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BILL ANALYSIS

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Senate Bill 559 through 562 (as introduced 10-4-23)
Senate Bill 569 (as introduced 10-10-23)
Sponsor: Senator Mallory McMorrow (S.B. 559 & 561)
Senator Mary Cavanagh (S.B. 560 & 562)
Senator Jeremy Moss (S.B. 569)
Committee: Economic and Community Development

Date Completed: 10-12-23

INTRODUCTION

Collectively, the bills would amend several Acts to modify the Strategic Outreach and Attraction Reserve (SOAR) Fund and rename it to the Make it in Michigan Fund. Currently, the Michigan Strategic Fund (MSF) administers the SOAR Fund to operate the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (SSRP). The bills would require the MSF to operate the Michigan 360 Program, as well. They would broaden the CIP's purview to allow the MSF to generally grant investments that it determined were critical to the economic growth and development of the State and modify the scope of the SSRP, which currently creates investment-ready sites for potential business in the State. Under the bills, for an investment to be made under the CIP or SSRP, an additional investment would have to be made under the 360 Program equal to at least 20% of the total project investment.

Senate Bill 559 would create the 360 Program using the framework for the CIP and SSRP. It would prescribe the 360 Program's general goal, to ensure that traditional economic development tools were packaged with targeted investments in communities, housing, workforce development, education, and wraparound services, among other climate and justice goals. It would allow a municipality, educational institution, and other community-oriented entities to receive investment under the 360 Program. It also would require several members of the Michigan Legislature to serve as nonvoting members of the MSF's Board of Directors. Senate Bills 560 through 562 and Senate Bill 569 would replace references to the SOAR Fund with the Make it in Michigan Fund. Additionally, Senate Bill 560 would prohibit the State Administrative Board from transferring or intratransferring money allocated for the Michigan 360 Program.

Senate Bills 559 and 562 are tie-barred. Senate Bills 560 and 561 are tie-barred to Senate Bill 559 and 562. Senate Bill 569 is tie-barred to Senate Bill 562.

BRIEF FISCAL IMPACT

The bills would rename the SOAR Fund to the Make it in Michigan Fund and require that project spending include an additional 20% investment in the community within which the project will be located. This would potentially make new investments through the Make it in Michigan Program more expensive for the State while, conversely, offering substantial investment in the communities where (formerly SOAR) projects would be located. Local governments are likely to benefit directly and indirectly because of the bills.

MCL 125.2005 et al. (S.B. 599); 17.3 (S.B. 560)
18.1753 (S.B. 561); 12.252 & 12.254 (S.B. 562)
206.695 (S.B. 569)

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CONTENT

Senate Bill 559 would amend the Michigan Strategic Fund Act to do the following:

- **Replace references to the SOAR Fund with the Make it in Michigan Fund.**
- **Specify that the MSF could provide economic assistance that it determined critical to the economic growth and development of the State under the CIP.**
- **Modify the factors the MSF must consider when determining whether to approve a project under the CIP or SSRP.**
- **Modify the requirements for a written agreement under the CIP or SSRP.**
- **Require the MSF to create and operate the Michigan 360 Program using money from the Make it in Michigan Fund.**
- **Prescribe the requirements and goals of the 360 Program, including ensuring that traditional economic development tools were packaged with investments in communities, housing, workforce development, education, and other services.**
- **Establish new goals and requirements for the granting of economic assistance for all three programs administered by the MSF.**
- **Require the majority chairperson and minority vice-chairperson of standing committees in the Senate and the House to serve as nonvoting members of the MSF Board.**
- **Require the MSF to submit proposed written agreements to these nonvoting members, among others.**
- **Prohibit the MSF from providing economic assistance under any Make it in Michigan Fund program unless the project enabled progress toward the State's economic justice and climate goals.**
- **Prohibit the MSF from providing economic assistance under the CIP or SSRP unless it also provided assistance under the 360 Program in an amount that was at least 20% of the total project investment.**
- **Prohibit the MSF from distributing funds to a business or applicant if that business had one or more unpaid fees from pollution or environmental contamination in previous or current projects in any state, or if that qualified business or applicant was in bad standing with the State.**
- **Require money subject to clawback or repayment provisions or money that had been allocated to Make it in Michigan programs but had not been used to be deposited into the General Fund instead of the SOAR Fund.**
- **Require the MSF to include the activities and progress of the Michigan 360 Program in its annual report.**
- **Require the MSF to provide a quarterly report on the activities of all Make it in Michigan Fund programs to the Senate Economic and Community Development Committee and the House of Representatives Economic Development and Small Business Committee.**

