

Presentation of FY17 Governors Recommended
Budget for LARA to House Appropriation
Sub-Committee on LARA

2/16/16

Allan Pohl, Deputy Director/CFO

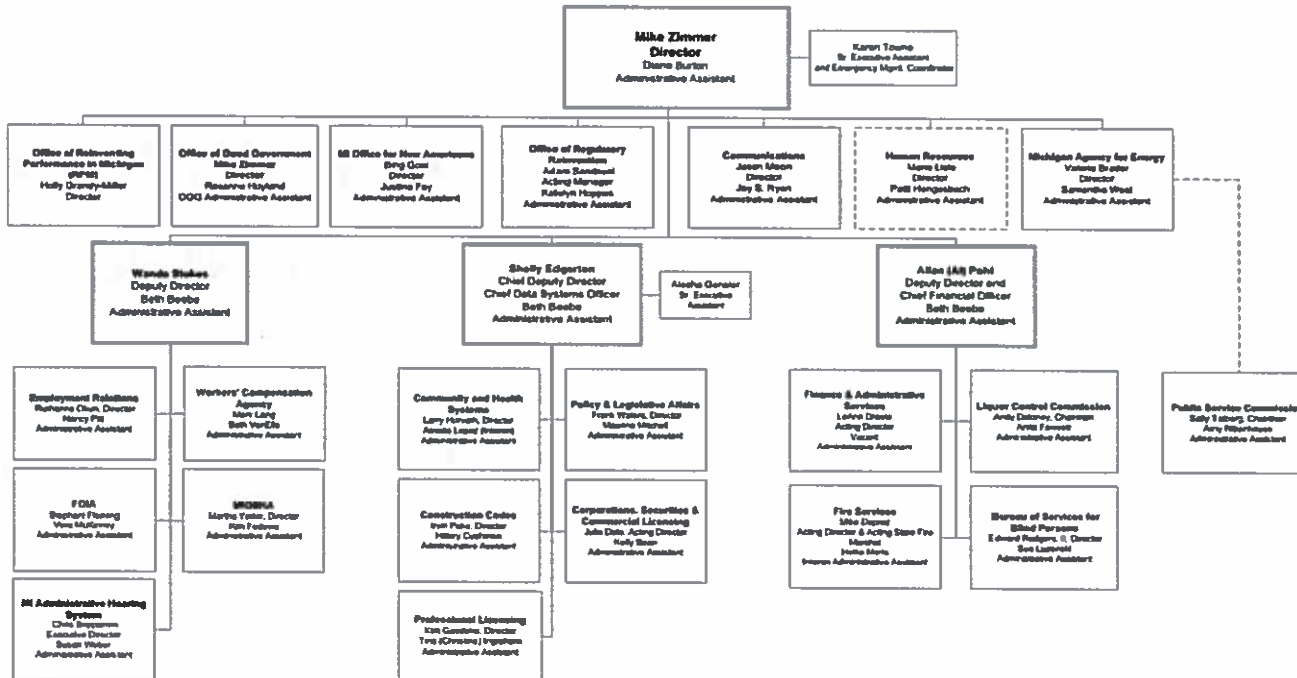
Mission and Vision

LARA Mission: LARA supports business growth and job creation while safeguarding Michigan's citizens through a simple, fair, efficient and transparent regulatory structure.

LARA Vision: LARA will reinvent government while consistently serving our customers fairly, honestly and respectfully through an engaged and creative employee team.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
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2/2/2014



New Requests

1. Opioid Task Force Recommendation for MAPS System
2. Complete the Upgrade to MLCC Business System
3. Electric Reliability Assessment

OPIOID TASK FORCE RECOMMENDATION

Why Investment is Needed...

- Upgrade Michigan Automated Prescription System (MAPS) to:
 - allow better coordination between health professionals and law enforcement agencies investigating prescription drug and opioid abuse in the state.
 - Increase utilization by prescribers
 - generate a morphine equivalency rate or similar risk assessment scale.
 - Require pharmacists to review MAPS before dispensing new prescriptions for Schedule II-V drugs and to check MAPS quarterly for refills of controlled substances prescriptions.
- One-time cost of \$2,470,000 supports MAPS system upgrades, server hosting and support.
- Ongoing annual cost of \$2,020,000 is required for continued support.



Electric Reliability Assessment

Why Investment is Needed....

- Ensure Michigan is taking the right steps for an affordable, reliable, and environmentally protective energy future.
 - Support interagency cooperation,
 - Energy mandates,
 - Emergency coordination,
 - Waste reduction, and
 - Improved reliability of State's current assets.
- Initial cost of \$984,300 to support new positions in the Public Service Commission and Michigan Agency for Energy.

*- Give Analytic to
Boiler of RRA*
Yes/No

Complete Upgrade to MLCC System

Why Investment is Needed...

Alleviate recent system reliability (downtime) issues in the past year or so

System upgrades will improve business processes for suppliers, authorized distribution agents, licensees, and LCC staff.

Liquor Control Commission subsystems to be modernized:

- Electronic quotation filing system
- Online liquor ordering system
- Electronic file transfer system

