

**Office of the Auditor General**  
Performance Audit Report

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**COVID-19 Expenditures**  
State of Michigan

June 2021

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The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

The auditor general may make investigations pertinent to the conduct of audits.

*Article IV, Section 53 of the Michigan Constitution*

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*Performance Audit*  
*COVID-19 Expenditures*  
*State of Michigan*

**Report Number:**  
**000-2000-20D**

**Released:**  
**June 2021**

On March 10, 2020, Governor Gretchen Whitmer declared a state of emergency when the Michigan Department of Health and Human Services identified the first two presumptive positive cases of the novel coronavirus (COVID-19) respiratory illness. The Legislature enacted Public Acts 67, 123, 144, 146, 150, and 166 of 2020, appropriating supplemental funding for COVID-19. In addition, Section 704 (3), Public Act 53 of 2019 allows the Michigan Department of State Police to receive and expend money from local, State, federal, or private sources for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. As of November 30, 2020, supplemental appropriations for COVID-19 totaled \$6.0 billion. Public Act 67 of 2020 requires the Auditor General to audit the use of the funds appropriated for the COVID-19 emergency and report monthly until the funds are expended. Our report includes COVID-19 expenditures appropriated by all Public Acts. This is our fourth report.

Audit Objective		Conclusion	
Objective #1: To determine the appropriateness of State agencies' COVID-19 expenditures through November 30, 2020.		Appropriate	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The State lacked disaster receipt and distribution preparedness resulting in \$5.6 million paid to Ohio in use tax ( <u>Observation #1</u> ).	Not applicable for observations.		
Exhibits Related to This Audit Objective			
<u>Exhibit #1</u> - Summary of Expenditures Sampled for Testing			
<u>Exhibit #2</u> - Summary of Exceptions and Pending Items			

Audit Objective			Conclusion
Objective #2: To report State agencies' COVID-19 expenditures.			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 #3</u> - Appropriations and Departmental Allocations <u>Exhibit #4</u> - Expenditures by Fund Source, Department, Appropriation, and Response Category <u>Exhibit #5</u> - Coronavirus Relief Fund Payments and Allocations <u>Exhibit #6</u> - Expenditures by Department, Appropriation, and Response Category <u>Exhibit #7</u> - Expenditures by Response Category for All Appropriations <u>Exhibit #8</u> - Chart of COVID-19 Expenditures by Response Category for All Appropriations <u>Exhibit #9</u> - Vendors With Total Payments of \$2.5 Million or Greater <u>Exhibit #10</u> - Expenditures by Classification Category for All Appropriations <u>Exhibit #11</u> - Summary of Programs With Advances to Subrecipients			

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# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

June 4, 2021

The Honorable Gretchen Whitmer  
Governor of Michigan  
George W. Romney Building  
Lansing, Michigan

The Honorable Jim Stamas, Chair  
Senate Appropriations Committee  
State Capitol Building  
Lansing, Michigan

The Honorable Curtis Hertel, Jr., Min. Vice Chair  
Senate Appropriations Committee  
Connie B. Binsfeld Building  
Lansing, Michigan

Ms. Margaret O'Brien, Secretary  
Michigan Senate  
State Capitol Building  
Lansing, Michigan

Mr. Brom Stibitz  
Director, Department of Technology, Management, and Budget  
Chief Information Officer, State of Michigan  
Elliott-Larsen Building  
Lansing, Michigan

The Honorable Thomas Albert, Chair  
House Appropriations Committee  
State Capitol Building  
Lansing, Michigan

The Honorable Joe Tate, Min. Vice Chair  
House Appropriations Committee  
Anderson House Office Building  
Lansing, Michigan

Mr. Gary Randall, Clerk  
Michigan House of Representatives  
State Capitol Building  
Lansing, Michigan

Dear Governor Whitmer, Mr. Stibitz, Senators Stamas and Hertel, Representatives Albert and Tate, Ms. O'Brien, and Mr. Randall:

This is our performance audit report on the COVID-19 Expenditures, State of Michigan.

Section 204, Public Act 67 of 2020, effective March 30, 2020, requires the Office of the Auditor General to audit the use of funds appropriated for coronavirus public health emergency - health care capacity, coronavirus public health emergency, and coronavirus response fund and report to the chairs of the Senate and House Appropriations Committees at a minimum of every month on the appropriateness of the preceding month's expenditures until the funds are expended. In order to provide a more complete picture of the total spending on COVID-19, our audit scope includes all COVID-19 coded expenditures as of November 30, 2020. Because of the ongoing nature of the audit, not all reported and sampled expenditures were audited by the end of our fieldwork. Expenditures not subject to our review for this report will be considered for our next audit of the COVID-19 expenditures, unless otherwise noted.

The Act also requires the OAG to report the details of our services related to our review of the COVID-19 expenditures; details of findings of fraud, waste, and abuse; and recommendations for corrective actions by any governmental entity. We have included these details as of November 30, 2020 and will continue to provide this information through our ongoing performance audit reports until the COVID-19 funds are expended.

This is our fourth report on the expenditures of these funds.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Doug Ringler  
Auditor General



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# AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

# APPROPRIATENESS OF COVID-19 EXPENDITURES THROUGH NOVEMBER 30, 2020

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## BACKGROUND

Public Act 67 of 2020 requires the Auditor General to conduct an audit of the use of funds appropriated for the Statewide coronavirus emergency and to continue to audit and report monthly on the use of these funds.

In addition, Public Acts 67, 123, 144, 146, 150, and 166 of 2020 and Public Act 53 of 2019 provide for funding sources from General Fund, federal, Federal Emergency Management Agency (FEMA), and private donations related to COVID-19. State agencies were also directed to utilize operating budgets to the extent possible.

Because of the ongoing nature of the audit, not all reported expenditures were audited by the end of our fieldwork. Reported expenditures not subject to audit during the current month will be considered for audit during our next audit of the COVID-19 expenditures, unless otherwise noted.

## AUDIT OBJECTIVE

To determine the appropriateness of State agencies' novel coronavirus\* (COVID-19) expenditures through November 30, 2020.

## CONCLUSION

Appropriate.

## FACTORS IMPACTING CONCLUSION

- Reviewed supporting documentation for 906 (98%) of 922 transactions totaling \$796.6 million and determined that the COVID-19 expenditures were appropriate (see Exhibit #1).
- Reviewed 16 transactions totaling \$23.4 million and determined the documentation provided did not support \$10.4 million of the expenditures (see Exhibits #1 and #2).
- Unable to assess the appropriateness at the time of this report for 3 transactions totaling \$12.3 million because sufficient documentation has not been provided (see Exhibits #1 and #2).
- Observation\* related to a lack of disaster receipt and distribution preparedness.

\* See glossary at end of report for definition.

## OBSERVATION #1

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### Michigan lacked disaster receipt and distribution preparedness.

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The State did not initially have a centralized facility within Michigan for the receipt and distribution of COVID-19 related goods, resulting in use taxes of \$5.6 million paid to Ohio.

At the onset of the COVID-19 emergency, State purchases were shipped to various Michigan locations (including Lansing, Jackson, and Detroit) that were not prepared to handle such large quantities of COVID-19 related goods. As a result, the State contracted with a logistics vendor, located in Dayton, Ohio, to receive and distribute a significant amount of these goods. The State purchased and received \$75.2 million of COVID-19 related goods at the Ohio facility primarily between March 18, 2020 and April 27, 2020.

Section 205.54h of the *Michigan Compiled Laws* exempts the State and its departments from sales tax on its purchases. Accordingly, the State has claimed this exemption when purchasing COVID-19 related goods from vendors, including those goods delivered to the Ohio facility. However, section 5741.02(A)(1) of the *Ohio Revised Code* requires the collection of Ohio sales tax on the storage, use, or other consumption of goods in Ohio. Also, section 5741.02(B) requires the payment of use tax to Ohio if the proper amount of Ohio sales tax has not been paid to the vendor at the time of purchase. Michigan is not exempt from tax obligations under the *Ohio Revised Code* due to the lack of a reciprocal exemption for Ohio from Michigan tax.

The State became aware of its Ohio tax obligation when a vendor noted that Ohio sales tax needed to be charged on the State's purchase because the goods were being delivered to the Ohio facility. After consultation with the Michigan Department of Treasury, the Department of Technology, Management, and Budget issued a voluntary use tax payment to Ohio for \$5.6 million in November 2020.

In April 2020, the logistics vendor established a receipt and distribution center near Detroit, at the State's request, to avoid future Ohio tax obligations. Also, in May 2020, the State began leasing the COVID-19 Response Warehouse in Lansing to consolidate receipt and distribution of most of its COVID-19 related goods.

We recognize the unprecedented circumstances that resulted in the use of the Ohio facility to receive and distribute COVID-19 purchases. Michigan, along with the other states, were confronting the need to provide these goods to citizens. We are reporting this matter because auditing standards require it and to be transparent to our stakeholders. Further, we are disclosing this as an Observation, rather than a Finding with a Recommendation, because the period of time in which the State utilized the Ohio facility was relatively limited and Michigan appears to have remediated the situation.

Our performance audit of COVID-19 Expenditures, issued in September 2020 and located at [audgen.michigan.gov/wp-content/uploads/2020/09/r000200020B-3322.pdf](https://audgen.michigan.gov/wp-content/uploads/2020/09/r000200020B-3322.pdf), identified additional concerns in Observation #1 associated with the use of the Ohio facility.

## STATE AGENCIES' COVID-19 EXPENDITURES THROUGH NOVEMBER 30, 2020

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### **BACKGROUND**

The State Budget Office (SBO) prepares monthly reports on COVID-19 expenditures reported by State agencies. Due to timing differences, our report on the COVID-19 expenditures may not reflect the same amounts as reported in SBO's published reports.

### **AUDIT OBJECTIVE**

To report State agencies' COVID-19 expenditures.

### **CONCLUSION**

Information provided.

### **FACTORS IMPACTING CONCLUSION**

- We reported the State agencies' COVID-19 expenditures through November 30, 2020 in the supplemental information section.



