

FY 2024-25: LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Article 10, Senate Bill 747 (S-1) CR-1



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	FY 2023-24 Enacted as of 2/7/24	FY 2024-25 Executive	FY 2024-25 House	FY 2024-25 Senate	FY 2024-25 Conference	Difference: Conference From FY 2023-24 Enacted	
						Amount	%
IDG/IDT	\$46,897,200	\$27,682,800	\$27,682,800	\$27,682,800	\$27,682,800	(\$19,214,400)	(41.0)
Federal	50,004,200	30,471,300	30,471,300	30,471,300	30,471,300	(19,532,900)	(39.1)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	259,708,400	280,707,400	277,507,400	286,707,400	281,979,200	22,270,800	8.6
GF/GP	271,331,100	296,605,700	300,805,700	296,450,700	308,605,700	37,274,600	13.7
Gross	\$627,940,900	\$635,467,200	\$636,467,200	\$641,312,200	\$648,739,000	\$20,798,100	3.3
FTEs	1,893.9	1,818.0	1,816.0	1,818.0	1,821.0	(72.9)	(3.8)

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and cannabis. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2023-24 Enacted Appropriations

1. Michigan Indigent Defense Commission (MIDC) Grants

Executive includes \$37.4 million GF/GP to support grant distributions to district and circuit court funding units to fund the state's projected share of FY 2024-25 costs associated with MIDC standards 1-8 and the indigency standard. Of the total, \$24.6 million is included for compliance with standards 1, 2, 3, 4, 5, and 8, which pertain to the education and training of defense counsel, timing and location of attorney-client interviews, defense investigations and experts, presence of counsel at first appearance and other trial stages, independence of indigent criminal defense services from the judiciary, and attorney compensation, contracting, and payments; \$12.9 million is included for costs incurred for compliance with MIDC standards 6 and 7, which pertain to indigent defense workloads and attorney qualification and review. House, Senate, and Conference concur.

	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
Gross	\$220,917,400	\$37,427,900
Restricted	300,000	0
GF/GP	\$220,617,400	\$37,427,900

2. Executive Order 2023-6 Implementation

Executive reflects the removal of \$25.6 million Gross (\$4.4 million GF/GP) and 147.0 FTE positions to effectuate the reorganization of various childcare and educational functions within the Department of Lifelong Education, Advancement, and Potential, required under EO 2023-6. This adjustment would result in the complete removal of functions related to childcare and camps licensing from LARA. House, Senate, and Conference concur.

FTE	NA	(147.0)
Gross	NA	(\$25,586,500)
IDG/IDT	NA	(20,653,100)
Restricted	NA	(544,600)
GF/GP	NA	(\$4,388,800)

