



FISCAL YEAR 2025 EXECUTIVE BUDGET RECOMMENDATION

February 27, 2024

About LARA

- Established in 1965 as the Department of Commerce and the Department of Licensing and Regulation
- Reorganized and renamed LARA in 2011
- License and regulate nearly 2 million individuals and entities
- 1,735 total employees; Union representation by the UAW, MSEA, and SEIU Scientific and Engineering
- Our work is vital to ensuring a great quality of life for all Michiganders



About LARA

Mission

We protect people and promote business in Michigan through transparent and accessible regulatory solutions.

Vision

To be national leaders that partner with people and businesses to improve the lives of Michigan residents through an engaged and inclusive workforce.

Goals

PUBLIC SERVICE
LARA WORKFORCE
TRANSPARENCY
ACCESSIBILITY
RESPONSIBILITY

Protecting people, promoting business

1,135,031

Active Business
Entities

234,000

Active Occupational
Code Licenses

4,142

Licensed Adult
Foster Care/Home
for the Aged

1,835

Licensed Hospitals,
Hospices, Surgery
Centers, Nursing
Homes and SUD
Facilities

539,817

Active Public Health
Code Licenses

4,973

Cannabis Adult-Use
Establishment
Licenses

3,216

Cannabis Medical
Facility Licenses

Strategic Goals

Reduce barriers to licensure

Improve regulatory compliance through education and consultation

Strategic Goals

Provide efficient, effective, and timely services

Enhance the customer experience across all programs

2023 Accomplishments



Bureau of Professional Licensing (BPL)

- Facilitated the Michigan Task Force on Foreign Trained Medical Professionals which developed recommendations to reduce barriers for immigrants and address staffing shortages within the healthcare work force



Bureau of Community and Health Systems (BCHS)

- Developed more than 50 online training videos for providers and staff. Topics include facility renewal inspections, fire safety, caring for residents with mental illness, communicable disease, and many more



Michigan Indigent Defense Commission (MIDC)

- Launched the remaining two minimum standards which set maximum attorney workload limits and require local systems to ensure public defenders are appropriately qualified to accept and defend the cases they are assigned



Michigan Unarmed Combat Commission (MUCC)

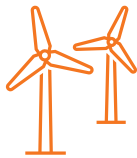
- Promulgated administrative rules allowing Muay Thai and Kickboxing combat sport events to be conducted in Michigan

Getting Things Done in FY 2024



Bureau of Professional Licensing (BPL)

- The Michigan Task Force on Foreign Trained Medical Professionals released its report
- A work project for FY23 funding was secured to implement the report's recommendations



Michigan Public Service Commission (MPSC)

- Low Carbon Facilities Energy Infrastructure Enhancement and Development (EIED): \$49.8 million grants awarded
- Renewable Energy EIED Grant Program: Final RFP for grant applications was posted



Cannabis Regulatory Agency (CRA)

- Planning for the new reference laboratory is underway
- Social equity grant applications were due on January 26



Bureau of Fire Services (BFS)

- On January 25, an Albion family escaped a home fire unharmed because of working smoke alarms that were recently installed by the MI Prevention program



