

**Licensing and Regulatory Affairs: FY 2011-12
Summary: Conference Report
Senate Bill 175 (S-1) CR-1***



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	FY 2010-11	FY 2011-12 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: FY 2012-13 Vs. FY 2011-12	
	Year-to-Date as of 2/17/11					Amount	%
IDG/IDT	\$13,246,300	\$12,673,500	\$12,673,500	\$12,673,500	\$13,373,500	\$127,200	1.0
Federal	845,017,500	364,517,700	839,727,100	839,727,100	365,728,300	(479,289,200)	(56.7)
Local	16,020,400	7,859,900	12,293,400	12,293,400	7,859,900	(8,160,500)	(50.9)
Private	6,085,000	4,727,800	4,576,500	4,576,500	4,727,800	(1,357,200)	(22.3)
Restricted	349,846,100	392,737,600	360,335,700	359,335,700	388,808,100	38,962,000	11.1
GF/GP	47,607,900	26,582,500	42,555,800	43,536,300	31,072,800	(16,535,100)	(34.7)
Gross	\$1,277,823,200	\$809,099,000	\$1,272,162,000	\$1,272,142,500	\$811,570,400	(\$466,252,800)	(36.5)
FTEs	4,418.0	4,317.3	4,410.5	4,415.0	4,378.3	(39.7)	(0.9)

Notes: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. The House and Senate figures do not reflect the reorganization of the department.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the primary business regulatory agency in the state. The department's activities center around business and occupational licensing and regulation, workplace safety and regulation, administrative hearings, and rule promulgation. On February 23, 2011 Governor Snyder issued Executive Order 2011-4 renaming the Department of Energy, Labor, and Economic Growth (DELEG) as the Department of Licensing and Regulatory Affairs. The reorganized department now includes functions performed by the DCH Bureau of Health Systems and the Bureau of Health Professions, but no longer includes the DELEG Bureau of Workforce Transformation, the Bureau of Labor Market Information and Strategic Initiatives, the Commission on Disability Concerns, the Hispanic/Latino Commission, the Bureau of Energy Systems, and certain responsibilities of the Wage and Hour Division. The executive order and EO 2011-5 also reorganize the State Office of Administrative Hearings and Rules.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
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Conference Agreement on Items of Difference

1. Executive Direction – Office of Communications	FTE	49.0	0.0
The <u>Conference Committee</u> (concurring with the <u>House</u>) reduces funding for the Office of Communications, within the Executive Director Programs line item, by \$100,000, reflecting the office's costs for developing and producing various cable television shows. A new boilerplate section prohibits the department from developing and producing television shows in the future.	Gross	\$5,559,500	(\$100,000)
	Federal	2,533,700	(100,000)
	Restricted	2,554,000	0
	GF/GP	\$471,800	0

2. Liquor Control Commission	FTE	158.0	(6.0)
The FY 2011 budget added 6.0 FTE positions and \$1.0 million (Liquor Purchase Revolving Fund) to support increased enforcement of bootlegging activities (purchasing alcohol out of the state and illegally re-selling it in Michigan). The <u>Conference Committee</u> (partially concurring with the <u>House</u>) reduces the FTE authorization and appropriation, and establishes a new line item (separate from LCC operations) providing a placeholder appropriation to support the information technology upgrades to the LCC's liquor purchasing and inventory system. The DTMB IT strategic plan notes that the project is to be completed by 2013. The House included \$1.0 million (effectively a placeholder) for LCC IT upgrades.	Gross	\$18,613,500	(\$1,000,000)
	Restricted	18,613,500	(1,000,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
3. Fire Protection Grants		Gross	\$10,910,500
The <u>Conference Committee</u> reduces funding for Fire Protection Grants by \$1.6 million from the Liquor Purchase Revolving (LPRF). The grants are distributed to local units with state property, with the distribution based on the value of local and state property and the amount of fire service expenditures made by the local unit. The grant program includes two fund sources: (1) \$8.5 million from the Fire Protection Fund, which receives a portion of the driver responsibility fee revenue and is to be used for this purpose and (2) \$2.4 million from the Liquor Purchase Revolving Fund, the excess of which lapses to General Fund, and historically has been a major fund source for the program. The <u>Conference</u> concurs with the <u>Executive</u> and <u>Senate</u> . The <u>House</u> eliminated funding from the LPRF.		Restricted	10,910,500
			(\$1,636,600) (1,636,600)
4. Bureau of Fire Services		Gross	\$5,559,000
The <u>Conference</u> replaces all GF/GP support for the Bureau of Fire Services with LPRF revenue available with the reduction in funding for the fire protection grants, and the reduction for bootlegging enforcement for the LCC. The <u>Executive</u> and <u>Senate</u> offset \$1.6 million GF/GP with the \$1.6 million reduction for fire protection grants. The <u>House</u> replaced \$2.4 million GF/GP with available LPRF from the reduction to Fire Protection Grants.		IDG	100,000
		Federal	788,000
		Restricted	2,071,000
		GF/GP	\$2,600,000
			0
			0
			2,600,000
			(2,600,000)
5. Unemployment Insurance Special Fraud Control Fund		Gross	\$1,000,000
Provides spending authorization of \$1.0 million (essentially a placeholder appropriation) for the new Special Fraud Control Fund established with 2011 PA 14 (HB 4408). Per PA 14, the fund receives certain penalty and interest revenue and is to be used by the UIA to support its efforts at preventing, detecting, and collecting benefit overpayments. (The fund is to be first used for the acquisition of software to assist the agency in the detection and collection of benefit overpayments. Per PA 14, the software is to be acquired before September 1, 2011, which is prior to this budget act.) The <u>Conference</u> concurs with the <u>House</u> .		Restricted	N/A
			N/A
			1,000,000
6. From DCH: Background Checks for AFC/HFA Employees		FTE	5.5
The <u>Conference Committee</u> continues to support the state's subsidy for conducting background checks for employees of adult foster care (AFC) homes and homes for the aged (HFAs), but reduces funding by \$168,500. GF/GP support for the program is partially offset with \$28,100 in available LPRF funds and an IDG from the Department of Human Services, which has primary regulatory authority of AFC/HFA facilities. The <u>Executive</u> and <u>House</u> eliminated the subsidy, the <u>Senate</u> retained it.		Gross	\$2,705,400
		IDG	0
		Federal	542,900
		Restricted	0
		GF/GP	\$2,162,500
			0.0
			0
			1,000,000
			3,100
			28,100
			(\$1,190,700)
7. From DCH: Bureau of Health Systems – Health Facilities Fees		FTE	221.0
The <u>Conference Committee</u> does not concur with a proposal by the <u>Executive</u> and <u>Senate</u> to increase the license fees imposed on health facilities – hospitals, nursing homes, hospice programs, hospice residences, and surgical outpatient centers. The proposal, which would have required a statutory change, would have offset \$4.4 million GF/GP and generated an additional \$739,000.		Gross	\$24,383,000
		Federal	15,695,000
		Private	200,000
		Restricted	4,076,400
		GF/GP	\$4,411,600
			0
			0
			0
			\$0
Adjustments made to reflect reorganizations			
8. Michigan Compensation Appellate Commission		FTE	N/A
The <u>Conference Committee</u> establishes a new line item for the Michigan Compensation Appellate Commission, a 9-member panel of administrative law judges, established with Executive Order 2011-6. The MCAC combines the functions of the Workers Compensation Appellate Commission, which was an appellate adjudication body for workers compensation claims, and the Michigan Employment Security Board of Review, which heard appeals of UI benefit and tax decisions by the Unemployment Insurance Agency.		Gross	\$3,033,600
		Federal	N/A
		Restricted	N/A
			2,882,100
			151,500

