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Senate Bills 213 and 214 (as introduced 4-17-25)  
Sponsor: Senator Mallory McMorrow (S.B. 213)  
Senator John N. Damoose (S.B. 214)  
Committee: Economic and Community Development

Date Completed: 4-17-25

## **CONTENT**

**Senate Bill 214 would amend the Michigan Strategic Fund Act to create the Strategic Advisory Board (Board) within the Michigan Strategic Fund (MSF) and prescribe its members and duties.**

**Senate Bill 213 would amend the Michigan Strategic Fund Act to do the following:**

- **Require the Board to develop a strategic plan within a year of the bill's effective date for the following 10 years and require the Michigan Economic Development Corporation (MEDC) to update the plan annually thereafter.**
- **Prescribe the components of the strategic plans, including the identification of goals for economic development anchored in population growth and prosperity of residents and strategies to achieve those goals, among other things.**
- **By May 1, 2026, and annually after, require the MEDC to compile a report on the plans, submit the report to the Governor and certain House and Senate committees, and publish the report on the MSF or MEDC website.**

The bills are tie-barred.

## **Senate Bill 214**

### **Nonvoting Members**

The bill would create the Board in the MSF. The Governor would have to appoint the following nonvoting members in each cohort described below.

The following nonvoting members with expertise in jobs, talent acquisition, and small business:

- One representative from Traverse Connect.
- One representative from Business Leaders for Michigan.
- One representative from the Detroit Chamber of Commerce.
- One representative from the Upjohn Institute.
- One representative from MichBusiness.
- The Director of the Department of Labor and Economic Opportunity (LEO) or the Director's designee.
- The Director of the Small Business Association of Michigan or the Director's designee.
- The Director of Michigan Works! or the Director's designee.

The following nonvoting members with expertise in transit:

- One representative from Transportation Riders United.
- One transit representative from the Southeast Michigan Council of Governments.
- One representative from The Rapid.
- One representative from the Capital Area Transit Authority.
- One representative from SMART.
- One representative from the Detroit department of transportation.
- One representative from Michigan Public Transit.
- The Director of the State Transportation Department or the Director's designee.
- A representative of the Michigan Transportation Team Coalition.
- A representative of the Michigan Public Transit Association.

The following nonvoting members with expertise in economic and community development:

- One representative from the Northeast Michigan Council of Governments.
- One representative from Lakeshore Advantage.
- One representative from The Right Place.
- One representative from Saginaw Future.
- One representative from Flint and Genesee Economic Alliance.
- One representative from the Lansing Economic Area Partnership.
- One representative from the Cornerstone Alliance.
- One representative from Southwest Michigan First.
- One representative from the Detroit Economic Growth Corporation.
- One representative from the Detroit Regional Partnership.
- One representative from the Michigan Economic Developers Association.
- One representative from the Northern Lakes Economic Alliance.
- The Chief Executive Officer of the MEDC or the Chief Executive Officer's designee.
- The Executive Director of the Office of Global Michigan or the Executive Director's designee.
- The Executive Director of the Community Economic Development Association of Michigan.
- The Executive Director of Networks Northwest.
- The Director of the Michigan Municipal League.
- The Director of the Michigan Townships Association.

The following nonvoting members with expertise in housing or utilities services:

- One representative from Michigan Future.
- One representative from Consumers Energy.
- One representative from DTE Energy.
- One representative from Macomb County Planning and Economic Development.
- One representative from Oakland County Economic Development.
- One representative from Wayne County.
- One representative from the Tribal Government Services and Policy.
- One representative from the Michigan Nature Association.
- One representative from Environmental Resource Group.
- One representative from the Apartment Association of Michigan.
- One network representative from Community Housing.
- One representative from ICCF Community Homes.
- The Director of the Department of Health and Human Services (DHHS) or the Director's designee.
- The Executive Director of the Michigan State Housing Development Authority (MSHDA) or the Executive Director's designee.
- The Director of the Michigan Housing Council or the Director's designee.
- The Director of the Homebuilders Association of Michigan or the Director's designee.

The following nonvoting members with expertise in education:

- One individual who represents the Michigan Community College Association.
- One individual who is an economics expert from Michigan State University.
- One individual who is an economics expert from the University of Michigan.
- One representative from the Michigan Education Association.
- One representative from the Michigan Association for the Education of Young Children.
- One representative from the Michigan Education Justice Coalition.
- One representative from Michigan Education Technology Leaders.
- One representative from the Michigan Education Research Institute.
- One representative from the Michigan College Access Network.
- The Director of the Department of Education or the Director's designee.
- The Director of the Department of Lifelong Education, Advancement, and Potential (MiLEAP) or the director's designee.
- The Executive Director of the Michigan Association of School Boards.
- The Executive Director of the Michigan Association of State Universities.
- One representative from Western Michigan University.

