

Presentation of FY20  
Governor's Recommended Budget for LARA  
to House Appropriation  
Sub-Committee on LARA

March 12, 2019

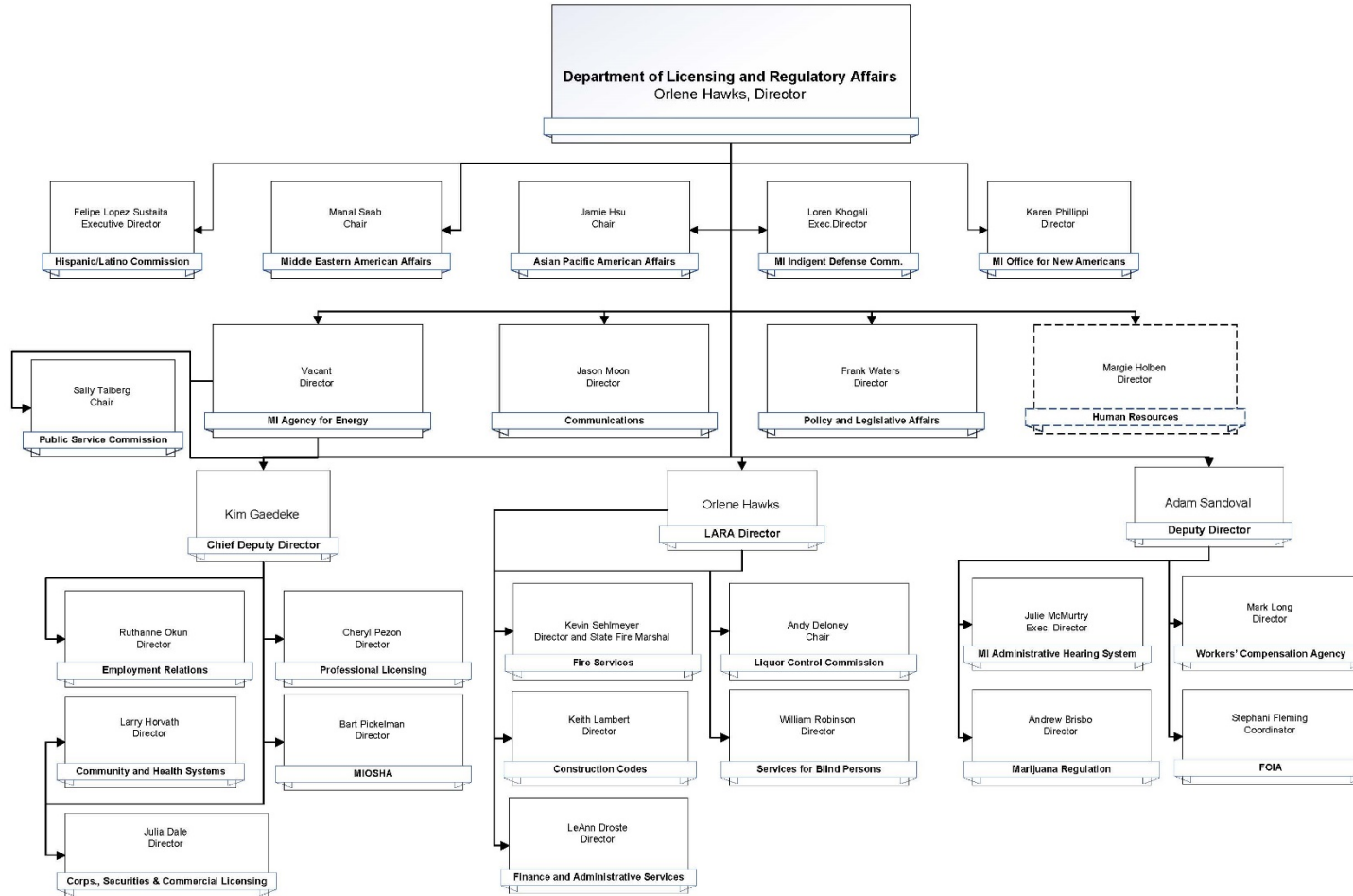
Orlene Hawks, Director

# Mission and Vision

Established in FY 2011 (E.O. 2011-4)

**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.



# New Requests

1. Radiological Health Regulation Fee Proposal
2. Michigan Indigent Defense Commission
  - Statewide Training Evaluation
  - Compliance Plan Funding
3. Michigan Office for New Americans - Refugee Services Database
4. Bureau of Marijuana Regulation
  - Programmatic Funding
5. Fee Sunset Legislation

# *Radiological Health Regulation*

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## **Fee Proposal**

The Radiation Safety Section is responsible for radiation machine and facility regulation in Michigan.

- The section registers about 10,000 x-ray facilities with more than 29,000 x-ray machines.
- The facilities and machines are routinely inspected by section health physicists to determine compliance with applicable state radiation rules and statutes.
- The section issues authorization for mammography machines prior to their use; approves radiation shielding design for medical and nonmedical radiation machines and facilities; and investigates radiation incidents involving excessive radiation doses to workers, radiation therapy medical events, and computed tomography (CT) medical events.



# *Radiological Health Regulation Cont'd*

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## **Fee Proposal**

**Who is Impacted** - All health providers in Michigan that utilize x-ray and mammography machines in the course of doing business. This could include: hospitals, doctor's offices, dental offices, veterinarians office, State and county prisons or jails, industrial applications where x-ray units are used for scanning, etc.

**Budgetary Impact:** The 20% base increase for 8 fees will generate an additional \$500,000 in revenue through the registration and inspection of radiological health equipment.

- Revenue will support 3 inspector positions to be filled; restoring to 12 total inspectors.
- Revenue will allow staff to inspect 100% of the non-mammography facilities within the mandated 5-year period. FY18 inspection percentage dropped to 94.3%.



# *Michigan Indigent Defense Commission*

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## **Statewide Training Evaluation**

**Public Act 214 of 2018 (MCL 780.991(11)(4)) requires that the MIDC analyze, and evaluate the effectiveness of indigent defense training and ensure attorneys complete 12 hours CLE annually.**

Provides 1.0 FTE and \$205,200 general fund/general purpose to implement a system for evaluating indigent defense training statewide, track attorneys' compliance with required training, evaluate training programs and develop new programs needed, and monitor local systems' compliance.