# SUPPLEMENTAL INFORMATION

UNAUDITED  
Exhibit #1

## COVID-19 EXPENDITURES State of Michigan

Summary of Expenditures Sampled for Testing  
From March 10, 2020 Through November 30, 2020

COVID-19 Expenditure Sample					
	March and April	May	June Through August	September Through November <sup>4</sup>	Total
Total expenditures	\$227,934,172	\$305,833,827	\$2,202,413,574	\$786,715,493	\$3,522,897,065
Expenditures sampled (see table below)	\$144,108,327	\$146,909,436	\$ 678,660,050	\$146,647,795	\$1,116,325,607
Total number of sample items	142	178	350	274	944
Items reviewed and appropriate <sup>1</sup>	132	176	339	259	906
Dollar amount appropriate	\$127,932,627	\$134,763,584	\$ 394,191,152	\$129,236,038	\$ 786,123,401
Items still under review <sup>2</sup>	0	2	7	10	19
Dollar amount of pending items	\$ 0	\$ 12,145,852	\$ 138,631,018	\$ 5,077,583	\$ 155,854,453
Exceptions noted	10	0	4	2	16
Dollar amount of exceptions noted	\$ 4,078,886	\$ 0	\$ 6,347,042	\$ 12,401	\$ 10,438,329
Unable to assess appropriateness of items <sup>3</sup>	0	0	0	3	3
Dollar amount of unassessed items	\$ 0	\$ 0	\$ 0	\$ 12,320,224	\$ 12,320,224

### Sample Expenditures by Response Category

Response Category	Total
COVID Local Support	\$ 604,119,965
COVID Individual Assistance	216,398,747
COVID Health Care Response	59,730,736
COVID Supplemental Expenditure Credits	39,769,461
COVID State Government Operations	101,986,446
COVID Business Assistance	14,525,003
COVID Other	45,969,426
COVID Infection Control	5,361,133
COVID Laboratory Testing	28,464,690
<b>Total</b>	<b>\$1,116,325,607</b>

<sup>1</sup> Review of the appropriateness of the expenditures included, but is not limited to:

- Expenditure related to COVID-19 emergency
- Allowable under the appropriation charged
- Goods/services received
- Expenditure authorized
- Supporting calculations

Dollar amount includes the portion of the exception items that were appropriate.

<sup>2</sup> Items are classified as still under review for the following reasons: OAG still reviewing for appropriateness.

<sup>3</sup> We were unable to assess appropriateness at the time of this report because sufficient documentation has not been provided or items are still in transit. If we receive additional documentation, we will reassess the categorization of the sample item for future reports.

<sup>4</sup> Includes fiscal year-end journal entries.

Source: The OAG prepared this exhibit based on our review of expenditure transactions selected from the Statewide Integrated Governmental Management Applications\* (SIGMA) and documentation provided by executive branch departments.

\* See glossary at end of report for definition.

**COVID-19 EXPENDITURES**  
State of Michigan

Summary of Exceptions and Pending Items  
From March 10, 2020 Through November 30, 2020

Exceptions				
Vendor	Purpose of Transaction	Amount	Reason for Exception	Status
*Connect6 Group Inc	Masks	\$ 18,760	Insufficient documentation for receipt of 5,600 masks. Total order of 15,600 masks.	Closed
*Sanaz LLC	Masks & Gowns	24,896	Order cancelled.	Closed
*SpecBid Holdings, Inc	Masks	2,856,000	Insufficient documentation for receipt of 1.7 million masks. Total order of 5 million masks.	Closed
*DiaMedical USA Equipment, Inc.	Hospital Beds	63,750 95,000	Insufficient documentation for receipt of 91 beds. Total order of 250 beds.	Closed
*DiaMedical USA Equipment, Inc.	Masks	3,540	Insufficient documentation for receipt of 1,200 masks. Total order of 1,200 masks.	Closed
*Elegance	Gloves	642,500	Insufficient documentation for receipt of 6,425 boxes. Total order of 20,000 boxes.	Closed
*Ultimate LLC	Medical Gowns	2,290	Deemed a loss from a \$5.5 million order.	Closed
*Grand Valley State University	Grant to GVSU	321,750	Payment period 1st quarter of 2020, unrelated to COVID-19.	Agency corrected
*BlackPoint Distribution, LLC	Surgical Masks	50,400	Insufficient documentation for receipt of 105,000 masks. Total order of 105,000 masks.	Closed
*Troy Design & Manufacturing	Face Shields	1,073,600	Insufficient documentation for receipt of 268,000 face shields. Total order of 488,000 face shields.	Closed
*RACM, LLC	Cleaning Services	4,295,208 976,184	Payment made in error after contract was cancelled. Funds returned to State by vendor.	Closed
*Meijer, Inc	Financial Assistance	2,050	Vouchers provided to Midland County unrelated to COVID-19.	Agency corrected
American Rental, Inc.	Tents & Accessories	6,031 6,369	Insufficient documentation for receipt of tents and accessories for testing site.	Closed
<b>Total Exceptions</b>		<b>\$ 10,438,329</b>		

Unable to Assess Appropriateness				
Vendor	Purpose of Transaction	Amount	Reason - Unable to Assess	Status
MDHHS	COVID Coding	\$ 7,842,712	Further documentation required.	Unable to assess appropriateness.
MDHHS	COVID Coding	2,662,512	Further documentation required.	Unable to assess appropriateness.
McKinsey & Company, Inc. Washington D.C.	Consulting Services	1,815,000	Further documentation required.	Unable to assess appropriateness.
<b>Total Unable To Assess</b>		<b>\$ 12,320,224</b>		

\* Exception noted in prior report

Source: The OAG prepared this exhibit based on our review of expenditure transactions selected from SIGMA and documentation provided by executive branch departments.



COVID-19 EXPENDITURES  
State of Michigan

Appropriations and Departmental Allocations  
From March 10, 2020 Through November 30, 2020

<b>Public Act 67 of 2020</b>				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>General Fund:</b>				
Coronavirus Public Health Emergency - Health Care Capacity - Michigan Department of Health and Human Services (MDHHS)	\$ 25,000,000	\$	\$ 17,083,895	Section 251 distributed to critical health care providers to expand capacity for the health care response to COVID-19 in the State, in amounts and by a method approved by the State Budget Director and the director of MDHHS. <i>Reduced to \$25 million in part 1 appropriations of Public Act 144 of 2020.</i>
<b>Federal Funds (includes Coronavirus Relief Fund):</b>	3,243,231,800		1,718,572,066	Section 302. Amounts are appropriated to departments for state and local preparedness and response activities. Federal receive and expend authorization was approved by the State Budget Office, was in effect for 90 days, and expired on June 28, 2020. <i>\$915 million originally appropriated in Public Act 67 of 2020 was repealed in Section 201c(5), Section 11p(5), and Section 236g(5) of Public Act 146 of 2020, and Section 206 of Public Act 144 of 2020. See Public Acts 144 and 146 for appropriated amounts. Reduced by \$72.1 million in Sections 301, 451, 452, 501, 551, 651 and 701 of Public Act 166 of 2020. Increased by \$1.5 million in Section 502 of Public Act 166 of 2020.</i>
Coronavirus Relief Fund	1,148,155,300		687,688,148	Coronavirus Relief Fund total is part of the federal funds amount appropriated.
<b>Total Public Act 67 of 2020</b>	<u>\$3,268,231,800</u>	<u>\$ 0</u>	<u>\$1,735,655,961</u>	

<b>Public Act 123 of 2020</b>				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>Federal Funds:</b>				
Coronavirus Relief Fund	\$ 666,000,000	\$	\$ 360,978,287	Supplemental appropriation-Coronavirus Relief Fund. See Exhibit #5. <i>Appropriation reduced by \$185 million in Sections 351 and 752 of Public Act 166 of 2020.</i>
DOL-ETA, unemployment insurance	29,109,500		7,601,006	Reappropriated in part 1 appropriations of Public Act 123 of 2020 and reduced boilerplate appropriations to \$0 in Public Act 67 of 2020.
<b>Total Public Act 123 of 2020</b>	<u>\$ 695,109,500</u>	<u>\$ 0</u>	<u>\$ 368,579,293</u>	

<b>Public Act 144 of 2020</b>				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>Federal Funds:</b>				
Coronavirus Relief Fund	\$ 150,000,100	\$	\$ 109,374,787	Supplemental appropriation-Coronavirus Relief Fund. See Exhibit #5. Public Act 144 reduced federal appropriations established in Public Act 67 to \$0, and re-appropriated them from the CRF in the same amounts. <i>Appropriation reduced by \$53 million in part 1, Section105(3) of Public Act 166 of 2020.</i>
<b>Total Public Act 144 of 2020</b>	<u>\$ 150,000,100</u>	<u>\$ 0</u>	<u>\$ 109,374,787</u>	

*This exhibit continued on next page.*

Public Act 146 of 2020				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>Federal Funds:</b>				
Coronavirus Relief Fund	\$ 712,000,000	\$	\$ 614,171,044	Supplemental appropriation-Coronavirus Relief Fund. See Exhibit #5. Public Act 146 reduced federal appropriations established in Public Act 67 to \$0, and re-appropriated them from the CRF in the same amounts.
Total Public Act 146 of 2020	<u>\$ 712,000,000</u>	<u>\$ 0</u>	<u>\$ 614,171,044</u>	
Public Act 150 of 2020				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>FEMA Funds:</b>				
	\$ 10,000,000	\$	\$ 1,395,903	Section 303. Amounts appropriated for administration of the lost wages assistance program.
Total Public Act 150 of 2020	<u>\$ 10,000,000</u>	<u>\$ 0</u>	<u>\$ 1,395,903</u>	
Public Act 166 of 2020				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>General Fund:</b>	\$ 113,000,000	\$	\$ 3,368,851	Sections 752, 949p, and 949q. Amounts appropriated for first responder hazard pay premiums and teacher COVID-19 grants.
<b>Federal Funds:</b>				
Coronavirus Relief Fund	404,000,000		105,612,022	Supplemental Appropriation-Coronavirus Relief Fund. See Exhibit #5.
Private Donations	1,700,000			Section 704(3) receive and expend language. Funds are to be expended for the purposes designated by the private or public source.
Federal Funds	110,000,000			Section 1009. Amounts appropriated for first responder hazard pay premiums.
Total Public Act 166 of 2020	<u>\$ 628,700,000</u>	<u>\$ 0</u>	<u>\$ 108,980,873</u>	
Public Act 53 of 2019				
	Appropriated Amount	Allocated to Other Departments	Expended by Departments	Purpose
<b>FEMA Funds</b>	\$ 520,846,000	\$ 394,334,800	\$ 168,101,997	Section 704(3) federal emergency receive and expend language. The appropriated amount includes \$20,846,000 authorized in October 2019 for other State disaster declarations that can be used for the COVID-19 pandemic. Departmental allocations returned to MSP according to receive and expend language at fiscal year-end.
<b>Private Funds</b>	6,578,900	250,000	6,577,083	Section 224(01) private donations receive and expend language. Funds are to be expended for the purposes designated by the private or public source.
Total Public Act 53 of 2019	<u>\$ 527,424,900</u>	<u>\$ 394,584,800</u>	<u>\$ 174,679,080</u>	
<b>Total Public Acts</b>	<u><b>\$5,991,466,300</b></u>	<u><b>\$ 394,584,800</b></u>	<u><b>\$3,112,836,941</b></u>	

Note: Appropriated amounts originate from the Public Acts. Allocated amounts reflect budget authorization to other State departments in order to capture COVID-19 expenditure activity.