Senate Bill 560 would amend Public Act 2 of 1921, which generally concerns the intertransfer of funds between State agencies, to do the following:

- **Prohibit the State Administrative Board from transferring or intertransferring funds appropriated or transferred for the Michigan 360 Program**
- **Replace references to the SOAR Fund with the Make it in Michigan Fund in agreement with Senate Bill 559.**

Senate Bill 562 would amend the Michigan Trust Fund Act to do the following:

- **Replace references to the SOAR Fund with references to the Make it in Michigan Fund in agreement with Senate Bill 559.**

-- **Prescribe the circumstances under which the State Treasurer could invest money from the Make it in Michigan Fund.**
-- **Allow money to be spent from the Make it in Michigan Fund for the Michigan 360 Program.**

Senate Bill 561 would amend the Economic Development Incentive Evaluation Act to modify the definition of "economic incentive" to include the Make it in Michigan Fund, the Make it in Michigan Fund programs, and any assistance provided for a Make it in Michigan project; this would require the Department of Technology, Management, and Budget (DTMB) to contract for the periodic evaluation of these funds and programs.

Senate Bill 569 would amend the Income Tax Act to replace references to the SOAR Fund with references to the Make it in Michigan Fund in agreement with Senate Bill 559.

Senate Bills 559, 560, and 562 are discussed in more detail below.

Senate Bill 599

Throughout the Michigan Strategic Fund Act, the bill would replace references to the SOAR Fund with the Make it in Michigan Fund. As used throughout, the "Make it in Michigan Fund programs" would mean the CIP, the SSRP, and the Michigan 360 Program. Each of these programs would be modified or created by the bill, and they are all discussed in further detail.

Critical Industry Program

Among other things, the MSF operates the CIP using money from the SOAR Fund or money appropriated to the Program. Among other uses of the Program, the MSF may spend money to provide economic assistance because of a technological shift in product or production. The bill would delete this provision, instead specifying that the MSF could provide economic assistance that it determined was critical to the economic growth and development of the State.

To this end, the Act allows the MSF to award a qualified investment to a qualified business by entering into a written agreement that includes the terms and conditions related to the investment. The Act requires the Fund to consider several factors before entering such an agreement. Currently, these factors include the consideration of the investment's economic impact on affected communities, the amount of support for the project, and the availability of other funding for the project, among other things. Under the bill, the Fund also would have to consider the following:

-- The extent to which the applicant would leverage the local skilled workforce and Department of Labor and Economic Opportunity (LEO) programs for the development and construction at the project location.

-- Whether the proposed project was or would be in a qualified opportunity zone,[1] a HUBZone,[2] or a county, city, village, or township with an unemployment rate that exceeded the average unemployment rate in the State.
-- Whether the project would result in equitable job growth based on providing training and advancement opportunities for employees.
-- Whether the qualified business provided health care and access to employer-sponsored benefits.
-- The extent to which the qualified business engaged with the community in which the project was or would be located.
-- Whether the qualified business would honor a decision by its workers to form a union and commit not to interfere in unionization efforts.
-- Whether the qualified business had downsized or laid off workers within the State within two years of the potential award and, if downsizing or layoffs had occurred, the salary range of the affected employees; the Fund would have to consider the net job loss or gain and the overall impact on net median income when determining whether to award a qualified investment.
-- Whether the project involved a potential partnership with a foreign company that could risk the safety or security of Michigan workers and intellectual property, and whether there were other potential projects with lower risk.
-- The extent that the proposed project would attempt to coordinate with already existing resources and programs within the State, such as the Michigan Works! One-Stop Service Center System, the Michigan High Speed Internet Office, the Michigan State House Developing Authority (MSHDA), the State Land Bank Authority and local land bank authorities, and the Michigan Department of Transportation (MDOT).
-- The level and extent of environmental contamination that would be remediated and the plan for that remediation.

