Outcomes

- +\$3.4 billion private company investment to date
- +15,900 jobs committed

### CORNING

\$68 Million Critical Industry Program \$29 Million Strategic Site Readiness Program to Thomas Township \$900 Million Investment | +1,100 New Jobs



# FORD'S BLUEOVAL BATTERY MICHIGAN

Calhoun County

\$141 Million Critical Industry Program \$120.3 Million Strategic Site Readiness Program for MAEDA \$2.5 Billion Investment | 1,700 New Jobs

**PROJECTS** 

Office of Defense and Aerospace Innovation

FY26 Governor's Executive Recommendation: \$5.0M **Mission:** To catalyze growth within the state's defense & aerospace sectors while advancing innovation and defense research opportunities that benefit Michigan.

- Drive Growth within Defense & Aerospace
- Amplify Michigan's Unique Advantages
- Advance Innovation

### **Programs**

- Proposal and Grant Writing Services Program
- Cybersecurity Grant Program
- Bid Targeting System
- Outreach, Events and Engagements
- Strategic Partner Grants and Initiatives

Office of Defense and Aerospace Innovation

FY26 Governor's Executive Recommendation: \$5.0M

#### Funding Allocation:

- Expended: \$2.64M (26%)
- Outstanding Obligations: \$2.32M (23%)
- Committed: \$2.3M (23%)
- Unobligated: \$2.35M (23%)

#### Outcomes

- Expanded Reach The team has successfully engaged Michigan's defense and aerospace community, connecting with over 2,300 participants through webinars, town halls, and other special events. They have also averaged of 15 supplier assist visits per month.
- Ecosystem Asset Development \$1M invested in National All Domain Warfighting Center Mission Training Complex for anticipated 1:50 ROI via capture of Federal Funding
- Cybersmart Leveraging nearly \$1M of DoD funding, the CyberSmart program has been able to support 100+ companies to date in pursuing CMMC compliance.
- Lowered Barriers to Entry Supported six domestic/international business delegations, 60+ Michigan businesses participated



## **CALUMET ELECTRONICS**

Calumet

\$7.5 Million Business Development Program \$50.9 Million Investment | 269 Retained Jobs Enabled Capture of \$40 Million DoD Defense Production Act Funds

# Michigan Arts and Culture Council

FY26 Governor's Executive Recommendation: \$9.8M

### FY 25 Programs

- Mission Support Grant Program
- Experience Support Grant Program
- MACC Partnership Opportunity

### **FY24 Funding Allocation**

- Expended: \$14,755,328
  - \$9,755,328 (General Funds): 1,064 grants made in 74 counties
  - \$5,000,000 (Arts and Cultural Nonprofit Relief Funds): 123 grants made in 36 counties (PA 5 of 2023)

### Outcomes

- \$15,610,470 cash match to the GF awards
- 16,242,363 individuals engaged, including 3,993,482 youth
- 176,972 artists benefited from MACC grants

# FRESH WAVES PROJECT

Alpena \$14,000 Project Grant Program



Status of Legislative Directed Grants for FY24 & FY25

FY24 One-time Legislative Directed Grants	87 One-time Grants	
	<b>Executed Grants</b>	100%
	Disbursed	59%
FY25 One-time Legislative Directed Grants	62 One-time Grants	
	<b>Executed Grants</b>	68%
	Disbursed	16%
	Legislative Sponsor Packet Received	<b>92</b> %

# MSF Federal Dollars

- Federal funds account for 2.4% of MSF's on-going budget and for three annual federal awards:
  - Department of Interior Historic Preservation Fund Grants-In-Aid Program to support State Historic Preservation Office activities.
    - \$1.48 million federal award
    - Requires a 40% state match.
  - National Endowment for the Arts-Promotion of Arts Partnership Agreement to provide grants through the Michigan Arts and Culture Council.
    - \$999,125 federal award
    - Requires a 1 to 1 state match
  - Small Business Administration-State Trade Expansion Program that supports small businesses to begin or expand exporting into international markets.
    - \$900,000 federal award
    - Requires a 25% state match

# FTE and Work Plan Status

**State FTEs:** 125\*

Corporate FTEs: 217\*

### Work Status:

- Field Based: 79
- Office Based: 263



\* As of March 29, 2025

## MANAGEMENT AND OPERATION PROCESS FOR WORK PROJECTS AND FEDERAL SPENDING



Oversight and Budgeting



Payment Requests and Reporting



Compliance and Clawbacks



# **THANK YOU**

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