Source: The OAG prepared this exhibit based on the specified Public Acts and information obtained from SIGMA and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Expenditures by Fund Source, Department, Appropriation, and Response Category  
From March 10, 2020 Through November 30, 2020

Public Act 67 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
General Fund	Coronavirus Public Health Emergency - Health Care Capacity - Health and Human Services	\$ 25,000,000	\$ 22,780,900	\$ 17,083,895	COVID Local Support
Federal	Coronavirus Public Health Emergency - Federal - Public Act 67:				
	Michigan Strategic Fund	62,990,900		512,484	Multiple (see breakdown below)
	Labor and Economic Opportunity	6,285,000		1,306,260	Multiple (see breakdown below)
	State	11,247,800		10,866,317	Multiple (see breakdown below)
	Education	803,344,900		363,433,024	Multiple (see breakdown below)
	Corrections	423,350,000		422,996,514	COVID State Government Operations
	Health and Human Services	1,238,779,300		623,038,743	Multiple (see breakdown below)
	Military and Veterans Affairs	3,949,700		1,997,137	COVID State Government Operations
	State Police	138,279,900		119,300,217	Multiple (see breakdown below)
	Transportation	344,645,700		164,408,452	Multiple (see breakdown below)
	Natural Resources	1,427,000		1,427,000	COVID State Government Operations
	Licensing and Regulatory Affairs	3,424,800		486,816	COVID State Government Operations
	Technology, Management, and Budget	67,000,000		8,790,027	Multiple (see breakdown below)
	Attorney General	100,000			
	Judiciary	200,000		9,075	COVID State Government Operations
	Total	\$ 3,105,025,000		\$1,718,572,066	
	Disaster Assistance:				
	Agriculture	187,500			
	Corrections	2,232,700			
	Health and Human Services	24,092,500			
	Military and Veterans Affairs	215,800			
	State Police	15,047,900			
	Natural Resources	127,200			
	Technology, Management, and Budget	96,303,200			
		\$ 138,206,800			
	Total Public Act 67 of 2020	\$ 3,268,231,800	\$ 22,780,900	\$1,735,655,961	

Public Act 123 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
Federal	Labor and Economic Opportunity: Unemployment insurance agency	\$ 29,109,500	\$	\$ 7,601,006	COVID Local Support
Federal (Coronavirus Relief Fund)	Education: Child care rate reduction stipend District COVID-19 costs	18,000,000		17,999,956	COVID Local Support
	Agriculture and Rural Development: Fair food network - double up food bucks	1,000,000			
	Health and Human Services: COVID-19 direct care worker hazard pay adjustment Personal protection equipment grants Inpatient behavioral health grants Victim services continuity and stability grants Food Bank Council of Michigan Water utility assistance Multicultural integration funding	120,000,000 25,000,000 5,100,000 4,000,000 9,000,000 25,000,000 5,000,000		90,763,060 559,236 816,814	COVID Local Support COVID Local Support COVID Individual Assistance
	Michigan Strategic Fund: Small business restart grants (Fund 3139)	115,000,000		717	COVID Business Assistance
	Michigan State Housing Development Authority: Rental assistance	60,000,000		19,029,572	COVID Other
	Labor and Economic Opportunity: MIOSHA COVID-19 response grants	10,000,000		91,118	COVID Local Support
	Licensing and Regulatory Affairs: Nursing facility infection control surveys	1,400,000			
	Treasury: Device purchasing program/distance learning Hospitality relief fund Local units of government First responder hazard pay premiums	25,000,000 2,500,000 200,000,000 40,000,000		1,549 200,000,000 31,716,265	COVID Individual Assistance COVID Local Support COVID Individual Assistance
	Total Public Act 123 of 2020	\$ 695,109,500	\$ 0	368,579,293	

Public Act 144 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
Federal (Coronavirus Relief Fund)	Treasury Coronavirus relief local government grants Teacher COVID-19 grants Non-teaching school employee COVID-19 grants	\$ 150,000,000 0 100	\$	\$ 109,374,787	COVID Local Support
	Total Public Act 144 of 2020	\$ 150,000,100	\$ 0	\$ 109,374,787	

This exhibit continued on next page.

Public Act 146 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
Federal (Coronavirus Relief Fund)	Coronavirus relief fund - operational share:				
	Community Colleges	\$ 36,273,400	\$	\$ 22,857,892	COVID Local Support
	Universities	163,726,600		79,946,429	COVID Local Support
	Coronavirus relief fund - per pupil payments:				
	Education	512,000,000		511,366,723	COVID Local Support
	Total Public Act 146 of 2020	\$ 712,000,000	\$ 0	\$ 614,171,044	

Public Act 150 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
FEMA	Labor and Economic Opportunity: Administration of lost wages assistance program	\$ 10,000,000	\$	\$ 1,395,903	COVID State Government Operations
	Total Public Act 150 of 2020	\$ 10,000,000	\$ 0	\$ 1,395,903	

Public Act 166 of 2020					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
General Fund	Treasury: School support staff COVID-19 grants	\$ 20,000,000	\$	\$ 392	COVID Individual Assistance
	Teacher COVID-19 grants	53,000,000			
	Health and Human Services: COVID-19 direct care worker hazard pay adjustmen	40,000,000		3,368,459	COVID Local Support
Federal	Health and Human Services: COVID-19 direct care worker hazard pay adjustmen	110,000,000			
Federal (Coronavirus Relief Fund)	Corrections: Public safety front line payroll	191,000,000			
	Education: Child care supports	115,000,000		85,772,724	COVID Business Assistance
	Health and Human Services: Skilled nursing facility personal protective equipmen Health/Psych hospitals payroll	20,000,000 22,500,000		19,839,297	COVID Local Support
	Michigan Strategic Fund: Coronavirus relief fund grants (fund 3139)	10,000,000			
	State Police: Public safety front line payroll	45,500,000			
Private Donations	State Police: Coronavirus public health emergency - private	1,700,000			
	Total Public Act 166 of 2020	\$ 628,700,000	\$ 0	\$ 108,980,873	

Public Act 53 of 2019					
Fund	Appropriation/Department	Appropriated Amount	Allocated to Other Departments	Expended by Department	Response Category
FEMA	Disaster Assistance:				
	State Police	\$ 520,846,000 <sup>1</sup>	\$	\$ 124,668,557	Multiple (see breakdown below)
	Technology, Management, and Budget		303,802,600	36,665,935	Multiple (see breakdown below)
	Corrections		6,697,900	1,252,268	Multiple (see breakdown below)
	Health and Human Services		76,805,400	5,174,157	Multiple (see breakdown below)
	Natural Resources		381,600	52,180	Multiple (see breakdown below)
	Military and Veterans Affairs		6,084,800	237,960	COVID State Government Operations
	Agriculture and Rural Development		562,500	50,940	COVID State Government Operations
Private Donations	Coronavirus Public Health Emergency - Private - food banks:				
	State Police Education	250,000	250,000		
	Coronavirus Public Health Emergency - Private: State Police	6,578,900		6,577,083	Multiple (see breakdown below)
	Total Public Act 53 of 2019	\$ 527,674,900	\$ 394,584,800	174,679,080	
	<b>Total Public Acts</b>	<b>\$ 5,991,716,300</b>	<b>\$ 417,365,700</b>	<b>\$3,112,836,941</b>	

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**Response Category Breakdown**

Public Act 67 of 2020		Public Act 53 of 2019	
Michigan Strategic Fund:		State Police:	
COVID Business Assistance	\$ 502,400	COVID MSP Receive and Expend Expenditure Credit	\$ 81,610,019
COVID Local Support	<u>10,084</u>	COVID State Government Operations	<u>43,058,538</u>
Total Michigan Strategic Fund	<u>\$ 512,484</u>	Total State Police	<u>\$124,668,557</u>
Labor and Economic Opportunity:		Technology, Management, and Budget:	
COVID State Government Operations	\$ 1,291,222	COVID Health Care Response	\$ 91,151,567
COVID Local Support	<u>15,038</u>	COVID MSP Receive and Expend Expenditure Credit	(63,301,659)
Total Labor and Economic Opportunity	<u>\$ 1,306,260</u>	COVID Other	6,988,399
State:		COVID State Government Operations	<u>1,827,629</u>
COVID State Government Operations	\$ 2,935	Total Technology, Management, and Budget	<u>\$ 36,665,935</u>
COVID Other	<u>10,863,382</u>	Corrections:	
Total State	<u>\$ 10,866,317</u>	COVID MSP Receive and Expend Expenditure Credit	\$ (3,764,200)
Education:		COVID State Governmental Operations	<u>5,016,467</u>
COVID Local Support	\$ 363,264,081	Total Corrections	<u>\$ 1,252,268</u>
COVID Other	6,432	Health and Human Services:	
COVID State Government Operations	<u>162,510</u>	COVID Health Care Response	\$ 9,168,935
Total Education	<u>\$ 363,433,024</u>	COVID Infection Control	5,688,050
Health and Human Services:		COVID Local Support	2,908,940
COVID Individual Assistance	\$ 349,227,180	COVID MSP Receive and Expend Expenditure Credit	(13,588,373)
COVID Contact Tracing	12,643,311	COVID Quarantine Costs	921,604
COVID Infection Control	8,787,994	COVID State Government Operations	<u>75,000</u>
COVID Lab Testing	101,956,601	Total Health and Human Services	<u>\$ 5,174,157</u>
COVID Local Support	101,417,389	Natural Resources:	
COVID Monitoring	6,177,749	COVID Health Care Response	\$ 208,718
COVID Quarantine Costs	505,688	COVID MSP Receive and Expend Expenditure Credit	(156,539)
COVID State Government Operations	<u>42,322,832</u>	Total Natural Resources	<u>\$ 52,180</u>
Total Health and Human Services	<u>\$ 623,038,743</u>	Coronavirus Public Health Emergency - Private:	
State Police:		State Police	
COVID Local Support	\$ 27,631	COVID Other	\$ 5,674
COVID Other	2,739	COVID State Government Operations	<u>6,571,409</u>
COVID State Government Operations	<u>119,269,847</u>	Total State Police	<u>\$ 6,577,083</u>
Total State Police	<u>\$ 119,300,217</u>		
Transportation:			
COVID Local Support	\$ 164,407,832		
COVID State Government Operations	<u>621</u>		
Total Transportation	<u>\$ 164,408,452</u>		
Technology, Management, and Budget:			
COVID Health Care Response	\$ 12,108		
COVID State Government Operations	<u>8,777,919</u>		
Total Technology, Management, and Budget	<u>\$ 8,790,027</u>		

<sup>1</sup>The appropriated amount includes \$20,846,000 authorized in October 2019 for other State disaster declarations that can be used for the COVID-19 pandemic. Departmental allocations were returned to MSP according to receive and expend language at fiscal year-end.