Prior to the issuance of the executive order, the Executive, House, and Senate eliminated the Workers Compensation Appellate Commission outright, with appeals of the decisions by the Board of Magistrates heard directly by the Court of Appeals.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
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9. Office of Regulatory Reinvention

The Conference Committee, concurring with the Executive, creates a new line item for the Office of Regulatory Reinvention, which coordinates and oversees the rule-making activities of LARA and the several departments and agencies. (This function was previously a responsibility of the State Office of Administrative Hearings and Rules, which was reorganized as the Michigan Administrative Hearing System.)

FTE	N/A	2.0
Gross	N/A	\$350,000
Restricted	N/A	350,000

10. Health Regulatory Programs

Executive Order 2011-4 transferred the DCH Bureau of Health Professions and the DCH Bureau of Health Systems to LARA.

FTE	N/A	395.3
Gross	N/A	\$56,948,100
IDG	N/A	1,000,000
Federal	N/A	19,926,600
Private	N/A	200,000
Restricted	N/A	31,331,200
GF/GP	N/A	4,490,300

– The Bureau of Health Professions is responsible for licensing and regulating more than 400,000 health professional practicing more than 35 occupations. Administration of these licensing requirements is generally undertaken in conjunction with a licensing board composed of licensed health professionals and public members generally under the authority of Article 15 (Occupations) of the Public Health Code, 1978 PA 378.

– The Bureau of Health Systems is responsible for ensuring that regulated health facilities provide safe and effective health care services in a safe environment through licensing and regulating health care facilities and nursing homes, licensing and regulating radiation machines, and taken appropriate enforcement action (often in cooperation with the Centers for Medicare and Medicaid Services).

11. Programs Transferred from LARA

Executive Order 2011-4 transferred Bureau of Workforce Transformation, the Bureau of Labor Market Information and Strategic Initiatives, the Commission on Disability Concerns, the Hispanic/Latino Commission, the Bureau of Energy Systems, and certain responsibilities of the Wage and Hour Division out of the department. [The conference change shown to the right shows the amount transferred out of the department from the initial FY12 Executive Recommendation.]

FTE	N/A	(437.0)
Gross	N/A	(\$522,168,300)
Federal	N/A	(495,049,700)
Local	N/A	(4,433,500)
Private	N/A	(48,700)
Restricted	N/A	(5,622,600)
GF/GP	N/A	(\$17,013,800)

Executive–House–Senate Items of Agreement

12. Workers Compensation Agency

Shifts \$447,300 (Corporations Fees) saved from the reorganization of the WCAC to the Workers Compensation Agency, offsetting GF/GP funds. Also reduces funding for the WCA by an additional \$400,000 through the elimination of unfilled vacancies and lapsed spending authority. The WCA has seen fewer worker's compensation claims over the past decade (coinciding with the downturn in the state economy), allowing the agency to consolidate hearing sites, and operate with fewer staff and financial resources.

Gross	\$9,417,400	(\$400,000)
Restricted	2,790,400	447,300
GF/GP	\$6,627,000	(\$847,300)

13. OFIR – Credit Union Examinations

Increases funding and staffing for the Office of Financial and Insurance Regulation (OFIR) to maintain the statutorily-required 18-month examination cycle for credit unions in light of an increase in the number of state chartered credit unions. The increased appropriation is supported by existing credit union regulatory fees.