	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
Major Budget Changes from FY 2023-24 Enacted Appropriations		
3. Renewable Energy and Electrification Infrastructure Enhancement and Development	FTE	2.0 (2.0)
	Gross	\$21,300,000 (\$21,300,000)
(a) <u>Executive</u> removes \$21.3 million Gross (\$20.0 million one-time Coronavirus State Fiscal Recovery Fund; \$1.3 million one-time GF/GP) included in the FY 2023-24 budget for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	20,000,000 (20,000,000)
	GF/GP	\$1,300,000 (\$1,300,000)
(b) <u>House</u> includes \$500,000 GF/GP (one-time) and authorization for 1.0 FTE for FY 2024-25 grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects. <u>House</u> also includes boilerplate section 1004, which directs the department to expend \$5.0 million of unexpended work project appropriations for this purpose. <u>Senate</u> does not include. <u>Conference</u> includes \$5.0 million GF/GP (one-time) and authorization for 1.0 FTE position for FY 2024-25 grants to businesses, nonprofit organizations, and units of local and state government for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects, which include renewable natural gas facilities and electric vehicle fast-charging infrastructure on publicly owned land within 1/2 mile of a U.S. highway or state trunkline roadway. From the gross funding total, \$125,000 is provided for the Public Service Commission to administer the grant program.	FTE	0.0 1.0
	Gross	\$0 \$5,000,000
	GF/GP	\$0 \$5,000,000
4. Clean Energy Implementation	FTE	NA 31.0
<u>Executive</u> includes \$5.8 million of state restricted funding authorization from Public Utility Assessments and authorization for 31.0 FTE positions to support the implementation and administration of responsibilities under 2023 PAs 229, 231, 233, 234, and 235, colloquially referred to as the "clean energy package". Funding would be utilized to support staffing costs within the Public Service Commission (PSC), Michigan Office of Administrative Hearings and Rules, and Administrative Services line items. Departmental responsibilities under the acts include reviewing renewable energy plans, expanding reviews of Integrated Resource Plan and Energy Waste Reduction filings, and PSC oversight of renewable energy facility siting. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	NA \$5,822,700
	Restricted	NA 5,822,700
	GF/GP	NA \$0
5. Michigan Saves	Gross	\$5,500,000 (\$5,500,000)
(a) <u>Executive</u> removes \$5.5 million GF/GP (one-time) that was included in the FY 2023-24 budget for Michigan Saves, a non-profit green bank. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$5,500,000 (\$5,500,000)
(b) <u>House</u> includes \$5.0 million GF/GP (one-time) for Michigan Saves for FY 2024-25. <u>Senate</u> includes \$4.0 million GF/GP (ongoing) for this purpose. <u>Conference</u> includes \$5.0 million GF/GP (one-time) for this purpose. Funding would be used to offer credit enhancement tools intended to incentivize lending at lower rates and under better terms for clean energy improvement and on-site wastewater system replacement and repair loans to commercial and residential entities.	Gross	\$0 \$5,000,000
	GF/GP	\$0 \$5,000,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
6. Elevator Inspections	FTE	NA	10.0
<u>Executive</u> includes \$4.4 million of state restricted funding authorization from Elevator Fees and authorization for 10.0 FTE positions to hire additional elevator inspectors within the Bureau of Construction Codes to address significant inspection backlogs. Additional funding is available because of administrative rule changes that increased certain elevator fees effective June 2023. <u>House</u> includes \$2.2 million of state restricted funding authorization and authorization for 5.0 FTE positions for this purpose. <u>Senate</u> and <u>Conference</u> concur with Executive.	Gross	NA	\$4,400,000
	Restricted	NA	4,400,000
	GF/GP	NA	\$0
7. Cannabis Regulatory Agency (CRA)	FTE	173.0	9.0
<u>Executive</u> includes \$3.4 million of additional state restricted funding authorization from marijuana funds and authorization for 9.0 FTEs to hire additional CRA staff and to support the statewide marijuana monitoring system, which tracks marijuana inventory and sales. Approximately \$2.0 million of the increase would be allocated for costs associated with the monitoring system; this increase would allow for the elimination of monthly user license fees which currently support the system. The remaining \$1.4 million would be allocated for increased staffing. Additional staff would include 4.0 positions within the Legal Section, 2.0 positions within the License Maintenance Section, 1.0 auditor within the Financial Compliance Section, and 2.0 fire inspectors. <u>House</u> includes \$1.4 million in additional state restricted funding authorization and FTE authorization for additional staff but does not include funding for the statewide marijuana monitoring system. <u>Senate</u> and <u>Conference</u> concur with Executive.	Gross	\$28,004,600	\$3,448,500
	Restricted	28,004,600	3,448,500
	GF/GP	\$0	\$0
8. Cannabis Regulatory Agency – Attorney General	Gross	NA	\$2,049,600
<u>Executive</u> includes \$2.0 million of state restricted funding authorization from marijuana funds to support costs incurred by the Department of Attorney General for increased enforcement activities conducted in the cannabis sector. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	NA	2,049,600
	GF/GP	NA	\$0
9. Nursing Home Surveys and Investigations	FTE	NA	12.0
<u>Executive</u> includes \$1.9 million GF/GP and authorization for 12.0 FTE positions to hire additional staff to offset increased workloads associated with health and long-term care facilities and to conduct surveys and investigations of nursing homes. The increased staffing would assist with federal performance measure compliance. <u>House</u> concurs with Executive. <u>Senate</u> includes \$1.7 million of state restricted funding authorization from Health Systems Fees and authorization for 12.0 FTE positions for this purpose. <u>Conference</u> concurs with Executive.	Gross	NA	\$1,855,000
	GF/GP	NA	\$1,855,000
10. Bureau of Professional Licensing (BPL) Authorization Increase	FTE	202.0	0.0
<u>Executive</u> includes an additional \$1.5 million of state restricted funding authorization from 4 separate funds for the BPL line item. This authorization increase would allow LARA to properly align staff with the relevant fund to support the specific work being completed. This alignment would assist the department with auditing and would prevent expenditures from funds with insufficient revenue. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$40,966,500	\$1,500,000
	Restricted	40,587,800	1,500,000
	GF/GP	\$378,700	\$0
11. Bureau of Construction Codes (BCC) Authorization Increase	FTE	172.0	2.0
<u>Executive</u> includes \$1.5 million of state restricted funding authorization from the Construction Code Fund and authorization for 2.0 FTE positions to hire additional regulation agents within the BCC to address a backlog of builder-related complaints. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$26,634,900	\$1,486,300
	Restricted	25,335,600	1,486,300
	GF/GP	\$1,299,300	\$0