Source: The OAG prepared this exhibit based on the specified Public Acts and information obtained from SIGMA and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Coronavirus Relief Fund (CRF) Payments and Allocations  
From March 10, 2020 Through November 30, 2020

	Payment Amount	Recipient
Coronavirus Relief Fund (CARES Act - H.R. 748)	\$ 3,872,510,075	
Payments to Local Governments:	116,915,243	City of Detroit
	114,633,581	Kent County
	152,501,374	Macomb County
	219,438,710	Oakland County
	<u>188,331,621</u>	Wayne County
Remaining Balance	\$ 3,080,689,545	State of Michigan
Allocated to State Agencies as of November 30, 2020	<u>3,080,155,400</u>	
Remaining CRF to be Allocated	<u>\$ 534,145</u>	

**Public Act 67 of 2020**

CRF Description of Uses	Allocated Amount	Department
Hazard/Premium Pay - Frontline Workers	\$ 9,485,400	Health and Human Services
	55,150,000	Corrections
	2,164,200	Military and Veterans Affairs
	1,427,000	Natural Resources
	10,471,900	State Police
Food Banks	2,250,000	Education
Health Care Provider Payments	50,000,000	Health and Human Services
Office of Pandemic Preparedness	1,000,000	State Police
Statewide PPE Stockpile	1,000,000	State Police
Office of Accountability	1,000,000	Technology, Management, and Budget
Public Safety Front Line Payroll	368,200,000	Corrections
	106,800,000	State Police
Additional Future Response Activities	335,000,000	Health and Human Services
	66,000,000	Technology, Management, and Budget
FEMA 25% Match	187,500	Agriculture and Rural Development
	2,232,700	Corrections
	24,092,500	Health and Human Services
	215,800	Military and Veterans Affairs
	127,200	Natural Resources
	15,047,900	State Police
	<u>96,303,200</u>	Technology, Management, and Budget
<b>Total CRF Allocations - Public Act 67 of 2020</b>	<u>\$ 1,148,155,300</u>	

*This exhibit continued on next page.*

**Public Act 123 of 2020**

CRF Description of Uses	Allocated Amount	Department
Double Up Food Bucks	\$ 1,000,000	Agriculture and Rural Development
School District Grants for Instructional Recovery Programming, Benchmark Assessments, or Health and Safety	18,000,000	Education
Direct Care Worker Pay Increase \$2/hour	120,000,000	Health and Human Services
Personal Protection Equipment for Priority Providers	25,000,000	Health and Human Services
Inpatient Behavior Health Grants for \$100 Per Diem Increase	5,100,000	Health and Human Services
Victim Services Continuity and Stability Grants	4,000,000	Health and Human Services
Food Bank Council of Michigan	9,000,000	Health and Human Services
Water Utility Assistance	25,000,000	Health and Human Services
Multicultural Services	5,000,000	Health and Human Services
Small Business Restart Grants	115,000,000	Michigan Strategic Fund
Rental Assistance and Eviction Diversion	60,000,000	Michigan State Housing Development Authority
MiOSHA Response Grants	10,000,000	Labor and Economic Opportunity
Nursing Home Infection Control Surveys	1,400,000	Licensing and Regulatory Affairs
Device Purchasing Program for Distance Learning	25,000,000	Treasury
Hospitality Relief Fund	2,500,000	Treasury
Allocations to Local Units of Governments for Public Safety and Public Health Payroll	200,000,000	Treasury
Hazard Pay for First Responders	40,000,000	Treasury
<b>Total CRF Allocations - Public Act 123 of 2020</b>	<b>\$ 666,000,000</b>	

**Public Act 144 of 2020**

CRF Description of Uses	Allocated Amount	Department
Local Units of Government Payments	\$ 150,000,000	Treasury
Hazard Pay for Non-Teaching School Employees	100	Treasury
<b>Total CRF Allocations - Public Act 144 of 2020</b>	<b>\$ 150,000,100</b>	

**Public Act 146 of 2020**

CRF Description of Uses	Allocated Amount	Department
School District Per-Pupil Payment	\$ 512,000,000	Education
Community Colleges Operational Payments	36,273,400	Community Colleges
Universities Operational Payments	163,726,600	Universities and Financial Aid
<b>Total CRF Allocations - Public Act 146 of 2020</b>	<b>\$ 712,000,000</b>	

*This exhibit continued on next page.*

Public Act 166 of 2020

CRF Description of Uses	Allocated Amount	Department
Public Safety Front Line Payroll	\$ 191,000,000	Corrections
	45,500,000	State Police
Child Care Supports	115,000,000	Education
Mental Health/Psychiatric Hospitals Payroll	22,500,000	Health and Human Services
Skilled Nursing Facility Personal Protective Equipment	20,000,000	Health and Human Services
Grants to COVID Testing Facilities	<u>10,000,000</u>	Michigan Strategic Fund
<b>Total CRF Allocations - Public Act 166 of 2020</b>	<u>\$ 404,000,000</u>	
<b>Total CRF Allocations - All Public Acts</b>	<u><u>\$ 3,080,155,400</u></u>	

Source: The OAG prepared this exhibit based on information obtained from the U.S. Department of Treasury, SIGMA, and SBO.



**COVID-19 EXPENDITURES**  
State of Michigan

Expenditures by Department, Appropriation, and Response Category  
From March 10, 2020 Through November 30, 2020

Appropriations (includes operating budgets)	Response Category	Total Expenditures
<b>Agriculture and Rural Development</b>		<b>\$ 966,480</b>
Agriculture development	COVID State Government Operations	1,205
Animal disease prevention and response	COVID State Government Operations	61,650
Central licensing and customer service call center	COVID State Government Operations	706
Consumer protection program	COVID State Government Operations	4,002
Disaster assistance	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(153,003)
	COVID State Government Operations	203,943
Emergency management	COVID State Government Operations	28
Environmental stewardship - MAEAP	COVID State Government Operations	4,565
Executive direction	COVID State Government Operations	10,928
Fair food network - double up food bucks	COVID Business Assistance	800,335
Food safety and quality assurance	COVID State Government Operations	1,981
Laboratory services	COVID State Government Operations	22,649
Michigan craft beverage council	COVID State Government Operations	80
Milk safety and quality assurance	COVID State Government Operations	1,479
Pesticide and plant pest management	COVID State Government Operations	4,442
Producer security/grain dealers	COVID State Government Operations	866
USDA monitoring	COVID State Government Operations	623
<b>Attorney General</b>		<b>\$ 89,167</b>
Antitrust, secur fraud, cons protect or class act enf cases	COVID State Government Operations	23,386
Attorney general operations	COVID State Government Operations	4,542
Child support enforcement	COVID State Government Operations	124
Child support enforcement personnel	COVID State Government Operations	353
Department of attorney general	COVID State Government Operations	60,680
Prosecuting attorneys coordinating council	COVID State Government Operations	12
Prosecuting attorneys coordinating council personnel	COVID State Government Operations	69
<b>Civil Service Commission</b>		<b>\$ 26,812</b>
Agency services	COVID State Government Operations	2,807
Employee benefits	COVID State Government Operations	1,335
Executive direction - Civil Service	COVID State Government Operations	6,835
Human resources operations	COVID State Government Operations	8,363
Information technology services and projects - Civil Service	COVID State Government Operations	7,473
<b>Community Colleges</b>		<b>\$ 22,857,892</b>
Coronavirus relief fund - operational share	COVID Local Support	22,857,892
<b>Corrections</b>		<b>\$ 540,272,901</b>
Alger Correctional Facility - Munising	COVID State Government Operations	2,548,031
Baraga Correctional Facility - Baraga	COVID State Government Operations	3,252,879
Bellamy Creek Correctional Facility - Ionia	COVID State Government Operations	3,944,485
Budget and operations administration	COVID State Government Operations	38,101
Carson City Correctional Facility - Carson City	COVID State Government Operations	4,736,324
Central Michigan Correctional Facility - St. Louis	COVID State Government Operations	3,970,452
Charles E. Egeler Correctional Facility - Jackson	COVID State Government Operations	4,333,130
Chippewa Correctional Facility - Kincheloe	COVID State Government Operations	4,659,414
Clinical complexes	COVID State Government Operations	22,889,490
Cooper Street Correctional Facility - Jackson	COVID State Government Operations	2,696,353
Coronavirus public health emergency - federal - PA 67	COVID State Government Operations	422,996,514
Correctional facilities administration	COVID State Government Operations	860,779
Detroit Detention Center	COVID State Government Operations	259,716
Detroit Reentry Center	COVID State Government Operations	2,084,162
Disaster assistance	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(3,764,200)
	COVID State Government Operations	5,016,467
Earnest C. Brooks Correctional Facility - Muskegon	COVID State Government Operations	2,342,089
Education/skilled trades/career readiness programs	COVID State Government Operations	1,995
Executive direction	COVID State Government Operations	50
Field operations	COVID State Government Operations	130,645
G. Robert Cotton Correctional Facility - Jackson	COVID State Government Operations	3,659,414
Gus Harrison Correctional Facility - Adrian	COVID State Government Operations	4,314,405
Health care administration	COVID State Government Operations	105,351

<b>Corrections (continued)</b>		
Ionia Correctional Facility - Ionia	COVID State Government Operations	3,316,011
Kinross Correctional Facility - Kincheloe	COVID State Government Operations	2,884,986
Lakeland Correctional Facility - Coldwater	COVID State Government Operations	2,671,248
Leased beds and alternatives to leased beds	COVID State Government Operations	83,581
Macomb Correctional Facility - New Haven	COVID State Government Operations	3,212,720
Marquette Branch Prison - Marquette	COVID State Government Operations	3,305,119
Mental health and substance abuse treatment services	COVID State Government Operations	4,735
Michigan Reformatory - Ionia	COVID State Government Operations	3,025,856
Muskegon Correctional Facility - Muskegon	COVID State Government Operations	1,810,006
Newberry Correctional Facility - Newberry	COVID State Government Operations	2,137,977
Northern region administration and support	COVID State Government Operations	2,914
Oaks Correctional Facility - Eastlake	COVID State Government Operations	3,235,193
Offender success services	COVID State Government Operations	158,853
Parnall Correctional Facility - Jackson	COVID State Government Operations	2,699,945
Parole board operations	COVID State Government Operations	30
Prison food service	COVID State Government Operations	120,465
Prisoner health care services	COVID State Government Operations	231,065
Richard A. Handlon Correctional Facility - Ionia	COVID State Government Operations	2,495,796
Saginaw Correctional Facility - Freeland	COVID State Government Operations	2,728,563
Southern region administration and support	COVID State Government Operations	411,034
Special alternative incarceration program - Cassidy Lake	COVID State Government Operations	371,212
St. Louis Correctional Facility - St. Louis	COVID State Government Operations	3,482,860
Thumb Correctional Facility - Lapeer	COVID State Government Operations	3,022,172
Transportation	COVID State Government Operations	3,794
Womens Huron Valley Correctional Complex - Ypsilanti	COVID State Government Operations	4,402,839
Woodland Correctional Facility - Whitmore Lake	COVID State Government Operations	3,377,884
<b>Education</b>		<b>\$ 984,711,163</b>
Accountability services operations	COVID State Government Operations	354
Adolescent and school health	COVID State Government Operations	4
Camp Tuhsmebeta	COVID State Government Operations	1,177
Career and technical education operations	COVID State Government Operations	177
Central support operations	COVID State Government Operations	6,565
Child care supports	COVID Business Assistance	85,772,724
Coronavirus public health emergency - federal - PA 67	COVID Local Support	363,264,081
	COVID Other	6,432
	COVID State Government Operations	162,510
Coronavirus relief fund - per pupil payments	COVID Local Support	511,366,723
District COVID-19 costs	COVID Local Support	17,999,956
Educational supports operations	COVID State Government Operations	2,894
Educator excellence operations	COVID State Government Operations	1,774
Grant and contract operations	COVID State Government Operations	591
Information technology services and projects	COVID State Government Operations	9,908
Library of Michigan operations	COVID Other	62,709
	COVID State Government Operations	12,429
Library services and technology program	COVID Other	16,015
	COVID State Government Operations	1,071
Mental health grants	COVID State Government Operations	43
Michigan eLibrary	COVID Other	127,752
	COVID State Government Operations	1,176
Michigan schools for the deaf and blind operations	COVID Other	1,280
	COVID State Government Operations	487
National school lunch	COVID Local Support	5,837,736
Office of great start operations	COVID Local Support	17,267
	COVID State Government Operations	1,763
Office of systems, evaluation, and technology operations	COVID State Government Operations	347
Partnership district support operations	COVID State Government Operations	39
School support services operations	COVID State Government Operations	28,484
Special education operations	COVID State Government Operations	973
State board/superintendent operations	COVID State Government Operations	5,719
<b>Environment, Great Lakes, and Energy</b>		<b>\$ 744,398</b>
Air quality programs	COVID State Government Operations	4,740
Central support services	COVID State Government Operations	557
Contaminated site investigations, cleanup and revitalization	COVID State Government Operations	308
Drinking water	COVID State Government Operations	2,047
Facilities management	COVID State Government Operations	18,336
Information technology services and projects	COVID State Government Operations	42,140

This exhibit continued on next page.

