



Senate Fiscal Agency

517-373-2768

Budget Overview: Labor and Economic Opportunity

https://sfa.senate.michigan.gov/Departments/DPleo_web.html

Department of Labor and Economic Opportunity

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Labor and Economic Opportunity General Overview

- **Major Functions/Programs:**

- **Workforce Development** (\$510.3 million) – Going Pro, Michigan Works!, Adult Education
- **Rehabilitation Services** (\$195.7 million) – Bureau of Services for Blind Persons, Centers for Independent Living, Michigan Rehabilitation Services
- **Employment Services** (\$117.8 million) – MIOSHA, Workers Compensation, Office of Global Michigan, Wage and Hour Program
- **Unemployment Insurance Agency** (\$303.1 million) – Note that appropriation amount is for administration; UI benefits are not subject to appropriation
- **Michigan State Housing Development Authority** (\$322.6 million)– Rental and Housing Assistance, Section 8 Administration
- **State Land Bank Authority** (\$6.4 million)

Michigan Strategic Fund General Overview

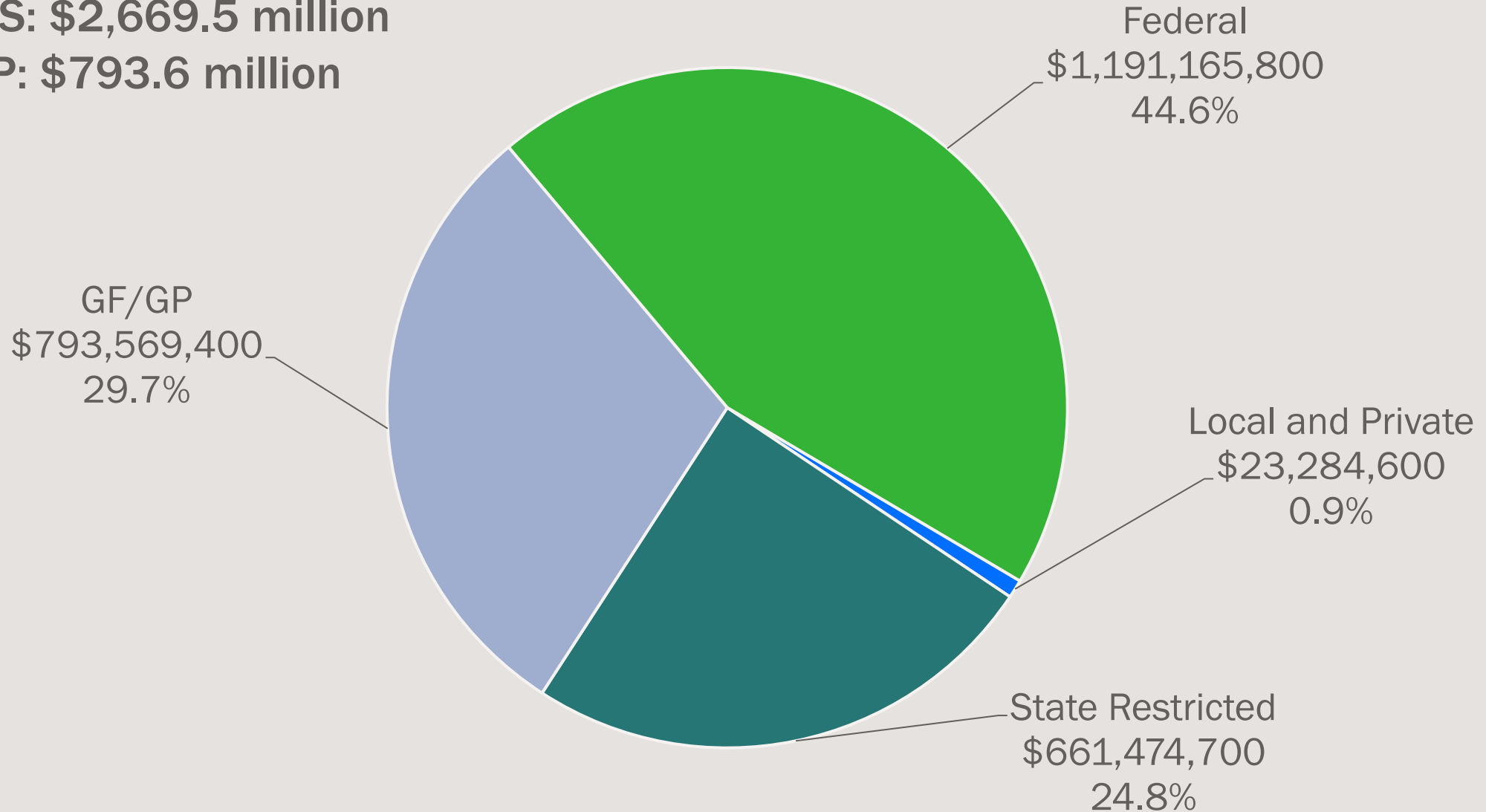
- **Major Functions/Programs:**

- **Strategic Outreach and Attraction Reserve (SOAR) Fund** – Provides economic incentives to attract business to Michigan through the Critical Industry Program (CIP) and Strategic Site Readiness Program (SSRP). To date \$1.6 billion has been allocated to 12 projects, leaving an unallocated balance of \$956.4 million in the SOAR Fund.
- **Business Attraction and Community Revitalization** – Provides incentives to businesses to locate or expand in Michigan - \$100.0 million
- **Job Creation Services** – Assists employers with expansion, retention, site location, access to capital - \$31.6 million
- **Arts and Cultural Grants** – Grants to various organizations for art and art education - \$12.4 million
- **Pure Michigan** – Marketing for tourism in Michigan - \$26.0 million
- **Entrepreneurship Ecosystem** – Provides capital support to new business and supports business incubators and accelerators - \$15.7 million