# *Michigan Indigent Defense Commission*

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## **Compliance Plan Funding**

**P.A. 93 of 2013 created the Michigan Indigent Defense Commission to improve indigent defense service through a framework of minimum standards.**

- The first set of minimum standards were approved in May, 2017 and grants awarded in October, 2018
- 134 local systems were awarded grants totaling \$86.9 million
- \$81 million (\$80.8 general fund/general purpose) requested in FY20 to meet ongoing requirements established under a statutory process for effective assistance of counsel
  - Includes \$5.9 million reduction of one-time costs for FY19 Compliance Plans

Total funding proposed in the Executive Recommendation is estimated based on review and approval of plans submitted.





# *Michigan Office for New Americans*

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## **Refugee Services Database**

**Refugee Services was transferred from DHHS to LARA via Executive Order 2018-7.**

- Program established under 45 CFR Part 400 Refugee Resettlement Program, under title IV of the Immigration and Nationality Act
- Program is funded 100% with Federal funds and administers grant programs totaling \$23.8 million
- Database will increase accuracy and ease of federal reporting
- Federal funds will support 100% of this request



# *Marijuana Regulation Program Funding*

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## **Regulation of Medical and Adult Use Marijuana**

### Medical: \$10.9 million (Marijuana Regulatory Fees)

- Additional \$900,000 requested to current \$10.0 million for licensing, enforcement, and administration of the Act
- Current FTE's of 108.0 reduced to 95.0 to align with the anticipated ongoing needs associated with the Act

### Adult Use: \$26.0 million (Marijuana Regulation Fees)

- \$6.0 million and 30.0 FTEs requested to administer the Initiated Law 1 of 2018
- \$20.0 million to support research of marijuana for medical conditions of United States armed service veterans and preventing veteran suicide pursuant to Initiated Law 1 of 2018



# *Fee Sunset Legislation*

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## **Impact**

The sunsets for 38 different fees and/or fee schedules in 7 Acts are set to expire on 9/30/19. The removal of the sunsets would allow for the existing fee to continue beginning in FY20.

There is a \$16.7 million revenue loss in the event that the fees associated with the sunset dates are not eliminated or extended.



# 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.

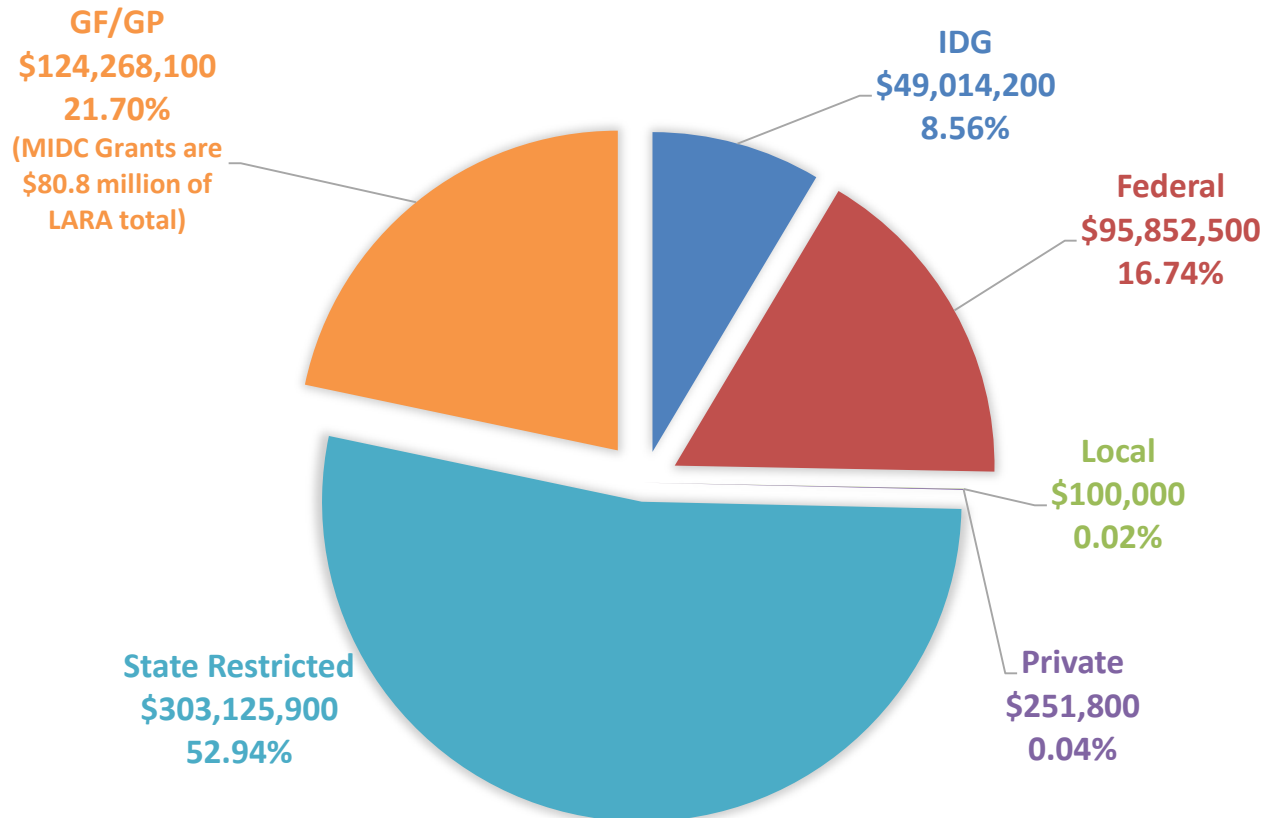
**State Restricted:** Revenue collected for a specific purpose. Cash must be on hand to spend.