FTE	370.0	2.0
Gross	\$58,416,800	\$175,000
Federal	2,050,400	0
Restricted	56,366,400	175,000

14. OFIR – Investment Advisors Regulation

Increases funding and staffing for the Office of Financial and Insurance Regulation to support additional responsibilities placed on the office under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act shifts regulatory oversight over investment advisors with assets under management between \$25 million and \$100 million from SEC oversight to state oversight. States previously regulated smaller investment firms with less than \$25 million - \$30 million in investments under management. These additional firms, totaling about 170, are very large firms from a state regulatory standpoint. OFIR indicates that most of these firms haven't had an SEC examination. The increased appropriation is supported by existing securities fees. This adjustment is also being made in HB 4407, an FY 2011 supplemental appropriations bill.

FTE	370.0	4.0
Gross	\$58,416,800	\$300,000
Federal	2,050,400	0
Restricted	56,366,400	300,000

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
15. OFIR – Life Insurance Regulation	FTE	370.0	1.0
Increasing funding and staffing for the Office of Financial and Insurance Regulation to support additional responsibilities placed on the office under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act makes many changes affecting the regulation of insurance companies (historically a state, rather than federal, regulatory function). OFIR indicates that these changes will have particularly significant implications on domestic life insurance companies. This adjustment is also being made in HB 4407, an FY 2011 supplemental appropriations bill.	Gross	\$58,416,800	\$81,000
	Federal	2,050,400	0
	Restricted	56,366,400	81,000
16. Tax Tribunal – Hearings Officers	Gross	\$2,867,900	\$150,000
Increases funding for the Michigan Tax Tribunal (MTT) to enable the MTT to contract with additional hearings officers in order to assist the MTT in reducing its backlog of cases. The hearings officers (administrative law judges) hear cases on behalf of the tribunal and issue proposed opinions resolving a dispute. Those proposed opinions are affirmed (or altered) by the tribunal through the MTT's issuance of a final opinion. Hearings officers are paid \$50/case (\$100/case for those requiring an opinion). The additional funding here would support another three officers.	Restricted	2,867,900	150,000
17. Proprietary Schools Regulation	FTE	5.0	0.0
Increases funding to the Bureau of Commercial Services allowing the bureau to increase its regulatory activities concerning private trade/career schools. The bureau is required to annually license proprietary schools and solicitors, to approve program and course changes, and to respond consumer complaints. The number, location, and programs of proprietary schools have been increasing in recent years. Along with that increase there is a concomitant increase in consumer complaints.	Gross	\$662,000	\$145,700
	Restricted	662,000	145,700
<i>Note: Under EO 2011-4, the Bureau of Workforce Transformation, which regulated proprietary schools, was transferred to the Michigan Strategic Fund. Regulation of proprietary schools would, however, remain within LARA, but is now a responsibility of the Bureau of Commercial Services.</i>			
18. Michigan Business One-Stop Web Portal	Gross	N/A	\$1,820,000
Provides additional authorization for LARA to support its share of the Michigan Business One-Stop Web portal. The website provides a single website for businesses and professionals to locate licensing and regulatory information, with assistance offered through a customer call center. The FY 2010 budget included a partial adjustment for this purpose, with LARA absorbing the remaining cost within existing appropriations. Prior to the reorganization, LARA accounted for nearly 2/3 of the cost of the Business One-Stop, based on the volume of licensing and permitting activity of it and other departments.	Restricted	N/A	1,820,000
19. Real Estate Continuing Education	Gross	\$18,384,600	\$28,000
Increases spending authority for the Bureau of Commercial Services to properly ensure compliance with the statutorily-imposed continuing education requirements for real estate licensees. As a condition of license renewal, real estate licenses must meet certain continuing education requirements in every year of a triennial license period.	Restricted	18,384,600	28,000
20. Wage and Hour Division	Gross	\$3,346,800	(\$110,000)
Reduces funding for the division through the elimination of lapsed GF/GP funds. By law, GF/GP funds are to be the last spent. GF/GP funding only accounts for 10.7 percent of the FY 2011 Gross Appropriation for the division.	Restricted	2,991,800	0
	GF/GP	\$355,000	(\$110,000)
21. Michigan Rehabilitation Service	Gross	\$73,641,400	(\$4,012,800)
Reduces spending authorization from local cash-match sources to align spending authorization with actual resources available to the department. An additional reduction of \$250,000 GF/GP is realized with the removal of one-time funding available to the MRS to support a project providing recreational facilities to persons with disabilities.	Federal	60,859,400	0
	Local	2,684,500	(3,762,800)
	Private	816,000	0
	Restricted	1,401,800	0
	GF/GP	7,879,700	(\$250,000)