Labor and Economic Opportunity

GROSS: \$2,669.5 million

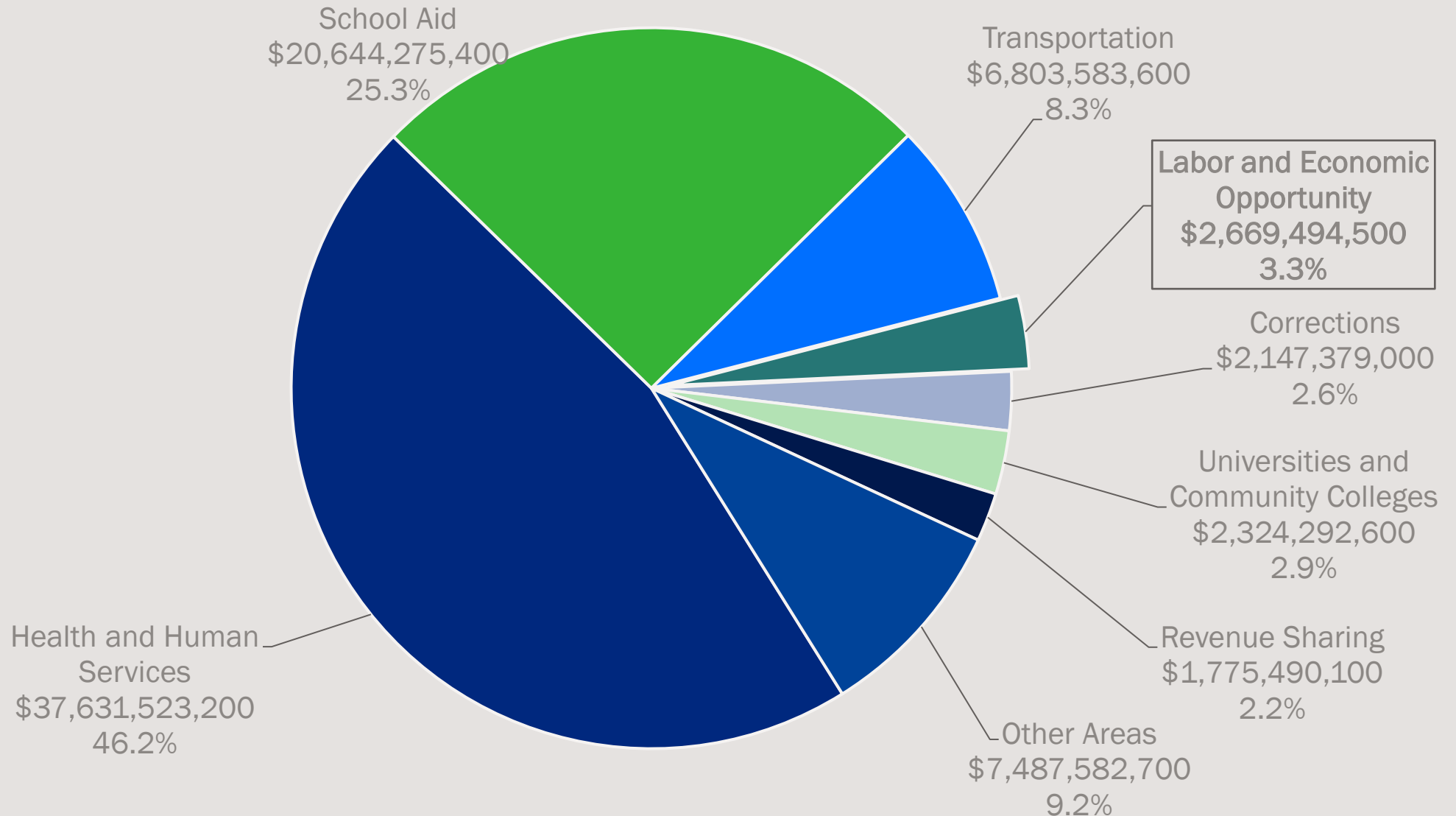
GF/GP: \$793.6 million