Major Budget Changes from FY 2023-24 Enacted Appropriations		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change	
12. Utility Consumer Representation		Gross	\$850,000	\$1,250,000
<u>Executive</u> includes an additional \$1.3 million in state restricted funding authorization from the Utility Consumer Representation Fund for Utility Consumer Representation to reflect base contribution adjustments that were made via 2023 PA 231. These adjustments increase the amount available from the fund. The increase would bring total funding for Utility Consumer Representation to \$2.1 million, which supports grants administered by the Utility Consumer Participation Board and awarded to nonprofit organizations and local units of government (upon application and approval) for representation and advancement of residential utility customers' interests in administrative and judicial proceedings. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	850,000	1,250,000
		GF/GP	\$0	\$0
13. Medication Aide Program Implementation		FTE	NA	7.0
<u>Executive</u> includes \$1.1 million of state restricted funding authorization from the Nurse Aide and Medication Aide Registration Fund and authorization for 7.0 FTE positions to hire additional staff to administer medication aide training and certification requirements created by 2023 PA 273. Funding would also be used to develop and implement a medication aide training curriculum, testing requirements, and to improve regulatory compliance. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Gross	NA	\$1,062,200
		Restricted	NA	1,062,200
		GF/GP	NA	\$0
14. PSC 5-Year Energy Waste Reduction and Demand Response Study		Gross	\$0	\$1,000,000
<u>Executive</u> includes \$1.0 million of state restricted funding authorization to support consulting services that would be necessary for PSC to fulfill a requirement for 5-year studies on statewide energy waste reduction and demand response potential. The requirement for studies is established within 2016 PA 341. <u>House</u> concurs but designates the funding as one-time. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs but designates the funding as one-time.		Restricted	0	1,000,000
		GF/GP	\$0	\$0
15. Sign Language Qualified Interpreters		Gross	NA	\$800,000
<u>Executive</u> includes \$800,000 GF/GP to support the Qualified Interpreter Program (QIP) within the Bureau of Community and Health Systems. The QIP is responsible for certifying, credentialing, and endorsing qualified American Sign Language (ASL) interpreters. The funding would support 3.0 new full-time staff positions, updates to database systems, and evaluation of testing methodologies for ASL interpreters. <u>House</u> does not include. <u>Senate</u> includes \$800,000 of state restricted funding authorization from Health Systems Fees for this purpose. <u>Conference</u> concurs with Executive.		GF/GP	NA	\$800,000
16. PSC Authorization Increase		FTE	195.0	0.0
<u>Executive</u> includes \$562,600 of additional state restricted funding authorization from Public Utility Assessments to allow the PSC to hire personnel to fill currently vacant FTE positions. The FTEs would assist with the PSC's call center and customer outreach activities. PSC activity levels are expected to increase due to statutory changes and new programs that the PSC is responsible for implementing and administering, including changes made under the clean energy package and a FY 2023-24 grant program. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Gross	\$34,941,000	\$562,600
		Federal	3,078,600	0
		Restricted	31,862,400	562,600
		GF/GP	\$0	\$0