The following nonvoting members with expertise in rural development:

- One representative from Invest UP.
- One representative from the Middle Michigan Development Corporation.
- One representative from the Rural Partners of Michigan.
- One representative from the Michigan Rural Community Assistance Program (RCAP).
- The Director of the Department of Agriculture and Rural Development or the Director's designee.
- The Director of the Michigan Rural Development Council.
- The Director of LEO, Office of Rural Prosperity.

The following nonvoting members with expertise in innovation, technology, or manufacturing:

- One representative from the Michigan Chamber of Commerce.
- One representative from the Ann Arbor Spark.
- One representative from Michigan Central.
- One representative from Michigan State University Burgess Institute for Entrepreneurship and Innovation.
- One representative from University of Michigan Center for Innovation.
- One representative from ID Ventures.
- One representative from Western Michigan University's Center for Bioscience Research and Commercialization.
- The Executive Director of the Michigan Manufacturers Association.
- The Executive Director of the Michigan Incubator Association.
- The Executive Director of Michauto.
- An innovation report policy representative of the Citizen's Research Council.

The following nonvoting members with expertise in environmental matters:

- One representative from the Michigan Environmental Justice Coalition.
- One representative from the Clearwater Conservation Committee.
- One representative from the Michigan League of Conservation Voters.
- One representative from the Michigan Organic Farm and Food Alliance.
- One representative from the UP Land Conservancy.
- One representative from For the Love of Water (FLOW).

- The Director of the Department of Environment, Great Lakes, and Energy (EGLE) or the Director's designee.
- The Director of the Department of Natural Resources or the Director's designee.
- The Director of the Michigan Environmental Council or the Director's designee.

Additionally, the Governor would have to appoint the following nonvoting members:

- Two individuals who were experts on national economics.
- Two individuals who were top site-selection consultants.
- Two individuals who were each a leader of a national economic development organization focused on policy and practice.

### Voting Members

The Board would have to consist of the following voting members:

- Four members elected by the cohort of nonvoting members with expertise in jobs, talent acquisition, and small business.
- Four members elected by the cohort of nonvoting members with expertise in transit.
- Four members elected by the cohort of nonvoting members with expertise in economic and community development.
- Four members elected by the cohort of nonvoting members with expertise in housing or utilities services.
- Four members elected by the cohort of nonvoting members with expertise in education.
- Four members elected by the cohort of nonvoting members with expertise in rural development.
- Four members elected by the cohort of nonvoting members with expertise in innovation, technology, or manufacturing.
- Four members elected by the cohort of nonvoting members with expertise in environmental matters.

The individuals appointed as voting members would have to call the first meeting of the Board. At the first meeting, the voting members of the Board would have to elect a member as a chairperson and could elect other officers that it considered necessary or appropriate. The Board would have to meet at least quarterly, or more frequently at the call of the chairperson or at the request of at least 10 members.

A majority of the voting members of the Board would constitute a quorum for transacting business. A vote in favor by a majority of the voting members of the Board serving would have to be required for any action of the Board.

Only the voting members of the Board could develop a strategic plan in accordance with Senate Bill 213 with advice and collaboration from the Board's nonvoting members.

### Board Membership and Procedure

The Governor would have to appoint the first members of the Board within 90 days of the bill's effective date. Board members would have to serve one-year terms or serve until a successor was appointed, whichever were later, but could not serve longer than the time it took the Board to develop the strategic plan described in Senate Bill 213. If a vacancy occurred on the Board, the Governor would have to appoint an individual to fill the vacancy for the balance of the term. The Governor could remove a member of the Board for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

The Board would be subject to the Open Meetings Act and the Freedom of Information Act. A member of the Board would not be entitled to compensation for service on the Board, but the Board could reimburse a member for actual and necessary expenses incurred in serving.

The bill would allow the Board to do either of the following:

- Take any other action necessary to achieve the purposes of Senate Bill 213.
- Perform any other duties or exercise any other powers assigned to the Board by law.

Once the Board developed the strategic plan in accordance with Senate Bill 213, the Board would have to be dissolved and would have to cease operations.

### **Senate Bill 213**

Within one year after the appointment of the members of the Board, the Board would have to develop a strategic plan for specific economic development activities for the 10 years following the bill's effective date.