Information Technology

- Replacing and maintaining key licensing and inventory systems

FY 2025 Statewide Budget Priorities



Growing Michigan's
Population



Bringing Supply
Chains Home



Keeping Families and
Communities Safe



Lowering Costs for
Michiganders



Fixing our Roads
and Bridges



Leveling the Playing
Field for Underserved
Michiganders



Making Healthcare
More Affordable and
Accessible



Furthering the MI
Healthy Climate Goals

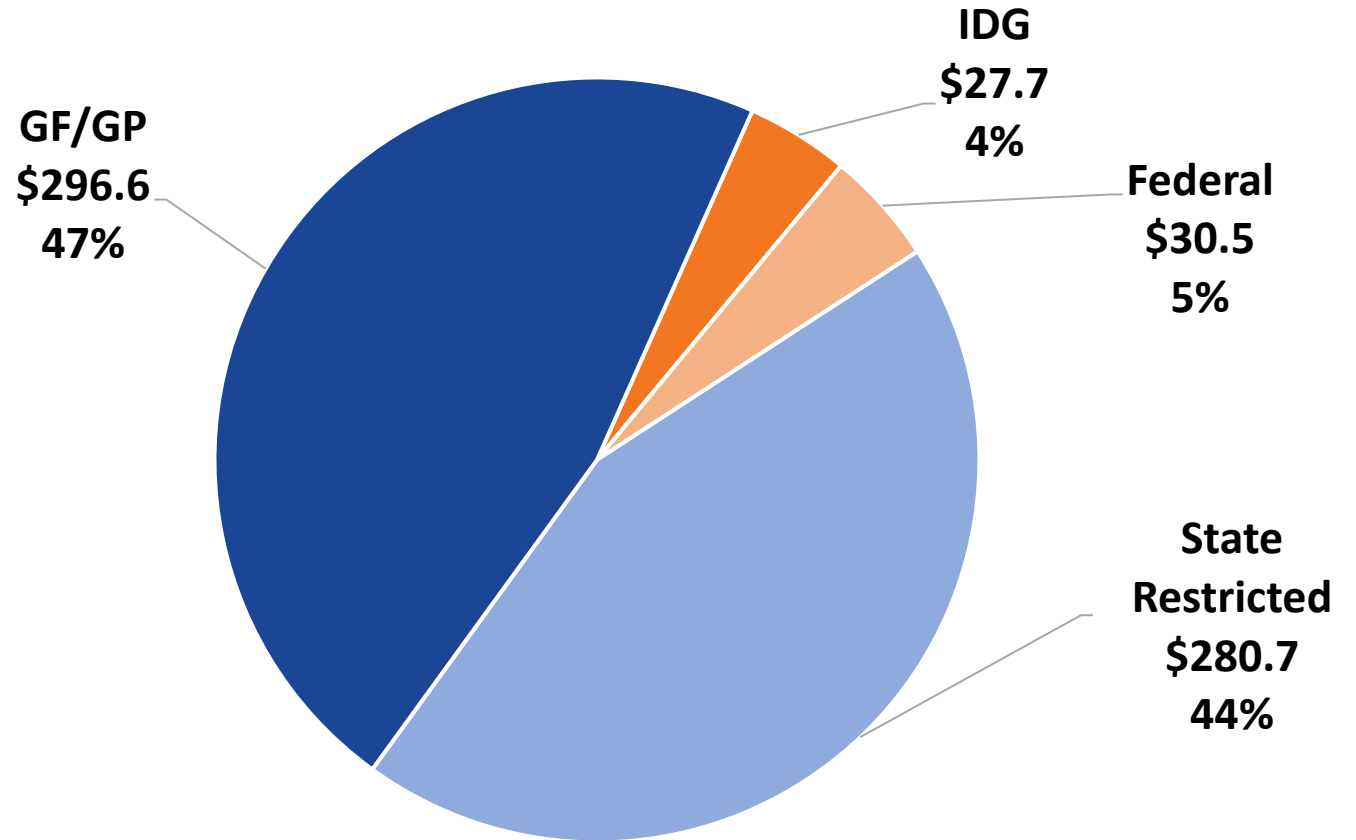


Making Government
Work Better for
Michiganders

LARA FY 2025 Recommended Budget

\$635.5 million Gross
\$296.6 million GF/GP*

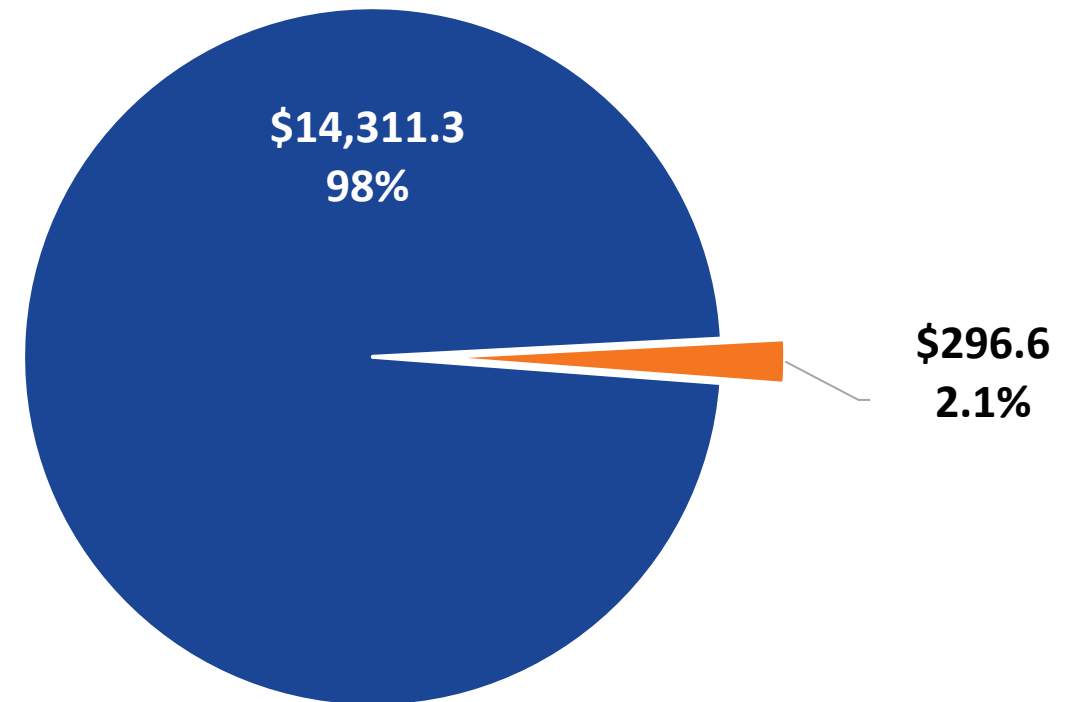
- \$258.0 million (87%) of LARA's GF/GP goes back to local government via Michigan Indigent Defense Commission grants