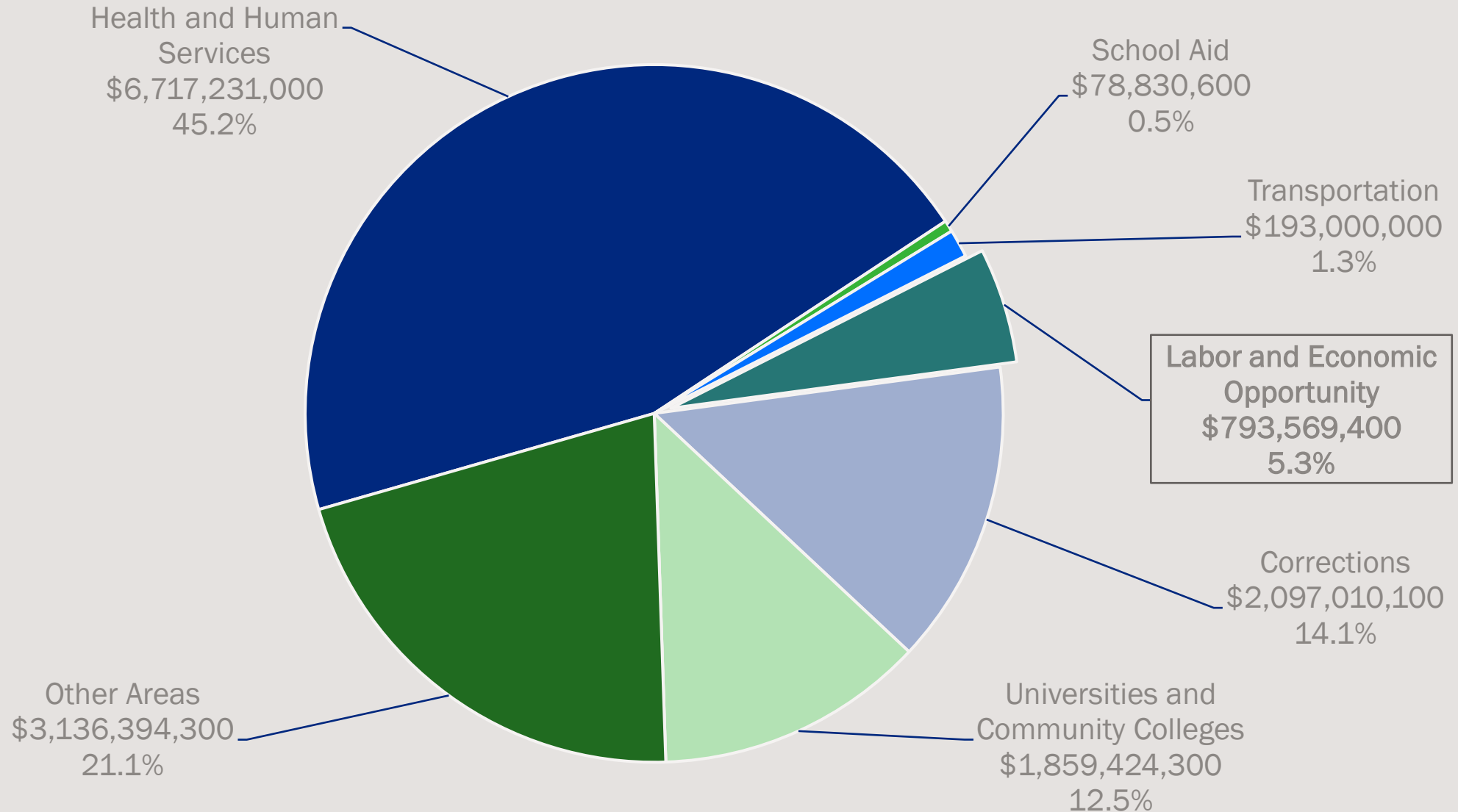
Appropriations by Source of Funds: FY 2024-25 Year-to-Date Appropriations as of 10/01/2024



