

FY 2025-26 LICENSING AND REGULATORY AFFAIRS BUDGET

S.B. 177 (S-2): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations

Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,791.0	1,823.0	32.0	1.8
GROSS	648,739,000	657,053,200	8,314,200	1.3
Less:				
Interdepartmental Grants Received	27,682,800	30,192,600	2,509,800	9.1
ADJUSTED GROSS	621,056,200	626,860,600	5,804,400	0.9
Less:				
Federal Funds	30,471,300	34,478,800	4,007,500	13.2
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	590,584,900	592,381,800	1,796,900	0.3
Less:				
Other State Restricted Funds.....	281,979,200	284,642,500	2,663,300	0.9
GENERAL FUND/GENERAL PURPOSE	308,605,700	307,739,300	(866,400)	(0.3)
PAYMENTS TO LOCALS	280,345,300	280,345,300	0	0.0

*As of February 5, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

- 1. Deleted Sections.** The Chair deleted multiple sections, including 803 (MIDC Cost Calculation Report language was combined with 802), (One-time Juvenile Indigent Defense Grants), 1004 (One-time Michigan Saves).
- 2. Regulatory Effectiveness Report.** The Chair included a new section requiring the Regulatory Effectiveness Office to transmit a report detailing their findings and actions. (Sec. 253)
- 3. Energy Utility Rates Report.** The Chair included a new section requiring the MPSC to designate 1 FTE to assist consumers with utility issues. (Sec. 303)
- 4. Bureau of Fire Services Expenditures.** The Chair amended language to allow for inspection and review fees for Nursing Homes, Homes for the Aged, and Adult Foster Care Facilities. (Sec. 501)
- 5. Michigan Indigent Defense Commission.** The Chair included language to allow MIDC funding to be used for the defense of juvenile indigent defendants. (Sec. 803)

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FY 2024-25 Year-to-Date Appropriation		\$648,739,000	\$308,605,700		
		CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. Federal Energy Code and Benchmarking Grants. The Chair increased funding to the Bureau of Construction Codes \$4.1 million from the U.S. Department of Energy for a statewide energy code and energy benchmarking within the construction sector.		4,109,100	0	172,061,700	36,724,600
2. MOAHR Caseload Increases. The Chair increased \$2.2 million from Interdepartmental Grants to align with increased caseloads in the Michigan Office of Administrative Hearings and Rules.		2,234,600	0	37,034,900	588,200
3. New Mortuary Science Licensing Types. The Chair increased \$305,700 and 2.0 FTEs from the Corporations, Securities, and Commercial Licensing Bureau to support two new license types in the mortuary science profession created by PA 107 of 2024.		305,700	0	16,975,900	0
4. Elevator Inspectors. The Chair increased 8.0 FTEs with no additional authority to allow the hiring of additional inspectors.		0	0	0	0
5. Residential Builders. The Chair increased 5.0 FTEs for the Bureau of Construction Codes to increase department response to consumer complaints.		0	0	37,244,800	1,330,300
6. Economic Adjustments. Includes \$4,377,600 Gross and \$747,600 GF/GP for total economic adjustments.		4,377,600	747,600		
<u>New Programs/Program Increases</u>					
7. Michigan Saves. The Chair included \$3.5 million grants to leverage private loan investments in clean energy improvements.		3,500,000	3,500,000	3,500,000	3,500,000
8. Protecting Nursing Home Residents – Complaint Investigations. The Chair included \$2.4 million GF/GP and 7.0 FTEs for the Bureau of Survey and Certification to support immediate jeopardy complaint investigations associated with Michigan's nursing facilities and continuing care facilities.		2,400,000	2,400,000	32,127,900	9,189,700
9. Mobile Home Park Database. The Chair included \$500,000 and 1.0 FTE to create a database of mobile home park owners.		500,000	500,000	500,000	500,000

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
10. Protecting Nursing Home Residents – Complaint Intake. The Chair included \$316,900 GF/GP and 2.0 FTEs to assist the public with questions and complaints related to nursing homes.	316,900	316,900	32,127,900	9,189,700
11. Homes for the Aged – Staffing Support. The Chair increased \$700,00 GF/GP and 3.0 FTEs for the Bureau of Community and Health Systems to enhance oversight over State-licensed homes for the aged.	700,000	700,000	27,403,400	19,498,200
12. Increased Transparency for Existing MIDC Standards. The Chair included \$769,100 GF/GP and 4.0 FTEs for the Michigan Indigent Defense Commission to support increased financial monitoring and planning efforts across the State’s 120 local indigent defense systems.	769,100	769,100	3,947,900	3,947,900
13. Cannabis Regulatory Agency Staffing Increase. The Chair increased \$151,200 in restricted funding and 1.0 FTE to provide enhanced human resources and agency support.	151,200	0	33,842,500	0
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
14. FY 2024-25 One-Time Appropriations Removal. The Chair removed FY One-Time Appropriations, which included the 5-Year Energy Waste Reduction and Demand Response Study, Renewable Energy and Electrification Infrastructure Enhancement And Development, and the Health Sector Implicit Bias Study.	(14,250,000)	(12,000,000)	N/A	N/A
15. Cannabis Social Equity Program. The Chair included \$1.0 million from the Marihuana Regulation Fund for the CRA Social Equity Program.	1,000,000	0	1,000,000	0
16. Smoke Detectors. The Chair included \$1.0 million to allow the Bureau of Fire Services to purchase and distribute smoke detectors to the public.	1,000,000	1,000,000	1,000,000	1,000,000
17. Michigan Saves. The Chair included \$1.0 million in one-time GF for grant program for clean energy improvement and on-site wastewater system replacement or repair.	1,000,000	1,000,000	1,000,000	1,000,000
18. Real Estate Continuing Education. The Chair included \$200,000 for grants to the Michigan Realtors Association to approve and track real estate continuing education.	200,000		200,000	0
<u>Other - NONE</u>				

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Total Changes	\$8,314,200	(\$1,066,400)
FY 2025-26 SENATE APPROPRIATIONS REC.	\$657,053,200	\$307,539,300

Date Completed: 5-6-25

Fiscal Analyst: Nathan Leaman

2025-

2025-

				Gov Changes to FY 2024-25			Senate Changes to FY 2024-25		
Item #	Budget Area/Line Items	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP		
15									
16									
17									
18									
19									
20									
21									
22									
23									
	Subtotal - One-Time	(1.0)	(14,250,000)	(12,000,000)	(1.0)	(11,050,000)	(10,000,000)		
	TOTAL LICENSING AND REGULATORY AFFAIRS	36.0	1,901,500	(7,066,400)	32.0	8,314,200	(1,066,400)		