Amounts in millions

LARA FY 2025 Recommended Budget


The LARA budget represents about 2% of the statewide general fund budget



Amounts in millions

LARA FY 2025 Budget Highlights

- Strengthening protections for vulnerable residents by improving nursing home inspections and investigations
- Improving access to qualified interpreters for Deaf, Deafblind, and Hard of Hearing individuals
- Enhancing educational outreach and consultive services throughout LARA
- Investing in our workforce and providing efficient, effective, and timely services
- Improving services to applicants and licensees within Michigan’s growing Cannabis industry
- Ensuring appropriate implementation of MIDC Act mandates, including newly approved Standards 6 and 7



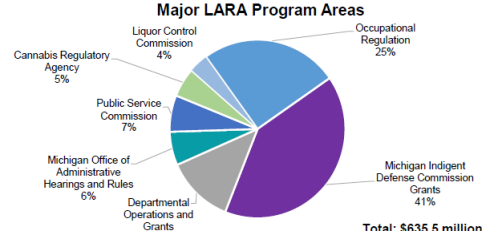
DEPARTMENT DETAIL

Department of Licensing and Regulatory Affairs
Governor’s Recommended Budget for Fiscal Years 2025 and 2026

The Department of Licensing and Regulatory Affairs (LARA) is the state’s primary regulatory agency, providing oversight of health care, business, utilities, construction, cannabis, indigent criminal defense, liquor, and professional occupations.

The Governor’s recommended budget for fiscal years 2025 and 2026 includes total ongoing funding of \$635.5 million, of which \$296.6 million comes from the state’s general fund. The Governor also recommends \$250,000 in one-time funding in fiscal year 2025.

Major LARA Program Areas



Total: \$635.6 million

Highlights

The Governor’s recommended budget includes new initiatives and continues support for the following key LARA programs:

- **\$258.3 million for Michigan Indigent Defense Commission grants** (general fund and state restricted funds) for 120 local trial courts to continue the implementation of requirements for the effective and fair assistance of counsel for indigent criminal defendants across the state. This represents a \$37.4 million dollar increase over fiscal year 2024 to cover the costs associated with meeting existing minimum standards, as well as newly approved standards related to attorney caseloads and qualifications.
- **\$33.6 million for the Cannabis Regulatory Agency** (state restricted funds) to regulate the state’s cannabis and hemp industries to ensure compliance with consumer health, safety, and welfare regulations. This includes a \$3.4 million increase and nine new positions for increased enforcement, licensing support and safety inspections, as well as

FISCAL YEARS 2025 AND 2026 EXECUTIVE BUDGET RECOMMENDATION • B-59

Improve Nursing Home Inspections and Investigations



- \$1.9 million ongoing GF/GP and 12.0 FTEs to support:
 - Inspection of over 20 provider types and 431 Long Term Care Facilities
 - Investigation of roughly 8,000 complaints annually
 - Compliance with PA 187 of 2022
 - Requires the bureau to develop a comprehensive quality assurance monitoring process

Improve Access to Qualified Interpreters (QI)