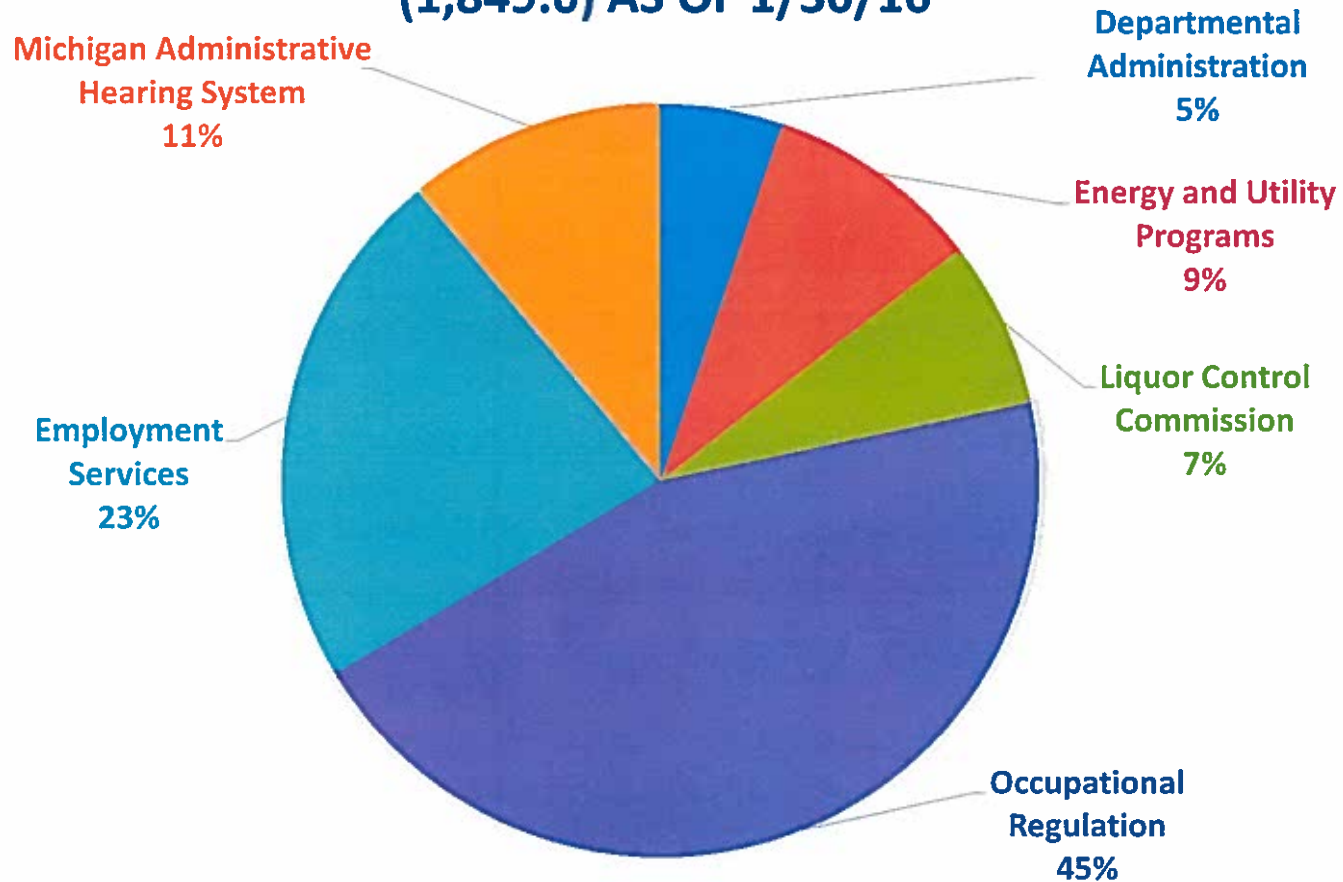
*how do these
3 and the other
2 systems relate
to each other?*

*± need
2 contracts
for 2 current
system replacements*

- One-time costs of \$1,560,000 supports upgrades to all three systems.



LARA FILLED POSITIONS (1,849.0) AS OF 1/30/16



Paying for Expenditures

“An appropriation isn’t a mandate to spend.” Rather, it is a ceiling departments cannot exceed.

The following sources of revenues support LARA activities:

Federal: Awarded by the Federal government and must be earned usually requires some type of state match.

State Restricted: Revenue collected for a specific purpose. Cash must be on hand to spend.

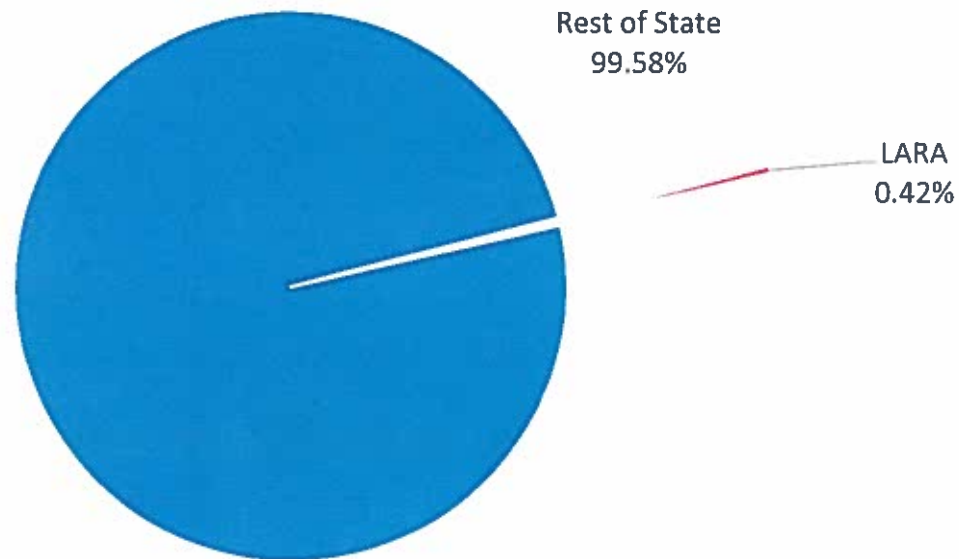
Local/Private: Similar to state restricted

Interdepartmental grant: Payments received for LARA services provided to other departments.

GF/GP: Derived from various sources. GF/GP spending authority is “as good as cash” in that a department may spend the entire amount appropriated unless reduced by the Governor and Legislature.