The MSF may decide to award funds under the CIP and enter into a written agreement after considering the factors described above. Under the bill, the project would have to meet a majority of the criteria for the MSF to enter into a written agreement with the qualified business for the project.

Additionally, the bill would require the written agreement to include the amount of the total qualified investment to be awarded and an audit provision that required the Fund to verify that the benchmarks required for the project had been satisfied, among other provisions currently required within the written agreement.

The bill also would modify the definitions of "qualified investment" and "qualified job". It would specify that "qualified investment" would include economic assistance for the creation or retention of qualified jobs that the MSF determined to be critical to the economic growth and development of the State and "qualified job" would include only a permanent, full-time job.

<u>Michigan Strategic Site Readiness Program</u>

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[1] "Qualified opportunity zone" would mean that term as defined in the Internal Revenue Code: a population census tract that is a low-income community and is designated as a qualified opportunity zone. To designate a qualified opportunity zone, the chief executive officer of the State in which the tract is located must nominate it and notify the Secretary in writing of such a nomination, which the Secretary must certify within 30 days.

[2] "HUBZone" would mean that term as defined by in 13 CFR 126: a historically underutilized business zone, which is an area located within one or more 1) Qualified census tracts; 2) Qualified non-metropolitan counties; 3) Lands within the external boundaries of an Indian reservation; 4) Redesignated areas; 5) Qualified base closure areas; 6) Qualified disaster areas; or 7) Governor-designated covered areas.

The MSF also operates the SSRP. The MSF may expend money from the SOAR Fund or money appropriated to the SSRP to make grants, loans, or other forms of economic assistance to aid eligible applicants in creating investment-ready sites to attract and promote investment in the State for eligible activities on, or related to, strategic sites and mega-strategic sites. Before approving an application for economic assistance, the MSF must consider certain factors. Under the bill, the MSF would no longer have to consider the following:

-- The importance of the project or eligible activities to the community in which it was located.
-- Whether the proposed strategic site or mega-strategic site is incorporated into a strategic plan of a political subdivision of the State.
-- Any other additional criteria approved by the MSF that are specific to each individual project and are consistent with the purpose of the program.

Instead, the MSF would have to consider the following factors, among other currently required factors:

-- The potential economic impact of the project to the State.
-- The extent to which the applicant would leverage the local skilled workforce and LEO programs for the development and construction at the project location.
-- The plan for remediating environmental contamination, if applicable.

The MSF may decide to award funds under the SSRP and enter into a written agreement after considering the factors described above. Under the bill, the application for assistance would have to meet a majority of the criteria for the MSF to enter into a written agreement with the applicant.

Additionally, the bill would require the written agreement to include the amount of the grant, loan, or other economic assistance to be awarded and a provision that the eligible applicant would provide the data described in the written agreement necessary for the MSF to report to the Legislature as required.

Currently, in making an award for a mega-strategic site that does not have a specifically identified end user, the MSF must prepare a mega-strategic site investment strategy and spending plan. The bill would delete this and related provisions. The bill also would remove a provision allowing the SSRP to make grants and provide technical assistance to local economic development corporations for the purpose of creating an inventory of development-ready sites, provided that the inventory uses nationally recognized criteria to identify the readiness of those sites for investment. It would delete a provision requiring the MSF to maintain a comprehensive inventory of those sites on its website.

The bill would allow a local and regional economic development organization to use SSRP funds for the acquisition of real property or interests in real property and the MSF to enter into a written agreement with a land bank fast track authority.

Michigan 360 Program

The bill would require the MSF to create and operate the Michigan 360 Program using money from the Make it in Michigan Fund or other money appropriated to the Program. The MSF could spend money allocated to the Michigan 360 Program only to provide qualified investments to eligible applicants to support eligible activities related to projects under the SSRP or the CIP.

The bill would define an "eligible applicant" for the 360 Program as one of the following:

-- A political subdivision of the State, such as a county, city, or township.
-- An educational institution within the State, such as a university or community college.
-- A nonprofit corporation or community advocacy group.
-- A community development financial institution or a coalition of such institutions that previously provided services within the State.
-- A local professional or technical service provider.