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
17. Corporations, Securities, and Commercial Licensing Bureau (CSCLB) Authorization Increase	FTE	109.0	0.0
	Gross	\$15,854,400	\$550,000
<u>Executive</u> includes an additional \$550,000 of state restricted funding authorization from Corporation Fees to allow the CSCLB to fill vacant FTE positions and to reinstate senior-level positions. These positions would be used to address increased work volumes resulting from growth in the number of active business entities regulated by the CSCLB. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	15,854,400	550,000
	GF/GP	\$0	\$0
18. Regulatory Effectiveness Office	Gross	\$0	\$400,000
<u>Executive</u> includes \$400,000 of additional state restricted funding authorization from 6 fund sources to support the creation of a Regulatory Effectiveness Office within the department. This office would provide educational outreach and consultation to licensees and stakeholders, consolidate educational resources, and promote careers in the professions that LARA regulates. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	0	400,000
	GF/GP	\$0	\$0
19. Michigan Office of Administrative Hearings and Rules IDG Increase	FTE	194.0	0.0
	Gross	\$38,840,500	\$385,000
<u>Executive</u> includes a \$385,000 increase from IDG/IDT authorization for the MOAHR line item to reflect an increased IDG amount from the Michigan Department of Corrections (MDOC) for administrative hearings administered on behalf of MDOC. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG/IDT	26,671,100	385,000
	Restricted	11,478,700	0
	GF/GP	\$690,700	\$0
20. PSC IT Systems	Gross	NA	\$261,000
<u>Executive</u> includes \$261,000 of additional state restricted funding authorization from Public Utility Assessments to support the gas safety data management system and the geospatial data system, which are both utilized by the PSC. The gas safety data management system contains thousands of records and supports numerous programs within PSC's Gas Safety and Operations Division through tracking, monitoring and report generation functionalities. Funding for the geospatial data system would be used to expand current energy system geospatial data collection. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	NA	261,000
	GF/GP	NA	\$0
21. Bureau of Fire Services – Smoke Detectors	Gross	\$1,000,000	(\$1,000,000)
(a) <u>Executive</u> removes \$1.0 million GF/GP (one-time) that was included in the FY 2023-24 budget for the Bureau of Fire Services to purchase and distribute smoke detectors to residents of this state. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$1,000,000	(\$1,000,000)
(b) <u>House</u> includes \$250,000 GF/GP (one-time) for this purpose in FY 2024-25. <u>Senate</u> includes \$1.0 million of state restricted funding authorization from Corporation Fees for this purpose. <u>Conference</u> includes \$1.0 million GF/GP (one-time) for this purpose.	Gross	\$0	\$1,000,000
	GF/GP	\$0	\$1,000,000
22. Health Professions Implicit Bias Study	Gross	\$0	\$250,000
<u>Executive</u> includes \$250,000 of state restricted funding authorization from the Health Professions Regulatory Fund (one-time) to allow LARA to collaborate with an external research entity to evaluate the effect of required implicit bias training for health professionals on access to and delivery of health care services. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	0	250,000
	GF/GP	\$0	\$0
23. MIDC Limited-Term Staff	FTE	NA	0.0
<u>House</u> includes \$250,000 GF/GP (one-time) to allow the MIDC to hire limited-term staff or to contract with an external vendor to conduct financial examinations into how MIDC grants awards are used by grant recipients. <u>Senate</u> and <u>Conference</u> do not include.	Gross	NA	\$0
	GF/GP	NA	\$0

Major Budget Changes from FY 2023-24 Enacted Appropriations		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
24. IT Software Licensing		Gross	NA
<u>Executive</u> includes an additional \$100,000 of state restricted funding authorization from 3 fund sources to support the department's share of a contract increase with the Microsoft corporation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	NA
		GF/GP	NA
			\$100,000
			100,000
			\$0
25. FTE Authorization Increases		FTE	234.9
<u>Executive</u> increases authorization in the Bureau of Fire Services (BFS) and Bureau of Survey and Certification (BSC) line items by 2.1 FTE positions. The additional authorization for the BFS would be utilized to fill an IT specialist position to work on geographic information systems and a departmental analyst position to coordinate external events and control inventory. The 0.1 FTE position for the BSC would allow the department to maximize the use of a fractional FTE position that is currently appropriated. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			2.1
26. Cannabis Regulatory Agency Social Equity Program		Gross	\$1,000,000
(a) <u>Executive</u> removes \$1.0 million of state restricted funding authorization (one-time) from the Marijuana Regulation Fund (adult-use) included in the FY 2023-24 budget to support the CRA's Social Equity Program, which promotes participation in the cannabis sector by people from communities that have been disproportionately impacted by marijuana prohibition and enforcement. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	1,000,000
		GF/GP	\$0
			(\$1,000,000)
			(1,000,000)
			\$0
(b) <u>Senate</u> and <u>Conference</u> include \$1.0 million of state restricted funding authorization (one-time) from the Marijuana Regulation Fund (adult-use) for this purpose in the FY 2024-25 budget.		Gross	\$0
		Restricted	0
		GF/GP	\$0
			\$1,000,000
			1,000,000
			\$0
27. Juvenile Indigent Defense Grants		Gross	\$0
<u>Conference</u> includes \$1.0 million GF/GP (one-time) to provide a grant to the University of Michigan law school for the purpose of providing financial assistance to unrepresented juvenile defendants who are charged with a felony offense, so that the defendants can secure competent legal counsel.		GF/GP	\$0
			\$1,000,000
			\$1,000,000
28. Fire Safety Inspectors		Gross	NA
<u>Conference</u> includes \$271,800 of state restricted funding authorization from Fire Services Fees and authorization for 2.0 FTEs to hire additional fire safety inspectors to address growing childcare licensing volumes.		Restricted	NA
		GF/GP	NA
			\$271,800
			271,800
			\$0
29. Technical Adjustments		FTE	NA
<u>Executive</u> includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to reflect employee counts more accurately and to align funding authorization with revenue received and department operations and activities. Also includes the consolidation of 2 separate line items that support Michigan Liquor Control Commission activities into a single line item. <u>House</u> concurs in part, but does not include consolidation of Michigan Liquor Control Commission lines. Additionally, the House replaces \$1.0 million GF/GP with state restricted funding authorization from the Health Professions Regulatory Fund. <u>Senate</u> concurs with the Executive and replaces a total of \$1.5 million GF/GP with state restricted funding authorization in the Bureau of Community and Health Systems and the Bureau of Construction Codes line items. <u>Conference</u> concurs with Executive in part, but does not include consolidation of Michigan Liquor Control Commission lines.		Gross	NA
		Restricted	NA
		GF/GP	NA
			\$0
			0
			\$0