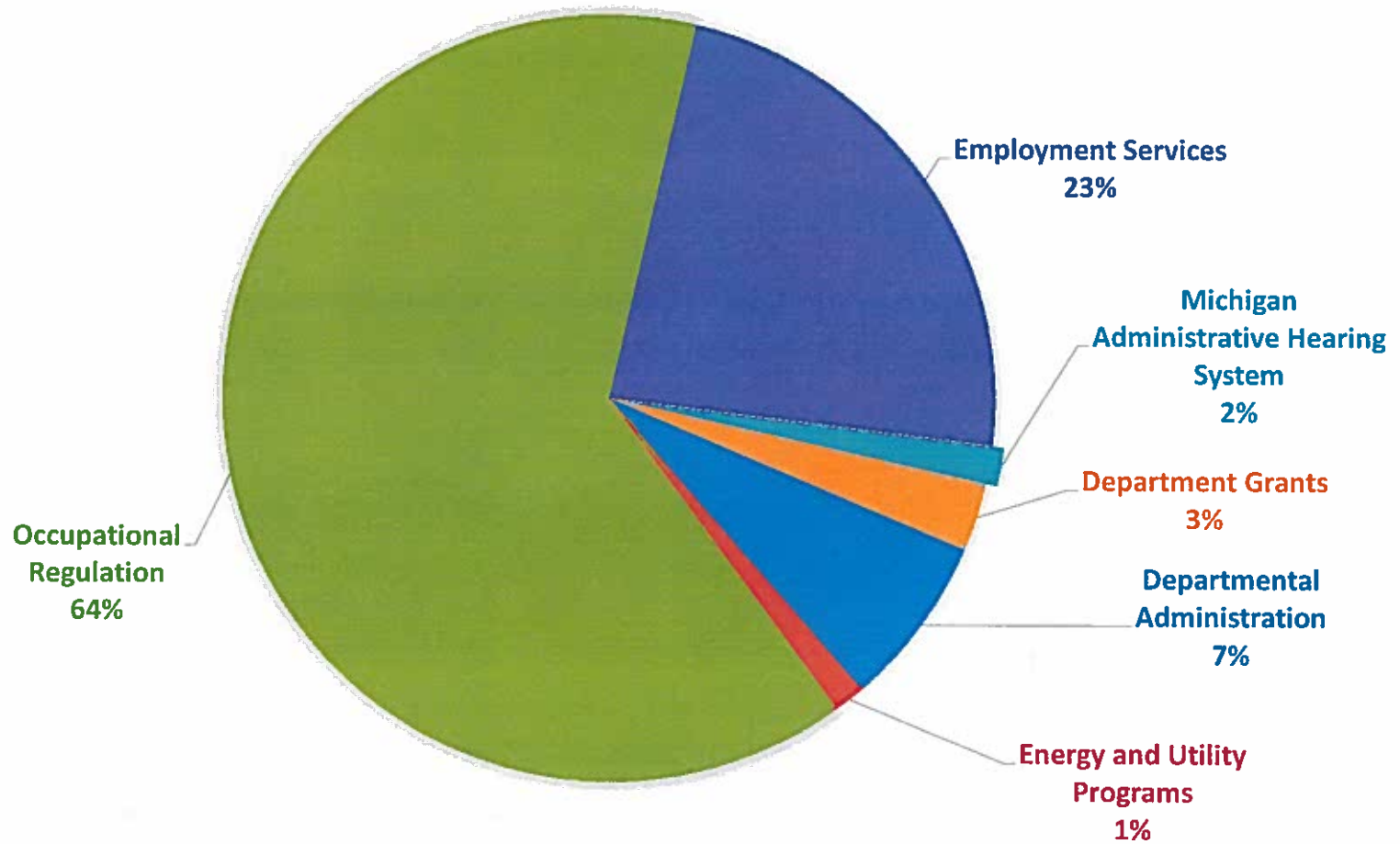
FY17 LARA GF/GP as share of Total Statewide
(in millions)

