

# FY 2025-26 LICENSING AND REGULATORY AFFAIRS BUDGET

S.B. 177 (S-2): SENATE-PASSED

(as passed by the Senate)

Committee: Appropriations

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

\*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
<b><u>Baseline Adjustments</u></b>					
<b>1. Federal Energy Code and Benchmarking Grants.</b> 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
<b>2. MOAHR Caseload Increases.</b> 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
<b>3. New Mortuary Science Licensing Types.</b> 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
<b>4. Elevator Inspectors.</b> The Chair increased 8.0 FTEs with no additional authority to allow the hiring of additional inspectors.		0	0	0	0
<b>5. Residential Builders.</b> 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
<b>6. Economic Adjustments.</b> Includes \$4,377,600 Gross and \$747,600 GF/GP for total economic adjustments.		4,377,600	747,600		
<b><u>New Programs/Program Increases</u></b>					
<b>7. Michigan Saves.</b> 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
<b>8. Protecting Nursing Home Residents – Complaint Investigations.</b> 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
<b>9. Mobile Home Park Database.</b> 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
<b>10. Protecting Nursing Home Residents – Complaint Intake.</b> 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
<b>11. Homes for the Aged – Staffing Support.</b> 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
<b>12. Increased Transparency for Existing MIDC Standards.</b> 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
<b>13. Cannabis Regulatory Agency Staffing Increase.</b> 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
<b><u>Eliminations/Reductions - NONE</u></b>				
<b><u>One-Time Appropriations</u></b>				
<b>14. FY 2024-25 One-Time Appropriations Removal.</b> 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
<b>15. Cannabis Social Equity Program.</b> 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
<b>16. Smoke Detectors.</b> 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
<b>17. Michigan Saves.</b> 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
<b>18. Real Estate Continuing Education.</b> 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
<b><u>Other - NONE</u></b>				

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Total Changes .....	\$8,314,200	(\$1,066,400)
<b>FY 2025-26 SENATE-PASSED.....</b>	<b>\$657,053,200</b>	<b>\$307,539,300</b>

Date Completed: 5-13-25

Fiscal Analyst: Nathan Leamann

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
<b>DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS</b>							
<b><u>Ongoing Changes</u></b>							
1	Federal energy code and benchmarking grants	0.0	4,109,100	0	0.0	4,109,100	0
2	Nursing home complaint investigations	7.0	2,400,000	2,400,000	7.0	2,400,000	2,400,000
3	LARA interdepartmental grant adjustments - MOAHR caseloads	0.0	2,234,600	0	0.0	2,234,600	0
4	MIDC increasing transparency for standards	4.0	769,100	769,100	4.0	769,100	769,100
5	Homes for the Aged staffing support	3.0	700,000	700,000	3.0	700,000	700,000
6	Compliance and Risk Mgmt oversight	3.0	490,000	0	0.0	0	0
7	Nursing home complaint intake	2.0	316,900	316,900	2.0	316,900	316,900
8	New mortuary science licensing types	2.0	305,700	0	2.0	305,700	0
9	Liquor Control oversight	2.0	297,300	0	0.0	0	0
10	CRA staffing increase	1.0	151,200	0	1.0	151,200	0
11	Elevator inspectors	8.0	0	0	8.0	0	0
12	Residential builders	5.0	0	0	5.0	0	0
13	CSB technical	0.0	0	0	0.0	0	0
14	Michigan Saves	0.0	0	0	0.0	3,500,000	3,500,000
15	Mobile Home Park	0.0	0	0	1.0	500,000	500,000
16							
17							
18							
19							
20							
21							
22	Unclassified salaries		89,700	1,100		89,700	1,100
23	Economic adjustments		4,287,900	746,500		4,287,900	746,500
<b>Subtotal - Ongoing</b>		<b>37.0</b>	<b>16,151,500</b>	<b>4,933,600</b>	<b>33.0</b>	<b>19,364,200</b>	<b>8,933,600</b>
<b><u>One-Time Changes</u></b>							
1	Remove FY25 one-time appropriations	(1.0)	(14,250,000)	(12,000,000)	(1.0)	(14,250,000)	(12,000,000)
2	Smoke Detectors					1,000,000	1,000,000
3	Cannabis Social Equity Program					1,000,000	0
4	Michigan Saves					1,000,000	1,000,000
5	Real Estate Continuing Education					200,000	0
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