

FY 2025-26 LICENSING AND REGULATORY AFFAIRS BUDGET

H.B. 4706 (P.A. 22 of 2025): INITIAL APPROPRIATIONS

Article 10



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 INITIAL APPROPRIATIONS	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,791.0	1,813.0	22.0	1.2
GROSS	654,192,600	626,006,900	(28,185,700)	(4.3)
Less:				
Interdepartmental Grants Received	27,682,800	30,192,600	2,509,800	9.1
ADJUSTED GROSS	626,509,800	595,814,300	(30,695,500)	(4.9)
Less:				
Federal Funds	33,524,900	30,369,700	(3,155,200)	(9.4)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING	592,984,900	565,444,600	(27,540,300)	(4.6)
Less:				
Other State Restricted Funds.....	284,379,200	285,958,900	1,579,700	0.6
GENERAL FUND/GENERAL PURPOSE	308,605,700	279,485,700	(29,120,000)	(9.4)
PAYMENTS TO LOCALS	280,345,300	258,016,800	(22,328,500)	(8.0)

*As of October 7, 2025.

- Major Boilerplate Changes from FY 2024-25 Year-to-Date:**
- Deleted Sections.** The Conference deleted multiple sections, including 208 (Legal Services), 803 (MIDC Cost Calculation Report language was combined with 802), 804 (One-time Juvenile Indigent Defense Grants), 1005 (Renewable Energy Grants)
 - State Administrative Board.** The Conference included a new section allowing a concurrent resolution to inter-transfer funds within the department, if the State Administrative Board transfers funds from an amount appropriated (Sec. 214).
 - In-Person Work:** The Conference included a new section requiring the department to prioritize occupancy utilization of office space. (Sec. 220)
 - Energy Utility Rates Report.** The Conference included a new section requiring the MPSC to designate 1 FTE from existing allocation to assist consumers with utility issues. (Sec. 303)
 - Bureau of Fire Services Expenditures.** The Conference amended language to allow for inspection and review fees for Nursing Homes, Homes for the Aged, and Adult Foster Care Facilities. (Sec. 501)
 - False Fire Inspection Appointment Fee Assessments.** The Conference modified the fee assessed for responding to a second or subsequent confirmed false fire inspection appointment from \$800 to \$500. (Sec. 505)
 - Michigan Indigent Defense Commission.** The Conference included a new section declaring an intent of the legislature that MIDC funding be used to begin the statutory process of developing standards for the defense of juvenile indigent defendants. (Sec. 803)

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FY 2024-25 Year-to-Date Appropriation	\$654,192,600	\$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. MOAHR Caseload Increases. The Conference 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
2. New Mortuary Science Licensing Types. The Conference 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
3. Elevator Inspectors. The Conference increased 8.0 FTEs with no additional authority to allow the hiring of additional inspectors.	0	0	0	0
4. Residential Builders. The Conference 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
5. 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>				
6. Protecting Nursing Home Residents – Complaint Intake. The Conference included \$316,900 GF/GP and 2.0 FTEs to assist the public with questions and complaints related to nursing homes.	428,500	428,500	32,127,900	9,189,700
7. Homes for the Aged -- Staffing Support. The Conference increased \$700,00 GF/GP 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
<u>Eliminations/Reductions</u>				
8. MIDC Reduction. The Conference reduced \$22.3 million from the Michigan Indigent Defense Commission Grants.	(22,328,500)	(22,328,500)	236,016,800	235,716,800
9. Unfunded FTE Reduction. The Conference removed authorization for 22.0 unfunded and unfilled FTEs.	0	0		
<u>One-Time Appropriations</u>				

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
10. FY 2024-25 One-Time Appropriations Removal. The Conference 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
11. Removal of FY 2024-45 Supplemental Appropriations. PA 22 of 2025 included \$3.0 million in federal funding for energy benchmarking and \$2.4 million in	(5,453,600)	0		
12. Michigan Saves. The Conference included \$3.0 million in one-time GF for grants and loans for clean energy improvement and on-site wastewater system replacement or repair.	3,000,000	3,000,000	3,000,000	3,000,000
13. Urban Search and Rescue. The Conference moved to one-time \$1.0 million to support activities in response to emergencies and other situations that require technical expertise and equipment.	1,000,000	1,000,000	1,000,000	1,000,000
14. Smoke Detectors. The Conference 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
15. Cannabis Social Equity Program. The Conference included \$1.0 million from the Marihuana Regulation Fund for the CRA Social Equity Program.	1,000,000	0	1,000,000	1,000,000
16. Realtors Continuing Education. The Conference included \$400,000 for grants to the Michigan Realtors Association of CPAs for the tracking and approval of continuing education credits.	400,000	0	400,000	0
17. Accountants Continuing Education. The Conference included \$200,000 for grants to the Michigan Association of CPAs for the maintenance and operation of the continuing professional education tracker and web portal.	200,000	0	200,000	0
Other				
18. MIDC Shift. The Conference shifted from the MIDC Grants reduction to MIDC operations.	200,000	200,000	3,378,800	3,378,800
19. Bureau of Professional Licensing Shift. The Conference shifted \$384,000 from GF to RF.	0	(384,900)	42,847,800	0
20. Information and Technology Shift. The Conference shifted \$482,700 from GF to RF.	0	(482,700)	27,803,800	1,478,700

