



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: February 17, 2021

TO: Members of the Michigan Legislature

FROM: Mark Burton, President
Michigan Strategic Fund

SUBJECT: FY 2021 Michigan Small Business Survival Grant Program Report

Public Act 257 of 2020, which provides FY 2021 supplemental appropriations, allocated \$55 million to the Michigan Strategic Fund (MSF) to implement the Michigan Small Business Survival Grant Program to assist small businesses impacted by recent DHHS “gatherings and face mask orders.” The program allows for grants of up to \$20,000 to be awarded to businesses that are fully closed, with grants of up to \$15,000 awarded to businesses that have been partially closed, or otherwise are open and can demonstrate an impact. The funds were distributed across 15 local economic development organizations (EDOs) designated by the Act to administer the program.

The Act requires the MSF to submit a monthly report to Appropriations Committees, fiscal agencies, and the State Budget Office for grants awarded in the previous month, including the name of the recipient of each grant provided under the program. Pursuant to this requirement, attached is a summary of the program awards. A list of all grants awarded to date is available on the Michigan Economic Development Corporation (MEDC) website at <https://www.michiganbusiness.org/survival/>.

This report reflects data submitted to the MEDC by the EDOs as of February 16. The EDOs are required to submit monthly progress reports through the term of the Grant Agreement or until all program funds are disbursed. The list of grants on the [michiganbusiness.org/survival](https://www.michiganbusiness.org/survival/) landing page will be updated as data is received from the EDOs. A subsequent report will be provided to legislatively required recipients when all awards are final.

Because of the legislative interest in this program and to provide full transparency, this report is being shared with all members of the Michigan Legislature.

If you have any questions regarding the information in this report, please contact our Office of Government Relations at 517.335.1847.

Attachment

cc: Chris Kolb, State Budget Director
Chris Harkins, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

Michigan Strategic Fund

Michigan Small Business Survival Grant Program

FY 2021 Report

Public Act 257 of 2020, which provides FY 2021 supplemental appropriations, allocated \$55 million to the Michigan Strategic Fund (MSF) to implement the Michigan Small Business Survival Grant Program to support the needs of eligible Michigan businesses that have experienced a significant financial hardship due to the COVID-19 emergency “gatherings and face mask order” issued by the Michigan Department of Health and Human Services (DHHS) effective on December 9, 2020 through December 20, 2020, and the order effective on November 18, 2020 that it rescinded and replaced.

The program allows for grants of up to \$20,000 to be awarded to businesses that are fully closed, with grants of up to \$15,000 awarded to businesses that have been partially closed, or otherwise are open and can demonstrate an impact. As required under the Act, funding was distributed to each of the 15 local economic development organizations (EDOs) that participated in the Michigan Small Business Relief Program created at the March 19, 2020 Michigan Strategic Fund (MSF) Board meeting, on a percentage basis consistent with the small business restart grants distributed in Public Act 123 of 2020. Factors taken into consideration included: number of counties served by EDO; total population; estimated small businesses impacted by COVID-19; and percentage of small businesses located in a geographically disadvantaged area.

The EDOs are responsible for accepting, reviewing and approving applications, and ultimately, awarding and disbursing grant funds under sub-grants to the selected eligible businesses. The EDOs may retain up to five percent of the amount it receives for awards for administrative costs involved in the direct administration of the grants.

To be eligible for grants under the program, businesses had to meet the following eligibility requirements:

- Had 1 to 100 employees (including full-time, part-time and owner/employees) on a world-wide basis on November 17, 2020.
- In an industry that demonstrated it was affected by the DHHS epidemic orders.
- Needed working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses.
- Demonstrated an income loss as a result of the orders as determined by the EDO in which an eligible business is located.
- Is not a live music and entertainment venue that is eligible for funds under Section 401 of Public Act 257 of 2020 (Michigan Stages Survival Grants).

The MSF Board approved the distribution of grant funding across 15 local EDOs covering all 83 counties in the state on January 14, 2021, with the application for the program going live on January 19 at 9:00 a.m. The [michiganbusiness.org/survival](https://www.michiganbusiness.org/survival) landing page provided businesses with resources to prepare their application, including the application questions and a tutorial video detailing all steps. Businesses were required to have an account set up in ConnectSpace to submit an application, also linked on the landing page, which could be established prior to applying. For the convenience of applicants, an electronic queue system was in effect for businesses entering the queue prior to entry into the application. Businesses were able sign up to receive an alert when they reached the front of the queue, and all applicants who were in the queue by noon on January 22 had an opportunity to complete the application and be considered for funding.

A total of 34,480 applications for this funding was received from all 83 counties in the state. A table that includes a list of the EDOs and counties covered by each, allocation amount, and number of grants awarded as of February 16 is available on the following page. Grant funds may be used by the business for eligible expenses expended between November 18, 2020 and April 30, 2021. A list of all grants awarded to date is available on the Michigan Economic Development Corporation (MEDC) website at <https://www.michiganbusiness.org/survival/>.

The EDOs are required to submit monthly progress reports to the MEDC through the term of the Grant Agreement or until all program funds are disbursed. The list of grants on the [michiganbusiness.org/survival](https://www.michiganbusiness.org/survival) page will be updated as data is received from the EDOs. A subsequent report will be provided to legislatively required recipients when all awards are final. The final report will include a summary of all grants awarded by industry, as required by supplemental budget boilerplate.

Michigan Strategic Fund
Michigan Small Business Survival Grant Program
FY 2021 Report

Participating Economic Development Organizations and Award Details

Applicant	% Allocation	Amount Allocated	# of Applicants	Businesses Assisted	Jobs Retained*	Counties Covered
Invest UP	4.545%	\$2,500,000	811	414	3,221	Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft
Networks Northwest	4.545%	\$2,500,000	767	181	*	Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Wexford
Otsego County Economic Alliance	3.500%	\$1,925,000	264	168	1,403	Crawford, Montmorency, Ogemaw, Oscoda, Otsego, Roscommon
Target Alpena	3.500%	\$1,925,000	331	197	1,355	Alcona, Alpena, Cheboygan, Iosco, Presque Isle
The Right Place	9.545%	\$5,250,000	3,137	426	4,179	Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola
Lakeshore Advantage	3.500%	\$1,925,000	590	187	2,454	Allegan, Ottawa
Middle Michigan Development Corporation	3.500%	\$1,925,000	496	183	1,711	Arenac, Clare, Gladwin, Gratiot, Isabella, Midland
Saginaw Future	3.545%	\$1,950,000	875	272	2,721	Bay, Saginaw
Flint & Genesee Chamber	8.045%	\$4,425,000	1,569	291	2,878	Genesee, Huron, Lapeer, Sanilac, Shiawassee, St. Clair, Tuscola
Lansing Economic Area Partnership (LEAP)	5.545%	\$3,050,000	1,056	194	2,247	Clinton, Eaton, Ingham
Southwest Michigan First	7.545%	\$4,150,000	1,458	279	3,819	Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren
Ann Arbor Spark	8.545%	\$4,700,000	2,268	639	6,858	Hillsdale, Jackson, Lenawee, Livingston, Monroe, Washtenaw
Oakland County	11.045%	\$6,075,000	6,468	1,348	9,730	Oakland
Macomb County	7.545%	\$4,150,000	3,620	766	6,865	Macomb
Detroit Economic Growth Corporation	15.545%	\$8,550,000	10,770	415	3,135	Wayne
TOTALS		\$55,000,000	34,480	5,960	52,576	

*NOTE: EDOs were not required to have jobs retained numbers included in the initial report.