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
22. Unemployment Insurance Agency	Gross	\$144,923,200	(\$4,494,500)
Reduces funding by \$4.5 million in federal Reed Act funds unexpended by the UIA. Reed Act funds were made available to the states in 2002, with Michigan's share totaling \$291.5 million. Over the years, the state expended those funds for IT improvements to the UIA and employment service initiatives. The UIA does not use these funds to support UIA administrative costs. These funds are to be appropriated in FY 2011 (HB 4407) to support the costs of replacing the UIA's legacy systems with an integrated IT system for it tax and benefits programs.	Federal	143,423,200	(4,494,500)
	Restricted	1,500,000	0
23. Fund Shift	Gross	N/A	\$0
Shifts authorization among various fund sources to more accurately reflect expenditure needs. Most of these shifts net out to zero within the same fund source category (e.g. federal, restricted, etc). One shift, concerning the Public Service Commission, decreases the MPSC's authorization from public utility assessments, and increases the authorization from federal gas pipeline safety inspection funds. Recent years have seen the federal government pick up a higher share of the costs. (This shift was also made in the March 21, 2011 FY 2011 legislative transfer.)	Federal	N/A	170,000
	Restricted	N/A	(170,000)
24. Retirement Savings	Gross	N/A	(\$1,758,800)
Realizes some cost savings relative to the recent retirement of employees through the elimination of unfilled vacancies.	Federal	N/A	(1,161,600)
	Restricted	N/A	(597,200)
25. Economics Adjustments	Gross	N/A	\$16,421,600
Accounts for increases in retirement costs. Other employee economic components (salaries and wages, insurance, workers' compensation claims) and rent and building occupancy charges are reduced or held flat.	IDG	N/A	484,300
	Federal	N/A	8,280,300
	Local	N/A	7,600
	Private	N/A	1,500
	Restricted	N/A	6,959,600
	GF/GP	N/A	\$688,300

Major Boilerplate Changes From FY 2010-11

Sec. 205. Hiring Freeze – NOT INCLUDED

Imposes a hiring freeze on the department, with the State Budget Director permitted to grant exceptions to the restriction if filling a position meets certain requirements. Similar language had existed in prior year budgets, but was deleted in FY 2011. The House added this section; the Conference Committee did not.

Sec. 209. Buy American and Buy Michigan Requirements – RETAINED

Prohibits the use of funds to purchase foreign goods or services if competitively priced and comparable quality American goods or services are available; state preference for Michigan-business supplied goods or services. The Executive deletes this section; the House retains it.

Sec. 210. Deprived and Depressed Communities – RETAINED

Requires the LARA director to take steps to ensure Michigan businesses in deprived and depressed communities compete for and perform state contracts; encourages subcontracting with businesses in deprived and depressed communities. The Executive and Senate delete this section; the House and Conference Committee retain it.

Sec. 211. Affirmative Action Guidelines – DELETED

Directs LARA to maintain affirmative action programs based on guidelines developed by the State Equal Opportunity Workforce Planning Council in compliance with Section 26 of Article 1 of the State Constitution of 1963.

Sec. 211. Information Technology Work Projects – NEW

Permits funds appropriated in Part 1 for information technology to be designated as work projects, and carried forward into subsequent fiscal years. Includes specific work project designation for the LCC purchasing and inventory system IT project. The House and Conference Committee add this section.

Sec. 213. User Fees for Information Technology – DELETED

Directs LARA to use the appropriation for IT services and projects for user fees to DTMB subject to an interagency agreement. The Executive and Senate, and Conference Committee delete this section; the House retains it.

Major Boilerplate Changes From FY 2010-11

Sec. 215. Communications with the Legislature – NEW

Prohibits the department from taking disciplinary action against an employee for communication with a member of the legislature or its staff. This section is standard appropriation language and was previously included in the LARA budget. The House and Conference Committee add this section.

Sec. 216. Appropriated Funds De-Aggregation – DELETED

States intent that all Part 1 fund sources not be aggregated into general categories, but be specifically identified as much as possible.

Sec. 216. General Fund/General Purpose Lapse Report – RETAINED

Requires LARA to submit a report providing estimates of GF/GP lapses for departmental programs. The Executive and Senate delete this section; the House and Conference Committee retain it. (This section was previously Section 226.)

Sec. 217. Travel Expenditure Limitations – RETAINED

Details general travel limitations and exceptions; prohibits more than one LARA employee from travelling out-of-state for training conferences unless the travel was funded by federal or private funds. The Senate and Conference Committee retain this section; the Executive deletes this section; the House revises the section to eliminate the restrictions on travel for professional development.

Sec. 220. Federal Funds Carry-Forward – RETAINED

Permits LARA to carry-forward unexpended federal pass-through funds that do not require additional state matching funds; appropriates federal pass-through funds to local institutions that do not require additional state matching funds. The Executive deletes a reporting requirement; the House, Senate, and Conference Committee retain it.

Sec. 221. Prohibits Purchase of Legal Services – RETAINED

Prohibits the purchase of legal services from third parties that are the responsibility of the Attorney General. The Executive and Senate delete this section; the House and Conference Committee retain it.

Sec. 223. Contingency Funds – RETAINED

Permits the appropriation of federal, state restricted, local, and private contingency funds up to specified amounts, subject to the legislative transfer process.

Sec. 225. Private Grant Funded Projects and State Energy Efficiency Project – REVISED

Requires a report to the Legislature within 10 days of the receipt of grants for the private grant funded projects and a report to the Legislature on the federal State Energy Efficiency Project grant program funds received by the Bureau of Energy Systems. The Executive deletes this section; the Senate retains it; the House and Conference Committee retain it, but delete the reporting requirement on the BES since those funds are no longer available (and the bureau has since been moved out of LARA).

Sec. 226. General Fund/General Purpose Lapse Report – RETAINED

Requires LARA to submit a report providing estimates of GF/GP lapses for departmental programs. The Executive deletes this section; the House retains it.

Sec. 227. Sale of Documents – RETAINED

Allows LARA to sell certain documents at a cost not to exceed the cost of production and distribution; funds to be used for costs directly related to updating and distributing these documents.

Sec. 228. Increased Payment Options – RETAINED

Allows LARA to receive payments for licenses, permits, and fees via credit card and other electronic means of payment. The Executive deletes this section; the House retains it.