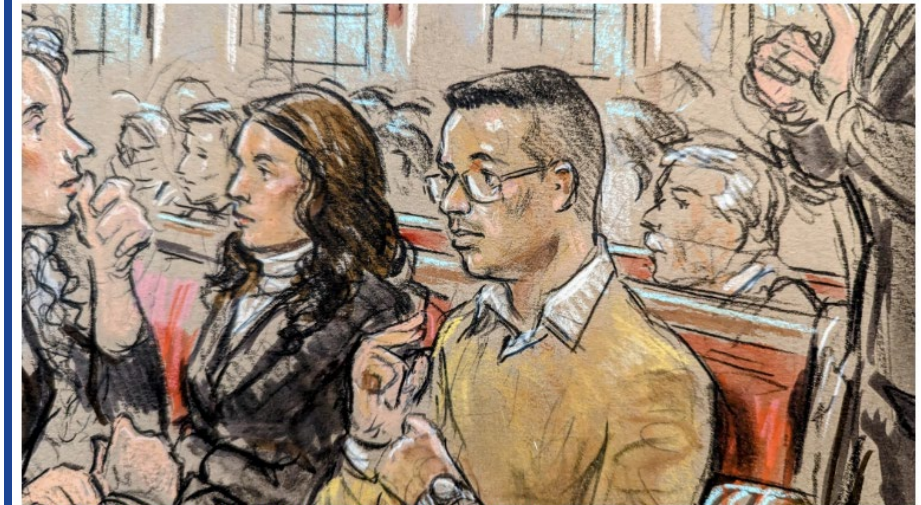
- \$800,000 ongoing GF/GP to improve access to QI for Deaf, DeafBlind, and Hard of Hearing individuals:
 - Additional staff focused on testing, certification, board support, and administration
 - Increase access to QI services for medical/mental health appointments, legal proceedings, educational settings
 - Replacement of an outdated QI registry database

Court rules for deaf student in education-law case



By Amy Howe
on Mar 21, 2023 at 12:10 pm

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Miguel Luna Perez sits in on his argument in January. (William Hennessy)

Promoting Educational Outreach and Health Equity

- \$400,000 ongoing funding to support educational outreach and performance efforts and reduce barriers to licensure
- \$250,000 one-time funding to support a research study assessing the impact of the implicit bias training requirement for Michigan health professionals

GOVERNOR WHITMER:

“The Department of Licensing and Regulatory Affairs’ dedication to making Michigan a safe place to practice a licensed profession without placing undue barriers on people is critical to growing our economy and improving quality of life for Michiganders.”

Investing in Our Workforce

- \$8.5 million ongoing funding and 12.0 FTEs to support critical functions including:
 - Improving timeliness of elevator inspections
 - Increasing the complaint response rate for the Residential Builders program
 - Supporting health and occupational licensing program staffing
 - Improving processing time for the Corporations division due to increased workloads
 - Ensuring the Michigan Public Service Commission provides timely call center, customer outreach, and case work services



Improving Services for Michigan's Growing Cannabis Industry

- \$3.4 million ongoing funding and 9.0 FTEs to support critical Cannabis Regulatory Agency functions and services including:
 - Absorbing costs related to licensees' statutorily required use of the statewide monitoring system
 - Combatting illicit activity
 - Improving enforcement efforts and workload management in the licensing division
 - Increasing fire safety inspections



Supporting Indigent Defense Statewide



- \$12.9 million ongoing GF/GP to support local trial court funding units with Michigan Indigent Defense Commission (MIDC) Standard 6: Workloads and Standard 7: Attorney Qualifications
- \$24.6 million ongoing GF/GP: baseline adjustment to support local systems with existing standards
- The MIDC Act (MCL §780.993) provides that the legislature shall appropriate to the MIDC the additional funds necessary for a system to meet and maintain the MIDC standards

Enacted Legislation Requests

- \$7.1 million ongoing funding and 31.0 FTEs to fulfill requirements of a suite of clean energy legislation enacted in 2023
- \$1.1 million ongoing funding and 7.0 FTEs to implement 2023 PA 273, which requires the department to administer a medication aide training and registration program



Fiscal Sustainability

- Most of the occupational licensing fees have not been adjusted since 2003 and current projections indicate that program expenditures are outpacing revenue
- LARA welcomes and encourages continued dialogue regarding potential fee adjustments, inflationary language, or other creative solutions to best address these longstanding fiscal challenges

	2025*	2024*	2023	2022	2021	2020
Licensing and Regulation Fund Balance	(\$139,000)	\$2,150,500	\$4,705,100	\$2,659,600	\$4,157,100	\$4,551,600

*projection



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