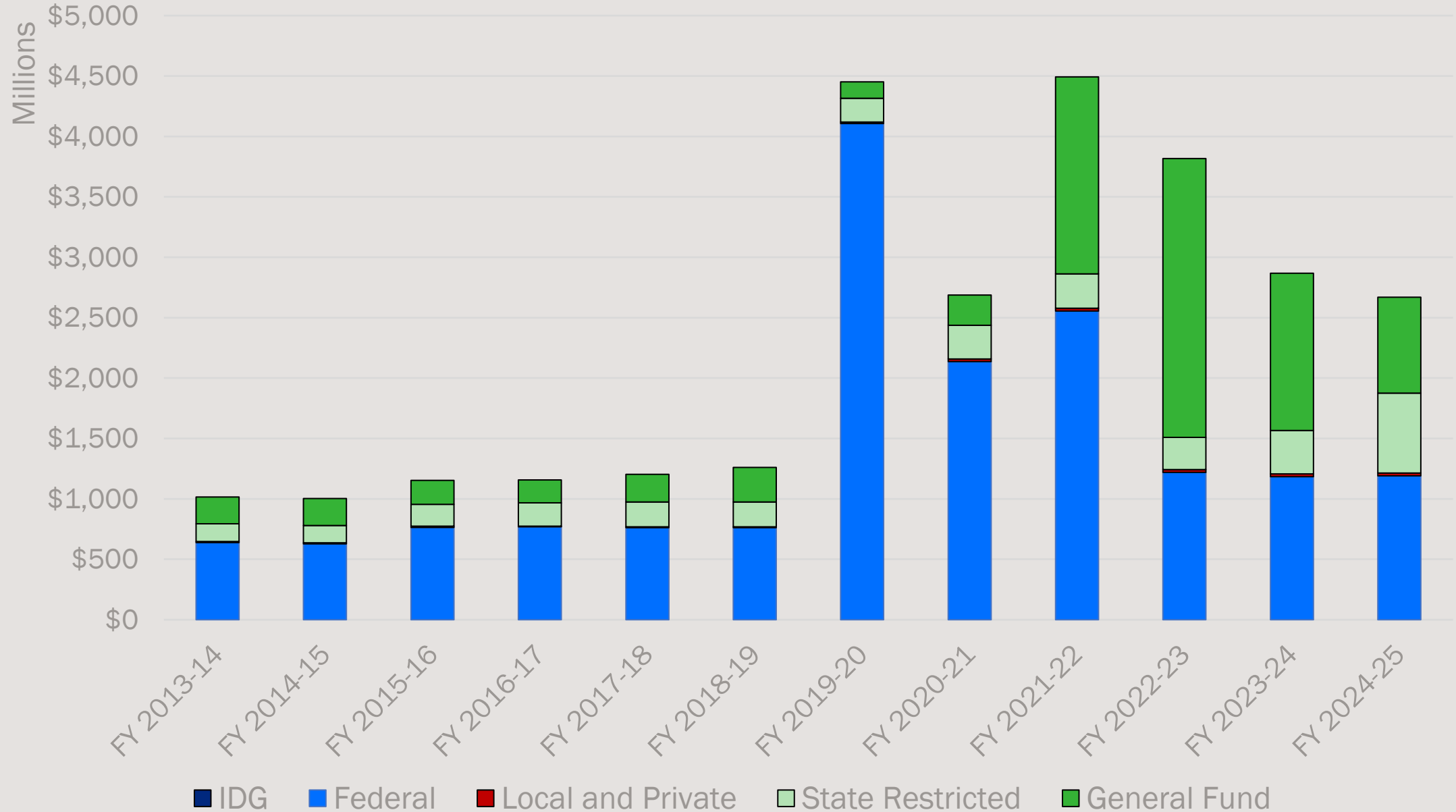
LEO's Slice of Michigan Adjusted Gross Budget: Accounts for 3.3% of the \$81.5 Billion State Budget