LARA: \$42,813,200

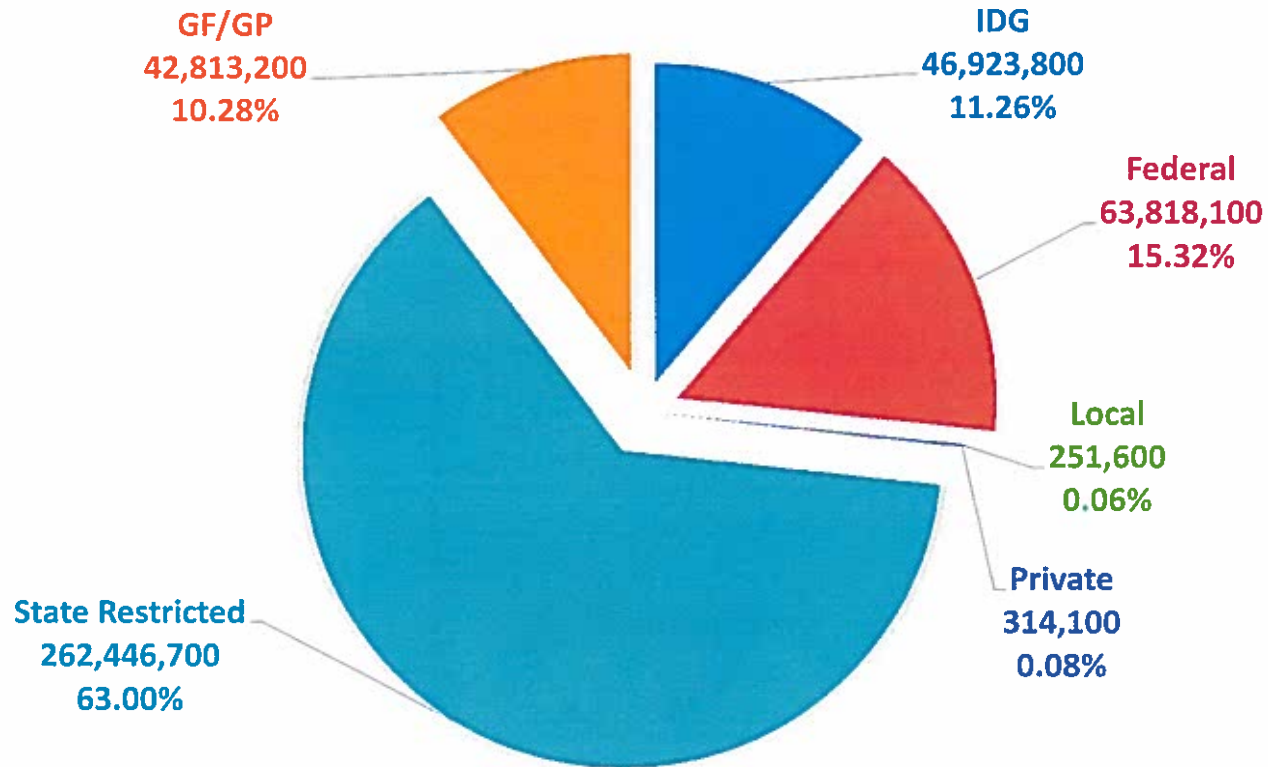


Source: Fiscal Years 2017 and 2018 Executive Budget Recommendation

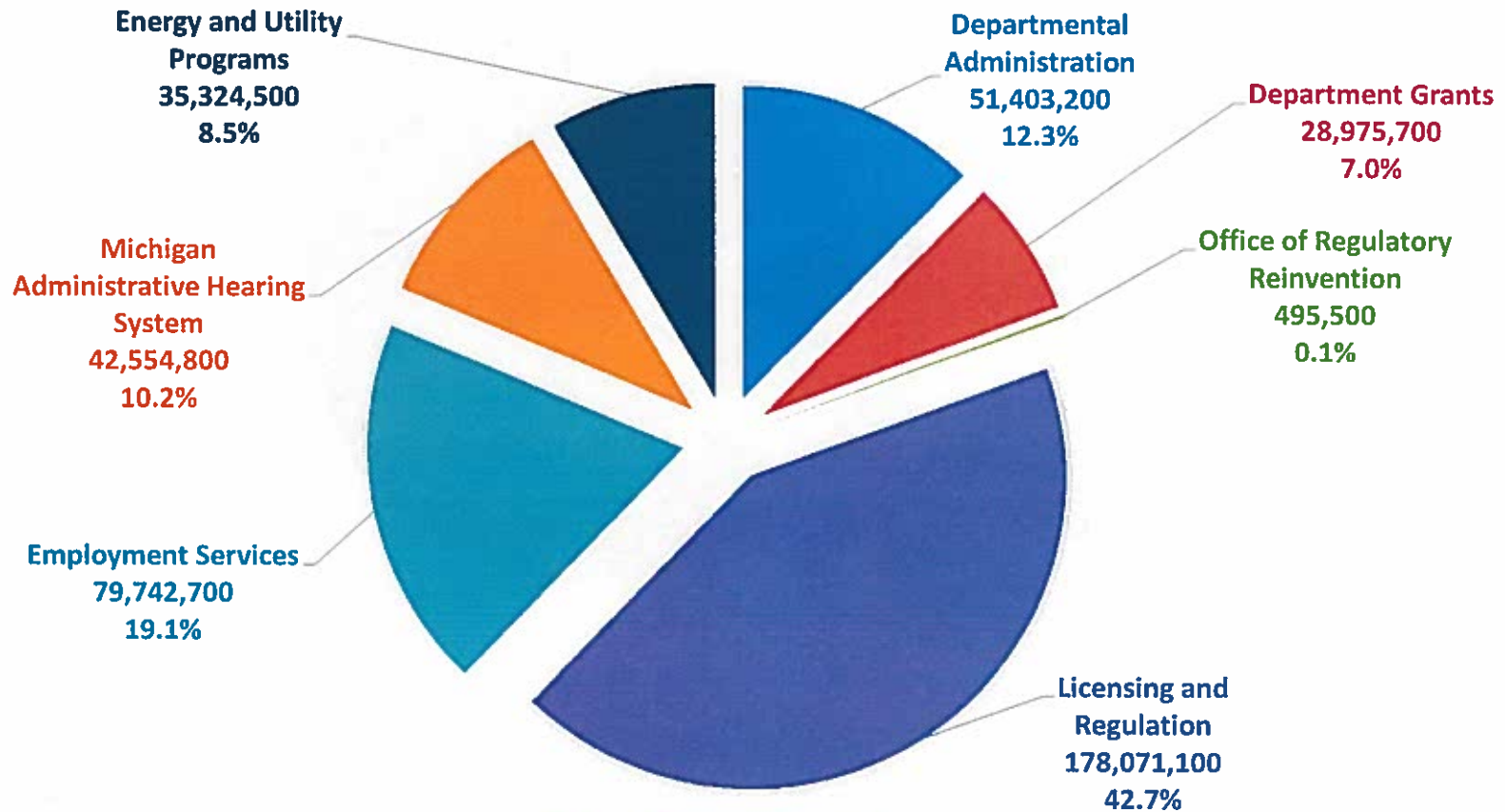
FY17 Governors Recommendation
GF/GP \$42,813,200