<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>		<u>FY 2023-24 Enacted (as of 2/7/24)</u>	<u>FY 2024-25 Conference Change</u>
30. Removal of FY 2023-24 One-Time Appropriations	Gross	\$9,050,000	(\$9,050,000)
<u>Executive</u> removes \$9.1 million Gross (\$3.6 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:	Restricted	5,500,000	(5,500,000)
	GF/GP	\$3,550,000	(\$3,550,000)

- Bureau of Survey and Certification (\$1.2 million Gross)
 - CRA Reference Laboratory (\$2.8 million Gross)
 - Child Care Licensing Bureau Background Check Program (\$200,000 Gross)
 - Corporations Online Filing Modernization (\$2.7 million Gross)
 - Premanufactured Unit Plan Review Upgrades (\$350,000 Gross)
 - Utility Consumer Representation Grants (\$1.8 million Gross)
- House and Senate concur.

31. Economic Adjustments	Gross	NA	\$6,352,000
<u>Executive</u> reflects increased costs of \$6.4 million Gross (\$930,500 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG/IDT	NA	1,053,700
	Federal	NA	467,100
	Restricted	NA	3,900,700
	GF/GP	NA	\$930,500

Major Boilerplate Changes from FY 2023-24

Note: Boilerplate throughout the bill was revised to include non-substantive technical changes agreed to by the House, the Senate, and the Legislative Service Bureau. Boilerplate section numbers listed in this document are section numbers as they appear in the conference report.

Sec. 206. Communication With the Legislature – RETAINED

Prohibits LARA from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. House, Senate, and Conference retain.

Sec. 208. Hiring of External Legal Counsel – RETAINED

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services authorized by attorney general. Executive and House retain. Senate revises to include stylistic changes and to allow the Department of Attorney General to assess penalties for late payments for legal services provided to LARA. Conference retains.

Sec. 211. Transparency Website – RETAINED

Requires LARA to cooperate with DTMB to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Executive deletes. House, Senate, and Conference retain.

Sec. 212. State Restricted Funds Report – RETAINED

Requires LARA to work with SBO to report on estimated restricted fund revenues, expenditures, and balances for the previous two fiscal years. Executive deletes. House, Senate, and Conference retain.

Sec. 214. Department Website Information – DELETED

Requires LARA to maintain, on a publicly accessible website, information that identifies, tracks, and regularly updates key metrics used to monitor and improve department performance. Executive, House, Senate, and Conference delete.

Sec. 215. FTE Positions and Vacancies Reports – RETAINED

Requires LARA to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts. Executive revises to delete reporting on FTE volumes. House, Senate, and Conference retain.

Sec. 216. Retention of Reports – RETAINED

Requires LARA to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. House, Senate, and Conference retain.

Sec. 217. Report on Policy Changes for Public Act Implementation – RETAINED

Requires LARA to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House, Senate, and Conference retain.

Major Boilerplate Changes from FY 2023-24

Sec. 218. State Administrative Board Transfers – DELETED

Stipulates that the legislature may inter-transfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive, House, Senate, and Conference delete.

Sec. 218. Work Project Usage – RETAINED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. House, Senate, and Conference retain.

