

# OneFAB

Information Delivered on One Page, Front And Back

The Make It in Michigan Competitiveness Fund

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## Background

“Make It in Michigan” refers to a collection of economic development strategies implemented under Governor Gretchen Whitmer, primarily by the Michigan Economic Development Corporation. As described in a 2024 press release, these strategies are intended to “keep winning projects, invest in people from pre-K through postsecondary, and revitalize places in every region of the state.”<sup>1</sup>

One of the means used to pursue this goal is by leveraging available Federal grants, Federal matching funds, and other resources to provide support and grant opportunities for a variety of projects. The Make It in Michigan Competitiveness Fund (MMCF) created in Public Act (PA) 119 of 2023 is intended for this purpose. The Federal matching and grant portions of the Make It in Michigan program are housed in the Department of Technology, Management, and Budget (DTMB). The boilerplate language for these Make It in Michigan appropriations describes broad categories of programs and projects that may be funded. They include economic development, health, infrastructure, climate and the environment, and mobility and electrification.

This OneFAB describes the process for funding initiatives, programs, and grants from the MMCF.

## Appropriations

As of December 2024, nearly \$337.0 million has been appropriated in the DTMB budget for Make It in Michigan.

The MMCF line item was first included in the fiscal year (FY) 2023-24 appropriations bill (Public Act (PA) 119 of 2023) as a one-time \$286.8 million General Fund/General Purpose (GF/GP) appropriation. Boilerplate included in the bill deposited these General Fund dollars into the MMCF. The budget also included the “Make It in Michigan” line item with a \$100 placeholder. Finally, \$50.0 million GF/GP also was appropriated to the Make It in Michigan line item in the FY 2022-23 supplemental included in PA 119.

In the FY 2024-25 appropriations bill, PA 121 of 2024, the MMCF line item was included as an ongoing item in DTMB’s Special Programs unit. The appropriation consisted of four \$100 placeholders appropriated from the following fund sources: Federal funds, Local funds, Private funds, and the Restricted MMCF.

Funds in the MMCF do not lapse to the General Fund, but remain in the MMCF at the close of the fiscal year. Funds may not be transferred to create a new State program or line-item appropriation, and a transfer may not be made to a line item that was not included in the bill appropriating funds for that same fiscal year. The DTMB must report on projects funded with this money within 90 days after the close of the fiscal year. Since funding was first available in FY 2023-24, a report has not yet been filed.

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<sup>1</sup> “Gov. Whitmer & Legislative Leaders Unveil ‘Make it in Michigan’ Strategy to Win Projects, Invest in People, Revitalize Places”, Office of Gretchen Whitmer, 5-31-23.

## Transfer Process

Funds from the MMCF may be spent only upon appropriation or administrative transfer, as specified in boilerplate. To allow for legislative oversight of spending for Make It in Michigan, funds (other than those used for administration) have been released for spending using the transfer process. The State Budget Office submits an administrative transfer to the Appropriations Committee of both the Senate and the House of Representatives. Administrative transfers can be rejected by the Legislature, but if they are not rejected, they take effect 30 days after the Senate and House are notified; they do not need to be officially approved.

Contingency fund authorizations allow departments and agencies to make or request additional appropriations other than those included in their original budget appropriation or supplemental appropriations bills. Revenue must be available in a fund of the referenced type in order for the transfer to take place. The amount of contingency funds that can be received and appropriated are capped in the boilerplate for that particular fund. For example, if there were no unallocated revenue in any State restricted funds, then a State restricted contingency fund transfer would not be permissible.

The State Restricted Contingency Fund authorization for the DTMB was increased from \$4.0 million in FY 2022-23 to \$300.0 million for FY 2023-24, while Federal Contingency Fund authorization increased from \$2.0 million in FY 2022-23 to \$1.0 billion in FY 2023-24 and FY 2024-25 to allow for receipt of Federal grants, matching funds, and other available dollars, including those associated with Make It in Michigan. The State Restricted Contingency Fund authorization was reduced to \$250.0 million for FY 2024-25 to preserve the ability to perform administrative transfers but also to account for Administrative Transfer Request 2024-5.

In an administrative transfer for Make It in Michigan projects funded through DTMB appropriations, State Restricted contingency funds are transferred to the Make It in Michigan line item, with the MMCF as the fund source. Included with the State Budget Office letter is a description of the projects, grants, or other purposes intended to be funded by the transfer.

### Administrative Transfer Requests 2024-5 and 2025-1

The first contingency fund transfer made for Make It in Michigan was included in Administrative Transfer Request 2024-5, submitted to the Legislature on March 22, 2024. The transfer requested \$50,137,100 in State Restricted Contingency Funds to the Make it in Michigan line item and Make It in Michigan Competitiveness Fund. Of this total, \$3.4 million was requested for program administration.

The second contingency fund transfer request was the subject of Transfer Request 2025-1, submitted to the Legislature on December 2, 2024. This request totals \$166.3 million for 14 projects.

Details of the specific projects and grant recipients can be found in the SBO transfer letter as well as the Senate Fiscal Agency (SFA) transfer memo. Both are available on the SFA website.<sup>2</sup>

According to the Michigan Infrastructure Office, \$48.4 million has been invested from the MMCF. This, in turn, has resulted in procurement of \$276.0 million in Federal funds.

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<sup>2</sup> "Administrative Transfer Request 2024-5," Senate Fiscal Agency Memorandum, 3-29-24, available at: <https://sfa.senate.michigan.gov/StateBudget/AdminTransfer2024-5.pdf> and "Administrative Transfer Request 2025-1," Senate Fiscal Agency Memorandum, 12-5-24, available at: <https://sfa.senate.michigan.gov/StateBudget/AdminTransfer2025-1.pdf>