"Eligible activities" would mean two or more of the following:

-- Main street and placemaking activities and activities to create walkable communities.
-- Support for the growth of small and micro businesses, business hubs, and technology collaborative spaces in the State.
-- Workforce-related activities that will improve productivity, competitiveness, and inclusiveness of the workforce to meet the needs of employers or potential employers, including, but not limited to, tailored educational, career advancement, and workforce retraining programming, curriculum development, and access to training, at no cost or low cost to the community and employers.
-- Expansion or development of child care facilities and personnel needed to support identified child care-related barriers to workforce participation at no cost or low cost to the community and employees.
-- Expansion or development of community services, including mental or behavioral health services and educational and youth programming at no cost or low cost to the community and employees.
-- Hard infrastructure improvements, including water infrastructure; transportation; roads, bridges, rail-grade separation, and other community and regional connectors; weatherization infrastructure; and electrical vehicle charging infrastructure.
-- Local housing market analysis to determine current and future housing needs and assistance in addressing identified housing needs as a result; investments in housing would have to make 20% or more of the resulting housing units low-income housing.[3]
-- Expansion or development of community resources, including broadband access, clean energy, energy efficiency tools, and green space preservation.

An investment under the Program would have to be made at the same time as and in connection with an award under the SSRP or the CIP. The amount of a qualified investment under the program could not be less than 20% of the total project investment.[4]

The MSF would have to adopt an application, approval, and compliance process for the Program. It would have to consider all the following factors before entering into a written agreement for a qualified investment:

-- The potential economic impact of the project to the community and to the State.
-- The degree to which the proposed project was a priority for the local unit of government in which the qualified investment was to be made.
-- Whether the project would catalyze additional economic growth in the community and in the State.
-- Whether the project's eligible activities would invest in transportation or infrastructure supports or support workforce training and development needs in the community.
-- The extent to which the proposed project would support the growth of a community's local downtown, central business district, small businesses, local business hubs.

[3] "Low income" would mean a household income that was less than 60% of the regional area median household income.
[4] The bill would define "total project investment" as the total amount of economic assistance provided under the Make it in Michigan Fund programs for a project.

-- Whether the project's eligible activities would support the childcare needs of the community required to support the local workforce.
-- Whether the proposed project would provide local housing to support growth in the community related to the project.
-- Whether the proposed project would reuse vacant buildings or historic resources or redevelop blighted property.
-- Whether the project's eligible activities would support or enable progress toward the core policy priorities for community benefit, as defined under the Justice40 initiative (see **BACKGROUND**).
-- The extent that the proposed project would attempt to coordinate with already existing resources and programs within the State such as those previously described (see Critical Industry Program).

If the MSF determined that at least three of these criteria had been met, it could award a qualified investment to an eligible applicant. The MSF would have to enter a written agreement with the applicant that included the terms and conditions related to the qualified investment. The written agreement would have to include all the following provisions:

-- The amount of the total qualified investment to be awarded.
-- Specific dates and benchmarks for the applicant to receive the qualified investment, including conditions for the disbursement of money in installments.
-- Specific terms relating to measurable outcomes, proration of payments for partial performance, and clawback and specific repayment provisions for noncompliance with the agreement.
-- An audit provision that required the MSF to verify that the benchmarks required for the project had been satisfied.
-- A provision that the qualified applicant would provide the data described in the written agreement necessary for the MSF to report to the Legislature as required.

Make it in Michigan Programs

In determining whether to provide economic assistance for a project under the CIP, SSRP, or the Michigan 360 Program, the MSF would have to determine how economic assistance under all the Make it in Michigan Fund programs could be combined into an offer package to best achieve the following goals:

-- Ensure that traditional economic development tools were packaged with targeted investments in communities, housing, workforce development, education, and wraparound services.
-- Ensure that economic assistance provided under the Make it in Michigan Fund programs benefitted communities and residents in the State even if a company's commitment failed to materialize, a business decision changed, or a company fell short of its stated goals.

