

FY 2023-24 LICENSING AND REGULATORY AFFAIRS BUDGET

S.B. 195 (S-1): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2022-23 YEAR-TO-DATE*	FY 2023-24 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2022-23 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,849.9	1,861.9	12.0	0.6
GROSS	539,834,400	591,815,700	51,981,300	9.6
Less:				
Interdepartmental Grants Received	47,026,900	46,897,200	(129,700)	(0.3)
ADJUSTED GROSS	492,807,500	544,918,500	52,111,000	10.6
Less:				
Federal Funds	29,659,200	30,004,200	345,000	1.2
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	463,148,300	514,914,300	51,766,000	11.2
Less:				
Other State Restricted Funds.....	249,325,900	256,838,700	7,512,800	3.0
GENERAL FUND/GENERAL PURPOSE	213,822,400	258,075,600	44,253,200	20.7
PAYMENTS TO LOCALS	169,417,400	230,761,900	61,344,500	36.2

*As of February 7, 2023.

Major Boilerplate Changes from FY 2022-23 Year-to-Date:

- Deleted Sections.** The Senate deleted a number of sections, which include: 214 (Legacy Cost Estimates), 218 (Intertransfer of Funds), 222 (COVID -19 Vaccine Passport), 229 (Regulatory Activity and Complaints Reporting), 230 (Employee Performance Monitoring), 233 (Pending Litigation), 234 (Posting of Training Materials), 235 (Customer Service and Business Ethics Training), 302 (Low Carbon Energy Infrastructure Enhancement Program), 505 (Report on Fireworks Inspection Reimbursements), 602 (Law enforcement referrals posting), 604 (On-site Distillate Inspections), 1001 (BFS - Smoke Detectors), and 1002 (Cannabis Market Taxation Pilot Program).
- NEW Language.** The Senate included new language regarding diversity, equity and inclusion (DEI) (Sec. 214) and new language regarding the CRA Social Equity Program (Sec. 1002).
- Michigan Liquor Control Commission.** The Senate removed language prioritizing investigation and auditing of unlicensed out-of-state retailers and third-party marketers. Removed requirements for unlicensed out-of-state retailers and third-party marketers to be referred to the Attorney General. (Sec. 401)
- Adjustment and Removal of Funding Limits.** The Senate amended or removed language within several sections which limit the appropriation that is allowed within the department. These sections include: 210 (Contingency Funds), 225 (Expenditure from Private Grants), 226 (Program Registration Fees), 510 (Ski and Amusement Parks), 512 (Public Assembly Inspections), 801 (Byrne Formula Grant Funding), and 1001 (Michigan Saves)

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FY 2022-23 Year-to-Date Appropriation	\$539,834,400	\$213,822,400		
	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Michigan Indigent Defense Commission (MIDC) Grants. The Senate increased MIDC grants to reflect implementation of existing minimum standards #1-5 and the indigency standard.	29,844,500	29,844,500	208,761,900	208,461,900
2. Michigan Liquor Control Commission (MLCC) Law Enforcement Grants. The Senate included increased authorization to reflect the projected increase in statutorily required grant payments.	1,500,000	0	9,900,000	9,900,000
3. Corporations Online Filing System Maintenance. The Senate included increased authorization to support ongoing maintenance costs.	1,000,000	0	22,354,500	1,860,600
4. MLCC SIPS Licensing and maintenance. The Senate increased authorization to support the licensing and maintenance costs associated with the new Sales, Inventor, Purchasing and Licensing System (SIPS).	900,000	0	17,761,100	0
5. Child Care Licensing Bureau. The Senate increased authorization to support ongoing licensing and maintenance costs for the new licensing system.	600,000	600,000	23,677,800	3,100,000
6. Industrial Hemp Shift from MDARD (ERO 2022-1). The Senate increased authorization in the Cannabis Regulatory Agency (CRA) to reflect the transfer of industrial hemp licensing and regulation responsibilities to LARA from MDARD.	300,000	0	28,004,600	0
7. MILogin Rate Increase. The Senate increased authorization to support increased costs associated with the MILogin system.	100,000	0	22,354,500	18,630,600
8. Bureau of Fire Services Aboveground Storage Tank Fees. The Senate increased authorization to reflect increased revenue collections.	100,000	0	14,028,700	5,369,600
9. Public Service Commission - Underground Natural Gas Storage Inspection Program. The Senate increased authorization to reflect increased inspection and enforcement activities required by the program.	73,900	0	34,168,900	0
10. Low Carbon Grant Program Removal. The Senate removed funding for the Low Carbon Energy Infrastructure Enhancement and Development Program.	(25,000,000)	(25,000,000)	0	0