<b>Environment, Great Lakes, and Energy (continued)</b>		
Low-level radioactive waste authority	COVID State Government Operations	5
Mapping and other support	COVID Other	21,286
	COVID State Government Operations	8,351
Medical waste program	COVID State Government Operations	5
Municipal assistance	COVID State Government Operations	35
NPDES nonstormwater program	COVID State Government Operations	760
Oil, gas, and mineral services	COVID State Government Operations	4,970
Radiological protection program	COVID State Government Operations	37
Refined petroleum product cleanup program	COVID State Government Operations	462
Renew Michigan program	COVID Local Support	637,614
	COVID State Government Operations	2,018
Scrap tire regulatory program	COVID State Government Operations	216
Solid waste management program	COVID State Government Operations	512
<b>Gaming Control Board</b>		<b>\$ 40,154</b>
Gaming control administration	COVID State Government Operations	39,092
Horse racing	COVID State Government Operations	517
Millionaire party regulation	COVID State Government Operations	545
<b>Health and Human Services</b>		<b>\$ 831,474,738</b>
Adult home help services	COVID Individual Assistance	15,848,208
AIDS prevention, testing, and care programs	COVID Laboratory Testing	141
	COVID Other	759
	COVID State Government Operations	4,506
Autism services	COVID Local Support	684,780
Behavioral health facility contingency	COVID Other	319,228
Behavioral health program administration	COVID Other	160,089
Bioterrorism preparedness	COVID Laboratory Testing	77,258
Cancer prevention and control program	COVID State Government Operations	55
Caro Reg Mental Health Center or nearby health center	COVID Other	1,313
Children with serious emotional disturbance waiver	COVID Local Support	100,000
Children's waiver home care program	COVID Local Support	400,000
Community services and outreach administration	COVID Infection Control	1,623
Coronavirus public health emergency - federal - PA 67	COVID Contact Tracing	12,643,311
	COVID Individual Assistance	349,227,180
	COVID Infection Control	8,787,994
	COVID Laboratory Testing	101,956,601
	COVID Local Support	101,417,389
	COVID Monitoring	6,177,749
	COVID Quarantine Costs	505,688
	COVID State Government Operations	42,322,832
Coronavirus public health emergency - health care capacity	COVID Local Support	17,083,895
COVID-19 direct care worker hazard pay adjustment	COVID Local Support	101,732,525
Demonstration projects	COVID Health Care Response	166,178
Departmental administration and management	COVID Contact Tracing	173
	COVID Health Care Response	162
	COVID Individual Assistance	573
	COVID Laboratory Testing	5
	COVID Local Support	4
	COVID Monitoring	84
	COVID Other	897
	COVID State Government Operations	183
Disability determination operations	COVID Infection Control	4
Disaster assistance	COVID Health Care Response	9,168,935
	COVID Infection Control	5,688,050
	COVID Local Support	2,908,940
	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(13,588,373)
	COVID Quarantine Costs	921,604
	COVID State Government Operations	75,000
Epidemiology administration	COVID Contact Tracing	828
	COVID Laboratory Testing	3,164
	COVID State Government Operations	6,383
Essential local public health services	COVID Local Support	1,028,529
Family preservation programs	COVID Monitoring	104
	COVID Other	92
Field services contractual services, supplies, and materials	COVID Infection Control	39,514
	COVID Other	16
Food assistance program benefits	COVID Individual Assistance	6,824,070

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<b>Health and Human Services (continued)</b>		
Food Bank Council of Michigan	COVID Local Support	5,996,378
Foster care payments	COVID Individual Assistance	1,702
Hawthorn Center - psych hospital - children and adolescents	COVID Other	12,348
	COVID State Government Operations	1,756
Healthy homes program	COVID State Government Operations	1,355
Healthy Michigan plan	COVID Individual Assistance	376,271
Healthy Michigan plan - behavioral health	COVID Local Support	1,208,405
Hepatitis A outbreak response	COVID Laboratory Testing	26,633
Immunization program	COVID Contact Tracing	6,582
	COVID Individual Assistance	3,250
	COVID Infection Control	20,748
	COVID Other	2,669
Information technology contingency	COVID State Government Operations	32
Inpatient behavioral health grants	COVID Local Support	5,100,000
Laboratory services	COVID Monitoring	55
Local health services	COVID Infection Control	103,972
	COVID Local Support	2,035,327
	COVID Monitoring	313
	COVID State Government Operations	712
Medicaid mental health services	COVID Local Support	20,478,337
Medicaid substance use disorder services	COVID Local Support	195,855
Medical services administration	COVID Other	2
Multicultural integration funding	COVID Local Support	1,919,539
PFAS and environmental contamination response	COVID Health Care Response	13,872
	COVID Infection Control	(477)
Prenatal care outreach and service delivery support	COVID Contact Tracing	7,835
Public assistance field staff	COVID Local Support	2
Sexually transmitted disease control program	COVID Other	1,630
Shawono center	COVID Infection Control	9,749
Skilled nursing facility personal protective equipment	COVID Local Support	19,839,297
Smoking prevention program	COVID State Government Operations	2,502
Victim services continuity and stability grants	COVID Local Support	559,236
Walter P. Reuther Psychiatric Hospital - adult	COVID Other	33,796
Water utility assistance	COVID Individual Assistance	816,814
<b>Insurance and Financial Services</b>		<b>\$ 34,037</b>
Consumer services and protection	COVID State Government Operations	10,538
Department services	COVID State Government Operations	4,381
Financial institutions evaluation	COVID State Government Operations	3,302
Insurance evaluation	COVID State Government Operations	15,816
<b>Judiciary</b>		<b>\$ 111,471</b>
Appellate public defender program	COVID State Government Operations	5,746
Branchwide appropriations	COVID State Government Operations	6,481
Compliance with Montgomery v Louisiana decision	COVID State Government Operations	24
Coronavirus public health emergency - federal - PA 67	COVID State Government Operations	9,075
Court of appeals operations	COVID Monitoring	19
	COVID State Government Operations	18,418
Judicial information systems	COVID State Government Operations	66,283
Judicial institute	COVID State Government Operations	16
Judicial technology improvement fund	COVID State Government Operations	2,023
Judicial tenure commission	COVID State Government Operations	291
State court administrative office	COVID State Government Operations	1,973
Supreme court administration	COVID State Government Operations	1,122
<b>Labor and Economic Opportunity</b>		<b>\$ 64,403,974</b>
Administration of lost wages assistance program	COVID State Government Operations	1,395,903
Bureau of services for blind persons	COVID State Government Operations	1,688
Commission on Middle Eastern American affairs	COVID Other	50,000
Coronavirus public health emergency - federal - PA 67	COVID Local Support	15,038
	COVID State Government Operations	1,291,222
Executive direction and operations	COVID State Government Operations	8,011
Information technology services and projects	COVID State Government Operations	2,904,904
Insurance funds administration	COVID State Government Operations	296
Michigan occupational safety and health administration	COVID State Government Operations	13,795
Michigan rehabilitation services	COVID State Government Operations	5,407
MIOSHA COVID-19 response grants	COVID Local Support	91,118
Office of global Michigan	COVID State Government Operations	133

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<b>Labor and Economic Opportunity (continued)</b>		
Special project advances	COVID State Government Operations	15
Unemployment insurance agency	COVID Individual Assistance	7,262
	COVID Other	39,238
	COVID State Government Operations	58,496,549
Wage and hour program	COVID State Government Operations	1,580
Workers' disability compensation agency	COVID State Government Operations	296
Workers' disability compensation agency	COVID State Government Operations	257
Workforce program administration	COVID Other	2,900
	COVID State Government Operations	78,364
<b>Licensing and Regulatory Affairs</b>		<b>\$ 1,757,723</b>
Administrative services	COVID State Government Operations	41,304
Adult foster care and camps licensing and regulation	COVID State Government Operations	13,297
Bureau of community and health systems	COVID State Government Operations	51
Bureau of community and health systems administration	COVID State Government Operations	43,895
Bureau of construction codes	COVID State Government Operations	35,168
Bureau of fire services	COVID State Government Operations	313,533
Bureau of professional licensing	COVID State Government Operations	35,414
Childcare licensing and regulation	COVID State Government Operations	6,062
Coronavirus public health emergency - federal - PA 67	COVID State Government Operations	486,816
Corporations, securities, and commercial licensing bureau	COVID State Government Operations	24,173
Executive director programs	COVID State Government Operations	4,311
FOIA coordination	COVID State Government Operations	95
Health facilities regulation	COVID State Government Operations	145,250
Liquor licensing and enforcement	COVID State Government Operations	31,623
Management support services	COVID State Government Operations	12,414
Medical marihuana facilities licensing and tracking	COVID State Government Operations	8,708
Medical marihuana program	COVID State Government Operations	3,757
Michigan indigent defense commission	COVID State Government Operations	2,318
Michigan office of administrative hearings and rules	COVID State Government Operations	455,018
Nurse aide program	COVID State Government Operations	97
Nursing facility infection control surveys	COVID State Government Operations	33,018
Public service commission	COVID State Government Operations	59,637
Recreational marihuana regulation	COVID State Government Operations	1,764
<b>Lottery</b>		<b>\$ 55,288</b>
Lottery operations	COVID Other	31,967
	COVID State Government Operations	23,320
<b>Michigan Economic Development Corporation</b>		<b>\$ 6,806,359</b>
Unappropriated - no control <sup>1</sup>	COVID Business Assistance	6,153,359
	COVID Other	653,000
<b>Michigan State Housing Development Authority</b>		<b>\$ 29,513,444</b>
Housing and rental assistance	COVID State Government Operations	84,111
Michigan State Housing Development Authority tech services and projects	COVID State Government Operations	11,945
	COVID Other	29,417,388
<b>Michigan Strategic Fund</b>		<b>\$ 107,217,039</b>
Business attraction and community revitalization	COVID Business Assistance	6,968,677
	COVID Business Assistance	502,400
	COVID Local Support	10,084
Entrepreneurship eco-system	COVID Business Assistance	597,215
GF/GP trans to business attraction and comm revitalization	COVID Business Assistance	3,031,323
Job creation services (interlocal)	COVID Business Assistance	4,800
Jobs for Michigan investment program	COVID Business Assistance	10,951,747
Small business restart grants	COVID Business Assistance	85,150,793
<b>Michigan Veterans' Facility Authority</b>		<b>\$ 260,226</b>
D.J. Jacobetti home for veterans	COVID State Government Operations	93,806
Grand Rapids home for veterans	COVID State Government Operations	166,420
<b>Military and Veterans Affairs</b>		<b>\$ 2,693,818</b>
Board of managers (veterans homes)	COVID State Government Operations	11,874
Coronavirus public health emergency - federal - PA 67	COVID State Government Operations	1,997,137
County veteran service fund	COVID Individual Assistance	219,398
D.J. Jacobetti home for veterans	COVID State Government Operations	2,490