In making its determination, the MSF would have to do the following:

-- Identify the site in the State that was the best location for the project for the success of the business and the impact to the economy and growth of the community.
-- Engage with the governing body of the municipality where the site identified was located to collaboratively build an offer package, including identifying Michigan 360 Program investments that aligned with the project's needs and directly supported the residents of the community.

Michigan Strategic Fund Board Members

Among other things, the Act prescribes the membership of the MSF's Board of Directors. The bill would require the following to serve as nonvoting members of the Board:

-- The majority chairperson and minority vice-chairperson of a standing committee of the Senate as selected by the Senate Majority Leader.
-- The majority chairperson and minority vice-chairperson of a standing committee of the House of Representatives as selected by the Speaker of the House.

Before entering into a written agreement under the CIP, SSRP, or 360 Program, the bill would require the MSF to submit a copy of the proposed written agreement to these nonvoting members, among others, along with the MSF's written analysis of the criteria. If the MSF received a request to modify an existing written agreement, the MSF would have to provide a copy of the requested modification to these nonvoting members.

The bill would prescribe current requirements concerning modified written agreements under the CIP and SSRP to the 360 Program.

Prohibition on Economic Assistance

The bill would prohibit the MSF from providing economic assistance under any Make it in Michigan Fund program unless the project enabled progress toward the State's economic justice goals, which would include the following:

-- Lifting families out of working poverty.
-- Having 60% of Michigan residents over the age of 25 hold a postsecondary degree or certificate by 2030, either through direct or indirect workforce development or by attracting new residents who held postsecondary degrees or certificates.
-- Securing low- or no-cost child care for 150,000 families through employer-provided benefits or enrollment in a program such as Michigan Tri-Share.
-- Becoming a top 10 state for small business growth, revenue growth, and venture capital funding.
-- Building 75,000 new or rehabilitated housing units, through direct developer investment because of the project, direct investment from the qualified business, or direct investment from the State through the Michigan 360 Program.
-- Raising the median household income for Michigan residents.
-- Increasing the State's population and workforce.

To receive economic assistance, a project also would have to enable progress towards the State's climate goals, which would include all the following:

-- Prioritizing disadvantaged communities under the Justice40 initiative and brownfield sites.
-- Building energy-efficient sites and utilizing clean energy.[5]
-- Building and increasing electric vehicle infrastructure or public transit, or both.
-- Reducing carbon emissions and increasing recycling.[6]
-- Protecting the State's land and water.[7]

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[5] As such, a determination of whether the project would assist the State in meeting this goal would have to include an analysis of the project's energy usage, building, land use, and waste plans.
[6] A determination of whether the project would assist the State in meeting this goal would have to include an analysis of the project's decarbonization and recycling strategies.
[7] A determination of whether the project would assist the State in meeting this goal would have to include an analysis of the environmental history of the applicant and, if different from the applicant, the end user of the project.

The MSF also could not provide economic assistance under the CIP or SSRP unless economic assistance was also provided under the Michigan 360 Program in an amount that was not less than 20% of the total project investment.

Currently, the Act prohibits the MSF from distributing funds allocated under these programs to a business or applicant under certain circumstances, such as if that business or applicant had not fully repaid all money subject to clawback or required to be repaid under a written agreement. Under the bill, the MSF could not distribute funds to a business or applicant if that business had one or more unpaid fees from pollution or environmental contamination in previous or current projects in any state, or if that qualified business or applicant was in bad standing with the State.

Currently, all money paid to the MSF pursuant to a clawback or repayment provision in a written agreement must be deposited in the SOAR Fund. Additionally, any unused money allocated to the CIP or SSRP also must be deposited in the SOAR Fund. Under the bill, this money would have to be paid into the General Fund.

The bill would prescribe these and related provisions to the 360 Program.

Reporting Requirements

The MSF must transmit to each member of the Legislature, the Governor, the Clerk of the House of Representatives, the Secretary of State, and the Senate and House Fiscal Agencies an annual report of its activities, including the CIP and the SSRP. Under the bill, the report also would have to include the activities and progress of the Michigan 360 Program. Specifically, the report would have to include a list of eligible applicants that received a qualified investment, as well as the all the following for each eligible investment:

-- A description of the associated project.
-- The amount and type of qualified investment, including a description of installments that had been paid and a description of future projected installments.
-- A description of community engagement in connection with the project.
-- The status of the progress of eligible activities.
-- A description of all benchmarks that the eligible activities had to meet under the written agreement and the status of those benchmarks.