FY17 LARA Recommended Budget:
\$416,567,500

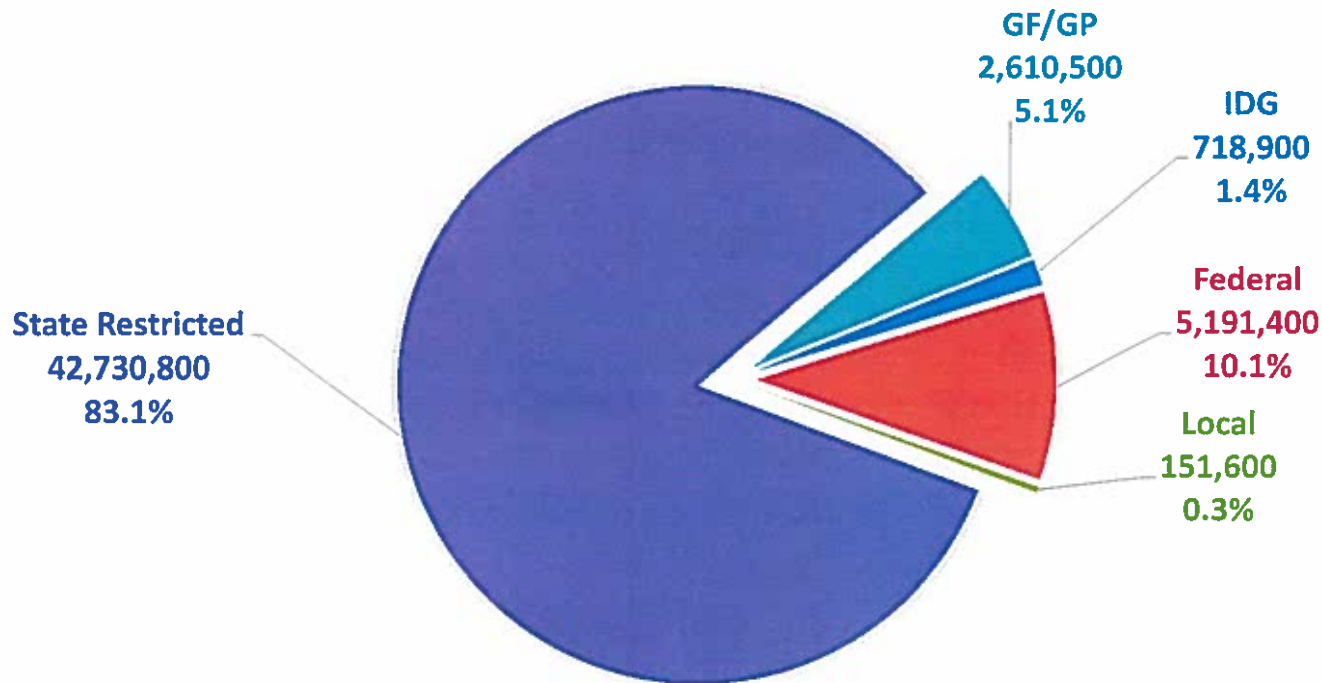


FY 17 Recommendation by Group



FY17 Governors Recommendation Departmental Administration

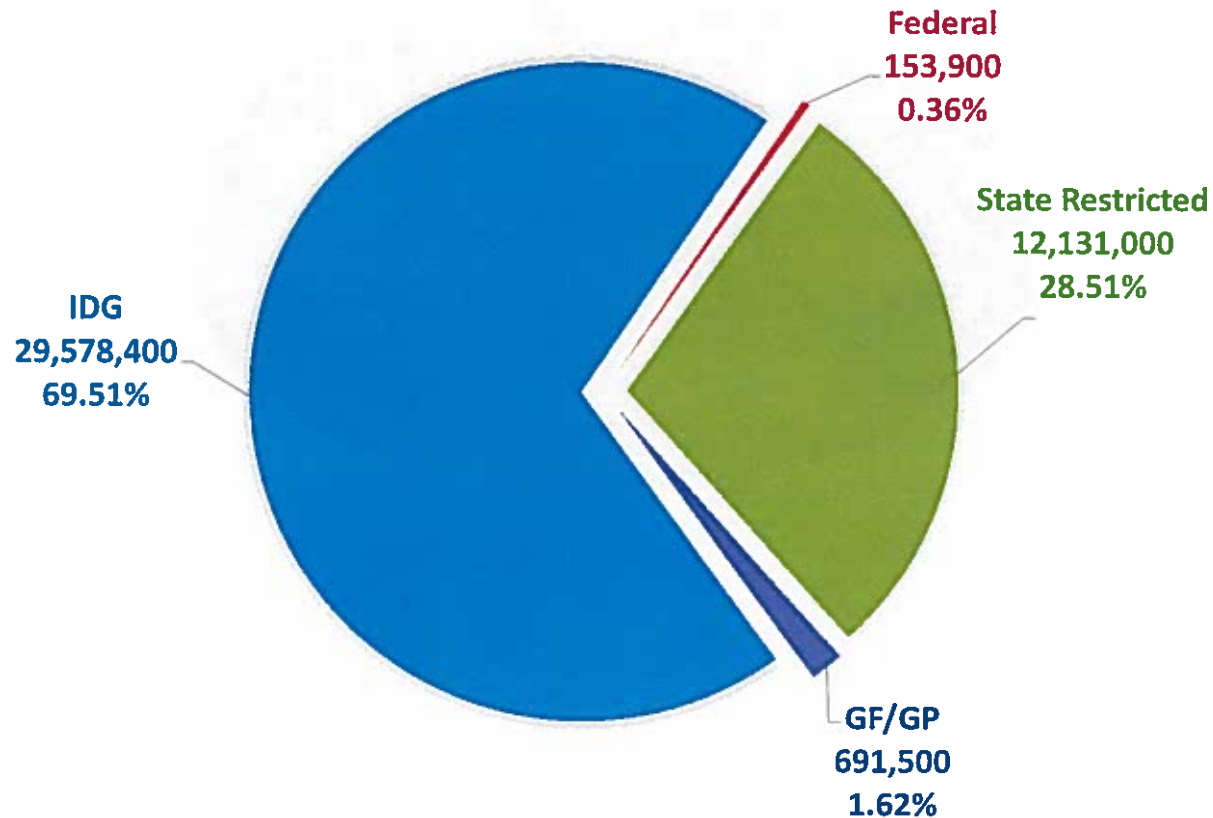
\$51,403,200



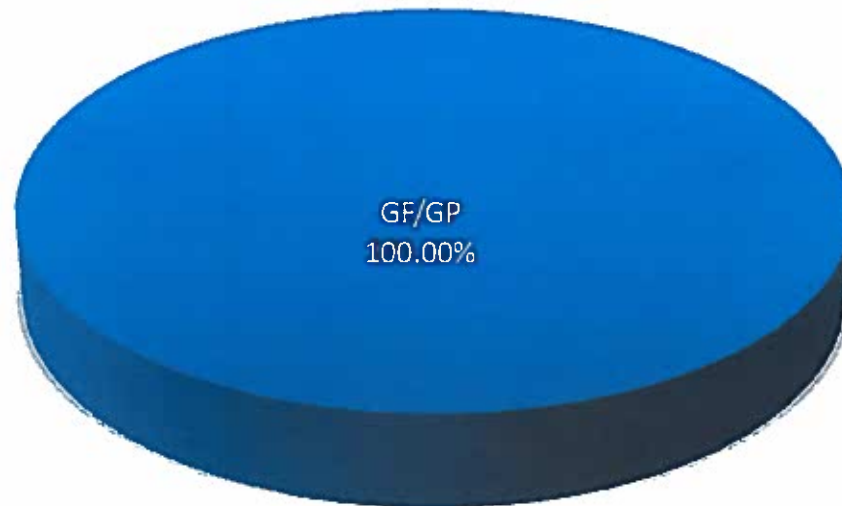
Includes Department wide:
Office Space
Workers Compensation
Information Technology
Office of New American
Office of Reinventing Performance in Michigan