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<b>Military and Veterans Affairs (continued)</b>		
Disaster assistance	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(646,245)
	COVID State Government Operations	884,205
Headquarters and armories	COVID State Government Operations	2,333
Michigan veterans affairs agency administration	COVID State Government Operations	8,778
Michigan youth challenge academy	COVID State Government Operations	5,664
Military training sites and support facilities	COVID State Government Operations	2,568
National guard operations	COVID State Government Operations	205,614
<b>Natural Resources</b>		<b>\$ 1,498,275</b>
Coronavirus public health emergency - federal - PA 67	COVID State Government Operations	1,427,000
Disaster assistance	COVID Health Care Response	208,718
	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(156,539)
Fish production	COVID State Government Operations	525
Fisheries resource management	COVID State Government Operations	3,444
General law enforcement	COVID State Government Operations	3,802
Michigan historical center	COVID State Government Operations	415
State parks	COVID State Government Operations	6,280
Wildlife management	COVID State Government Operations	4,631
<b>State</b>		<b>\$ 14,730,993</b>
Automatic voter reg and no-reason absentee voting implement	COVID Other	297,756
Branch operations	COVID State Government Operations	149,433
Central operations	COVID State Government Operations	11,182
Coronavirus public health emergency - federal - PA 67	COVID Other	10,863,382
	COVID State Government Operations	2,935
Department services operations	COVID State Government Operations	122,521
Education and training services	COVID Other	719,676
Election administration and services	COVID Other	581,290
	COVID State Government Operations	1,610
Executive direction	COVID Other	558
	COVID State Government Operations	1,802
Help America Vote Act	COVID Other	960,237
	COVID State Government Operations	7,796
Information technology services and projects	COVID Other	828,500
Legal services operations	COVID Other	175,192
	COVID State Government Operations	2,476
Motorcycle safety education administration	COVID State Government Operations	64
Property management	COVID State Government Operations	4,583
<b>State Land Bank Authority</b>		<b>\$ 474</b>
State land bank authority	COVID State Government Operations	474
<b>State Police</b>		<b>\$ 281,142,362</b>
Commercial vehicle enforcement	COVID State Government Operations	76,644
Coronavirus public health emergency - federal - PA 67	COVID Local Support	27,631
	COVID Other	2,739
	COVID State Government Operations	119,269,847
Coronavirus public health emergency - private	COVID Other	5,674
	COVID State Government Operations	6,571,409
Department services	COVID State Government Operations	3,321
Disaster assistance	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	81,610,019
	COVID State Government Operations	43,058,538
Emergency management and homeland security	COVID State Government Operations	169,614
Post operations	COVID State Government Operations	29,933,236
Special operations	COVID State Government Operations	395,285
Training	COVID State Government Operations	18,406
<b>Technology, Management, and Budget</b>		<b>\$ 45,455,962</b>
Coronavirus public health emergency - federal - PA 67	COVID Health Care Response	12,108
	COVID State Government Operations	8,777,919
Disaster assistance	COVID Health Care Response	91,151,567
	COVID MSP Receive and Expend Expenditure Credits <sup>2</sup>	(63,301,659)
	COVID Other	6,988,399
	COVID State Government Operations	1,827,629
<b>Transportation</b>		<b>\$ 164,900,318</b>
Blue Water Bridge operations	COVID Other	1,071
	COVID State Government Operations	21,905
Business services	COVID State Government Operations	5,527

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<b>Transportation (continued)</b>		
Coronavirus public health emergency - federal - PA 67	COVID Local Support	164,407,832
	COVID State Government Operations	621
Finance, contracts, and support services	COVID State Government Operations	87
Information technology services and projects	COVID State Government Operations	158,408
Intercity services	COVID Local Support	536
MDOT - state trunkline federal aid and road-bridge constr	COVID Other	342
	COVID State Government Operations	8,252
Planning services	COVID State Government Operations	307
Program development and delivery	COVID Other	966
	COVID State Government Operations	72,821
State trunkline operations	COVID Other	10,529
	COVID State Government Operations	188,102
System operations management	COVID Other	115
	COVID State Government Operations	22,901
<b>Treasury</b>		<b>\$ 341,185,167</b>
City income tax administration program	COVID State Government Operations	331
Collections services bureau	COVID State Government Operations	17,080
Common cash and debt management	COVID State Government Operations	263
Coronavirus relief local government grants	COVID Local Support	109,374,787
Department services	COVID Other	75
	COVID State Government Operations	30,420
Executive direction and operations	COVID State Government Operations	1,105
First responder hazard pay premiums	COVID Individual Assistance	31,716,265
Hospitality relief fund	COVID Individual Assistance	1,549
Investments	COVID State Government Operations	681
Local finance	COVID State Government Operations	444
Local units of government	COVID Local Support	200,000,000
Michigan finance authority - bond finance	COVID State Government Operations	1,887
Office of financial services	COVID State Government Operations	2,305
Office of revenue and tax analysis	COVID State Government Operations	2,340
Property tax assessor training	COVID State Government Operations	150
School support staff COVID-19 grants	COVID Individual Assistance	392
Student financial assistance programs	COVID State Government Operations	825
Supervision of the general property tax law	COVID State Government Operations	5,719
Tax and economic policy	COVID State Government Operations	1,503
Tax compliance	COVID State Government Operations	12,807
Tax processing	COVID Other	85
	COVID State Government Operations	13,253
Tobacco tax enforcement	COVID State Government Operations	5
Unappropriated - excess revenue	COVID State Government Operations	548
Unclaimed property	COVID State Government Operations	348
<b>Universities</b>		<b>\$ 79,946,429</b>
Coronavirus relief fund - operational share	COVID Local Support	79,946,429
<b>Total COVID-19 Expenditures</b>		<b>\$ 3,522,897,065</b>

<sup>1</sup>Unappropriated - no control is a default title in SIGMA that signifies that there are no budgetary controls. This designation could either indicate that expenditures were incurred prior to specific COVID-19 coding being available and will be adjusted accordingly in future reports or the expenditures are related to funds that do not have budgetary controls, such as proprietary funds and component unit funds.

<sup>2</sup>MSP Receive and Expend Expenditure Credits is used to move the originating expenditures incurred by State Departments for Health Care Response back to the Michigan State Police, which was the original appropriated funding source in Public Act 53 of 2019.

Source: The OAG prepared this exhibit based on information obtained from SIGMA and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Expenditures by Response Category for All Appropriations  
From March 10, 2020 Through November 30, 2020

Department	Business Assistance	Contact Tracing	Health Care Response	Individual Assistance	Infection Control	Laboratory Testing
Agriculture and Rural Development	\$ 800,335	\$	\$	\$	\$	\$
Attorney General						
Civil Service Commission						
Community Colleges						
Corrections						
Education	85,772,724					
Environment, Great Lakes, and Energy						
Gaming Control Board						
Health and Human Services		12,658,729	9,349,147	373,098,067	14,651,177	102,063,801
Insurance and Financial Services						
Judiciary						
Labor and Economic Opportunity				7,262		
Licensing and Regulatory Affairs						
Lottery						
Michigan Economic Development Corporation	6,153,359					
Michigan State Housing Development Authority						
Michigan Strategic Fund	107,206,955					
Michigan Veterans' Facility Authority						
Military and Veterans Affairs				219,398		
Natural Resources			208,718			
State						
State Land Bank Authority						
State Police						
Technology, Management, and Budget			91,163,675			
Transportation						
Treasury				31,718,206		
Universities						
<b>Total</b>	<b>\$ 199,933,372</b>	<b>\$ 12,658,729</b>	<b>\$ 100,721,541</b>	<b>\$ 405,042,933</b>	<b>\$ 14,651,177</b>	<b>\$ 102,063,801</b>

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COVID-19 EXPENDITURES  
State of Michigan

Expenditures by Response Category for All Appropriations  
From March 10, 2020 Through November 30, 2020