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	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
11. Technical Adjustments. The Senate included adjustments to reflect revenue estimates.	1,900	0	N/A	N/A
12. Economic Adjustments. Includes a negative \$1,311,400 Gross and a negative \$104,300 GF/GP for total economic adjustments.	(1,311,400)	(104,300)	N/A	N/A
<u>New Programs/Program Increases</u>				
13. MIDC Grants. The Senate included \$30.0 million for increased MIDC grants to reflect implementation of the newly approved minimum standard #8, attorney compensation.	30,000,000	30,000,000	208,761,900	208,461,900
14. Child Care Licensing Bureau Background Check Authorization. The Senate included \$2.0 million in funding for 6.0 FTEs shifted from within the department to support increased costs associated with background check and related staffing costs.	2,000,000	2,000,000	23,677,800	3,100,000
15. CRA Reference Laboratory. The Senate included \$1.6 million in state restricted funding for 5.0 FTEs to establish the CRA reference laboratory.	1,600,000	0	29,004,600	1,000,000
16. Child Care Licensing Bureau Staffing Increase. The Senate included \$1.1 million and 7.0 FTEs to support operations in the child care licensing bureau.	1,100,000	1,100,000	23,677,800	3,100,000
17. Public Service Commission - Gas Safety and Operations. The Senate included \$813,400 to support increased staffing of 5.0 FTEs shifted from within the department. Of the total, \$349,900 is federal funding and the remaining \$463,500 is state restricted funding.	813,400	0	34,168,900	0
18. MLCC Staffing. The Senate included \$514,600 in state restricted funding to support 3.0 FTEs shifted from within the department.	514,600	0	17,761,100	0
19. MIDC Operations Increase. The Senate included \$413,000 to support staff costs for 2.0 FTEs shifted within the department to ensure proper financial oversight of the grants to locals.	413,000	413,000	3,167,400	3,167,400
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
20. FY 2022-23 One-Time Appropriations Removal. The Senate removed FY 2022-23 One-Time Appropriations, which included: \$2.5 million for Michigan Saves, \$2.3 million in State Restricted Funding for Corporations	(8,343,600)	(4,500,000)	0	0

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	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
Online Filing Modernization, \$1.0 million in State Restricted Funding for the Michigan Task Force on Foreign-Trained Medical Professionals, \$1.0 million for Urban Search and Rescue, \$1.0 million for BFS Smoke Detectors, and \$500,000 in State Restricted Funding for the Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program.				
21. Michigan Saves. The Senate included one-time funding for Michigan Saves to leverage private loan investments in clean energy improvements.	5,000,000	5,000,000	5,000,000	5,000,000
22. Utility Consumer Representation. The Senate included \$2.5 million for increased grant funding associated with Utility Consumer Representation.	2,500,000	2,500,000	3,350,000	2,500,000
23. Bureau of Survey and Certification. The Senate included one-time funding to support additional federal inspections of over 20 health care provider types.	1,200,000	1,200,000	1,200,000	1,200,000
24. CRA Social Equity Program. The Senate included \$1.0 million to support the Social Equity Program within the CRA.	1,000,000	1,000,000	1,000,000	1,000,000
25. Child Care Licensing Bureau Background Check Authorization. The Senate included one-time funding to support programming upgrades to the workforce background check IT system.	200,000	200,000	200,000	200,000
26. Cannabis Regulatory Agency Reference Laboratory Buildout. The Senate included one-time funding to support the buildout of the new Reference Laboratory.	2,800,000	0	2,800,000	0
27. Corporations, Securities, and Commercial Licensing. Senate included one-time funding for the remaining project costs associated with the Corporation Online Filing System Modernization.	2,700,000	0	2,700,000	0

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	Gross	GF/GP	Gross	GF/GP
<u>Other</u>				
28. Shift Property Management Savings to Corporations, Securities and Commercial Licensing. The Senate shifted \$375,000 gross savings from the property management line to Corporations, Securities and Commercial Licensing Bureau	375,000	0	N/A	N/A
Total Changes.....	\$51,981,300	\$44,253,200		
FY 2023-24 SENATE APPROPRIATIONS REC.	\$591,815,700	\$258,075,600		

Date Completed: 4-26-23

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