Sec. 231. Transparency Website – REVISED

Requires LARA to post on a publicly accessible website a listing of all expenditures in the fiscal year, and a description of the purpose of each expenditure. Limits the amount expended by LARA for the website to \$10,000. Requires a quarterly report on FTEs by pay status and civil service classification. The Executive deletes this section; the Senate retains it; the House retains it, but deletes the limit on the cost of it, and deletes the FTE report; the Conference Committee revises the section to require the report to include YTD expenditures by category, by appropriation unit, to vendors (listed individually by name), the number of active employees, job specifications, and wage rates.

Sec. 232. LARA Television Productions – NEW

Prohibits the department from developing or producing television productions. The House and Conference Committee add this section.

Sec. 234. Carry-Forward Funds Report – NEW

Requires the department to report on the amount of funds carried forward into the next fiscal year. The House adds this section. The Conference Committee revises the report to include for all state restricted funds FY 2011 (actual) and FY 2012 (projected) fund balances, revenue, and expenditures.

Sec. 301. Fire Protection Grants – DELETED

Requires that these grants be distributed in accordance with 1977 PA 289. The Executive and Senate delete this language, the House retains it; the Conference Committee retains the existing language and adds the local governments submit a report to the department, in order to be eligible for a grant, on their ability to respond to situations on state property, and the cost of being prepared and able to respond to situations on state property.

Major Boilerplate Changes From FY 2010-11

Sec. 301a Fire Protection Grant Report – RETAINED

Requires local units receiving fire protection grant funds to report to LARA how those funds are expended and to report the fire-related expenditures on state property; requires LARA report to Legislature.

Sec. 302. Fire Safety Inspection and Plan Review Fees – RETAINED

Establishes the schedule used to assess fees on hospitals and schools for fire safety inspections and plan reviews, in accordance with the Fire Prevention Code.

Sec. 302a. Fire Safe Cigarette Fine Revenue – RETAINED

Appropriates revenue received by the Cigarette Fire Safety Standard and Firefighter Protection Act Fund created by 2009 PA 56. The fund receives civil fine revenue and is to be expended for fire safety and prevention programs. The Executive deleted this section (because the fund sources were rolled up); the Senate deletes it; the House and Conference Committee retain it.

Sec. 303. Elevator Fees – RETAINED

Allows license and permit fee revenue collected under the Elevator Licensing and Elevator Safety Board acts to be carried forward.

Sec. 304. Customized Fee Listings – RETAINED

Allows LARA to provide customized lists of non-confidential information to interested parties; establishes fees; states that funds lapse to appropriate restricted fund account. The Conference Committee revises the language, which previously specified the per-page charge, to allow the department to charge "reasonable" fees. This language was included in a similar section in the DCH budget that was transferred to the LARA budget with EO 2011-4.

Sec. 320. Licensing and Regulation Fees – RETAINED

Allows carryforward of generated from occupational licensing and regulation fees in excess of the appropriation.

Sec. 321. Real Estate Red Book Publishing – DELETED

Allocates up to \$50,000 to resume printing of a reference book of real estate laws and rules known as the Red Book.

Sec. 323. Administration and Enforcement of Unarmed Combat – DELETED

Requires use of \$200,000 from funds in part 1 for the administration and enforcement of unarmed combat (boxing and mixed martial arts) regulations.

Sec. 330. Expenditure of Additional Unemployment Insurance Funds – REVISED

Allows expenditure of federal funds authorized by the U.S. Department of Labor for the Unemployment Insurance Agency and employment services in excess of the amount appropriated; upon notification of the appropriations subcommittees and the State Budget Office. The Conference Committee eliminates the reference to the employment service agency (the Bureau of Workforce Transformation) following the transfer of the bureau to the MSF/MEDC with EO 2011-4.

Sec. 332. UI Computer System – REVISED

Requires LARA to have a contract in place by April 11, 2011 to improve the UIA's computer system. The Executive deletes this section; the House deletes this section, but inserts new language requiring quarterly reports on the status of the IT upgrade. The Conference Committee concurs with the House, but adds that the department shall report the percentage of the project completed to date.

Sec. 333. UI Internet Claims – RETAINED

Requires LARA to work to increase the number of Internet-filed unemployment benefit claims. The Executive deletes this section; the House retains it.

Sec. 340. Workplace Deaths and Injuries – RETAINED

Requires report to the Legislature on the number of persons killed or injured on the job in regulated industries. The Executive deletes this section; the House, Senate, and Conference Committee retain it.

Sec. 341. Ergonomics Standards Prohibited – REVISED

Prohibits the promulgation of rules establishing workplace ergonomics standards that are more stringent than voluntary federal guidelines. [The Legislature has since enacted 2011 PA 10 prohibiting the MIOSHA from establishing workplace ergonomics standards.] The Executive and Senate delete this section; the House and Conference Committee delete this section but insert new language prohibiting the department from promulgating or adopting rules that are more stringent than any applicable federal standard unless specifically authorized by statute.

Sec. 342. CET Earmark – NEW

Provides an earmark of \$80,000 from the Consultation Education and Training (CET) grants to organizations representing the mining industry in the state.

Sec. 350. Funds Collected Under the Administrative Procedures Act – REVISED

Appropriates funds collected under the Administrative Procedures Act (1969 PA 306) for the cost of publication and distribution of administrative procedures. The Conference Committee merges this section into Section 227.