FY17 Governors Recommendation Michigan Administrative Hearing System

\$42,554,800

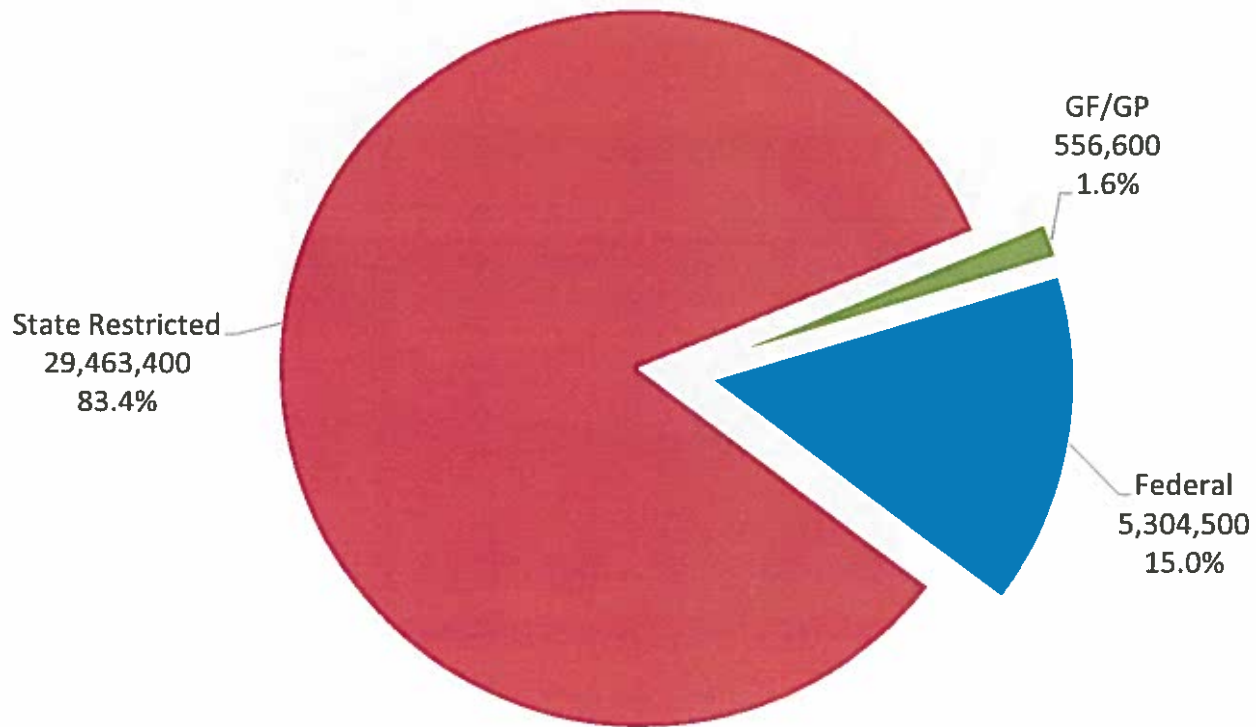


FY17 Governors Recommendation
Office of Regulatory Reinvention
\$495,500

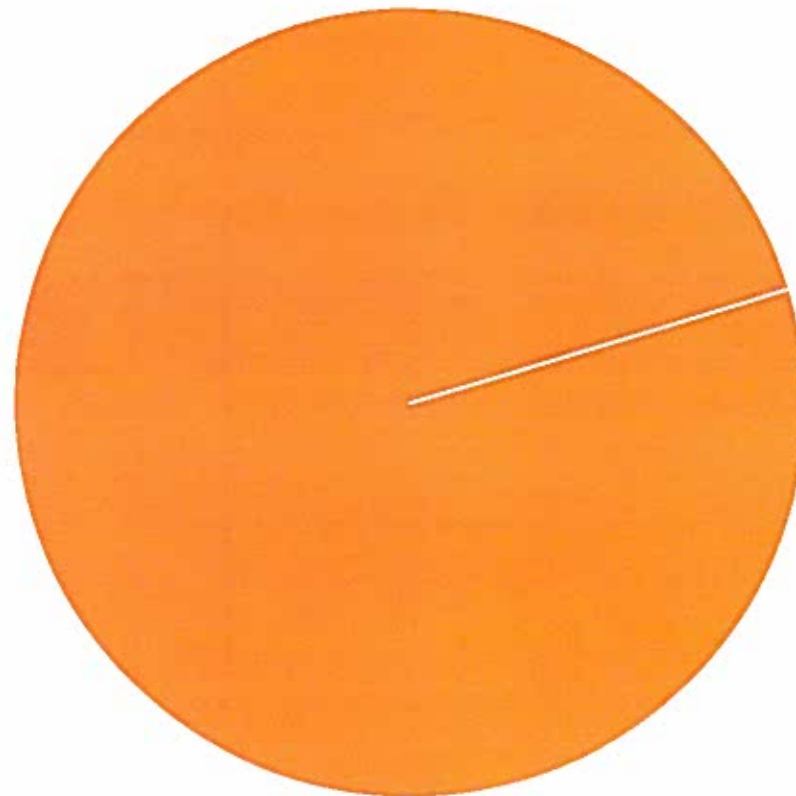


FY17 Governors Recommendation Energy and Utility Programs

