

FY 2026-27 LICENSING AND REGULATORY AFFAIRS BUDGET

S.B. 871 (S-1): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2025-26 YEAR-TO-DATE*	FY 2026-27 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2025-26 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,813.0	1,796.0	(17.0)	(0.9)
GROSS	626,006,900	634,378,600	8,371,700	1.3
Less:				
Interdepartmental Grants Received	30,192,600	30,303,000	110,400	0.4
ADJUSTED GROSS	595,814,300	604,075,600	8,261,300	1.4
Less:				
Federal Funds	30,369,700	30,661,000	291,300	1.0
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	565,444,600	573,414,600	7,970,000	1.4
Less:				
Other State Restricted Funds.....	285,958,900	295,025,800	9,066,900	3.2
GENERAL FUND/GENERAL PURPOSE	279,485,700	278,388,800	(1,096,900)	(0.4)
PAYMENTS TO LOCALS	258,016,800	261,116,800	3,100,000	1.2

*As of February 11, 2026.

- Major Boilerplate Changes from FY 2025-26 Year-to-Date:**
- Deleted Sections.** The Senate deleted several sections, which include: **218** (E-Verify Requirement), **250** (Radio/TV production reporting requirement), **251** (Training material reporting requirement)
 - Modified Sections.** The Senate made substantial changes to several sections, which include: **221** (Work Project Accounts) **227** (LDSI Requirements), **506** (MAPS reporting), **603** (CRA report on hemp programs), **802** (Indigent defense system cost reporting).
 - New Sections.** The Senate included several new sections, which include: **217** (Federal ARP SFRF reappropriation), **218** (Federal ARP SFRF reallocation), **230** (Receive and Expend requirements)

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FY 2025-26 Year-to-Date Appropriation	\$626,006,900	\$279,485,700		
	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Licensing and Regulation Shortfall. The Senate included an additional \$550,000 Restricted funds to offset a projected shortfall in the Licensing and Regulation Fund.	550,000	0	41,270,800	0
2. Underground Facilities Safety Education and Training. The Senate included an additional \$500,000 Restricted funds for underground facilities safety education and training.	500,000	0	42,926,700	0
3. IT – Federal Digital Accessibility Compliance. The Senate increased \$167,400 Restricted to support digital accessibility compliance.	167,400	0	33,282,100	1,810,500
4. BPL – Federal Grant Increase. The Senate included an additional \$109,000 in Federal authorization to provide for the Federal Financial Institutions Examination Council grant.	109,000	0	41,270,800	0
5. MPSC – Software Contract Increase. The Senate increased \$107,400 in Restricted funding to support grant management software.	107,400	0	42,926,700	0
6. MIDC – Software Contract Increase. The Senate increased \$17,400 in Restricted funding to support grant management software.	17,400	17,400	3,424,100	3,424,100
7. MLCC – Liquor Control Commission Rollup. The Senate rolled up the Management Support Services line into the Liquor Licensing and Enforcement line.	0	0	23,558,300	0
8. Economic Adjustments. Includes \$4,468,500 Gross and \$685,700 GF/GP for total economic adjustments.	4,468,500	685,700	N/A	N/A
<u>New Programs/Program Increases</u>				
9. Energy ratepayer representation increase. The Senate increased \$1.0 million in Restricted funding to support the representation of residential utility customers before the MPSC.	1,000,000	0	3,100,000	0
10. BFS – Firefighter Training and Storage Tank Inspection. The Senate increased \$346,000 in Restricted funding to provide support for the firefighter training program and for hazardous materials safety inspection of storage tank facilities.	346,000	0	41,270,800	0