The bill also would require the MSF to provide a quarterly report on the activities of all Make it in Michigan Fund programs to the Senate Economic and Community Development Committee and the House of Representatives Economic Development and Small Business Committee. This report would have to include a description of each project for which economic assistance was provided under the Make it in Michigan Fund programs. Additionally, the report would have to include the following information for each of these projects:

-- The MSF's written analysis of each program's respective criteria.
-- A written explanation of how the offer package achieved the goals outlined under Combining Programs.
-- A progress update that included 1) the amount of total project investment and economic assistance provided under each program; 2) a description of any benchmarks or other conditions that had to be met and their status; 3) the amount of money disbursed to date for the project and the date of each disbursement; 4) a description of future projected installments; and 5) whether money had been paid to the MSF because of a clawback or repayment provision.

Senate Bill 560

Among other things, Public Act 2 of 1921 prohibits the State Administrative Board from transferring or intertransferring funds that are appropriated, deposited, or transferred into the SOAR Fund or the CIP or the SSRP. The bill also would prohibit the Board from transferring or intertransferring funds appropriated or transferred for the Michigan 360 Program. Additionally, the bill would replace a reference to the SOAR Fund with reference to the Make it in Michigan Fund.

Senate Bill 562

Among other things, the Michigan Trust Fund Act concerns the creation and operation of the SOAR Fund. The bill replaces references to the SOAR Fund with the Make it in Michigan Fund. The State Treasurer directs the investment of the SOAR Fund. Under the bill, the State Treasurer also could invest money *in* the Make it in Michigan Fund as follows:

-- As part of the common cash of the State; however, the money would have to be separately accounted for.
-- In an investment authorized under Public Act 105 of 1855,[8] for surplus funds of the State.
-- In an obligation issued by any State or political subdivision or instrumentality of the United States.
-- In an obligation issued, assumed, or guaranteed by a solvent entity created or existing under the laws of the United States or of any state, district, or territory of the United States that was not in default as to principal or interest.
-- In an investment authorized by law.

Additionally, the bill would allow money to be spent from the Make it in Michigan Fund for the Michigan 360 Program.

BACKGROUND

SOAR Fund

In 2021, the Michigan Legislature passed Public Act 137, which created the SOAR Fund within LEO. The SOAR Fund is used to fund the CIP and the SSRP. Initially, the Legislature allocated $1.0 billion to the SOAR Fund; however, as the MSF has pursued a variety of high-profile projects, the SOAR Fund has been replenished several times.[9]

Justice40

On January 27, 2021, President Joe Biden signed Executive Order (EO) 14008. Among other things, EO 14008 required the Council on Environmental Quality, the Director of the Office of Management and Budget, and the National Climate Advisor, in consultation with the White House Environmental Justice Advisory Council, to jointly publish recommendations on how Federal investments, particularly those focused on clean energy and sustainability, could be made to provide disadvantaged communities with 40% of the overall benefits. It also required several agency heads to publish an annual Environmental Justice Scorecard detailing agency