Sec. 221. Severance Pay Reporting – DELETED

Requires LARA to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of LARA employees receiving severance pay in FY 2022-23. Executive and House delete. Senate retains. Conference deletes.

Sec. 221. Private Grant Funded Projects – RETAINED

Authorizes appropriation of private grant revenues, subject to a limitation of \$4.0 million; requires report to subcommittees chairs within 10 days of receiving grants from private entities. Executive revises to eliminate the \$4.0 million cap. House, Senate, and Conference retain.

Sec. 222. In-Person Work – DELETED

Expresses legislative intent that LARA maximize the efficiency of the state workforce and prioritize in-person work where possible, and post its in-person, remote, or hybrid work policy on its website. Executive deletes. House retains. Senate and Conference delete.

Sec. 222. Informational, Training, and Special Events Revenue and Expenditures – RETAINED

Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$1.0 million. Executive revises to eliminate the \$1.0 million cap. House, Senate, and Conference retain.

Sec. 226. Grants Transparency – NEW

Provides process requirements for grants or projects awarded to single recipient organizations or local governments. Executive and House do not include. Senate and Conference include new language.

Sec. 227. State Fiscal Recovery Fund (SFRF) – NEW

Requires the state budget director to ensure that all SFRF revenue is expended by December 31, 2026; authorizes the state budget director to reallocate appropriated funds for the purpose of fully expending the funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires the state budget director to notify the appropriations committees of reallocations made; authorizes the state budget director and state departments to make accounting transactions necessary to implement reallocation. Executive, House, and Senate do not include. Conference includes new language.

Sec. 231. Employee Performance Monitoring Process – DELETED

Expresses legislative intent that LARA establish a consistent employee performance monitoring process; requires report on planned or implemented changes to that process and the number of evaluations performed. Executive deletes. House retains. Senate and Conference delete.

Sec. 232. Television and Radio Production Expenditure Report – DELETED

Requires LARA to report any expenditure of funds to a third-party vendor for television or radio productions; delineates information to be included. Executive deletes. House retains. Senate and Conference delete.

Sec. 302. Public Service Commission Hearings – REVISED

Requires the PSC to conduct at least 1 public hearing in each of the 4 judicial districts described under section 302 of the Revised Judicature Act; requires any hearing conducted within district 4 to be conducted outside of Ingham County; requires the hearing to be conducted in Grand Rapids or Detroit for their respective district. Executive deletes. House retains. Senate revises to require a report detailing the results of the public hearings. Conference revises to eliminate the requirements connected to the Revised Judicature Act and Ingham County, instead requiring that 4 public hearings be conducted in Michigan, with one each in Detroit and Grand Rapids; includes a new reporting requirement regarding the outcomes of the 4 public hearings.

Major Boilerplate Changes from FY 2023-24

Sec. 401. Investigation of Direct Shipments of Wine and Report – REVISED

Requires MLCC to use funds appropriated from Direct Shipper Enforcement Fund, as required under Section 203(11) of the Michigan Liquor Control Code, 1998 PA 58, to investigate illegal direct shipments of wine; requires notice to be sent to entities found to have illegally shipped wine into the state; requires MLCC to submit report detailing activities to investigate illegal shipping of wine. Executive revises to delete language prioritizing enforcement on unlicensed out of state retailers and third-party marketers, to delete requirement for referral of unlicensed out of state retailers and third-party marketers to the attorney general, to delete items in the report, and to delete language requiring notice to out of state entities that illegally shipped wine into Michigan. House retains. Senate concurs with Executive's revisions and includes other stylistic changes. Conference revises to eliminate certain reporting metrics and to align requirements.

Sec. 507. Elevator Inspectors' Compensation – DELETED

Expresses intent of the legislature that at least \$900,000 be used by the BCC to cooperate with the Office of the State Employer, relevant collective bargaining units, and other stakeholders to increase compensation rates for elevator inspectors employed by LARA. Executive, House, Senate, and Conference delete.

Sec. 507. Carnival-Amusement and Ski Area Safety Inspections – REVISED

Stipulates that at least \$900,000 of the Bureau of Construction Codes appropriation must be allocated for additional inspections and enforcement activities for the Carnival-Amusement Safety Act of 1966 and the Ski Area Safety Act of 1962. Executive revises to remove the \$900,000 floor. House retains. Senate revises to remove the \$900,000 floor and to require a report on carnival-amusement and ski area safety expenditures. Conference revises to require a report on carnival-amusement and ski area safety expenditures.