**Local/Private:** Similar to state restricted.

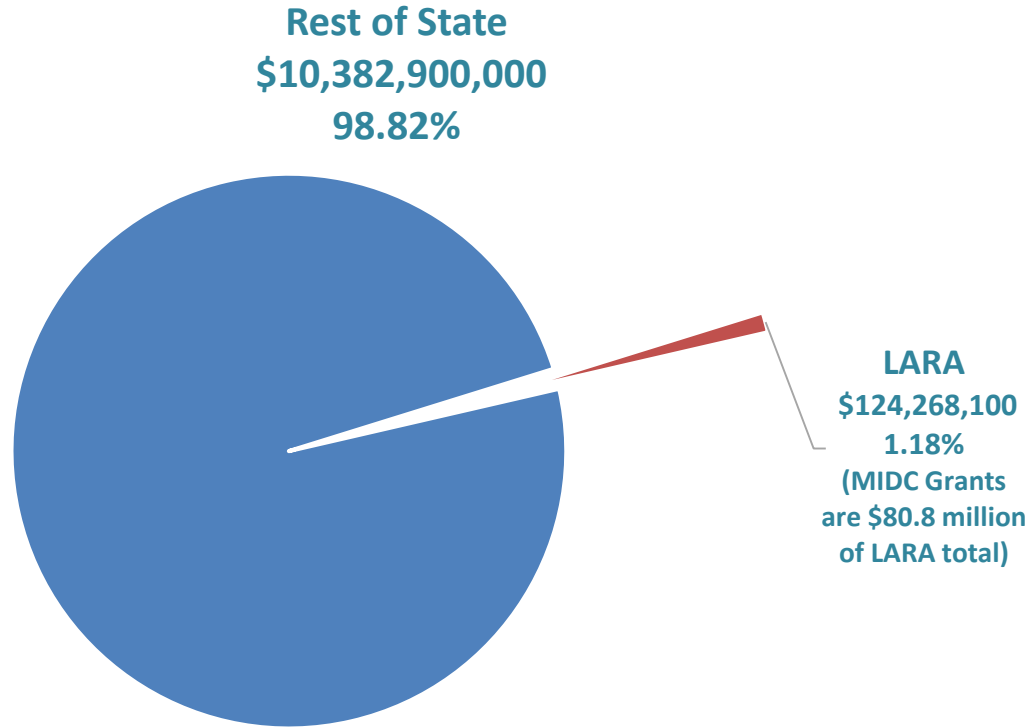
**Interdepartmental grant:** Payments received for LARA services provided to other departments.