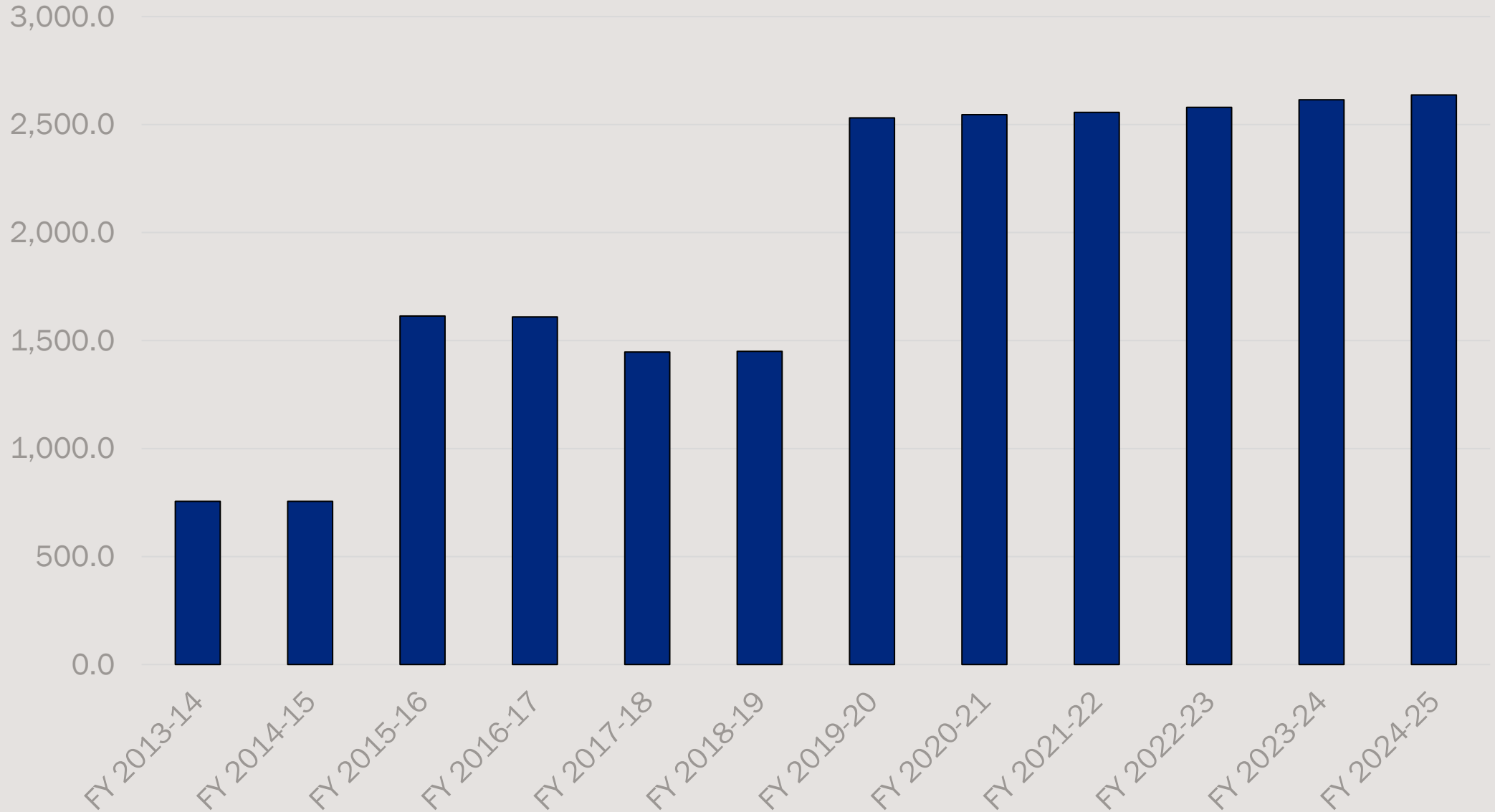
LEO's Slice of Michigan GF/GP Budget: Accounts for 5.3% of the \$14.9 Billion State Budget