Sec. 508. Skilled Trades Inspectors' Compensation Market Analysis – DELETED

Allows LARA to cooperate with the Office of the State Employer, relevant collective bargaining units, and other stakeholders to conduct a market analysis of compensation rates for skilled trades inspectors employed by LARA, to identify any disparity in compensation between LARA-employed inspectors and inspectors employed by other governmental entities and in the private sector. Executive, House, Senate, and Conference delete.

Sec. 508. Homeowner Construction Lien Recovery Fund – RETAINED

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payments of court-ordered construction lien judgments entered prior to August 23, 2010. Executive and House retain. Senate revises to require a report on payments made from the fund in the previous fiscal year. Conference retains.

Sec. 510. Bureau of Survey and Certification Report – NEW

Requires LARA to report on Bureau of Survey and Certification activities, including surveys and investigations of nursing homes. Executive and House do not include. Senate and Conference include new language.

Sec. 511. Premanufactured Unit Plan Review Report – NEW

Requires biannual reports from the Bureau of Construction Codes providing metrics related to premanufactured unit plan submissions and reviews. Executive and House do not include. Senate and Conference include new language.

Sec. 604. Cannabis Regulatory Agency METRC System – NOT INCLUDED

Prohibits CRA appropriations from being used to offset user fees assessed for the METRC statewide marijuana tracking system. Executive does not include. House includes new language. Senate and Conference do not include.

Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs – RETAINED

Requires MIDC to submit report on incremental costs associated with standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense. Executive deletes. House retains. Senate deletes. Conference retains.

Sec. 803. Michigan Indigent Defense Commission Report on Standards Costs – RETAINED

Requires MIDC to submit a report explaining the total cost calculation for each indigent defense standard, including a comprehensive itemization of costs included for each standard, a listing of how much funding each grant recipient is receiving for each standard, and an explanation of factors associated with any increase or decrease in MIDC grant funding from the FY 23-24 level. Executive and House retain. Senate revises to require biannual reporting and more detailed information. Conference retains.

Sec. 804. Michigan Indigent Defense Commission Adopted Standard Report – REVISED

Requires MIDC to provide notification within 7 days after the adoption of any new indigent defense standard; requires notification to include an estimated cost projection for funding the adopted standard. Executive revises to extend notification deadline from 7 days to 60 days. House revises to extend notification deadline from 7 days to 30 days. Senate retains current law. Conference revises to extend notification deadline from 7 days to 60 days.

Major Boilerplate Changes from FY 2023-24

Sec. 805. Michigan Indigent Defense Commission Work Projects General Fund Lapse – NOT INCLUDED

Stipulates legislative intent that the State Budget Director lapse FY 2019-20 and FY 2020-21 Michigan Indigent Commission Grants work projects to the general fund. Executive and House do not include. Senate includes new language. Conference does not include.

Sec. 806. Michigan Indigent Defense Commission Work Projects Deposit – NOT INCLUDED

Deposits unobligated balances from FY 2021-22 and FY 2022-23 Michigan Indigent Defense Commission Grants work projects into the Michigan Indigent Defense Fund. Executive and House do not include. Senate includes new language. Conference does not include.

Sec. 807. Michigan Indigent Defense Fund – NOT INCLUDED

Allows LARA to request legislative transfers from the Michigan Indigent Defense Fund to supplement FY 2024-25 costs that exceed appropriations; stipulates legislative intent to amend the Michigan Indigent Defense Commission Act to prevent funds in the Michigan Indigent Defense Fund from lapsing at the end of the fiscal year. Executive and House do not include. Senate includes new language. Conference does not include.

Sec. 1001. Bureau of Fire Services – Smoke Detectors – RETAINED

Requires BFS to purchase and distribute sealed-battery smoke detectors to Michigan residents and allows BFS to purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology; requires report on number of smoke detectors purchased, per-unit price, listing of all local units that received smoke detectors, and number distributed. Executive deletes. House, Senate, and Conference retain.

Sec. 1002. Cannabis Regulatory Agency Social Equity Program – RETAINED

Lists the following goals that are to be pursued using social equity program one-time funds: encourage and increase participation in the social equity program, with particular focus on individuals from communities that have been disproportionately impacted by marijuana prohibition and enforcement; establish a minimum number of licensees that are participating in the program; consider the median income in designating disproportionately impacted communities. Executive and House delete. Senate and Conference retain.