**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.

# FY20 LARA Recommended Budget: \$572,612,500

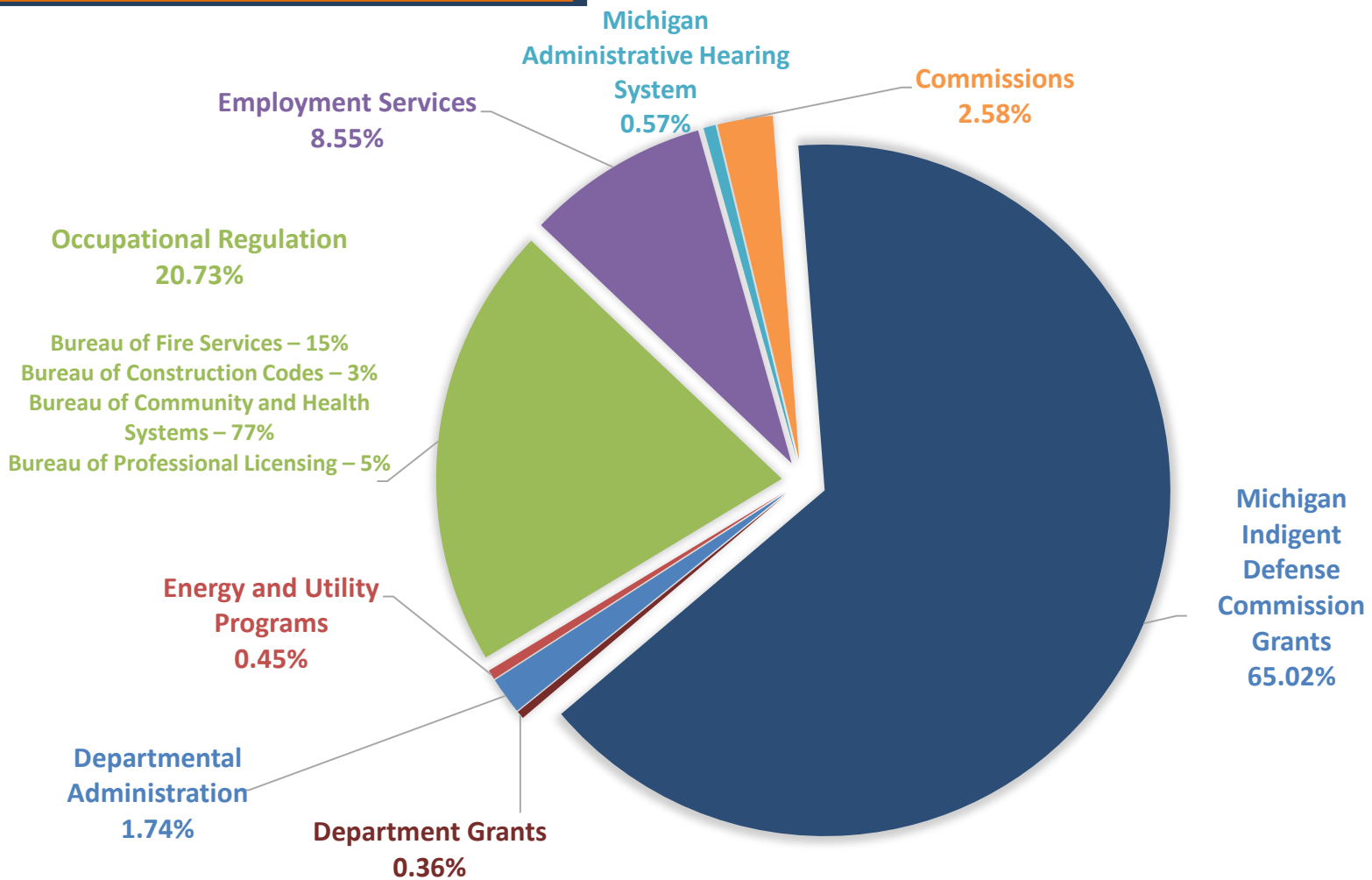


# FY20 LARA GF/GP as share of Total Statewide

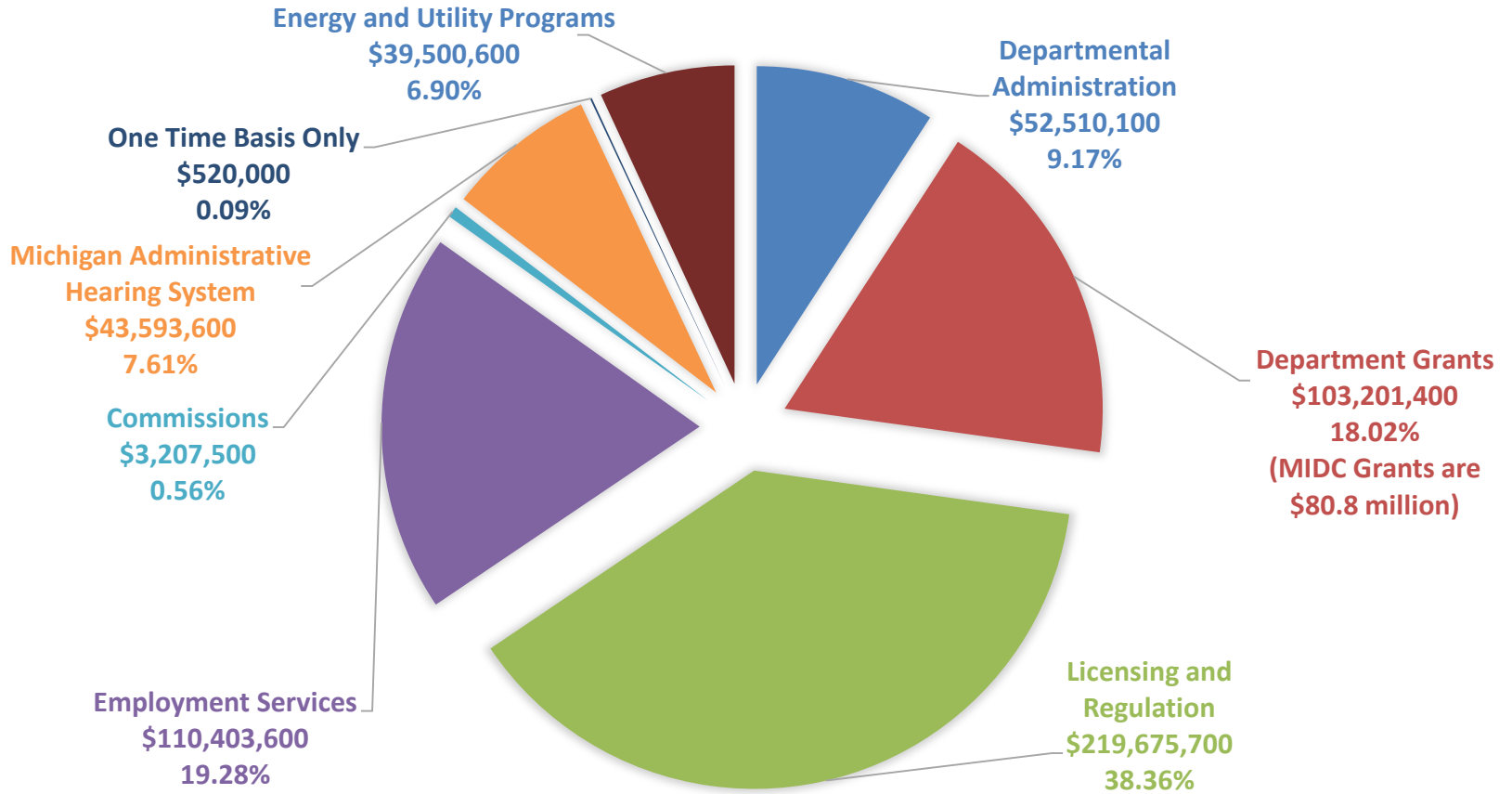