Sec. 361. Low Income/Energy Efficiency Assistance – REVISED

Allows unexpended Low Income Energy Efficiency Fund revenue to be carried forward into the next fiscal year. The Executive and Senate delete language establishing application and award deadlines and requiring a report to the Legislature. The House and Conference Committee delete the application and award deadlines, but keep the reporting requirement.

Major Boilerplate Changes From FY 2010-11

Sec. 368. Regulatory Costs Report – RETAINED

Requires LARA to provide a report to the legislature on the regulatory costs and activities of the Bureau of Commercial Services and the Bureau of Construction Codes. The Executive and Senate delete this section; the House and Conference Committee retain it.

Sec. 370. Liquor Law Enforcement Grant Report – DELETED

Requires local units receiving liquor law enforcement grant funds (55% of retail liquor license revenue collected by the LCC) to report to the LCC on how those funds are spent, and also provide the amount of liquor-related fees imposed by the local unit, and the revenue generated by such fees; requires LCC report to Legislature.

Sec. 371. LCC Bootlegging Enforcement – DELETED

Requires the Liquor Control Commission to coordinate its bootlegging enforcement activities with the enforcement activities of the Michigan State Police concerning tobacco taxes and other illegal cash transactions.

Sec. 380. Homeowner Construction Lien Recovery Fund – NEW

Appropriates the remaining funds in the Homeowner Construction Lien Recovery Fund (now repealed) for the payment of court-ordered construction lien judgments entered prior to the fund's repeal on August 23, 2010. Since its repeal, the fund has received some restitution payments resulting from court orders made prior to August 23, 2010. The House, Senate, and Conference Committee add this section.

Sec. 390. Tax Tribunal Caseload Report – NEW

Requires the Michigan Tax Tribunal to submit a report on the number of cases heard and the number of cases decided by SOAHR hearing officers, contractual hearing officers, and tribunal members. The House adds this section. The Conference Committee adds a requirement that the report include the MTT's plan to eliminate its backlog of cases.

Sec. 401. Conservatorship Funds – RETAINED

Appropriates funds collected by Office of Financial and Insurance Regulation in connection with conservatorship of a mortgage servicer to cover expenses of administering the conservatorship.

Sec. 402. Insurance Liquidation Funds – RETAINED

Appropriates funds collected from corporations being liquidated by LARA pursuant to the Insurance Code to cover expenses of administering the liquidation. The Executive, House, Senate, and Conference Committee merge this section with Sec. 401.

Sec. 403. Health Care Grievance Process Awareness – DELETED

Directs LARA to allocate funds to promote awareness of policy holders' right to request external review of adverse determination by a health benefit plan after exhaustion of health carrier's internal grievance process.

Sec. 601. Contributions to Michigan Career and Technical Institute (MCTI) – DELETED

Allows MCTI to receive equipment and in-kind contributions from the Pine Lake Fund and other local or intermediate school districts.

Sec. 602. Sources of Matching Funds for Vocational Rehabilitation Programs – DELETED

Requires Michigan Rehabilitation Services to make every effort to ensure that all possible sources of funds are used to match federal vocational rehabilitation funds. The Executive, Senate, and Conference Committee delete this section; the House retains it.

Sec. 603. Local Match Requirements for Facilities Establishment Grants – RETAINED

Requires that local match for vocational rehabilitation facilities establishment grants not exceed 21.3% for the fiscal year ending September 30. The Executive and Senate delete this section; the House and Conference Committee retain it.

Sec. 604. Centers for Independent Living – RETAINED

Distributes grant funds to state's centers for independent living. Funds are to be used by existing centers to provide services in underserved areas or to build capacity to provide independent living services, in accordance with applicable federal law and regulations. The Executive and Senate delete this section; the House and Conference Committee retain it.

Sec. 610. Commission for the Blind Case Services – RETAINED

Provides that funds appropriated in part 1 for the Michigan Commission for the Blind may be used for tuition payments; permits carryforward. The Executive and Senate delete the provision allowing funding to be used for tuition payments; the House and Conference Committee retain it.

Sec. 611. Michigan Commission for the Blind Matching Funds – REVISED

Establishes legislative intent that Michigan Commission for the Blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds. The Executive and Senate delete this section; the House and Conference Committee add a reference to the Michigan Rehabilitation Services.

Sec. 612. Youth Low-Vision Program – DELETED

Identifies the Youth Low-Vision Program as the payer of last resort. The Executive, House, and Conference Committee delete this section; the Senate retains it.

Major Boilerplate Changes From FY 2010-11

Sec. 613. Local Support for Subregional Library Services – RETAINED

Requires subregional library's fiscal agency to maintain local support to receive subregional state aid.

Sec. 614. Approval of Budgets for Subregional Libraries – RETAINED

Requires approval of budgets for subregional libraries by LARA prior to release of state funding.

Sec. 708. Quarterly Staff Reports from Nursing Facilities – RETAINED

Transferred from DCH Budget: Requires that nursing facilities' quarterly reports to LARA include the total patient care hours provided each month and the percentage of pool staff, by state licensure and certification classification, used each month during the previous calendar quarter. Requires LARA to make the quarterly staff report available to the public.

Sec. 714. Nursing Facility Complaint Investigations – RETAINED

Transferred from DCH Budget: Requires LARA to report to the Legislature by April 1 on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. Requires LARA to make every effort to contact complainants during the investigations.

Sec. 716. Investigations of Health Care Professionals – RETAINED

Transferred from DCH Budget: Requires LARA to give priority to investigations of alleged wrongdoing by licensed health care professional that are alleged to have occurred within two years of the initial complaint.