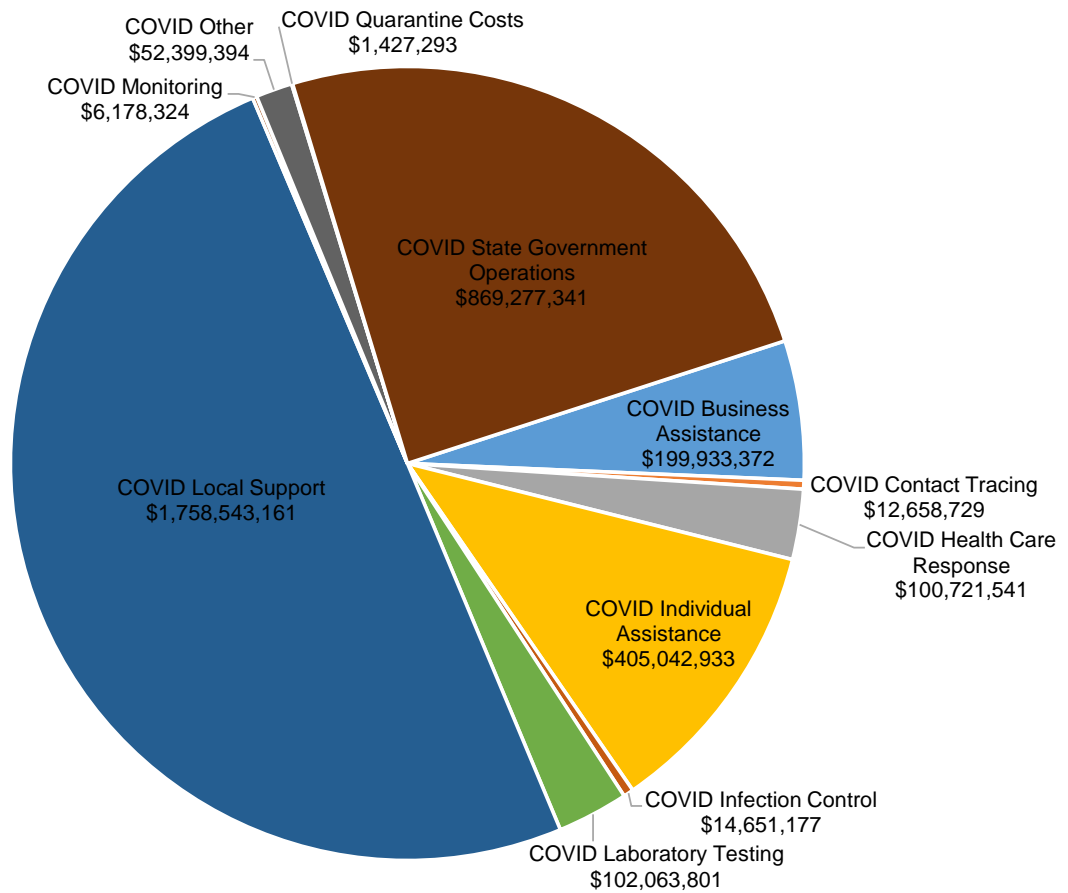
Local Support	Monitoring	MSP Receive and Expend			State Government		Total
		Expenditure Credits <sup>1</sup>	Other	Quarantine Costs	Operations		
\$	\$	\$ (153,003)	\$	\$	\$ 319,148	\$ 966,480	
					89,167	89,167	
					26,812	26,812	
22,857,892						22,857,892	
		(3,764,200)			544,037,101	540,272,901	
898,485,764			214,189		238,486	984,711,163	
637,614			21,286		85,498	744,398	
					40,154	40,154	
282,688,438	6,178,305	(13,588,373)	532,840	1,427,293	42,415,315	831,474,738	
					34,037	34,037	
	19				111,452	111,471	
106,156			92,138		64,198,419	64,403,974	
					1,757,723	1,757,723	
			31,967		23,320	55,288	
			653,000			6,806,359	
			29,417,388		96,056	29,513,444	
10,084						107,217,039	
					260,226	260,226	
		(646,245)			3,120,665	2,693,818	
		(156,539)			1,446,096	1,498,275	
			14,426,592		304,401	14,730,993	
					474	474	
27,631		81,610,019	8,413		199,496,299	281,142,362	
		(63,301,659)	6,988,399		10,605,548	45,455,962	
164,408,367			13,022		478,928	164,900,318	
309,374,787			159		92,014	341,185,167	
79,946,429						79,946,429	
<u>\$ 1,758,543,161</u>	<u>\$ 6,178,324</u>	<u>\$ 0</u>	<u>\$ 52,399,394</u>	<u>\$ 1,427,293</u>	<u>\$ 869,277,341</u>	<u>\$ 3,522,897,065</u>	

<sup>1</sup>MSP Receive and Expend Expenditure Credits is used to move the originating expenditures incurred by State Departments for Health Care Response back to the Michigan State Police, which was the original appropriated funding source in Public Act 53 of 2019.

Source: The OAG prepared this exhibit based on information obtained from SIGMA and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Chart of COVID-19 Expenditures by Response Category for All Appropriations  
From March 10, 2020 Through November 30, 2020



Source: The OAG prepared this exhibit based on information obtained from SIGMA and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Vendors With Total Payments of \$2.5 Million or Greater  
From March 10, 2020 Through November 30, 2020

Vendor Name	Amounts Paid	Types of Activities
Local Units - Consolidated	\$ 386,044,113	Financial Assistance
Schools - Consolidated	378,854,779	CRF/Small Business Assistance/Child Nutrition Program Meal Reimbursements
Conduent State & Local Solutions Inc.	309,278,425	SNAP Payments - Disaster Relief (Food Assistance)
SpecBid Holdings Inc.	48,488,663	PPE
Superior Business Forms Inc.	30,790,300	PPE
BlackPoint Distribution, LLC	25,900,400	PPE
Michigan State Housing Development Authority	24,028,134	Rental Assistance
RACM, LLC <sup>1</sup>	22,694,156	Cleaning Services
Food Bank Council of Michigan	19,521,147	Food Cost and Transportation
Midway Dental Supply, LLC	16,911,856	PPE and Sanitizing Wipes
Protiviti Government Services	16,395,809	UIA Staffing
Detroit Economic Growth Association	15,545,450	Small Business Grants
Spectrum Health System	15,277,242	Hospital Patient Assistance
Team 84, LLC	15,258,610	PPE
Troy Design & Manufacturing, LLC	12,800,000	PPE
Medical Choice RX, LLC	12,394,000	PPE
Henry Ford Health System	12,180,782	Payment to Hospital - Health Care Capacity
Boco Enterprises	11,699,600	Hospital Expansion - Suburban Showplace
Hype Labs, LLC	11,000,000	PPE
The Right Place Inc.	10,545,455	Financial Assistance - Deliver/Admin Grants
Wayne Metropolitan Community Action Agency	10,543,144	Staffing and Monetary Assistance
Clinical <sup>2</sup>	9,906,403	MDOC employee payroll.
Ann Arbor Spark	9,445,455	Financial Assistance - Deliver/Admin Grants
Brogan & Partners Advertising Consultancy Inc.	9,271,693	Media Campaign for Outreach and Education to the Public
Flint and Genesee Chamber Foundation	8,895,455	Financial Assistance - Deliver/Admin Grants
NxGen MDx, LLC	8,786,910	COVID Testing
Detroit Regional Convention Facility Authority	8,525,021	TCF Center - Temporary Hospital
Southwest Michigan First	8,345,455	Financial Assistance - Deliver/Admin Grants
Gothams, LLC	8,245,935	COVID Testing
Sumec International Technology <sup>3</sup>	8,000,000	PPE
Michigan Primary Care Association	7,263,780	Testing Sites
Meijer Inc.	7,199,874	Food
Home Depot USA Inc.	6,667,276	PPE
Islamic Center of Detroit	6,513,819	Meals and Admin Expenses
Medefis Inc.	6,172,529	Medical Staffing
Lansing Economic Area Partnership Inc.	6,145,455	Financial Assistance - Deliver/Admin Grants
Staples Contract & Commercial Inc.	5,690,370	Cell Phones, Hand Sanitizer, Office Supplies, Portable Toilets, PPE, Sanitizing Cleaning Supplies, Telecommuting Supplies, and Technical Services
State of Ohio	5,645,609	PPE Use Tax Payment
Dultimate, LLC <sup>4</sup>	5,490,000	PPE
Northwest Michigan Council of Governments	5,213,548	Financial Assistance - Deliver/Admin Grants
Invest Up	5,045,455	Financial Assistance - Deliver/Admin Grants
Bio-Reference Laboratories Inc.	5,045,100	COVID Testing
Bow-Boeck Enterprises, LLC	5,000,000	PPE
Sandra Campbell <sup>4</sup>	4,874,104	PPE - Wire Recall due to Fraud
Magna Electronics Technologies Inc. Connect6	4,870,500	PPE
Group Inc.	4,780,260	PPE
Area Agency on Aging 1-B	4,554,846	Elderly COVID Support Services
Carelinc Medical Equipment & Supply Co., LLC	4,389,714	Hospital Beds/PPE
Saginaw Future Inc.	3,930,773	Grant for COVID Expenses
State of Michigan	3,884,501	Interdepartmental transfers
Lakeshore Advantage Corporation	3,800,000	Grant for COVID Expenses
Middle Michigan Development Corporation	3,748,000	Grant for COVID Expenses
Otsego County Economic Alliance Inc.	3,700,000	Grant for COVID Expenses
Target Alpena Development Corporation Honu	3,700,000	Grant for COVID Expenses
Management Group, LLC	3,690,738	COVID Testing
Michigan Public Health Institute	3,538,937	Medical Staffing
Ventec Life Systems Inc.	3,382,500	Ventilators
J & B Medical Supply Inc.	3,344,229	PPE
Childtime Childcare Inc.	3,318,482	Financial Assistance - Deliver/Admin Grants
McKinsey & Company Inc.	3,239,000	Consulting Services
Gen-Probe Sales & Service Inc.	3,175,390	COVID Testing
Gleaners Community Food Bank	3,107,961	Child Nutrition Program Meal Reimbursements
Fenton Development Group	3,005,498	Child Care and Admin Expenses
Tutor Time Learning Centers, LLC	2,729,324	Grant for COVID Expenses
Kinder Care Learning Centers, LLC	2,677,317	Child Care Grants
WPCP Distributors, LLC <sup>3</sup>	2,661,269	Ventilators

*This exhibit continued on next page.*

Vendor Name	Amounts Paid	Types of Activities
Edward W Sparrow Hospital	2,650,813	COVID Testing
Stryker Sales Corporation	2,600,844	Medical Equipment
William Beaumont Hospital	2,596,453	Payment to Hospital - Health Care Capacity
Invest Detroit Foundation	2,500,000	Small Business Loans
Michigan Restaurant & Lodging Association	2,500,000	Financial Assistance
Total	<u>\$ 1,659,618,660</u>	

<sup>1</sup>Includes \$5,271,392 paid in error.

<sup>2</sup>Represents MDOC employee payroll for clinical staff.

<sup>3</sup>Payments were recalled and funds returned to State of Michigan.

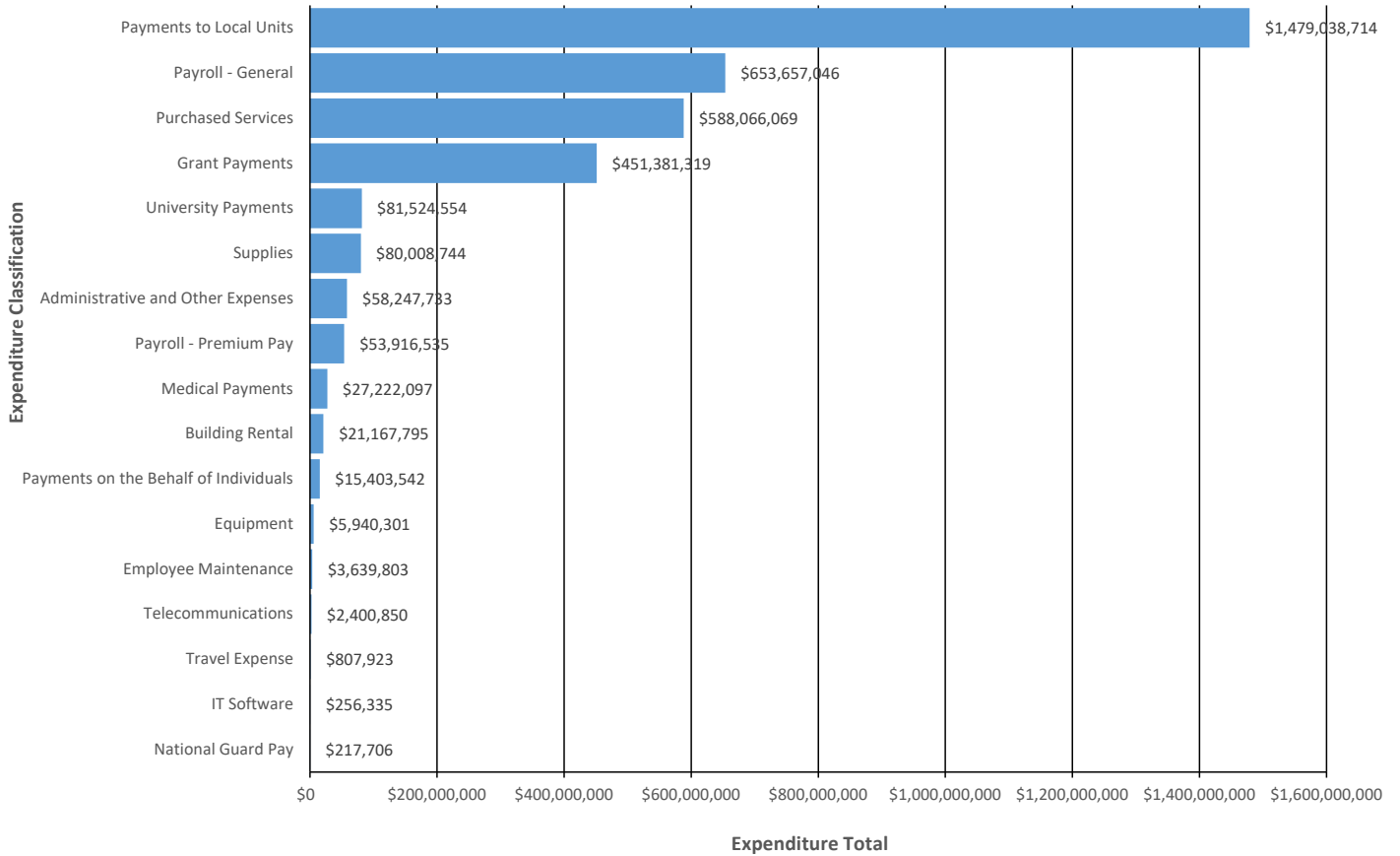
<sup>4</sup>Payment was recalled, not all funds recovered. See Exhibit #2.

