

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: June 25, 2020
TO: Members of the Michigan Senate
FROM: Michael Siracuse and Bruce Baker, Fiscal Analysts
RE: Executive Orders 2020-94, 2020-98, and 2020-105

Executive Orders 2020-94, 2020-98, 2020-105

On May 19, 2020, Governor Whitmer issued Executive Order (E.O.) 2020-94, which declared a state of emergency in the City and County of Midland. On May 22, E.O. 2020-98 expanded the declaration of emergency to include the counties of Arenac, Gladwin, and Saginaw. On May 26, E.O. 2020-105 further expanded the declaration of emergency to include the county of Iosco.

Executive Order 2020-94

Effective May 19, 2020, this Order declared a state of emergency in the city and county of Midland and temporarily suspended COVID-19-related emergency orders to the extent those orders impeded emergency response efforts. The Order required the Emergency Management and Homeland Security Division (EMHSD) of the Department of State Police (MSP) to coordinate and augment all State efforts and allow the EMHSD to call upon all State departments to use available resources to assist in the area designated by the Order. The declared state of emergency is terminated until the threats to public health, safety, and property no longer exist, or no later than June 16, 2020.

Executive Order 2020-98

Effective May 22, 2020, this Order expanded the state of emergency declared in the city of Midland and county of Midland under Executive Order 2020-94 to the counties of Arenac, Gladwin, and Saginaw with the same timeline for expiration; June 16, 2020.

Executive Order 2020-105

Effective May 26, 2020, this Order further expanded the state of emergency declared under EOs 2020-94 and 2020-98 to the county of Iosco with the same timeline for expiration; June 16, 2020.

These Orders cite the Emergency Management Act (EMA), Act 390 of 1976, as authority for their issuance. Under the EMA, the Governor must declare a state of emergency if she finds that an emergency has occurred or that the threat of an emergency exists.

These Orders are not subject to legislative disapproval. They do not involve Type I, II, or III transfers as defined in the Executive Organization Act.

Fiscal Impact

Once a Governor declares a state of emergency, MSP's EMHSD takes the lead in coordinating local, State, Federal, and nongovernmental resources, the authority for which comes from the Emergency Management Act. The EMHSD then activates the State Emergency Operations Center (SEOC), located at the State's Secondary Complex in Dimondale, Michigan. There, personnel monitor (on a 24-hour basis) ongoing emergencies, communicate with affected jurisdictions and government agencies, and assess and coordinate requests for resources and assistance, either from state or federal sources.

Immediately after the Governor's declaration, the SEOC is staffed by personnel representing each State agency involved in protecting public health and safety, and in responding to and recovering from, a State emergency—in this case, the flooding in the city and county of Midland under Executive Order 2020-94, and in the counties of Arenac, Gladwin and Saginaw under Executive Order 2020-98, and in the county of Iosco under Executive Order 2020-105.

The overall costs as a result of the Governor's EOs cannot easily be determined, as they give the Governor broad powers to order departments to engage in certain tasks and responsibilities that likely will go well beyond their current appropriations. State employees who have been designated to represent their departments at the SEOC after a state of emergency is declared have their salary costs placed in a separate State account, distinct from their department accounting, for the purpose of paying these costs separately with emergency appropriations.

Paying the salary costs of these employees who serve within the SEOC, and other statewide costs created by the Governor's orders could come from several sources. These include the following: supplemental State appropriations; \$6.7 million of State restricted revenue from the current balance of the State's Disaster and Emergency Contingency Fund, for use during State emergencies (these funds often are used to provide local or State matching funds for Federal funds); Federal Emergency Management Agency reimbursement funds available under the Stafford Act (a significant source of potential financial support as, with the declaration of a State emergency, followed by a Federal declaration (which has not yet occurred), Federal funds become available to reimburse state and local governments for reasonable costs in addressing an emergency (typically on a 25% state/75% Federal match).

Summary

These Orders declared a state of emergency in the city of Midland and in the counties of Midland, Arenac, Gladwin, Saginaw, and Iosco. The state of emergency ended on June 16, 2020. The Orders were not subject to legislative disapproval.

If you have any questions on these E.O.s, please do not hesitate to contact me.

/mh

c: Christopher Harkins, Director