Sec. 718. Nursing Home Complaint Deficiencies – REVISED

Transferred from DCH Budget: Requires a study by May 1 on the frequently cited complaint deficiencies for nursing homes during the prior three fiscal years. The Executive and House delete this section; the Senate retains it; the Conference Committee deletes a requirement that implement any training program (for nursing facility staff or LARA staff) identified.

Sec. 726. Medical Marihuana Program Fees – RETAINED

Transferred from DCH Budget: Requires LARA to submit an annual report on the amount collected from application and renewal fees for the medical marihuana program, as well as the cost for administering the program. The Executive and House delete the reporting requirement; the Senate retains it; the Conference Committee adds a requirement that the department report on the timeliness of processing initial and renewal MMP applications.

Sec. 727. Outsource Medical Marihuana Program Administration – REVISED

Transferred from the DCH Budget: Requires LARA to establish and implement a bid process to identify a public or private contractor to administer the medical marihuana program by October 1, and requires the department to transfer administration of the program to the contractor by April 1st. The Executive deletes this section; the House retains it; the Senate and Conference Committee delete a proviso that the bid process occur "if authorized by law" and moves the date of the transfer to the contractor up to January 1.

Sec. 729. Circulating Nurse Data – NEW

Permits hospitals and ambulatory surgical centers to report to the department whether registered nurses serve as circulating nurses during surgical procedures and requires the department to report on the data it receives. The Senate and Conference Committee add this section.

Sec. 901. Lump-Sum Appropriations – DELETED

Directs the allocation of lump-sum appropriations and provides for the availability of lump-sum appropriations for no more than three years. (Related to the capital outlay appropriation for the MCB Kalamazoo Training Center.)

Sec. 902. Capital Outlay Appropriation Carry-Forward – DELETED

Provides for the carry forward of capital outlay funds.

Department of Licensing and Regulatory Affairs
Fiscal Year 2011-2012
Senate Bill 175 (S-1) CR-1*

Sec. 102. Administration	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Unclassified Salaries	\$4,531,900	\$0	\$944,400	\$0	\$0	\$3,487,500	\$100,000	57.5
Executive Director Programs	\$5,083,200	\$0	\$2,100,700	\$0	\$0	\$2,488,800	\$493,700	33.0
Property Management	\$11,768,400	\$0	\$4,917,400	\$0	\$0	\$6,563,900	\$287,100	0.0
Rent	\$12,032,200	\$0	\$7,316,600	\$127,500	\$0	\$4,442,500	\$145,600	0.0
Worker's Compensation	\$758,400	\$0	\$317,600	\$3,400	\$0	\$401,600	\$35,800	0.0
Special Project Advances	\$200,000	\$0	\$0	\$0	\$200,000	\$0	\$0	0.0
Administrative Services	\$9,925,800	\$0	\$2,093,600	\$0	\$0	\$6,989,300	\$842,900	96.0
Total Administration	\$44,299,900	\$0	\$17,690,300	\$130,900	\$200,000	\$24,373,600	\$1,905,100	186.5

Sec. 103. Office of Financial and Insurance Regulation	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Administration	\$7,392,600	\$0	\$0	\$0	\$0	\$7,392,600	\$0	35.0
Financial Evaluation	\$34,613,400	\$0	\$0	\$0	\$0	\$34,613,400	\$0	232.0
Regulatory Compliance and Consumer Assistance	\$18,465,500	\$0	\$2,000,000	\$0	\$0	\$16,465,500	\$0	110.0
Total OFIR	\$60,471,500	\$0	\$2,000,000	\$0	\$0	\$58,471,500	\$0	377.0

Sec. 104. Public Service Commission	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Public Service Commission	\$27,158,500	\$0	\$686,800	\$0	\$0	\$26,471,700	\$0	190.0
METRO Authority	\$355,900	\$0	\$0	\$0	\$0	\$355,900	\$0	5.0
Total MPSC	\$27,514,400	\$0	\$686,800	\$0	\$0	\$26,827,600	\$0	195.0

Sec. 105. Liquor Control Commission	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Management Support Services	\$3,812,200	\$0	\$0	\$0	\$0	\$3,812,200	\$0	28.0
Liquor Licensing and Enforcement	\$13,801,300	\$0	\$0	\$0	\$0	\$13,801,300	\$0	124.0
Total LCC	\$17,613,500	\$0	\$0	\$0	\$0	\$17,613,500	\$0	152.0

Sec. 106. Occupational Regulation	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Boiler Inspection Program	\$2,931,000	\$0	\$0	\$0	\$0	\$2,931,000	\$0	25.0
Bureau of Fire Services	\$5,603,700	\$100,000	\$788,000	\$0	\$0	\$3,743,900	\$971,800	57.0
Code Enforcement	\$14,022,200	\$0	\$0	\$0	\$0	\$14,022,200	\$0	120.0
Commerical Services	\$19,812,600	\$0	\$0	\$0	\$0	\$19,812,600	\$0	175.0
Elevator Inspection Program	\$3,162,400	\$0	\$0	\$0	\$0	\$3,162,400	\$0	30.0
Manufactured Housing and Land Resources Program	\$2,733,700	\$0	\$0	\$0	\$0	\$2,733,700	\$0	22.0
Property Development Group	\$1,707,600	\$0	\$0	\$0	\$0	\$1,707,600	\$0	11.0
Bureau of Health Professions	\$26,945,900	\$0	\$3,496,300	\$0	\$0	\$23,449,600	\$0	160.0
Bureau of Health Systems	\$21,630,100	\$0	\$15,173,900	\$0	\$200,000	\$1,765,900	\$4,490,300	199.6
Health Regulation	\$2,646,500	\$0	\$0	\$0	\$0	\$2,646,500	\$0	8.8
Radiological Health Administration	\$3,179,700	\$0	\$710,400	\$0	\$0	\$2,469,300	\$0	21.4
Background Check Program	\$2,545,900	\$1,000,000	\$546,000	\$0	\$0	\$999,900	\$0	5.5
Total Occupational	\$106,921,300	\$1,100,000	\$20,714,600	\$0	\$200,000	\$79,444,600	\$5,462,100	835.3