Source: Fiscal Years 2020 and 2021 Executive Budget Recommendation

FY20 Governor's Recommendation  
GF/GP \$124,268,100

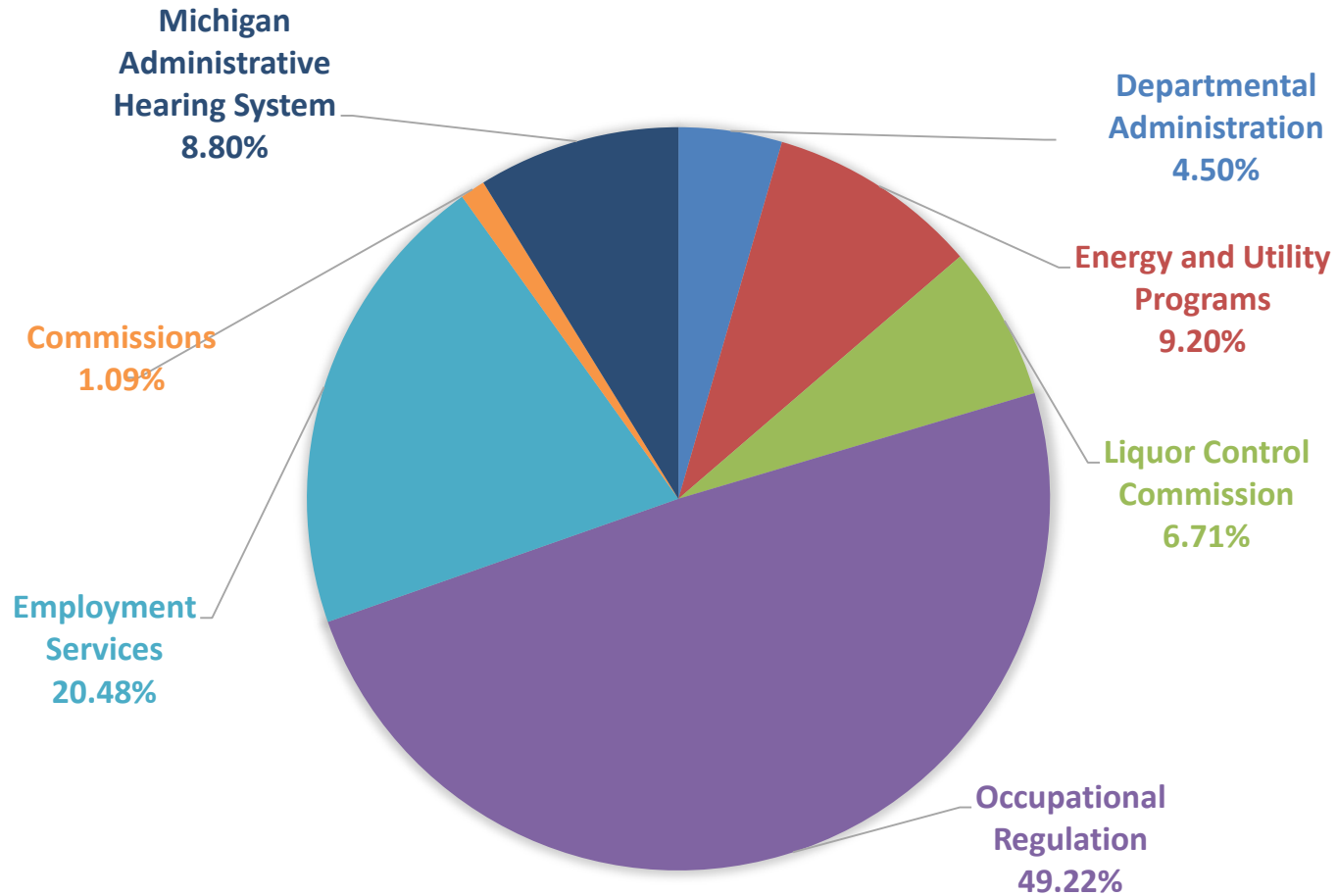


## FY 20 Recommendation by Group



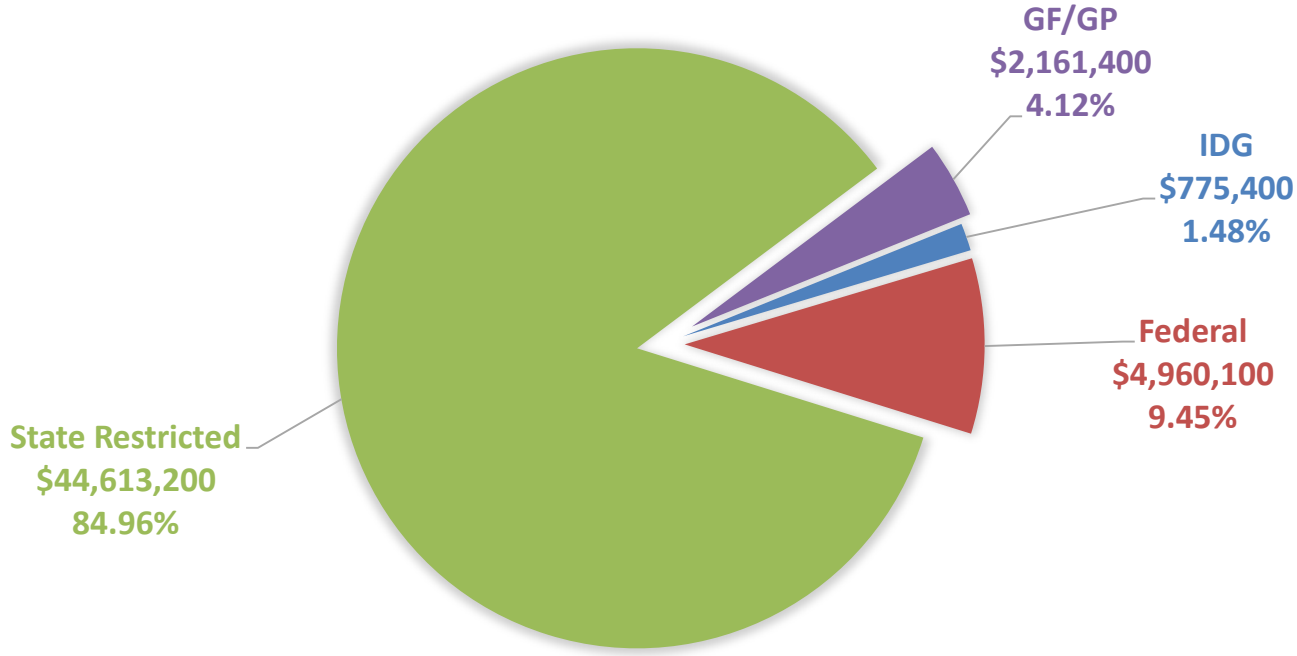


# LARA FILLED POSITIONS (2,011.5) AS OF 2/09/19



# FY20 