By September 30 of the year after the year in which the strategic plan was completed and September 30 of each year thereafter, the MEDC would have to update the plan.

The strategic plan would have to include all the following:

- The identification of specific goals and objectives for economic development and the development of quantifiable metrics and performance measures, anchored in population growth and the success and prosperity of residents.<sup>1</sup>
- The identification of specific strategies, taking a whole-of-government approach, to achieve the goals and objectives identified above.<sup>2</sup>
- The identification and definition of not more than five key regions within the State for the purposes of regional economic development strategies and collaboration.
- The identification and proposed structure of a State-led economic development entity best suited to serve these regions in progress toward the defined goals and strategies to ensure statewide success.
- The identification and analysis of the State's strategic assets.
- The identification and analysis of the State's competitive landscape.
- An analysis of the historical performance of the State's economic development strategies, which would have to consider whether these economic development strategies resulted in outcomes that increased the success and prosperity of the residents of the State.
- A process to evaluate the State's effectiveness in exercising the powers and duties conferred by the bill, including the MEDC's ability to work with other State, regional, and local economic development organizations.

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<sup>1</sup> These goals would include, among others, providing incentives that promoted and encouraged natural resource-based industries, such as fishing and recreational tourism; providing appropriate incentives for economic development in rural, suburban, and urban areas; and protecting the environment and the State's other resources.

<sup>2</sup> These would include, among others, strategies consistent with the goals and other plan elements for the economic development of the State that included an inventory and assessment of the State's infrastructure, economic base, labor force characteristics, educational opportunities necessary to train the labor force, affordable housing characteristics, and economic development opportunities and resources, including the development of economically disadvantaged areas and redevelopment of urban areas, and a determination of what could be done to support retention and expansion of existing businesses and attract new businesses and industries.

- A process to evaluate the State's effectiveness in achieving progress toward the quantifiable metrics and performance measures as defined in the plan, with clearly defined policies and actions if the MEDC fell short of the defined performance measures.
- A strategy for coordinating with State agencies that administered housing, educational, workforce, transportation, and environmental programs as they interacted with the State's economic development strategy.

In developing the strategic plan, the Board would have to do the following:

- Consult with key economic development partners, including State, regional, and local economic development agencies and organizations, as well as urban, suburban, and rural stakeholders.
- Consider and incorporate any Growing Michigan Together Council reports, MSHDA's Statewide Housing Plan, the State's Sixty by 30 plan, the Michigan's Statewide Workforce Plan, the MI Healthy Climate Plan, the DHHS's strategic priorities to improve health outcomes, the Michigan Mobility 2045 Plan, Michigan's Statewide Comprehensive Literacy Plan (MiLit), and any initiatives, goals, or action plans released or recommended by MiLEAP (for more information, see **BACKGROUND**).

By May 1, 2026, and each May 1 thereafter, the MEDC would have to compile a report on the strategic plan, any modifications to the plan, and the State's progress toward meeting the goals and objectives of the plan to all the following and publish the report on the website of the MSF or the MEDC:

- The Governor.
- The House Committee on Economic Competitiveness.
- The Senate Economic and Community Development Committee.
- The House Appropriations Subcommittee on LEO.
- The Senate Appropriations Subcommittee on LEO/MEDC.

Proposed MCL 125.2009a & 125.2009b (S.B. 214)

Proposed MCL 125.2009c (S.B. 213)

## **BACKGROUND**

### Growing Michigan Together Council

In 2023, Governor Gretchen Whitmer created the Growing Michigan Together Council to identify strategies to grow Michigan's population. The Council released its final report in December 2023. Among other things, it set the goal that, by 2050, Michigan would be a top 10 State for population growth. The report identified three strategies to achieve that goal: 1) establish Michigan as the Midwest's innovation hub by developing an economic growth plan and investing in efforts to attract and retain young talent; 2) building an equitably and efficiently funded lifelong learning system, including up to two years free postsecondary education and innovation to help educators improve student outcomes; and 3) developing attractive communities by investing in regional public transit systems and housing stock.

### Statewide Housing Plan

In 2022, MSHDA released its Statewide Housing Plan. Among other things, the plan established five targets: 1) the building of over 75,000 new or rehabilitated housing units; 2) the stabilization of over 100,000 households' housing; 3) providing weatherization and home energy improvements to over 15,000 households; 4) making homelessness rare, brief, and

one time; and 5) reducing equity gaps in homeownership, accessible housing, and homelessness. To this end, the plan proposed over one hundred strategies.

