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THE SENATE
COMMITTEE ON APPROPRIATIONS
SENATOR SARAH E. ANTHONY
CHAIR

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December 18, 2024

Jen Flood, Director
State Budget Office
Department of Technology, Management, and Budget
6th Floor Romney Building
Lansing, MI 48090

Dear Director Flood:

For your information, the attached transfer package has been approved by a majority of the members of both the Senate and House Appropriations Committees.

The transfer approved is a portion of the State Budget Office letter dated December 3, 2024, Legislative Transfer Request 2025-2. The transfer is for Labor and Economic Opportunity.

If you need further information, please do not hesitate to contact us.

Sincerely,

Sarah E. Anthony, Chair
Senate Appropriations Committee

Angela Witwer, Chair
House Appropriations Committee



FY 2024-25 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2024-25 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number
Labor and Economic Opportunity	\$2,421,794,500	\$120,000,000	\$0	\$120,000,000	1
Total	\$2,421,794,500	\$120,000,000	\$0	\$120,000,000	

FY 2024-25 CONTINGENCY TRANSFER FUND SOURCES

Department/Budget Area	Inter- Departmental Grants	Federal	Local/ Private	State Restricted	Total Contingency Transfer Amount	Percent Increase of Y-T-D Gross
Labor and Economic Opportunity	\$0	\$0	\$0	\$120,000,000	\$120,000,000	4.96%
Total	\$0	\$0	\$0	\$120,000,000	\$120,000,000	4.96%

YTD as of October 1, 2024

State Budget Office Request 2025-2, December 3, 2024

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-2

BUDGET AREA: LABOR AND ECONOMIC OPPORTUNITY

FISCAL YEAR: 2023-24

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 12/18/24	HOUSE ACTION 12/11/24
TOTAL TRANSFER REQUEST: \$120,000,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	510,000,000	(120,000,000)	(120,000,000)	(120,000,000)
State restricted contingency revenues	510,000,000	(120,000,000)	(120,000,000)	(120,000,000)
TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE				
Critical industry program	100	120,000,000	120,000,000	120,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	100	120,000,000	120,000,000	120,000,000

This transfer would provide \$120.0 million in State restricted contingency authorization to the CIP pursuant to Article 9, Sec. 301 of PA 119 of 2023. Funds would be transferred to the CIP to support a grant to The Dow Chemical Company to focus on modernization of the company’s Michigan Operations Industrial Park and Auburn Operations facilities in the City of Midland, Midland County and Williams Charter Township, Bay County, Michigan. Modernization efforts would include infrastructure improvements, building renovations, new building construction, and silicones manufacturing process equipment life extensions and capacity expansion.

The Michigan Strategic Fund (MSF) Board approved performance-based incentives for this project on July 23, 2024. The project secures at least \$785.0 million in capital investment in Michigan by The Dow Chemical Company and retains at least 5,000 full-time positions in Michigan through 2032. This CIP grant, in addition to the other incentives approved by the MSF Board, would support Dow’s ongoing manufacturing and research and development operations in Michigan. As it relates to Dow’s silicones manufacturing business, the process equipment investments would include expansions to support strategic growth areas, including scaled production of materials for use in electronic vehicle batteries, among other technologies.

The revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR), totaling \$704.1 million. This transfer complies with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. A separate SOAR transfer of \$50.0 million has also been recommended. If both transfers are approved, there would be \$534.1 million remaining unassigned in the SOAR fund. This does not include the deposit from the Corporate Income Tax revenue for FY 2024-25, which will not occur until final book closing adjustments are made in the fall of 2025.