Governor's Recommendation Departmental Administration

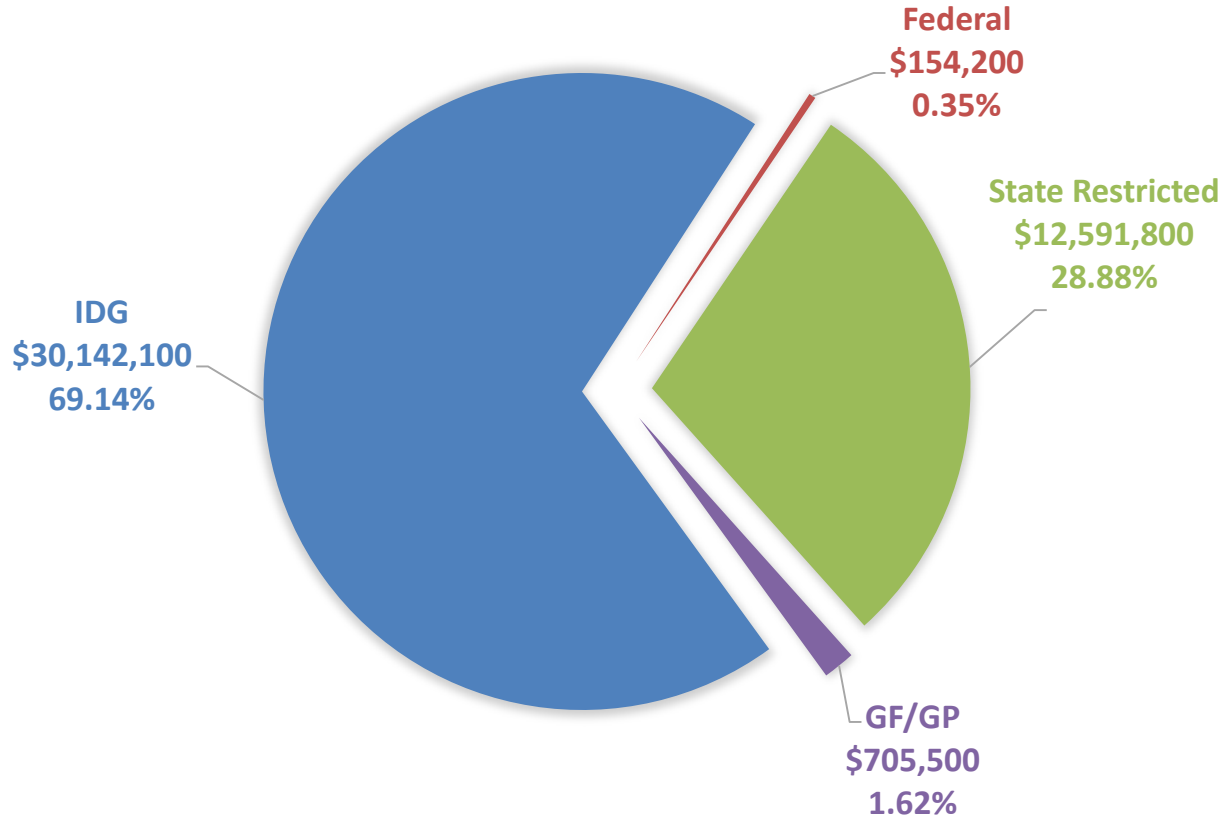
\$52,510,100



Includes Departmentwide Central Services

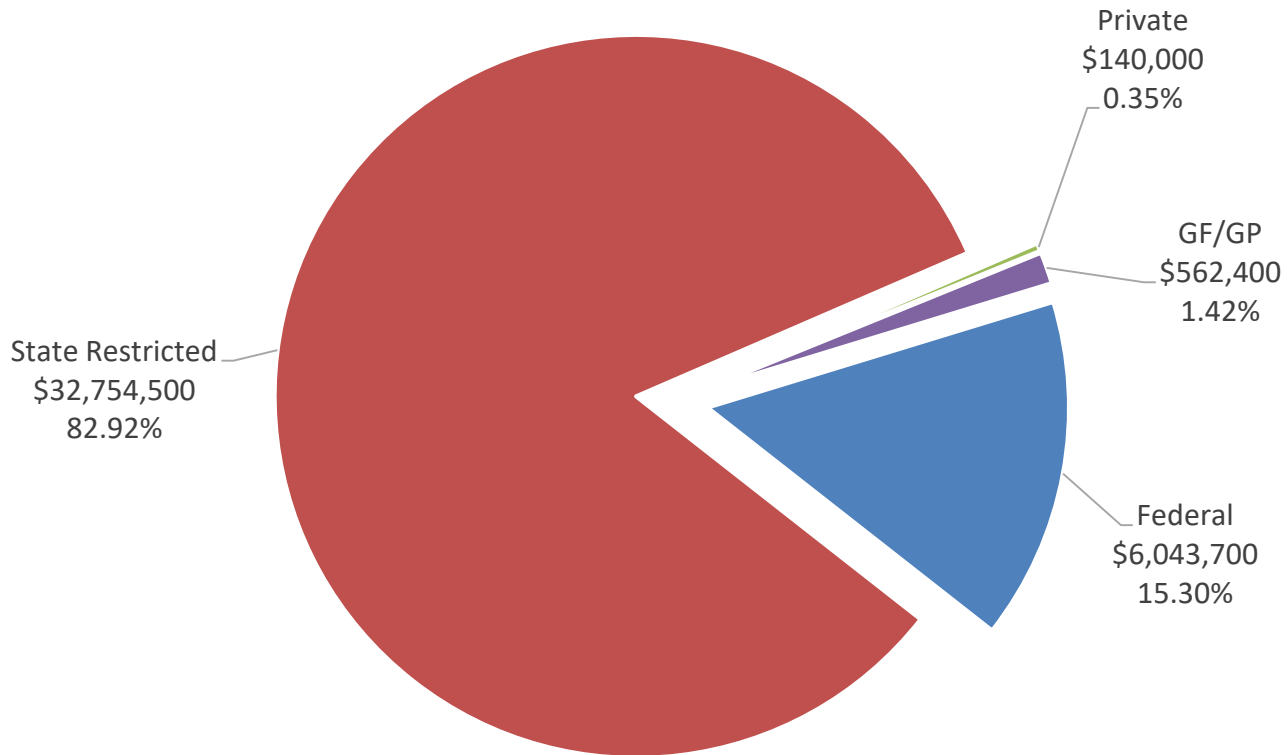
# FY20 Governor's Recommendation Michigan Administrative Hearing System

