



For Immediate Release

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Governor Signs Michigan Innovation Fund Bills, Creating \$60M Program to Support Startups in Michigan

Funding would provide crucial support for entrepreneurs and startups by helping to create self-sustaining nonprofit early-stage evergreen funds and leverage existing fund infrastructure

Lansing, Michigan – Jan. 13, 2025 - Today, Governor Gretchen Whitmer signed House Bills 5651, 5652 and 5653, sponsored by Representative Alabas Farhat (D-Dearborn), Jason Hoskins (D-Southfield) and Greg VanWoerkom (R- Norton Shores) which will create the Michigan Innovation Fund. This \$60 million fund will provide critical funding to Michigan’s existing early-stage evergreen venture funds, emerging evergreen funds, and the entrepreneur ecosystem. The Michigan Innovation Fund is designed to provide long-term investments in Michigan’s startup companies, grow and diversify the economy, create jobs; and build a strong, competitive, and sustainable financial network to support startup companies across Michigan. This marks the first major program for entrepreneurs, founders and funds in over a decade.

“For too long, we overlooked the importance of helping grow all areas of our economy, especially Michigan entrepreneurs and the impact they can have on future jobs and economic growth,” said Representative Farhat. “With the Michigan Innovation Fund, we have a powerful tool to support new business creation and stop the trend of companies leaving Michigan to find the startup capital they need. The investments we make in entrepreneurs, innovative technologies, and new industries today will power Michigan’s economic future as well as help support an innovation economy and attract talent.”

“I truly believe the next great business is here in Michigan, and the Michigan Innovation Fund will play a vital role in advancing our state’s economic ecosystem and helping our entrepreneurs thrive,” said Rep. VanWoerkom, Republican vice chair of the House Appropriations Subcommittee on Labor and Economic Opportunity.

Recent studies show that Michigan is losing significant jobs, talent and investment opportunities due to the lack of early-stage investment capital available to would-be entrepreneurs. The \$60M Michigan Innovation Fund is a big step forward in giving Michigan a chance to become a leader in early-stage, pre-seed funding, combining entrepreneurial support services and early-stage capital to create and nurture an entrepreneurial ecosystem that can grow over time, reinvest in new and growing assets and develop a sustainable network of support for entrepreneurial activity across the state.

“Michigan has amazing talent and strong research institutions,” said Representative Hoskins. “There is real potential to be a leader in creating and growing innovative startups. Other states, especially on the coasts, figured this out a long time ago, and more recently our neighboring states. The Michigan Innovation Fund is key if we truly want to generate more opportunities for entrepreneurs, leverage the state’s research universities, and see our state emerge as a leader in business growth and compete with our Midwest states.”

Under the plan, funding would be awarded to nonprofit and university-backed funds with proven track records and all investment returns would be recycled back into the respective funds for future investment in MI companies, ensuring long-term impact. The five established, evergreen funds include:

- ID Ventures at Invest Detroit
- Ann Arbor SPARK
- University of Michigan’s Accelerate Blue Fund
- MSU Research Foundation
- Western Michigan University’s Biosciences Research and Commercialization Center (BRCC)

In addition to supporting the early-stage evergreen funds above, the program will help establish and grow three new early-stage emerging evergreen funds around the state that will be located in Grand Rapids, Traverse City and the Upper Peninsula. In addition to supporting the early-stage evergreen funds the program will provide additional funding to key partners in the ecosystem that support startup companies, founders and funds.

The Michigan Innovation Fund's investment in these funds will go a long way to creating evergreen, self-sustaining funds that recycle capital and provide long-term investments in Michigan startups. Many companies that get their start in this state have been forced to leave to follow investment capital in other states, increasingly to Ohio. The Michigan Innovation Fund will help provide critical early-stage funding and keep companies here in Michigan.

"The Michigan Innovation Fund is an exciting step forward for Michigan's entrepreneurs. We are investing in our state's talent and reinvigorating our entrepreneurial ecosystem by giving diverse and ambitious founders the tools and support they need to succeed," said Patti Glaza, Executive Vice President of Invest Detroit and Managing Partner at ID Ventures. "This is the first program of its kind here in Michigan, and it's going to drive successful innovation commercialization and economic growth in our state. None of this would have been possible without the incredible collaboration and support from Governor Whitmer, Lt. Governor Gilchrist, Representatives Farhat, Hoskins, VanWoerkom, and our coalition partners. Together, we're setting a new standard for Michigan's entrepreneurial future."