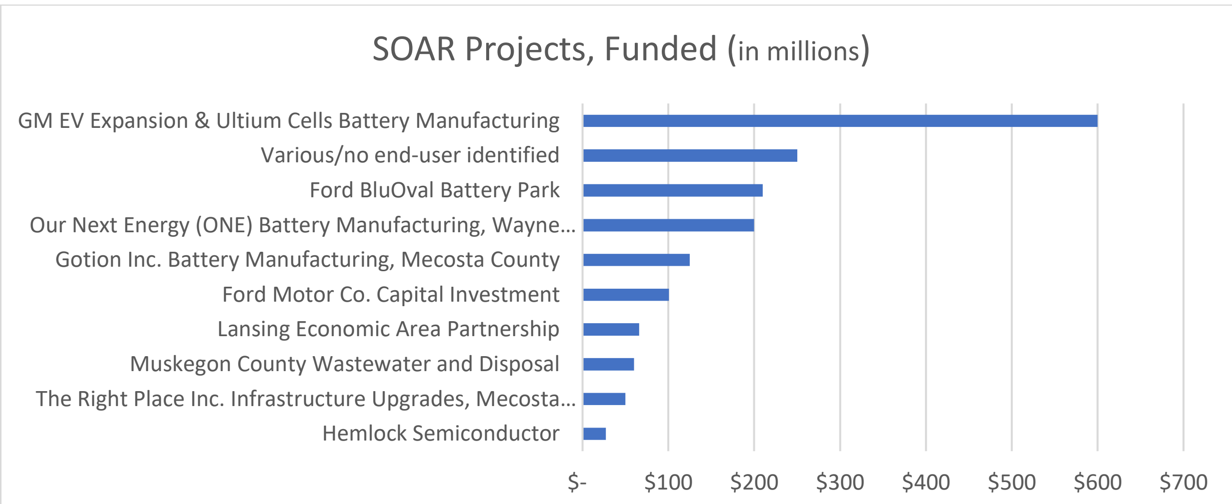
[8] Public Act 105 authorizes the State Treasurer to invest funds within the Treasurer's control with a financial institution, investment company, insurance company, brownfield redevelopment authority, and more, if the investment is found and declared to be for a valid public purpose. For more information, see MCL 21.142a-21.142f.
[9] White, Rose, "Michigan funneled $2B into luring big business. Here's where it went", *MLive*, July 6, 2023.

environmental justice performance measures.[10] In May 2021, the White House Environmental Justice Advisory Council released its interim final recommendations which, among other things, provided a series of recommendations for different United States agencies and departments.[11]

FISCAL IMPACT

The bills would have a significant positive fiscal impact on local government units due to 20% or more of the project total that would be directed to the Michigan 360 Program. The Michigan 360 program would direct funds to various organizations including local government units to support various projects. These projects could include support for growth in local downtown areas, central business districts, small businesses, and local business hubs, which could result in an indeterminate but higher property tax revenue for the local government units. The State would see a negative fiscal impact through the increased administrative costs of reporting requirements. The State also would see a small negative fiscal impact through the addition of four new members added to the Board, who would receive a refund for travel expenses.

Over the last two fiscal years, nearly $1.7 billion has been transferred from the SOAR Fund to the CIP or the SSRP for development projects, as described in the chart below.



Adding 20% to the previous project awards, cumulatively, would have meant over $400 million in additional investment in and around the locations of CIP or SSRP projects if, for example, the language of the bills was in effect at the time of those project awards and the Michigan 360 Program requirements were in place.

Senate Bill 561 likely would have a negative fiscal impact on the DTMB. Under the current Economic Development Incentive Evaluation Act (Public Act 540 of 2018), DTMB is required to engage contractors to periodically conduct an evaluation of various economic development incentive programs administered by the State, including the Michigan Strategic Fund Act. The bill would expand the definition of the initiatives to be evaluated to include the Make It in Michigan Program and the underlying Michigan 360 Program, as well as any other projects funded in whole or in part by the MSF or incentivized by those programs. This would require additional resources.

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[10] For more information, see www.ejscorecard.geoplatform.gov/scorecard/.
[11] White House Environmental Justice Advisory Council, *Justice40, Climate and Economic Justice Screening Tool, & Executive Order 12898 Revisions: Interim Final Recommendations*, May 13, 2021.

The Department of Technology, Management, and Budget received $1.0 million General Fund/General Purpose in FY 2021-22 and in FY 2022-23 to conduct its mandated incentive evaluations. As of October 2023, DTMB has spent most of these funds following its contractor bidding process. The remainder have been designated as a work project for completion of the third phase of evaluations.

The additional reporting on the new Make it in Michigan Fund would likely require a similar appropriation. It is indeterminate when this appropriation likely would be requested, as there would be significant lag time to permit the programs to be implemented. The Department of Technology, Management, and Budget would have to add the new Fund and programs to its multiyear evaluation schedule. This schedule is created in coordination with the MSF and the Department of Treasury. This work would be sufficiently funded by existing appropriations. The first evaluation report produced under Public Act 540 of 2018 was published in July 2023.

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