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MICHIGAN HOUSE OF REPRESENTATIVES

THOMAS A. ALBERT

APPROPRIATIONS CHAIR

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March 9, 2022

Mr. Chris Harkins, Director
Office of the State Budget
Department of Technology, Management, and Budget
6th Floor Romney Building
Lansing, MI 48090

Dear Director Harkins,

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

The transfer approved is from the Office of the State Budget letter dated January 25, 2022, Legislative Transfer Request 2022-1. The transfer is for Labor and Economic Opportunity.

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

Sincerely,

Thomas Albert, Chair
House Appropriations Committee

Jim Stamas, Chair
Senate Appropriations Committee

FINAL LEGISLATIVE TRANSFER PACKAGE



Mary Ann Cleary, Director
Viola Bay Wild, Transfer Coordinator
Compiled by Tumai Burris, Budget Assistant

Summary Sheet

SBO LETTER: 2022-1
January 25, 2022

Department	Analyst	Page	Total Transfer
Labor and Economic Opportunity	Viola Wild	1	\$666,100,000
Total			\$666,100,000

2022-1 Transfers

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Labor and Economic Opportunity	3,250,153,600					666,100,000		666,100,000	20.49%
TOTAL*	\$72,137,149,100		\$0	\$0	\$0	\$666,100,000	\$0	\$666,100,000	0.92%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$666,100,000**

S.B.O. LETTER: **1/25/22**
 S.B.O. REQUEST: **2022-1**
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 2/8/22	BALANCE AVAILABLE AS OF 2/8/22	GOV'S REC. 1/23/22	HOUSE ACTION 3/9/22	SENATE ACTION 3/9/22
FROM: PUBLIC ACT 87 OF 2021 SEC. 980 (2)						
Contingency funds	1,005,000,000	NA	NA	(666,100,000)	(666,100,000)	(666,100,000)
Funding sources:						
Total state restricted revenues	1,005,000,000	NA	NA	(666,100,000)	(666,100,000)	(666,100,000)
TO: SEC. 109. (12) ONE-TIME APPROPRIATIONS						
Critical industry program	100	0	100	600,000,000	600,000,000	600,000,000
Funding source:						
Strategic outreach and attraction reserve fund	100	0	100	600,000,000	600,000,000	600,000,000
Michigan strategic site readiness program	100	0	100	66,100,000	66,100,000	66,100,000
Funding source:						
Strategic outreach and attraction reserve fund	100	0	100	66,100,000	66,100,000	66,100,000

This transfer provides \$666.1 million in state restricted contingency authorization to the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (SSRP) pursuant to Sec. 301 of 2021 PA 132. Funds are transferred into the Critical Industry Program (\$600.0 million) and the Michigan Strategic Site Readiness Program (\$66.1 million) in support of a transformational investment project involving General Motors LLC, Ultium Cells LLC, and the Lansing Economic Area Partnership (LEAP). Revenue to support this transfer is available in the Strategic Outreach and Attraction Reserve Fund (SOAR), created in 2021 PA 137, and capitalized in 2021 PA 132. 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 January 25, 2022. The project secures up to \$6.5 billion investment in Michigan by General Motors and LG Energy Solution (through its Ultium Cells LLC joint venture) for their all-electric vehicle future. It is estimated that the project will create between 3,200 – 4,000 jobs in Michigan. The \$600.0 million transfer to the CIP and other incentives will support the expansion /construction at 2 manufacturing sites: 1) a General Motors site expansion (totaling over 3 million square feet) to increase electric vehicle manufacturing capacity in Orion Township, Oakland County; 2) an Ultium Cells construction of a new high volume battery cell manufacturing facility (approximately 2.5 million square feet) in the City of Lansing in Delta Township. The \$66.1 million transfer to the SSRP will support infrastructure investments coordinated by LEAP, including electrical, water, sewer and wastewater upgrades, for the new Lansing facility.