



21ST DISTRICT  
SENSANTHONY@SENATE.MICHIGAN.GOV

**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 transfers approved are from the State Budget Office letter dated December 10, 2024, Legislative Transfer Request 2025-3. The transfers are for Labor and Economic Opportunity.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Anthony".

Sarah E. Anthony, Chair  
Senate Appropriations Committee

A handwritten signature in blue ink, appearing to read "Angela Witwer".

Angela Witwer, Chair  
House Appropriations Committee



**FY 2024-25 LEGISLATIVE TRANSFER PACKAGE**

<b>Department/Budget Area</b>	<b>FY 2024-25</b>				
	<b>Year-to-Date Gross Appropriation</b>	<b>Contingency Transfer Amount</b>	<b>Standard Transfer Amount</b>	<b>Total Transfer Amount</b>	<b>Page Number</b>
Labor and Economic Opportunity	\$2,421,794,500	\$127,700,000	\$0	\$127,700,000	1
<b>Total</b>	<b>\$2,421,794,500</b>	<b>\$127,700,000</b>	<b>\$0</b>	<b>\$127,700,000</b>	

**FY 2024-25 CONTINGENCY TRANSFER FUND SOURCES**

<b>Department/Budget Area</b>	<b>Inter-Departmental Grants</b>	<b>Federal</b>	<b>Local/Private</b>	<b>State Restricted</b>	<b>Total Contingency Transfer Amount</b>	<b>Percent Increase of Y-T-D Gross</b>
	Labor and Economic Opportunity	\$0	\$0	\$0	\$127,700,000	\$127,700,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$127,700,000</b>	<b>\$127,700,000</b>	<b>5.27%</b>

YTD as of October 1, 2024

State Budget Office Request 2025-3, December 10, 2024

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-3

BUDGET AREA: LABOR AND ECONOMIC OPPORTUNITY

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 12/18/24	HOUSE ACTION 12/11/24
<b>TOTAL TRANSFER REQUEST: \$27,700,000</b>				
<b>FROM: BOILERPLATE APPROPRIATIONS</b>				
Contingency funds	510,000,000	(27,700,000)	(27,700,000)	(27,700,000)
State restricted contingency revenues	510,000,000	(27,700,000)	(27,700,000)	(27,700,000)
<b>TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE</b>				
Critical industry program	100	27,700,000	27,700,000	27,700,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	100	27,700,000	27,700,000	27,700,000

This transfer would provide \$27.7 million in State restricted contingency authorization to the Critical Industry Program (CIP) pursuant to Article 9, Sec. 210 of Public Act (PA) 121 of 2024. Funds would be transferred into the CIP to support a grant to Detroit Diesel Corporation to modernize the company's current plant, located in Redford Charter Township and in the City of Detroit, to maintain its existing production capacity while expanding and equipping it to manufacture electric components for medium- and heavy-duty electric trucks.

The Michigan Strategic Fund (MSF) Board approved performance-based incentives for this project on December 10, 2024. The project agreement would secure up to \$285.0 million in capital investment in the Township of Redford, Wayne County, preserve more than 2,000 jobs at the facility, and create up to 436 new hourly and salaried positions.

There is revenue to support this transfer request from the Strategic Outreach and Attraction Reserve (SOAR) Fund. This transfer complies with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR Fund transfers of \$50.0 million and \$120.0 million were requested on December 3, 2024, (transfer letter 2025-2) and are pending legislative approval. In addition, this transfer request letter includes a separate SOAR Fund transfer request of \$100.0 million. If all transfers were approved, there would be \$406.4 million remaining in the SOAR Fund. This would not include the deposit from the Corporate Income Tax revenue for fiscal year (FY) 2024-25, which will not occur until final book-closing adjustments are made in the fall of 2025.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-3

BUDGET AREA: LABOR AND ECONOMIC OPPORTUNITY

FISCAL YEAR: 2024-25

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

This transfer request would provide \$100.0 million in State restricted contingency authorization to the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Article 9, Sec. 210 of PA 121 of 2024. Funds would be transferred into the MSSRP to support a grant to the University of Michigan for site development, construction, and other related eligible activities under the MSSRP necessary to construct at least two advanced computing facilities in Ypsilanti, Michigan. One of the facilities would be used primarily by the University and the other is intended to be used by Los Alamos National Laboratory (LANL) for advanced research.

The MSF Board approved the MSSRP performance-based grant for this project on December 10, 2024. The total cost of the project is expected to exceed \$1.2 billion according to the agreement, and the project is anticipated to become fully operational by 2030. The development of the project is expected to create highly skilled Federal research lab positions and provide a significant attraction opportunity for out-of-State companies that are interested in partnering with LANL or the University. This project would support the State's artificial intelligence ecosystem and the investment positions Michigan for additional anticipated Federal investments to support artificial intelligence research hubs across the country.

There is revenue to support this transfer request from the SOAR Fund. This transfer complies with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR Fund transfers of \$50.0 million and \$120.0 million were requested on December 3, 2024, (transfer letter 2025-2) and are pending legislative approval. In addition, this transfer request letter includes a separate SOAR Fund transfer request of \$27.7 million. If all transfers were approved, there would be \$406.4 million remaining in the SOAR Fund. This would 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.