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Quotes from MI Innovation Fund Coalition Partners and Supporters:

Kelly Sexton, Ph.D., Associate Vice President for Research, Innovation Partnerships and Economic Impact, University of Michigan

"Innovative startups have the power to change lives—whether through medical breakthroughs or cutting-edge technologies—and they play a crucial role in driving Michigan's economy forward. Gov. Whitmer's signing of this bill into law today demonstrates our state's dedication and foresight in supporting Michigan-founded startups," said Kelly Sexton, associate vice president for research - innovation partnerships and economic impact at the University of Michigan. "Michigan is now making a bold statement: we are committed to fostering an innovation ecosystem where companies aren't just founded here—they grow, thrive and create jobs right here in our communities."

Paul Krutko, President & CEO, Ann Arbor SPARK

"The MI Innovation Fund is an important step toward keeping Michigan competitive in the innovation economy. Governor Whitmer's leadership helps ensure that inventions developed here can grow and thrive here, driving long-term economic growth," said Paul Krutko, President and CEO of Ann Arbor SPARK. "This is just the beginning, and we must continue building on this progress to support entrepreneurs and R&D across the state."

Jeff Wesley, Executive Director of Ventures at MSU Research Foundation

"This is an exciting moment for our state's entrepreneurial future," said Jeff Wesley, Executive Director of Ventures at the MSU Research Foundation, which manages Red Cedar Ventures and Michigan Rise Pre-Seed Fund III. "This bipartisan achievement is the first step toward establishing sustainable funding pathways for Michigan's most promising startups and innovators. By leveraging our existing ecosystem and creating new evergreen funds, we're investing in Michigan's long-term economic growth and innovation leadership."

Steve Haakenson, Executive Director, Western Michigan University's Bioscience Research and Commercialization Center (BRCC)

"This bill will help establish a long-term presence of available investment funding in Michigan for the creation of high tech businesses and jobs. The early-stage capital supporting the innovating entrepreneurs in Michigan is limited and these nonprofit evergreen funds receiving this capital have proven track records for establishing and growing new businesses and jobs throughout the State. We appreciate our state legislators and Governor Whitmer for recognizing the need for this support of Michigan's entrepreneurs."

Ara Topouzian, Executive Director, Michigan Venture Capital Association

"MVCA is thrilled about the opportunities that the MI Innovation Fund will create for many of our investor member organizations. As we begin the year, we are encouraged by the support from the State of Michigan to invest in our vibrant founder community. We view this as just the beginning of ongoing efforts to strengthen the venture capital landscape in Michigan."

Randy Thelen, President and CEO of The Right Place

"The Innovation Fund will help drive Michigan's economy forward," said Randy Thelen, President and CEO of The Right Place. "Michigan has a rich history of innovation, but that history does not

guarantee future success. We must continue to be bold and invest in the next wave of great Michigan companies.”

Jim Baker, Fund Manager, Michigan Outdoor Innovation Fund

The early-stage investments available through Michigan Innovation Fund will make an immediate impact in building successful startup companies throughout the State and improve our competitiveness in being the place for growing, attracting, and retaining high-growth and high-wage companies. Startups receiving investment from the Michigan Outdoor Innovation Fund will produce an additional impact by increasing the accessibility, enjoyment, and sustainability of outdoor experiences that the State is blessed to be able to offer residents and visitors and is a substantial contributor to the economies of cities of all sizes. We are grateful to Representatives Farhat, Hoskings and VanWoerkem for their support and advocacy and to Invest Detroit for its leadership in guiding passage of this difference-making legislation.

Warren Call, President and CEO, Traverse Connect

The Michigan Innovation Fund will bring historic support to Michigan’s startup economy, including northwest Michigan’s nationally-recognized startup and entrepreneurial community,” said Warren Call, president and CEO of Traverse Connect. “Innovative startups in Michigan are developing scalable businesses that will thrive and grow thanks to this important investment”.

Mark de la Vergne, Director, Economic Innovation and Policy, Michigan Central

“We are in a battle for talent and investment on a global stage, and the Innovation Fund would be a crucial step in making Michigan more competitive and help our state to once again be a leader in innovation. Michigan Central and our partners have made incredible progress in attracting cutting edge startups from across the country and around the world, and passage of this legislation would go a long way in accelerating the progress not only in Detroit but all over Michigan. Michigan Central enthusiastically supports this legislation and thanks Governor Whitmer and Representatives Farhat and Hoskins for their leadership on this crucial issue.”

Jeff Donofrio, President and CEO, Business Leaders For Michigan:

“The Michigan Innovation Fund will invest in the next generation of great Michigan companies, continuing our state’s legacy of building prosperity from innovation. The fund will help spur high-wage job growth and bring new technologies here, allowing entrepreneurs to start and grow in our state.”

Hassan Beydoun, Group Executive for Economic Development, City of Detroit

The Michigan Innovation Fund is a smart investment in the early-stage, high-growth companies that will power Michigan's future economic growth and prosperity. We look forward to working with our partners in the legislature to continue delivering our founders and funders the tools they need.