



OAG

Office of the Auditor General

Report Summary

Performance Audit

Flint Emergency Expenditures

State of Michigan

Report Number:
000-2020-20

Released:
July 2020

On January 5, 2016, former Governor Rick Snyder declared a state of emergency for Genesee County (referred to as the Flint declaration of emergency) due to the ongoing health and safety issues caused by elevated lead levels in the City of Flint's drinking water. The Legislature enacted numerous appropriations to address this situation, both as supplemental appropriations to and transfers within the fiscal year 2016, 2017, and 2018 budget and spending authorizations provided in the fiscal year 2017, 2018, 2019, and 2020 budgets. As of March 31, 2020, appropriations totaled \$354.8 million and 10 State departments had expended a total of \$304.5 million. Public Act 3 of 2016 requires the Office of the Auditor General to audit the use of the funds appropriated for this emergency and report at a minimum of every six months until the funds are expended. This is our ninth report on the expenditure of these funds.

Audit Objective			Conclusion
Objective #1: To determine the appropriateness of State agencies' expenditure of the Flint declaration of emergency appropriations as of March 31, 2020.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Michigan Department of Education should seek legislative clarification or an Attorney General Opinion to support the age criteria used for 830 to 1,280 children receiving early intervention services. Because costs are not billed to MDE on a per child basis and the services provided varies from child to child, we cannot readily estimate the costs incorrectly charged to the emergency appropriations (<u>Finding #1</u>).		X	Agrees
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDE paid \$4.1 million for the planning and implementation of a program, administered through the Flint Registry and the Neurodevelopmental Center of Excellence (NCE), to screen and assess children who may have been exposed to elevated levels of lead in the Flint water supply. As of June 1, 2020, NCE had completed 220 assessments, of which 25 were referred from the Flint Registry (<u>Observation #1</u>).			Not applicable for observations.

Audit Objective			Conclusion
Objective #2: To report State agencies' expenditures of the Flint declaration of emergency appropriations.			Information provided
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	
Exhibits Related to This Audit Objective			
<u>Exhibit #1</u> - Department of Licensing and Regulatory Affairs <u>Exhibit #2</u> - Department of Environment, Great Lakes, and Energy <u>Exhibit #3</u> - Michigan Department of Health and Human Services <u>Exhibit #4</u> - Michigan Department of Education <u>Exhibit #5</u> - Department of Military and Veterans Affairs <u>Exhibit #6</u> - Michigan Department of State Police <u>Exhibit #7</u> - Department of Treasury <u>Exhibit #8</u> - Department of Attorney General <u>Exhibit #9</u> - Department of Natural Resources <u>Exhibit #10</u> - Department of Technology, Management, and Budget <u>Exhibit #11</u> - Summary of Flint Emergency Expenditures by Appropriations Act and Department			

Obtain Audit Reports

Online: audgen.michigan.gov

Phone: (517) 334-8050

Office of the Auditor General
201 N. Washington Square, Sixth Floor
Lansing, Michigan 48913

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General