\$35,324,500

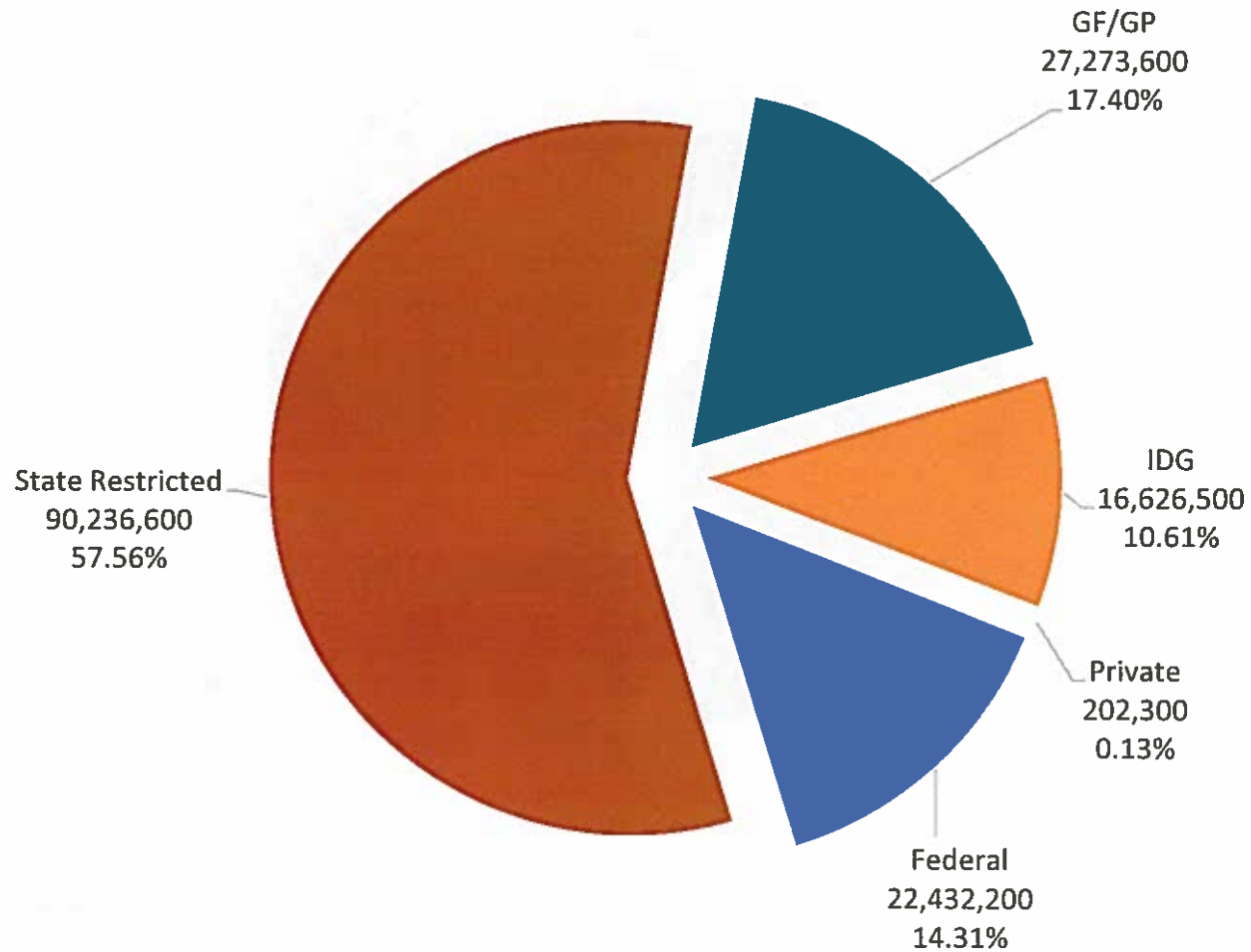


FY17 Governors Recommendation
Liquor Control Commission
\$21,299,900

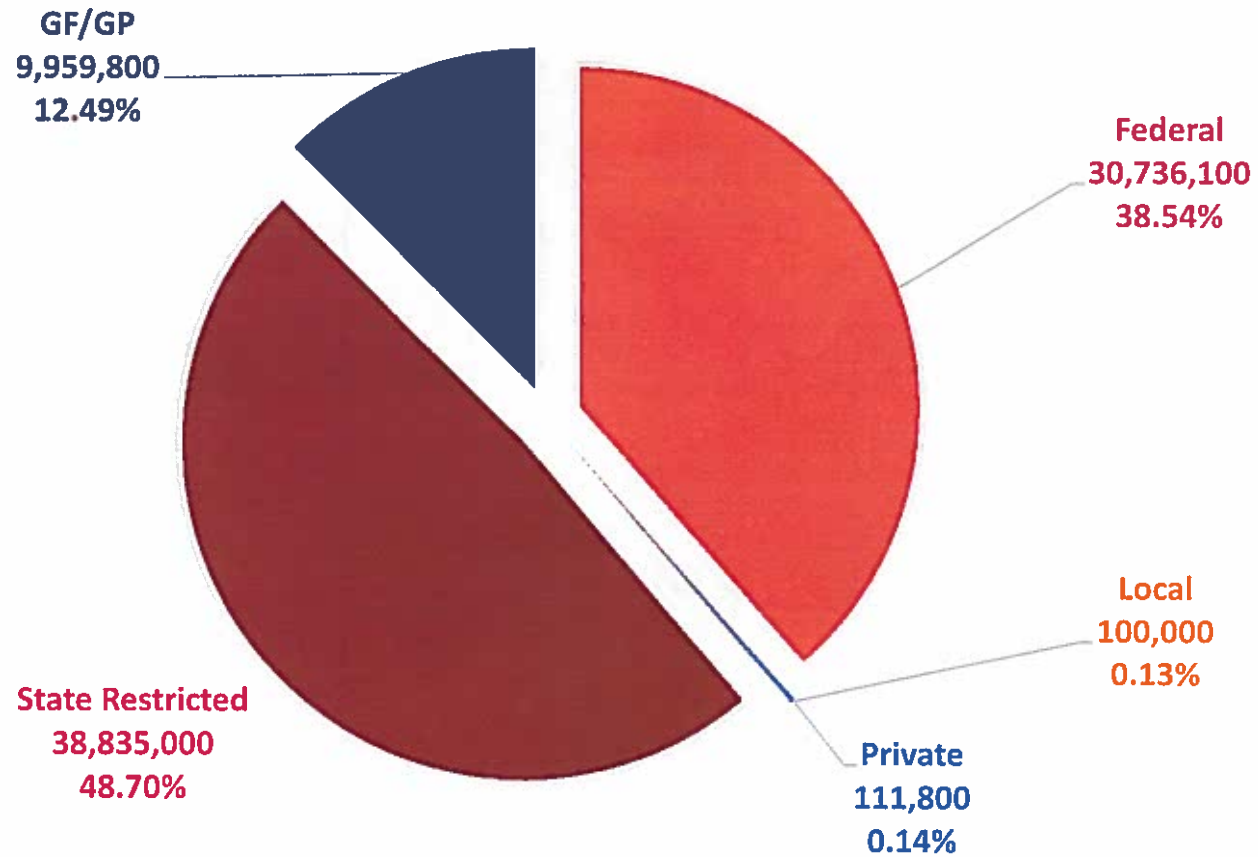


State Restricted
21,299,900
100.00%

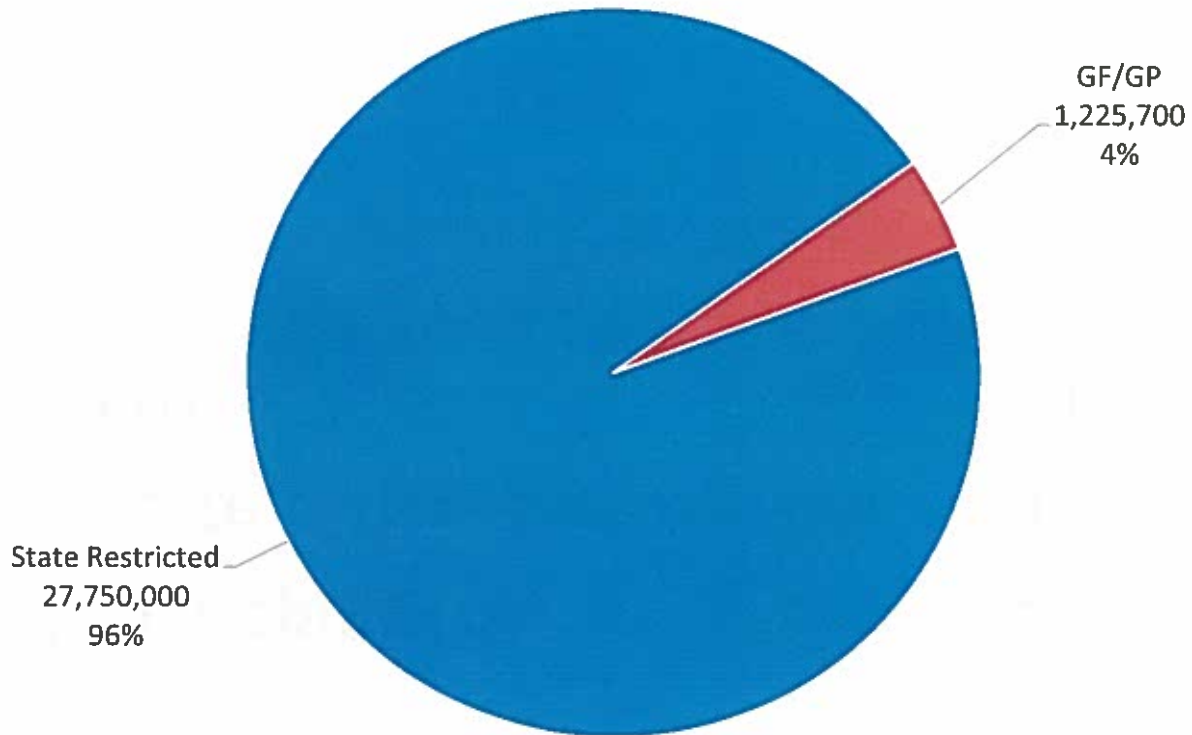
FY17 Governors Recommendation
Occupational Regulation
\$156,771,200



FY17 Governors Recommendation
Employment Services
\$79,742,700



FY17 Governors Recommendation
Departmental Grants
\$28,975,700



Questions?

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Kim O'Berry	241-0283