

Legislative Analysis



TRANSFER REVENUE FROM HEALTH PROFESSIONS REGULATORY FUND AND CON TO GENERAL FUND

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<http://www.house.mi.gov/hfa>

House Bill 6117 as introduced
Sponsor: Rep. Mary Whiteford
Committee: Appropriations
Complete to 8-31-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6117 would amend the Public Health Code to transfer \$13.0 million of state restricted fund revenue to the general fund for the fiscal year ending September 30, 2020.

The bill would amend section 16315 to authorize a one-time transfer of \$10.0 million from the Health Professions Regulatory Fund (HPRF) to the general fund for FY 2019-20.

The bill would also amend section 20161 to authorize a one-time transfer of \$3.0 million of Certificate of Need (CON) program fee revenue to the general fund for FY 2019-20.

MCL 333.16315 and 333.20161

FISCAL IMPACT:

Department of Licensing and Regulatory Affairs (LARA) – House Bill 6117 would transfer \$10.0 million from the HPRF to the state’s general fund. This transfer was agreed to as part of a FY 2019-20 budget balancing agreement. Under current law, funds within the HPRF can be used only to support LARA’s responsibilities under Articles 7, 8, and 15 of the Public Health Code (including reimbursements to the Department of the Attorney General for services provided). Unexpended fund balances remain in the fund at the end of the fiscal year and do not lapse to the general fund. There is a projected year-end fund balance of \$35.3 million, a sufficient amount to support the transfer that would be made under this bill. There would be no adverse effects to items currently utilizing appropriations from this fund.

Department of Health and Human Services (DHHS) – The transfer of CON restricted funds to the general fund under House Bill 6117 would not directly affect the health facility regulatory CON program. CON fees are established in statute and are used solely to support the CON program. Fee revenue currently exceeds ongoing program costs, and there is a projected year-end fund balance of \$7.5 million, an increase from \$6.8 million at the beginning of the fiscal year. The program is currently funded at \$2.8 million. Under current law, unexpended fee revenue remains available to the program and does not lapse to the general fund at the end of the fiscal year.

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