### Statewide Workforce Plan

Michigan's Statewide Workforce Plan, released in March 2024, identified three pillars to support Michigan's workforce. The first pillar correlates with Michigan's Sixty by 30 initiative, which seeks to increase, from 51.1% to 60%, the number of working-age adults with a skill certificate or college degree by 2030. The plan identified three strategies to achieve this goal: 1) investing in efforts to increase degree and certification attainment; 2) investing in reskill programs to help workers move from industry to industry; and 3) expanding opportunities for lifelong learning and career success, such as apprenticeships and work-based learning programs. The second pillar focuses on increasing access to opportunities that grow the middle class. These strategies include 1) expanding opportunities to help individuals find their right career path, 2) addressing barrier to employment for underrepresented groups, 3) expanding access to child and elder care, and 4) addressing transportation barriers. The third pillar focuses on supporting businesses and entrepreneurs through talent solutions. To this end, the Plan's strategies include 1) investing in economic development, 2) investing in tailored business services and solutions, and 3) supporting the State's small businesses and entrepreneurs.

### MI Healthy Climate Plan

In 2020, Governor Whitmer charged EGLE's Office of Climate and Energy with developing the MI Healthy Climate Plan, an action plan to reduce greenhouse gas emissions and transition toward economy-wide carbon neutrality. The Office released the Plan in 2022. The Plan identified six priorities: 1) committing to environmental justice, including a just transition for workers whose industries may be negatively affected by the plan; 2) cleaning the electric grid by transitioning from coal-fired power to renewable energy sources; 3) electrifying vehicles and increasing access to public transportation; 4) repairing and decarbonizing homes and businesses; 5) encouraging the development of cleaner industries; and 6) protecting Michigan's land and water resources.

### DHHS Strategic Priorities

The DHHS's 2023-2027 Strategic Priorities focus on 1) investing in public health, 2) working towards racial equity, 3) addressing food, nutrition, housing, and other social determinants of health, 4) improving the behavioral health service system for children and families, 5) improving maternal-infant health and reducing outcome disparities, 5) reducing lead exposure for children, 6) reducing child maltreatment in the foster care system and improving rates of permanent placement within a year, 7) fully implementing the Families First Preservation Services Act, a Federal law which provides States and Tribes opportunities to use Federal funding to increase support to children and families, 8) expanding and simplifying safety net access, 9) reducing opioid and drug-related deaths, and 10) ensuring all administrations are managing outcomes, investing in evidence-based solutions, and ensuring program accuracy.

### Michigan Mobility 2045 Plan

The Michigan Mobility 2045 Plan is a collection of the Michigan Department of Transportation's (MDOT) plans and goals for the next 20 years. The Plan identified six priorities for MDOT to focus on during this time: 1) enhancing quality of life for all communities and transportation users; 2) enhancing mobility choices for users; 3) enhancing the safety and security of the State's transportation network; 4) preserving and improving the condition of Michigan's transportation network; 5) improving the movement of people and goods to attract and

sustain diverse economic opportunities while investing resources responsibly; and 6) strengthening, expanding, and promoting collaboration with all users through effective public and private partnerships.

### MiLit

Michigan's Statewide Comprehensive Literacy Plan seeks to increase the State's literacy achievement. The Plan identifies three action steps to support these efforts: 1) promoting high standards for literacy instruction and assessment for all learners; 2) building teacher and literacy leader expertise; and 3) supporting MiLit regional teams in improving and sustaining literacy achievement by establishing a network of Literacy Shareholders.

### **PREVIOUS LEGISLATION**

*(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)*

Senate Bills 213 and 214 are respectively similar to Senate Bills 1116 and 1117 from the 2023-24 Legislative Session. Senate Bills 1116 and 1117 were reported by the Senate Committee on Economic and Community Development but received no further action.

Legislative Analyst: Abby Schnieder

### **FISCAL IMPACT**

The bills would have an indeterminate negative fiscal impact on the MSF and no impact on local units of government. The Department of Labor and Economic Opportunity would incur the costs for staff or support provided to the Board. Members of the Board would serve without compensation; however, they could be reimbursed for actual and necessary expenses incurred while serving. The typical annual costs to support an advisory council can range from \$10,000 to \$200,000, depending on the travel expenses and staff demands. It is likely that these costs could be absorbed within existing appropriations. These costs would continue until the Board was dissolved when the Board developed a strategic plan.

The MSF would experience minor fiscal costs to provide annual updates on the State's progress towards meeting the goals of the strategic plan.

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.