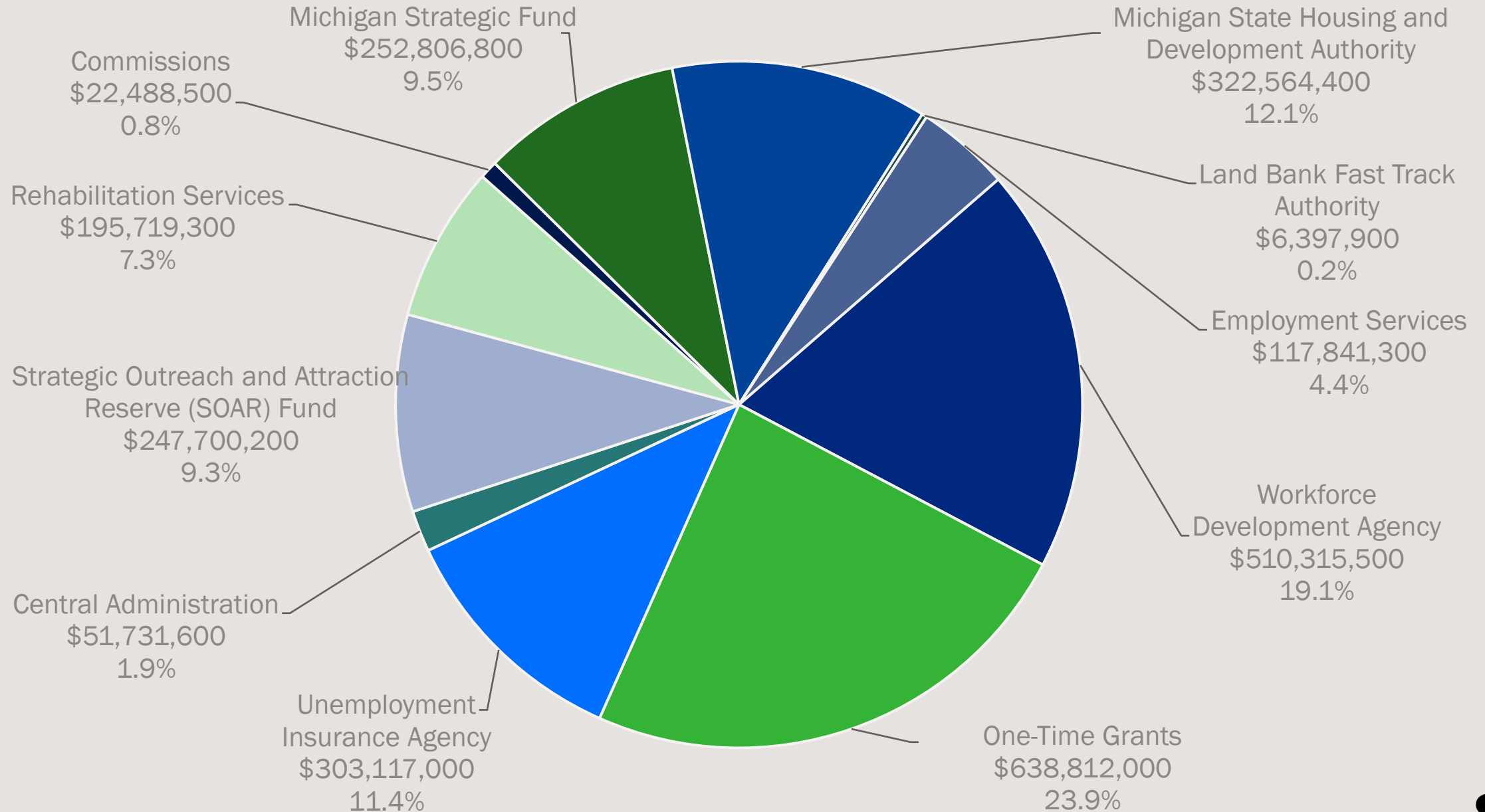
LEO Funding History



LEO FTE Appropriations History



Major Appropriations in the Department



Major Areas of GF/GP Spending

- **One-time grants** (includes Community Enhancement Grants, Economic Development Grants, Healthcare Grants, Housing Grants, Public Infrastructure Grants, Public Safety Grants, and more) - \$638.8 million
- **SOAR Fund (MSF)** – two \$100 placeholder, \$500.0 million boilerplate appropriations, and \$247.7 million has been approved
- **Going Pro** - \$54.8 million
- **Michigan Strategic Fund programs** - (includes Pure Michigan, arts and cultural grants, Entrepreneurship Ecosystem, and business attraction and community revitalization) \$154.1 million

Special Issues

- **SOAR Fund**

- \$1.4 billion has been approved
- Boilerplate appropriation (Sec. 351, PA 121 of 2024) of \$500.0 million
- SOAR Fund balance: \$906.4 million

- **Unemployment Insurance Agency**

- Auto-adjudication lawsuit (*Bauserman v. Unemployment Insurance Agency*) settled for \$20.0 million in 2023
- Other lawsuits resulting from the pandemic still active including with FEMA to repay ineligible payments estimated to be \$140 million
- Replacement of MiDAS due to issues with fraud detection. Replacement estimated at \$78.0 million over 10 years. New system is anticipated to go live in 2025

- **Transparency Requirements for One-Time Grants**

- Included since FY 2023-24