Sec. 1002. MIDC Limited-Term Employees – NOT INCLUDED

Requires MIDC to hire limited-term employees or to contract with an external vendor to conduct financial examinations into how MIDC grants are used by grant recipients; requires reporting regarding how the funds are expended. Executive does not include. House includes new language. Senate and Conference do not include.

Sec. 1003. Juvenile Indigent Defense Grants – NEW

Requires funding to be provided as a grant to the University of Michigan Law School to provide financial assistance to unrepresented juvenile defendants, or their legal guardians, who are charged with a felony offense so the defendants can secure competent legal counsel; designates unexpended funding as a work project appropriation. Executive, House, and Senate do not include. Conference includes new language.

Sec. 1004. Premanufactured Unit Plan Review Upgrades – DELETED

Requires that the Bureau of Construction Codes utilize appropriated funds to decrease the average length of time to process and review premanufactured unit plan submissions; requires biannual reports with metrics related to premanufactured unit plan submissions and reviews. Executive and House delete. Senate revises current law to delete language related to utilization of funds but retains the reporting requirement. Conference deletes.

Sec. 1004. Michigan Saves Appropriation Use – REVISED

Allows PSC to award a \$5.5 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument. Executive deletes. House revises to reflect \$5.0 million grant amount and to expand allowable purposes to include on-site wastewater system replacements or repairs. Senate revises to reflect \$4.0 million grant amount and to require reporting on the use of Michigan Saves funding. Conference revises to reflect \$5.0 million grant amount; expand allowable purposes to include on-site wastewater system replacements or repairs; and limit loan recipients to families, small businesses, and microbusinesses.

Sec. 1004. Re-Appropriation of Unexpended Work Project Appropriations – NOT INCLUDED

Directs LARA to expend \$5.0 million of unexpended work project appropriations on Renewable Energy and Electrification Infrastructure Enhancement and Development; provides work project authorization to the new authorized use. Executive does not include. House includes new language. Senate and Conference do not include.

Major Boilerplate Changes from FY 2023-24

Sec. 1005. Renewable Energy and Electrification Infrastructure Enhancement and Development – REVISED

(1) Requires funding to be expended, aside from administration, only for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects; (2) requires 25% of the total amount of funding for grants awarded for electric vehicle fast-charging infrastructure to be allocated for infrastructure that provides charging at a power level of 350 kW or less and 75% of the total to be allocated for infrastructure that provides charging at a power level of at least 350 kW; (3) requires PSC to develop guidelines and implement a grant application process within 6 months and requires prioritization for grants that meet the goals of the MI Healthy Climate Plan; (4) requires grant applicants to perform an impact study that provides sufficient detail to allow the proposed project to be evaluated; (5) establishes further requirements for grant applicants for renewable natural gas infrastructure projects; (6) provides a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; (7) requires PSC to award grants to applicants who have met the grant criteria; (8) requires grant recipients to report to PSC on how the money was used within 30 days after a project's completion; (9) designates unexpended funding as a work project appropriation; (10) prohibits grant funding from being used to expand the use of conventional natural gas; (11) allows the PSC to expend up to \$500,000 for administration expenses; (12) defines "renewable energy and electrification infrastructure projects" and "renewable natural gas". Executive deletes. House revises to update work project information in item (9), reduce the allowable expenditure for administration under item (11) to \$125,000, and revise the definitions in item (12) so that "renewable energy and electrification infrastructure projects" would include fast-charging infrastructure upgrades on publicly owned land within 1,000 feet of a U.S. highway or state trunkline roadway and so "renewable natural gas" would include septage feedstock. Senate deletes. Conference revises to allow units of state government to qualify for the grants under item (1); prioritize that grants for electric vehicle fast-charging infrastructure should be awarded with a goal of distributing 50% for charging ports that provide charging a power level of at least 200 kW and 50% for charging ports that provide charging at a power level of at least 350 kW; require under item (7) that grants be awarded on a competitive basis with priority given to applicants in a distressed area; delete item (9); reduce the allowable expenditure for administration under item (11) to \$125,000; and revise the definitions in item (12) so that "renewable energy and electrification infrastructure projects" would include fast-charging infrastructure upgrades on publicly owned land within 1/2 mile of a U.S. highway or state trunkline roadway and so "renewable natural gas" would include septage feedstock.

FY 2023-24 Supplemental Appropriation Items
Article 16, Senate Bill 747 (S-1) CR-1

1. Employee Lump Sum Payments

Includes \$511,200 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.

Appropriation
Change

Gross	\$511,200
GF/GP	\$511,200