Sec. 107. Michigan Occupational Safety and Health Administration	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Occupational Safety and Health	\$28,561,900	\$0	\$13,365,600	\$0	\$0	\$15,196,300	\$0	229.0
Total MIOSHA	\$28,561,900	\$0	\$13,365,600	\$0	\$0	\$15,196,300	\$0	229.0

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	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Sec. 108. Employment Services								
Workers Compensation Administration	\$8,918,200	\$0	\$0	\$0	\$0	\$3,202,900	\$5,715,300	96.6
Insurance Funds Administration	\$4,982,700	\$0	\$0	\$0	\$0	\$4,982,700	\$0	28.0
Supplemental Benefit Fund	\$820,000	\$0	\$0	\$0	\$0	\$820,000	\$0	0.0
Unemployment Programs	\$136,315,200	\$0	\$135,315,200	\$0	\$0	\$1,000,000	\$0	1,302.7
Advocacy Assistance program	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000	\$0	0.0
Expanded Fraud Control Program	\$3,561,300	\$0	\$3,561,300	\$0	\$0	\$0	\$0	33.2
Special Audit and Collections program	\$3,091,200	\$0	\$3,091,200	\$0	\$0	\$0	\$0	34.0
Training Program for Agency Staff	\$1,827,700	\$0	\$1,827,700	\$0	\$0	\$0	\$0	2.1
Wage and Hour Division	\$3,136,700	\$0	\$0	\$0	\$0	\$3,117,900	\$18,800	33.0
Employment and Labor Relations	\$3,745,000	\$0	\$0	\$0	\$0	\$3,745,000	\$0	21.0
Commission for the Blind	\$26,728,500	\$0	\$20,265,900	\$529,000	\$111,800	\$553,600	\$5,268,200	107.0
Michigan Rehabilitation Services	\$71,720,500	\$0	\$61,864,000	\$0	\$816,000	\$1,403,800	\$7,636,700	513.5
Total Employment Services	\$266,347,000	\$0	\$225,925,300	\$529,000	\$927,800	\$20,325,900	\$18,639,000	2,171.1
Sec. 109. Administrative Hearings and Rules								
Michigan Administrative Hearings System	\$30,230,300	\$12,273,500	\$7,596,900	\$0	\$0	\$10,298,700	\$61,200	205.4
Michigan Compensation Appellate Commission	\$3,033,600	\$0	\$2,882,100	\$0	\$0	\$151,500	\$0	25.0
Office of Regulatory Reinvention	\$350,000	\$0	\$0	\$0	\$0	\$350,000	\$0	2.0
Total Hearing and Rules	\$33,613,900	\$12,273,500	\$10,479,000	\$0	\$0	\$10,800,200	\$61,200	232.4
Sec. 110. Information Technology								
Information Technology Services and Projects	\$43,132,900	\$0	\$25,436,800	\$0	\$0	\$17,630,900	\$65,200	0.0
Liquor Control Commission IT Upgrades	\$100	\$0	\$0	\$0	\$0	\$100	\$0	0.0
Total Info Tech	\$43,133,000	\$0	\$25,436,800	\$0	\$0	\$17,631,000	\$65,200	0.0
Sec. 106. Grants								
Fire Protection Grants	\$9,273,900	\$0	\$0	\$0	\$0	\$9,273,900	\$0	0.0
Independent Living	\$4,908,600	\$0	\$4,738,600	\$0	\$100,000	\$0	\$70,000	0.0
Liquor Law Enforcement Grants	\$6,600,000	\$0	\$0	\$0	\$0	\$6,600,000	\$0	0.0
Low-Income Energy Efficiency Assistance	\$95,000,000	\$0	\$0	\$0	\$0	\$95,000,000	\$0	0.0
Personal Assistance Services	\$459,500	\$0	\$0	\$0	\$0	\$0	\$459,500	0.0
Private Grant Programs	\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0	\$0	0.0
Remonumentation Grants	\$5,300,000	\$0	\$0	\$0	\$0	\$5,300,000	\$0	0.0
Subregional State Aid	\$451,800	\$0	\$0	\$0	\$0	\$0	\$451,800	0.0
Utility Consumer Representation	\$950,000	\$0	\$0	\$0	\$0	\$950,000	\$0	0.0
Vocational Rehabilitation Customer Support	\$56,908,400	\$0	\$44,691,300	\$7,200,000	\$300,000	\$1,000,000	\$3,717,100	0.0
Youth Low Vision	\$241,800	\$0	\$0	\$0	\$0	\$0	\$241,800	0.0
Total Grants	\$183,094,000	\$0	\$49,429,900	\$7,200,000	\$3,400,000	\$118,123,900	\$4,940,200	0.0
Grand Total	\$811,570,400	\$13,373,500	\$365,728,300	\$7,859,900	\$4,727,800	\$388,808,100	\$31,072,800	4,378.3