\$43,593,600

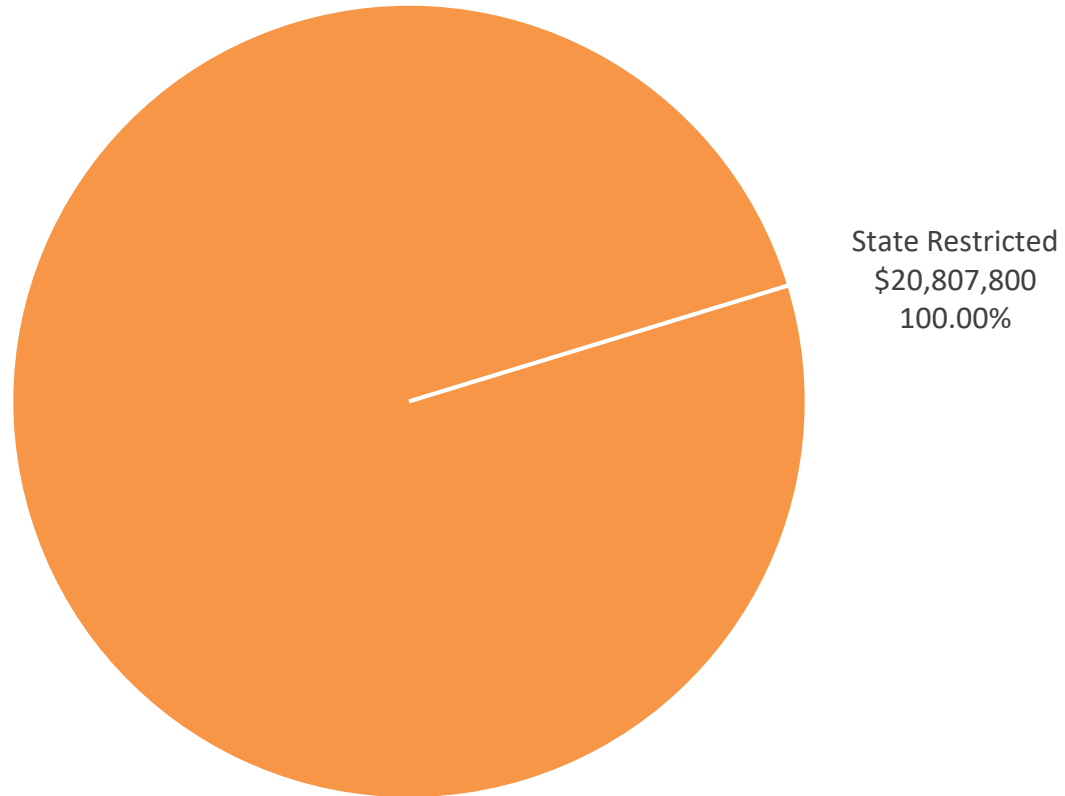


# FY20 Governor's Recommendation Energy and Utility Programs

\$39,500,600



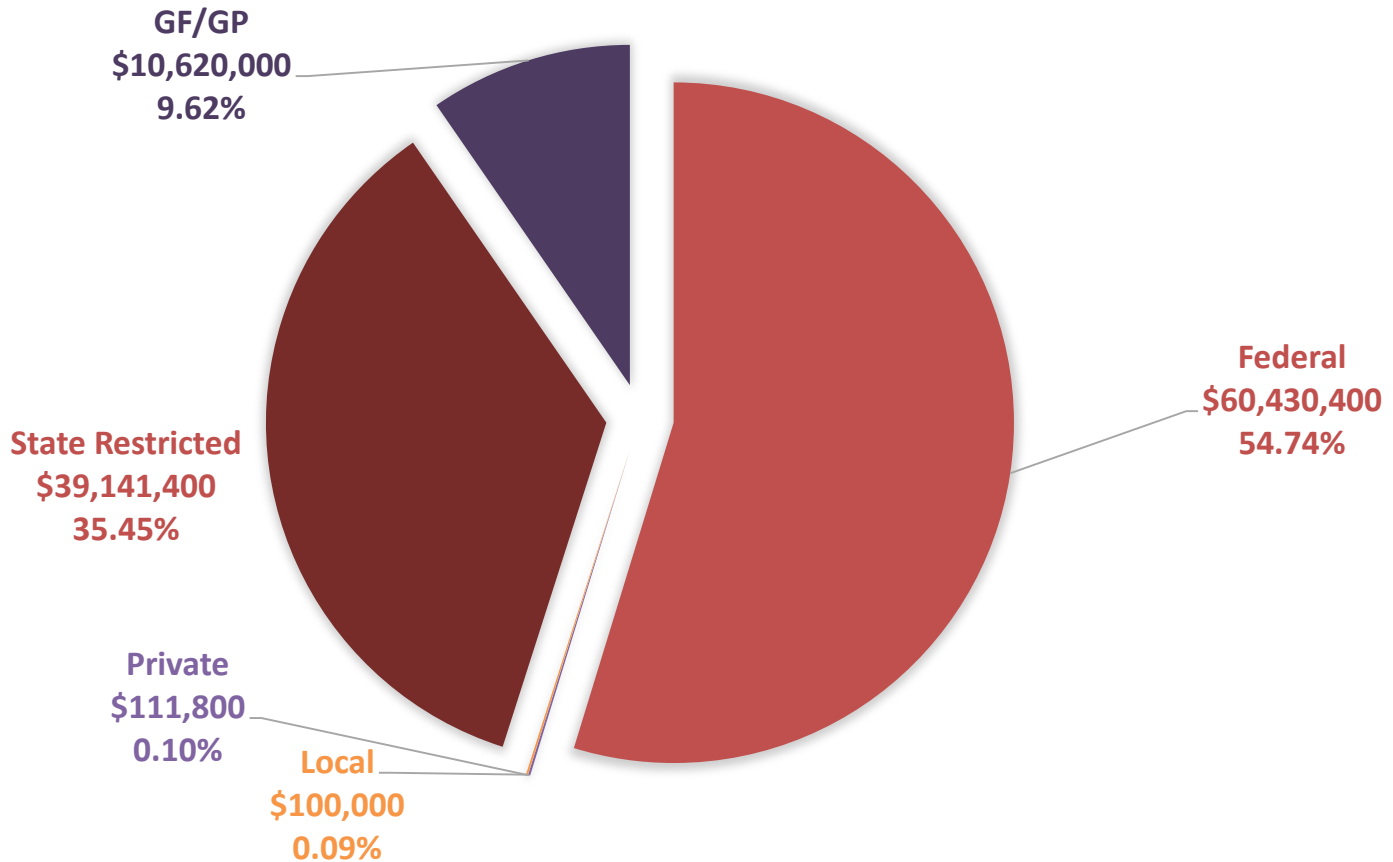
FY20 Governor's Recommendation  
Liquor Control Commission  
\$20,807,800



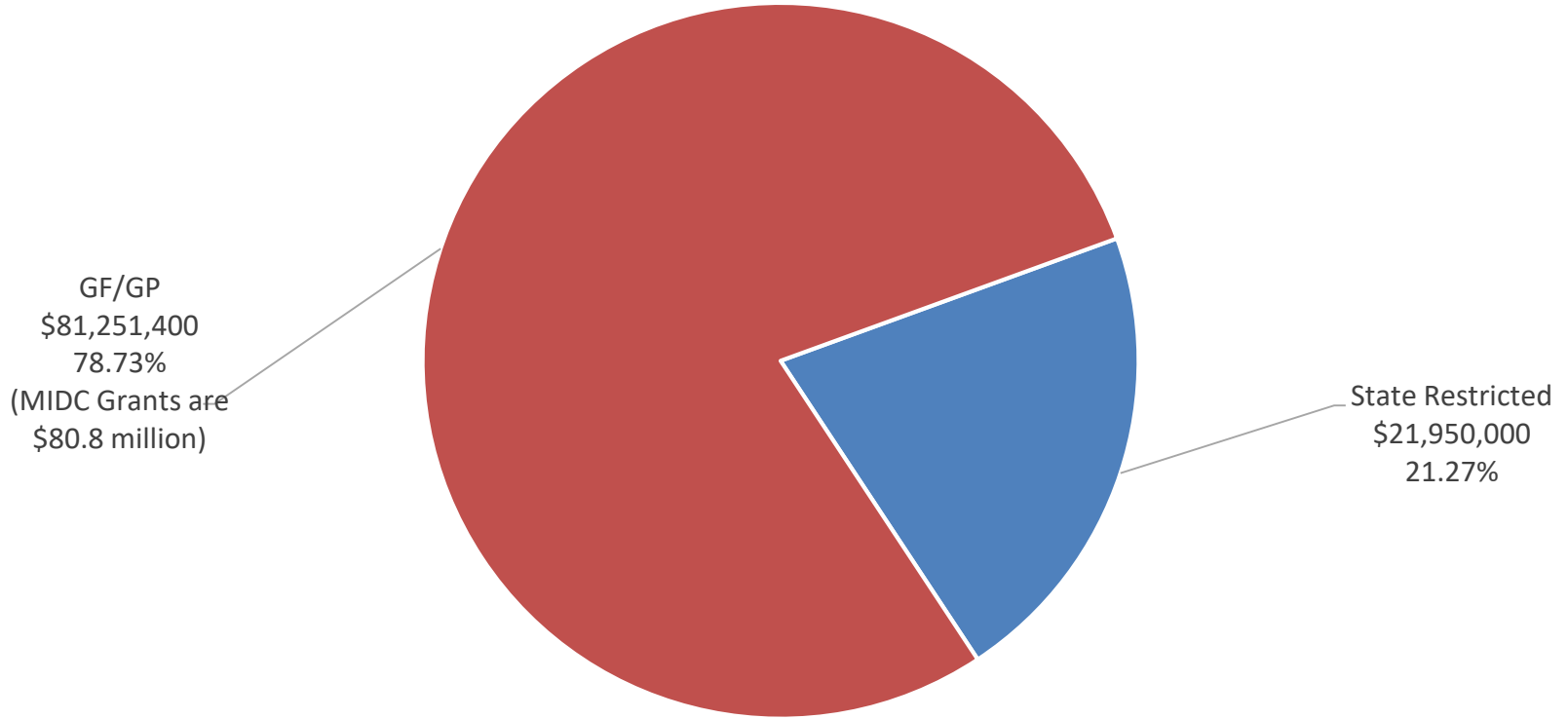
# FY20 Governor's Recommendation Occupational Regulation \$198,867,900