Note: This exhibit identifies vendors who received initial payments totaling \$2.5 million or more generally based on the use of a unique vendor ID in SIGMA. Local units and schools totaling \$2.5 million or more individually were consolidated for reporting purposes. The OAG is also working to identify additional vendors who were not identified in SIGMA with a unique vendor ID code. The OAG added the type of activity as reported by the department or supporting documentation.

Source: The OAG prepared this exhibit based on information obtained from SIGMA and SBO.

**COVID-19 EXPENDITURES**  
State of Michigan

Expenditures by Classification Category for All Appropriations  
From March 10, 2020 Through November 30, 2020



Source: The OAG prepared this exhibit based on information obtained from SIGMA (general expenditure classifications based on SIGMA Object Codes) and SBO.

COVID-19 EXPENDITURES  
State of Michigan

Summary of Programs With Advances to Subrecipients  
From March 10, 2020 Through November 30, 2020

Program	Department	Appropriations	Expenditures as of September 30, 2020
Universities	DTMB	\$ 163,726,600	\$ 79,946,429
Coronavirus Relief Local Government Grants (CRLGG)	Treasury	\$ 150,000,000	\$ 109,374,787
Small Business Restart Program	MSF	\$ 100,000,000	\$ 70,374,624
First Responder Hazard Pay Premiums Program (FRHPPP)	Treasury	\$ 40,000,000	\$ 23,602,944
Community Colleges	DTMB	\$ 36,273,400	\$ 22,857,892
Hospitality Relief Fund	Treasury	\$ 2,500,000	\$ 1,549
County Veteran Service Fund (CVSF)	DMVA	\$ 118,000 <sup>3</sup>	\$ 14,343

*This exhibit continued on next page.*

COVID-19 EXPENDITURES  
State of Michigan

Summary of Programs With Advances to Subrecipients  
From March 10, 2020 Through November 30, 2020

Advances as of September 30, 2020 <sup>1</sup>	Total Payments as of September 30, 2020 <sup>2</sup>	Additional Payments From October 1, 2020 Through November 30, 2020	Subrecipient Reporting Period
\$ 83,780,171	\$ 163,726,600	\$ 0	Quarterly
\$ 40,619,720	\$ 149,994,507	\$ 0	Quarterly
\$ 29,625,376	\$ 100,000,000	\$ 0	Monthly
\$ 3,680,571	\$ 27,283,515	\$ 8,113,322	Round
\$ 13,415,508	\$ 36,273,400	\$ 0	Quarterly
\$ 2,498,451	\$ 2,500,000	\$ 0	Quarterly
\$ 103,657	\$ 118,000	\$ 0	Quarterly

<sup>1</sup>Advances represent funds transferred to subrecipients by the State that have not yet been expended.

<sup>2</sup>Includes accrued payables and funds returned to the State by subrecipients as of September 30, 2020.

<sup>3</sup>Funds through CVSF are provided on an emergency basis. The appropriation amount represents total emergency payments made related to COVID-19.

Note: Expenditure and advance amounts are unknown as of November 30, 2020 due to reports from subrecipients not being available and/or State departments not yet recording entries in SIGMA. Program advance amounts were recorded by State departments as of September 30, 2020 to align with the State's fiscal year-end.

Source: The OAG prepared this exhibit based on information obtained from SIGMA and State departments.

## DESCRIPTION

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On March 10, 2020, Governor Gretchen Whitmer declared a state of emergency across the State of Michigan when the Michigan Department of Health and Human Services identified the first two presumptive positive cases of the COVID-19 respiratory illness. The Legislature enacted Public Acts 66 (reduced to \$0 in part 1 appropriations of Public Act 144 of 2020), 67, 123, 144, 146, 150, and 166 of 2020, appropriating supplemental funding for COVID-19. Also, Section 704 (3), Public Act 53 of 2019 allows the Michigan Department of State Police to receive and expend money from local, State, federal, or private sources for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity.

Federal acts related to the COVID-19 emergency through November 30, 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act 2020, effective March 6, 2020.
- Families First Coronavirus Response Act (FFCRA), effective March 18, 2020.
- Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, effective March 27, 2020.
  - Michigan was allocated a total of \$3.9 billion from the Coronavirus Relief Fund, \$800 million of which went directly to the local governmental units of the City of Detroit and Wayne, Macomb, Kent, and Oakland counties.
- Paycheck Protection Program and Health Care Enhancement Act, effective April 24, 2020.



## AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION

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### AUDIT SCOPE

To determine if the expenditures charged to the COVID-19 appropriations were appropriate and to report those expenditures. Our audit was limited to expenditures reported by November 30, 2020. We conducted this performance audit\* in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Because of the ongoing nature of the audit, not all reported and sampled expenditures were audited by the end of our fieldwork. We determined that 906 sample expenditures were appropriate and serve as the basis for our conclusion to the first audit objective. In addition, there are 3 sample items we are unable to assess at this time and 19 sample items still under review (see Exhibits #1 and #2). Expenditures not subject to our review for this report will be considered for our next audit of the COVID-19 expenditures, unless otherwise noted.

As part of the audit, we considered the five components of internal control (control environment, risk assessment, control activities, information and communication, and monitoring activities) relative to the audit objectives and determined that all components were significant.

### PERIOD

Our audit procedures, which included audit planning, audit fieldwork, report preparation, and quality assurance, generally covered March 10, 2020 through November 30, 2020.

### METHODOLOGY

Pursuant to Public Act 67 of 2020, our audit objectives reflect the monthly reporting requirements to audit the appropriateness and report the Statewide COVID-19 expenditures. Our preliminary survey is ongoing as we gain an understanding of the Statewide policies, procedures, and processes put into place as a result of COVID-19. Based on our ongoing audit fieldwork, our audit objectives, scope, and methodology may change.

During this audit, we:

- Visited the COVID-19 Response Warehouse to gain an understanding of the receiving process and volume of COVID-19 goods.

\* See glossary at end of report for definition.

- Reviewed SBO guidance to State agencies on COVID-19 expenditures.
- Communicated with department staff to gain an understanding of the controls established over expenditures and reporting.
- Reviewed federal legislation impacting State funding for COVID-19 expenditures.
- Reviewed SBO reports to gain an understanding of expenditures reported by State departments.
- Reviewed and reconciled the federal budget authorizations uploaded in SIGMA and reported to the Legislature through July 7, 2020.

**OBJECTIVE #1**

To determine the appropriateness of State agencies' COVID-19 expenditures through November 30, 2020.

To accomplish this objective, we:

- Communicated with State departments to obtain an understanding of their reported expenditures, related purchasing processes, payment mechanisms, and monitoring activities.
- Reviewed source documentation supporting selected expenditures. Our samples were judgmentally and randomly selected. Therefore, we could not project the results to the overall populations.

**OBJECTIVE #2**

To report State agencies' COVID-19 expenditures.

To accomplish this objective, we:

- Validated the account coding used by State agencies for COVID-19 expenditures.
- Extracted the COVID-19 expenditures charged to the appropriations from SIGMA.

**CONCLUSIONS**

We base our conclusions on our audit efforts and any resulting material conditions\*, reportable conditions\*, or observations.

**AGENCY RESPONSES**

Not applicable.

\* See glossary at end of report for definition.

**PRIOR AUDIT FOLLOW-UP**

Following is the status of the reported findings from our January 2021 performance audit of the COVID-19 Expenditures, State of Michigan (000-2000-20C):

<u>Prior Audit Finding Number</u>	<u>Topic Area</u>	<u>Current Status</u>	<u>Current Finding Number</u>
1	Circumvention of procurement card policies and procedures.	Complied	Not applicable
2	Controls over payments to vendors.	Not complied*	Not applicable

\*DTMB's corrective action was in process at issuance of this report.

**SUPPLEMENTAL INFORMATION**

Our audit report includes supplemental information presented as Exhibits #1 through #11.

Information (such as amounts appropriated, funding allocations, total expenditures, or expenditures subject to review) may change between reports. In most instances, this is a result of agency coding changes, expenditure transfers, additional testing performed, or errors identified during our review. Exhibits are adjusted as we become aware of these changes and perform further audit procedures.

## **GLOSSARY OF ABBREVIATIONS AND TERMS**

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DTMB	Department of Technology, Management, and Budget.
FEMA	Federal Emergency Management Agency.
internal control	The plan, policies, methods, and procedures adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.
material condition	A matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program. Our assessment of materiality is in relation to the respective audit objective.
novel coronavirus (COVID-19)	The infectious disease caused by the most recently discovered coronavirus. This new virus and disease were unknown before the outbreak began in Wuhan, China, in December 2019. COVID-19 is now a pandemic affecting many countries globally.
observation	A commentary that highlights certain details or events that may be of interest to users of the report. An observation may not include all of the attributes (condition, effect, criteria, cause, and recommendation) that are presented in an audit finding.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
personal protective equipment (PPE)	Equipment worn to minimize exposure to hazards that cause serious workplace injuries or illnesses. Types of PPE can include masks/respirators, face shields, goggles, gowns/aprons, and gloves.

reportable condition

A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: a deficiency in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements; opportunities to improve programs and operations; or fraud.

SBO

State Budget Office.

Statewide Integrated  
Governmental  
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(SIGMA)

The State's enterprise resource planning business process and software implementation that support budgeting, accounting, purchasing, human resource management, and other financial management activities.







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