



MICHIGAN HOUSE REPUBLICANS

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June 18, 2024

The Honorable Gretchen Whitmer
Governor, State of Michigan
P.O. Box 30013
Lansing, MI 48909

Governor Whitmer:

We are writing to express our significant concerns regarding House Bills 5768-5770, which propose revisions to the SOAR economic development program. As members of the House Economic Development and Small Business Committee, we have closely followed the hearings and discussions surrounding these bills. While we appreciate the effort to create a better economic growth strategy, we believe the current proposals still fall short in several critical areas.

Michigan's current economic development plans aren't working. Billions have been spent to win just a handful of jobs, and those jobs don't even pay any more than other businesses. When our local small businesses are watching the same out of state EV battery plants get these funds over and over and then cut back on their promises, you can understand where the frustration comes from in our communities.

Based on extensive discussions with Leader Matt Hall and other House Republicans, we have compiled a list of necessary changes that must be addressed before we can consider supporting these bills. These adjustments are essential to ensure the SOAR program promotes sustainable economic growth and uses people's tax dollars wisely. Our recommended changes include:

- The \$670 million annual MPSERS payment must remain in the teachers' retirement system and continue to pay down the state's unfunded obligations. Defunding our teachers' healthcare isn't right and doing it to fund big businesses doesn't make it any better.
- At least 60% of economic development funding should go to job providers that already have roots in Michigan. If Michigan taxpayers are going to fund these new jobs, then let's keep the impact local with Michigan businesses.
- 50% of any SOAR deposit should go to the Strategic Site Readiness Program (SSRP), which ensures that we are thinking long-term about these investments and not just to the next ribbon cutting.
- At least 60% of SSRP funding should be dedicated to building pad-ready sites, to keep the focus on a healthier environment for jobs across the state.

- No more than 15% of SSRP money should be awarded to any single prosperity region. Our local communities deserve more high-paying jobs, too, and those dollars should go to the best projects we can find.
- No more than 50% of the SOAR funding should be allocated to any one industry over a two-year period. This isn't just a foreign-owned battery plant fund; it is meant to support economic growth across the state.
- Require a resolution to be adopted by record roll call vote in both legislative chambers before each SOAR transfer is made. The track record of these deals shows that we need more accountability and public scrutiny, not less.
- Require that any money paid back due to a claw back or other repayment provision be deposited in the general fund. Think about it this way – if we have to pull the money back because of a bad deal, the next deal ought to have even more accountability, and not less.
- Require the Auditor General to perform annual audits of every disbursement of SOAR money to determine if all provisions have been met and whether any claw backs are necessary.
- Eliminate the 10-year earmark and allow the Legislature to determine fiscally responsible appropriations to SOAR annually through the normal budgeting process.
- Lower income taxes for all Michiganders, including small businesses. This will make it more affordable to live in Michigan and help our state compete for more investments and new jobs.

Incorporating these changes will significantly improve the transparency, accountability, and effectiveness of the SOAR program. Ensuring that funds are used thoughtfully and fairly across the state in a wide variety of industries will foster a more robust and resilient economic environment in Michigan.

Thank you for your attention to this issue. Our shared goal is to advance Michigan's economy in a way that benefits our residents and job providers, and we are confident that these recommendations will help achieve that goal. We stand ready and willing to work with you and Leader Hall to improve these bills and create a more balanced and impactful economic development strategy.

Sincerely,



Representative David Martin
68th House District



Representative John Roth
104th House District