

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: December 5, 2024
TO: Members of the Appropriations Subcommittee on Technology, Management, and Budget
FROM: Elizabeth Raczkowski, Fiscal Analyst
RE: Administrative Transfer Request 2025-1

The State Budget Office has requested the following administrative transfer:

Technology, Management and Budget		Transfer Amount
FROM:	BOILERPLATE APPROPRIATIONS	
	Contingency funds	(166,265,800)
	State restricted contingency revenues	(166,265,800)
TO:	SPECIAL PROGRAMS	
	Make it in Michigan	166,265,800
	Make it in Michigan competitiveness fund	166,265,800

Consistent with Section 822j, Article 5 of Public Act 121 of 2024, this transfer requests \$166.3 million from the Make it in Michigan Competitiveness Fund (MIIMCF). It is intended to leverage Federal funding opportunities, including those contained in the Bipartisan Infrastructure Law (BIL), the Inflation Reduction Act (IRA), and the CHIPS and Science Act (CHIPS) to support 14 strategic investments:

1. \$50.0 million would be used by the grant recipient (Revex Technologies, Inc - Houghton) to support next-generation mineral nickel processing. The refined nickel is expected to create 4.5 million electric vehicle (EV) batteries over the next decade, with 335 jobs expected to be created. Combined with \$134.4 million in private funding, the grant would be used to leverage \$145.0 million in Federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$329.4 million.
2. \$40.0 million would be used by the grant recipient (Hemlock Semiconductor - Hemlock) to construct a new manufacturing facility to increase the production capacity of hyper-pure semiconductor-grade polysilicon, with 150 jobs expected to be created. Combined with \$407.0 million in private funding, the grant would be used to leverage \$325.0 million in Federal funding from the CHIPS Incentives Program - Commercial Fabrication Facilities program. The total estimated cost of this project is \$772.0 million.
3. \$25.0 million would be used by the grant recipient (Mitra Future Technologies, Inc. - Muskegon) to support AmPLIFI (American Production of Lithium Iron Phosphate and Future Innovation), a project for domestic manufacture of lithium iron phosphate cathode active materials for energy storage systems and EV

applications, with nearly 780 jobs expected to be created. Combined with \$221.0 million in private funding, the grant would be used to leverage \$100.0 million in Federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$346.0 million.

4. \$15.0 million would be used by the grant recipient (Nanograf - Flint) to support the establishment of a state-of-the-art silicon monoxide anode manufacturing facility to strengthen domestic supply chains and markets by onshoring battery materials, with 200 jobs expected to be created. Combined with \$85.0 million in private funding, the grant would be used to leverage \$60.0 million in Federal funding from the Battery Manufacturing and Recycling Grants Program in the BIL. The total estimated cost of this project is \$160.0 million.
5. \$10.0 million would be used to create the Michigan Climate Investment Fund (MCIF). Administered by the Department of Environment, Great Lakes, and Energy, MCIF resources would be used to increase the number of Michigan-based community lenders that can provide financing for clean technology projects in low-income and disadvantaged communities. This effort is expected to generate \$200.0 million in investments and create 5,000 jobs when fully implemented as part of utilizing a new \$6.0 billion Clean Communities Investment Accelerator program in the IRA.
6. \$9.2 million would be used by the Department of Labor and Economic Opportunity (in partnership with the Michigan Manufacturing Technology Center, the Michigan Small Business Development Center, and the Centrepolis Accelerator) to help at-risk auto manufacturers retool facilities and retrain workforces to support domestic production of electric vehicles and components. Combined with \$9.2 million in private funding, the grant would be used to leverage \$18.4 million in Federal funding from the Domestic Manufacturing Conversion Grants for Electrified Vehicles: State Partnerships for Small and Medium Sized Manufacturers in the IRA. The total estimated cost of this project is \$36.8 million.
7. \$7.6 million would be used by the grant recipient (ZF North America, Inc. - Marysville) to create and expand e-beam production capacity by retrofitting an existing manufacturing facility, with nearly 200 jobs expected to be created. Combined with \$78.8 million in private funding, the MIIMCF grant would be used to leverage \$119.0 million in Federal funding from the Domestic Manufacturing Conversion Grant Program in the IRA. The total estimated cost of this project is \$205.0 million.
8. \$6.5 million would be used by the grant recipient (Michigan Community Capital - Lansing) for mixed-use housing projects to revitalize downtown neighborhoods through the New Markets Tax Credit program, thereby contributing to the statewide goal of creating or preserving 75,000 housing units across the State. Combined with \$48.5 million in private funding, the grant would be used to leverage \$65.0 million in Federal funding from Section 45D in the Internal Revenue Code. The total estimated investment from this project is \$12.0 million.

9. \$1.0 million would be used by the grant recipient (Inter-Tribal Council of Michigan, Inc.) to make at least 300 homes energy efficient, as well as to transform 12 Tribal government facilities into community resilience hubs. The grant would be used to leverage \$20.0 million in Federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$21.0 million.
10. \$1.0 million would be used by the grant recipient (EcoWorks - Detroit) to assist local residents with owning and benefiting from energy resources; to improve transportation access, health, and emergency response to power outages; and to reduce energy costs. The MIIMCF grant would be used to leverage \$20.0 million in Federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$21.0 million.
11. \$500,000 would be used for the Michigan Innovative Finance Asset Scan for Transportation (MIFAST). Administered by the Michigan Department of Transportation, this award would assess transportation assets and provide analysis of innovative financing to rebuild transportation infrastructure across the State. Combined with \$500,000 in State funding, the grant would be used to leverage \$2.0 million in Federal funding from the Innovative Finance and Asset Concession Grant Program in the BIL. The total estimated cost of this project is \$3.0 million.
12. \$270,000 would be used by the grant recipient (Midwest Tribal Energy Resources Association, Inc.) to expand access to energy efficiency and weatherization infrastructure for Michigan's Federally-designated Tribal governments by improving indoor air quality, lowering energy costs, and investing in leadership development training to build capacity to access additional related resources. The MIIMCF grant would be used to leverage \$5.4 million in Federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$5.7 million.
13. \$150,000 would be used by the grant recipient (Inter-Tribal Council of Michigan) to enable the engagement of Michigan's Federally-recognized Tribal governments and enrolled members/citizens in the social, cultural, and biophysical protection and restoration of manoomin/mnomen, or wild rice. The MIIMCF grant would be used to leverage \$3.0 million in Federal funding from the Environmental and Climate Justice Community Change Grants program in the IRA. The total estimated cost of this project is \$3.2 million.
14. \$62,500 would be used by the grant recipient (West Michigan Shoreline Regional Development Commission - Lake, Mason, Muskegon, Newaygo, and Oceana Counties) to support research directed toward expanding food processing operations, workforce education training, and product development within the agricultural economy of Michigan's west region. Combined with \$62,500 in private funding, the grant would be used to leverage \$125,000 in Federal funding from the Consolidated Appropriations Act of 2021. The total estimated cost of this project is \$250,000.

The transfer above meets the criteria for an administrative transfer as set forth in Section 822j of Article 5 of Public Act 121 of 2024. It would automatically be effective on January 1, 2025, unless rejected by either the House or Senate Appropriations Committee. If you have any questions, please let me know.

c: Kathryn Summers, Director
Joe Carrasco, Associate Director
Lori Dey, Senate Democratic Policy Office
Tom Davis, Senate Republican Policy Office