FY20 Governor's Recommendation  
Employment Services  
\$110,403,600

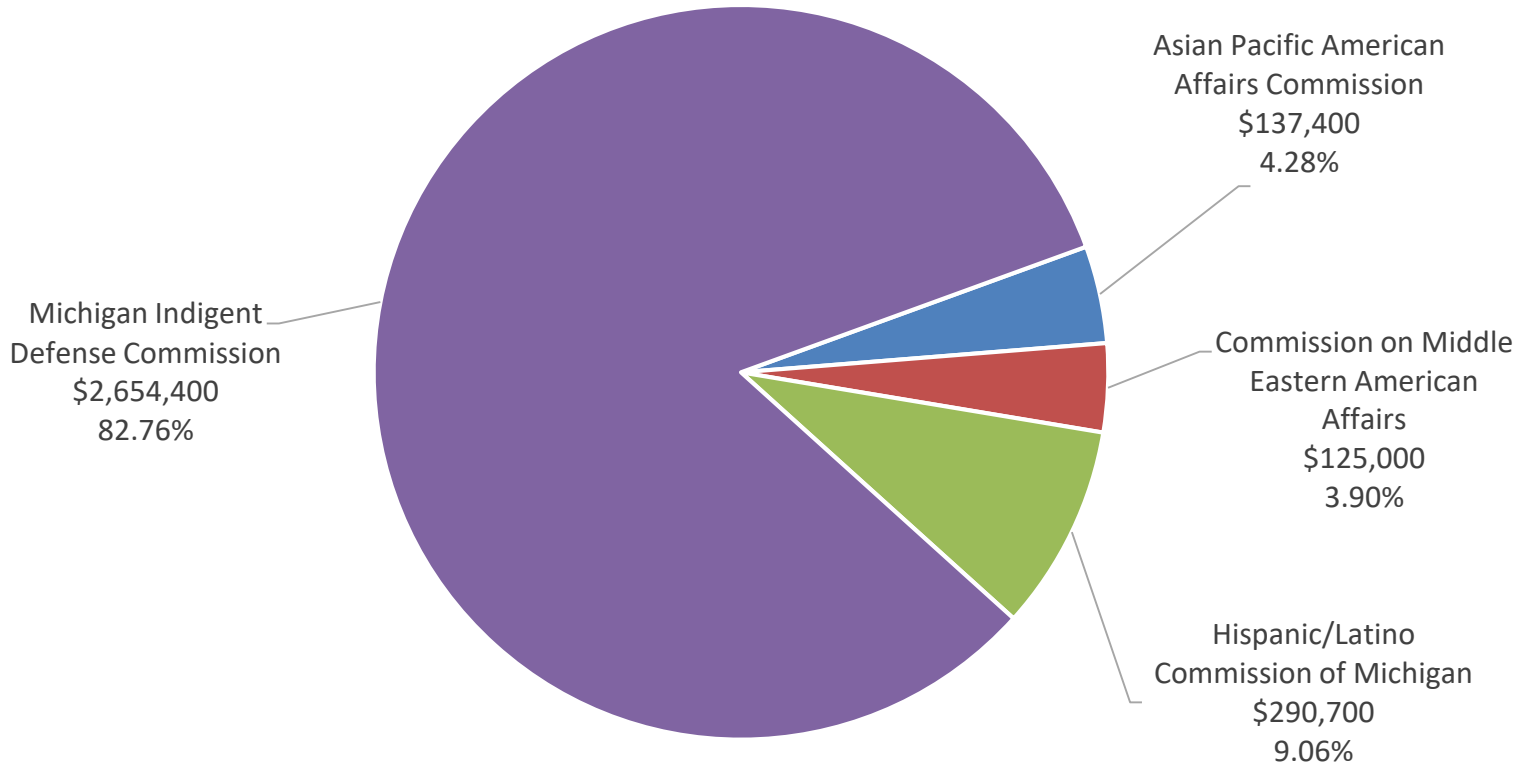


FY20 Governor's Recommendation  
Departmental Grants  
\$103,201,400

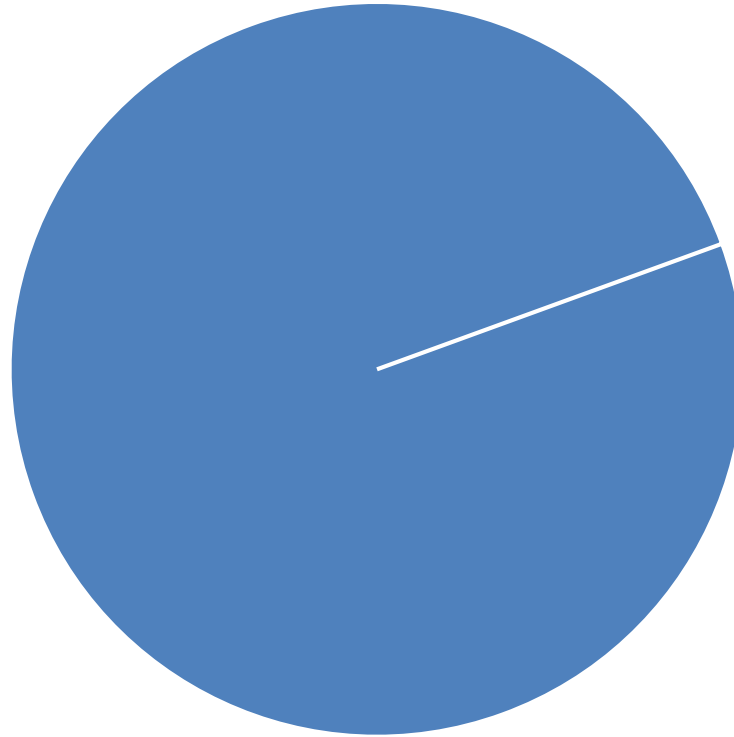




FY20 Governor's Recommendation  
Commissions  
\$3,207,500 – GF/GP



FY20 Governor's Recommendation  
One-Time Basis Only  
\$520,000 – Federal



Refugee Services  
Database  
\$520,000  
100.00%

# Questions?

LeAnn Droste, Director FAS	241-0031
Kim O'Berry, Budget Director	241-0283
Frank Waters, Policy and Legislative Affairs Director	241-4580
Marnie Wills, Policy and Legislative Affairs Deputy Director	241-4580