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	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
11. Michigan tax tribunal – reduce small claims backlog. The Senate included an additional \$359,300 in Restricted funds to address the Tribunal’s small claims backlog.	359,300	0	4,611,200	0
<u>Eliminations/Reductions - None</u>				
<u>One-Time Appropriations</u>				
12. Prosecuting attorneys coordinating council. The Senate included \$2.2 million in one-time GF and \$455,100 RF for the Council.	2,655,100	2,200,000	0	0
13. Michigan Saves. The Senate included \$1.5 million in one-time RF for grants and loans for clean energy improvement and on-site wastewater system replacement or repair	1,500,000	0	22,543,800	N/A
14. Smoke Detectors. The Senate 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 regulatory agency – social equity program. The Senate included \$1.0 million from the Marihuana Regulation Fund for the CRA Social Equity Program.	1,000,000	0	22,078,600	N/A
16. Urban search and rescue. The Senate \$1.0 million one-time restricted funding to support activities in response to emergencies and other situations that require technical expertise and equipment.	1,000,000	0	22,543,800	N/A
17. Realtors Continuing Education. The Senate included \$400,000 for grants to the Michigan Realtors Association of CPAs for the tracking and approval of continuing education credits.	400,000	0	1,024,400	N/A
18. Removal of FY 2025-26 one-time appropriations. The Senate removed \$6.6 million Gross and \$5.0 million in one-time appropriation.	(6,600,000)	(5,000,000)		
<u>Other</u>				
19. MOAHR IDG adjustments. The Senate reduced IDG funding in a net zero shift to account for TANF adjustments and H.R. 1 implementation within DHHS.	(208,400)	0	37,214,400	598,400
Total Changes.....	\$8,371,700	(\$1,096,900)		
FY 2026-27 SENATE APPROPRIATIONS REC.	\$634,378,600	\$278,388,800		

Date Completed: 4-16-26

Fiscal Analyst: Nathan Leaman

This Analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.

FY 2026-27 Gross and GF/GP Changes to FY 2025-26

DeptCode	FUND	CSB	One-Tir	Item #	Budget Area/Line Items	Gov Changes to FY 2025-26			Senate Changes to FY 2025-26		
						FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS											
<u>Non-CSB Ongoing Changes</u>											
LARA				1	Energy ratepayer representation increase	0.0	1,000,000	0	0.0	1,000,000	0
LARA				2	BFS - Firefighter training and storage tank support	3.0	509,000	163,000	3.0	346,000	0
LARA				3	Compliance and risk management increase	3.0	491,100	0	0.0	0	0
LARA				4	Michigan tax tribunal - reduce small claims backlog	2.0	359,300	0	0.0	359,300	0
LARA				5							
Subtotal - Non-CSB Ongoing						8.0	2,359,400	163,000	3.0	1,705,300	0
<u>CSB Ongoing Changes</u>											
LARA	1			1	Economic adjustments		4,375,900	684,500		4,375,900	684,500
LARA	1			2	Unclassified salaries		92,600	1,200		92,600	1,200
LARA	1			3	Licensing and regulation shortfall		550,000	0		550,000	0
LARA	1			4	Underground facilities safety education and training		500,000	0		500,000	0
LARA	1			5	IT - Federal digital accessibility compliance		167,400	0		167,400	0
LARA	1			6	BPL - Federal grant increase		109,000	0		109,000	0
LARA	1			7	MPSC - Software contract increase		107,400	0		107,400	0
LARA	1			8	MIDC - Software contract increase		17,400	17,400		17,400	17,400
LARA	1			9	MLCC - Liquor control commission rollup		0	0		0	0
LARA	1			10	Information technology fund shift		0	0		0	0
LARA	1			11	Information technology funding alignment		0	0		0	0
LARA	1			12	Revenue fund shift		0	0		0	0
LARA	1			13	MOAHR IDG adjustments		(208,400)	0		(208,400)	0
LARA	1			14							
Subtotal - CSB Ongoing						0.0	5,711,300	703,100	0.0	5,711,300	703,100
<u>One-Time Changes</u>											
LARA	1			1	Remove FY26 one-time and supplemental appropriations		(6,600,000)	(5,000,000)		(6,600,000)	(5,000,000)
LARA	1			2	Cannabis social equity					1,000,000	0
LARA	1			3	Prosecuting attorneys coordinating council					2,655,100	2,200,000
LARA	1			4	Smoke Detectors					1,000,000	1,000,000
LARA	1			5	Urban Search and Rescue					1,000,000	0
LARA	1			6	Michigan Saves					1,500,000	0
LARA	1			7	Real Estate Continuing Education					400,000	0
LARA	1			8							
LARA	1			9							
Subtotal - One-Time						0.0	(6,600,000)	(5,000,000)	0.0	955,100	(1,800,000)
TOTAL LICENSING AND REGULATORY AFFAIRS						8.0	1,470,700	(4,133,900)	3.0	8,371,700	(1,096,900)