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
21. Urban Search and Rescue. The Conference moved to one-time \$1.0 million to support activities in response to emergencies and other situations that require technical expertise and equipment.	(1,000,000)	(1,000,000)		
Total Changes.....	(\$28,185,700)	(\$29,120,000)		
FY 2025-26 INITIAL APPROPRIATIONS	\$626,006,900	\$279,485,700		

Date Completed: 10-13-25

Fiscal Analyst: Nathan Leamann

2025-

Item #	Budget Area/Line Items	Gov Changes to FY 2024-25			House Changes to FY 2024-25			Senate Changes to FY 2024-25			Conference Changes to FY 2024-25		
		FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS													
Ongoing Changes													
1	Federal energy code and benchmarking grants	0.0	4,109,100	0	0.0	0	0	0.0	4,109,100	0	0.0	0	0
2	Nursing home complaint investigations	7.0	2,400,000	2,400,000	0.0	0	0	7.0	2,400,000	2,400,000	0.0	0	0
3	LARA interdepartmental grant adjustments - MOAHR caseload	0.0	2,234,600	0	0.0	0	0	0.0	2,234,600	0	0.0	2,234,600	0
4	MIDC increasing transparency for standards	4.0	769,100	769,100	0.0	0	0	4.0	769,100	769,100	0.0	0	0
5	Homes for the Aged staffing support	3.0	700,000	700,000	0.0	0	0	3.0	700,000	700,000	0.0	700,000	700,000
6	Compliance and Risk Mgmt oversight	3.0	490,000	0	0.0	0	0	0.0	0	0	0.0	0	0
7	Nursing home complaint intake	2.0	316,900	316,900	0.0	0	0	2.0	316,900	316,900	0.0	428,500	428,500
8	New mortuary science licensing types	2.0	305,700	0	0.0	0	0	2.0	305,700	0	2.0	305,700	0
9	Liquor Control oversight	2.0	297,300	0	0.0	0	0	0.0	0	0	0.0	0	0
10	Customer Service and Business Ethics Training				0.0	250,000	0	0.0	0	0	0.0	0	0
11	CRA staffing increase	1.0	151,200	0	0.0	0	0	1.0	151,200	0	0.0	0	0
12	Elevator inspectors	8.0	0	0	0.0	0	0	8.0	0	0	8.0	0	0
13	Residential builders	5.0	0	0	0.0	0	0	5.0	0	0	5.0	0	0
14	CSB technical	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0
15	Michigan Saves	0.0	0	0	0.0	0	0		3,500,000	3,500,000	0.0	0	0
16	Mobile Home Park database	0.0	0	0	0.0	0	0	1.0	500,000	500,000	0.0	0	0
17	MCOLES transfer	0.0	0	0	27.0	33,946,300	19,402,700	0.0	0	0	0.0	0	0
18	CRA Enforcement	0.0	0	0	0.0	5,000,000	0	0.0	0	0	0.0	0	0
19	Worker's Comp Reduction	0.0	0	0	0.0	(21,400)	0	0.0	0	0	0.0	0	0
20	Property Management Reduction	0.0	0	0	0.0	(142,900)	(233,700)	0.0	0	0	0.0	0	0
21	Information Technology Reduction	0.0	0	0	0.0	(4,138,500)	(1,945,700)	0.0	0	0	0.0	0	0
22	FTE Reductions	0.0	0	0	(287.0)	(38,750,000)	(9,961,200)	0.0	0	0	(22.0)	0	0
23	MIDC Grants Reduction	0.0	0	0	0.0	(50,000,000)	(50,000,000)	0.0	0	0	0.0	(22,328,500)	(22,328,500)
24	MIDC shift										0.0	200,000	200,000
25	Bureau of Professional Licensing Shift										0.0	0	(384,900)
26	IT shift										0.0	0	(482,700)
27	Urban Search and Rescue move to one-time										0.0	(1,000,000)	(1,000,000)
28													
29													
30	Unclassified salaries		89,700	1,100		(1,350,000)	0		89,700	1,100		89,700	1,100
31	Economic adjustments		4,287,900	746,500		0	0		4,287,900	746,500		4,287,900	746,500
	Subtotal - Ongoing	37.0	16,151,500	4,933,600	(260.0)	(55,206,500)	(42,737,900)	33.0	19,364,200	8,933,600	(7.0)	(15,082,100)	(22,120,000)
One-Time Changes													
1	Remove FY25 one-time appropriations	(1.0)	(14,250,000)	(12,000,000)	(1.0)	(14,250,000)	(12,000,000)	(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		1,000,000	1,000,000
3	Cannabis Social Equity Program								1,000,000	0		1,000,000	0
4	Michigan Saves								1,000,000	1,000,000		3,000,000	3,000,000
5	Real Estate Continuing Education								200,000	0		400,000	0
6	Urban Search and Rescue											1,000,000	1,000,000
7	Accountants Grant											200,000	0
8													
9													
	Subtotal - One-Time	(1.0)	(14,250,000)	(12,000,000)	(1.0)	(14,250,000)	(12,000,000)	(1.0)	(11,050,000)	(10,000,000)	(1.0)	(7,650,000)	(7,000,000)
	TOTAL LICENSING AND REGULATORY AFFAIRS	36.0	1,901,500	(7,066,400)	(261.0)	(69,456,500)	(54,737,900)	32.0	8,314,200	(1,066,400)	(8.0)	(22,732,100)	(29,120,000)