

FY 2014-15: DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Summary: As Reported by the Conference Committee Senate Bill 772 (S-1) CR-1



Analyst: Paul Holland

| | FY 2013-14 YTD as of 2/5/14 | FY 2014-15 Executive | FY 2014-15 House | FY 2014-15 Senate | FY 2014-15 Conference | Difference: Conference From FY 2013-14 YTD | |
|------------|--------------------------------|-------------------------|----------------------|----------------------|--------------------------|---|------------|
| | | | | | | Amount | % |
| IDG/IDT | \$14,228,200 | \$14,509,800 | \$14,509,800 | \$14,509,800 | \$14,509,800 | \$281,600 | 2.0 |
| Federal | 195,559,900 | 199,124,800 | 200,624,800 | 199,124,800 | 200,624,800 | 5,064,900 | 2.6 |
| Local | 656,500 | 656,500 | 656,500 | 656,500 | 656,500 | 0 | 0.0 |
| Private | 2,011,800 | 2,311,800 | 1,811,800 | 2,311,800 | 311,800 | (1,700,000) | (84.5) |
| Restricted | 265,457,400 | 290,224,100 | 288,168,200 | 289,124,300 | 286,351,500 | 20,894,100 | 7.9 |
| GF/GP | 25,004,900 | 25,033,800 | 22,217,200 | 25,033,800 | 40,033,800 | 15,028,900 | 60.1 |
| Gross | \$502,918,700 | \$531,860,800 | \$527,988,300 | \$530,761,000 | \$542,488,200 | \$39,569,500 | 7.9 |
| FTEs | 2,970.5 | 2,978.5 | 2,978.5 | 2,877.8 | 2,877.8 | (92.7) | (3.1) |

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Executive figures do not reflect revisions submitted subsequent to House subcommittee action. (3) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Licensing and Regulatory Affairs (LARA) is primarily responsible for business regulatory and employment services programs and is organized according to its four principal functions: 1) Licensing and Regulation, which implements and enforces statutory laws and administrative rules pertaining to commercial and occupational, construction and fire safety, healthcare provider and facility, public utility, and liquor regulation; 2) Employment Security and Workplace Safety, which administers unemployment insurance, workers' compensation insurance, occupational safety and health standards, labor and wage laws, and vocational rehabilitation services for the blind; 3) the Michigan Administrative Hearing System (MAHS), a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; and 4) the Office of Regulatory Reinvention (ORR), which oversees administrative rule-making and evaluates the state's regulatory infrastructure. The agencies within LARA are primarily supported by various federal grants and revenue generated through numerous fees collected from regulated entities.

Major Budget Changes From FY 2013-14 YTD Appropriations

1. Unemployment Insurance Agency - Customer Service (One-Time)

Executive includes one-time spending authorization to maintain customer services at the Unemployment Insurance Agency (UIA), supported with revenue from the Penalty and Interest Account of the Contingent Fund in which penalties, damages, and interest collected from employers and claimants are deposited. The UIA anticipates that process improvement efforts will enable it to operate within existing federal grant funding by the end of FY 2014-15. In August of 2012, due to the decline in the state's Insured Unemployment Rate during 2012, the federal government reduced the amount of administration grants to the UIA by \$37.2 million, resulting in 402 FTEs being laid-off. The Legislature approved a contingency transfer authorizing \$5.0 million from the Fund to support the maintenance of UIA operations during FY 2012-13. LARA anticipates a similar transfer request for FY 2013-14 dependent upon the level of quarterly supplemental federal grants allocated to the UIA during the year. House concurs. Senate concurs. Conference concurs.

| | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change |
|------------|--|------------------------------------|
| Gross | N/A | \$18,000,000 |
| Restricted | N/A | 18,000,000 |

2. Unemployment Insurance Agency - Mobile Application (One-Time)

Executive includes one-time spending authorization (\$2.4 million) to develop a mobile device application which will facilitate the remote filing of unemployment insurance claims, supported with revenue from the Penalty and Interest Account of the Contingent Fund. House rejects based on request from LARA. Senate concurs in part, but reduces recommended amount by half. Conference concurs with House.

| | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change |
|------------|--|------------------------------------|
| Gross | N/A | \$0 |
| Restricted | N/A | 0 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change |
|--|--------------|---|---|
| 3. Bureau of Construction Codes | | | |
| <u>Executive</u> increases spending authorization for the Bureau of Construction Code (BCC), supported with revenue from the Construction Code Fund, subsequent to a \$5.8 million decrease in spending authorization in the FY 2013-14 budget; approximately \$350,000 to maintain current operations which includes expanded permitting activities as part of the effort to remediate blight in Detroit, and approximately \$650,000 to support annual costs of replacing BCC's online permitting/licensing system. <u>House</u> concurs. <u>Senate</u> concurs in part, but includes \$800,000 of the amount in separate Detroit Demolition Permit Assistance line item. <u>Conference</u> concurs with <u>Senate</u> . | | | |
| | FTE | 104.7 | 0.0 |
| | Gross | \$8,933,700 | \$1,066,300 |
| | Restricted | 8,933,700 | 1,066,300 |
| 4. Elevator Inspection Program | | | |
| <u>Executive</u> increases spending authorization and staff, supported with revenue from the Elevator Safety Fund, to hire an additional two elevator inspectors to address elevator inspection backlog resulting in approximately 30% of annual elevator inspections overdue in FY 2012-13 (approximately \$224,000) and fund the Elevator Division's portion of the replacement of the BCC's online permitting/licensing system (approximately \$476,000). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | | | |
| | FTE | 30.0 | 2.0 |
| | Gross | \$3,645,700 | \$700,000 |
| | Restricted | 3,645,700 | 700,000 |
| 5. Health Systems Regulation | | | |
| <u>Executive</u> increases spending authorization, supported with federal Title XIX reimbursements, for the Bureau of Health Care Services (BHCS) to perform surveys (i.e. inspections) of long-term care facilities (e.g. nursing homes) in order to issue certifications required for eligibility to provide medical and custodial care of Medicaid-enrollees. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | | | |
| | FTE | 211.4 | 0.0 |
| | Gross | \$27,825,600 | \$700,000 |
| | Federal | 18,519,900 | 700,000 |
| | Private | 200,000 | 0 |
| | Restricted | 3,300,200 | 0 |
| | GF/GP | \$5,805,500 | \$0 |
| 6. Property Management | | | |
| <u>Executive</u> increases spending authorization, supported with federal unemployment insurance administration grants, for DTMB property management charges for the "One Division" facility in Grand Rapids, resultant from a FY 2013-14 reduction for UIA property management which was not realized. <u>House</u> concurs. <u>Senate</u> concurs, but transfers \$1.0 million of the increase to the Unemployment Insurance Agency line item. <u>Conference</u> concurs with <u>Senate</u> . | | | |
| | Gross | \$10,007,300 | \$1,275,000 |
| | Federal | 4,328,200 | 1,275,000 |
| | Restricted | 5,374,900 | 0 |
| | GF/GP | \$304,200 | \$0 |
| 7. Administrative Services | | | |
| <u>Executive</u> increases GF/GP spending authorization to offset expenditures made by the Financial and Administrative Services Team within LARA since FY 2011-12 for the Reinventing Performance in Michigan (RPM) initiative; statewide regulatory process improvement efforts designed to improve customer satisfaction, shorten customer response time, reduce redundant forms, and ensure customer-facing materials are utilized. <u>House</u> rejects. <u>Senate</u> concurs. <u>Conference</u> concurs in part, but funds 25.0% of the increase with revenue generated by statutory filing and other fees paid by corporate entities. (See boilerplate Sec. 243.) | | | |
| | FTE | 87.0 | 0.0 |
| | Gross | \$8,725,000 | \$700,000 |
| | Federal | 1,659,000 | 0 |
| | Restricted | 7,066,000 | 175,000 |
| | GF/GP | \$0 | \$525,000 |
| 8. Special Project Advances | | | |
| <u>Executive</u> increases spending authorization enabling LARA to expend registration fees collected from attendees of the LARA-sponsored biennial "Joint Provided and Surveyor Training" events for long-term care staff and regulators pursuant to the Public Health Code. <u>House</u> rejects; see #17. <u>Senate</u> concurs. <u>Conference</u> concurs with <u>House</u> . | | | |
| | Gross | \$200,000 | \$0 |
| | Private | 200,000 | 0 |
| 9. Administrative Services | | | |
| <u>Executive</u> increases spending authorization, supported with an IDG from the Department of Insurance and Financial Services (DIFS), for accounting services provided to DIFS by the Financial and Administrative Services Team within LARA. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | | | |
| | FTE | 87.0 | 0.0 |
| | Gross | \$8,725,000 | \$150,000 |
| | IDG/IDT | 0 | 150,000 |
| | Federal | 1,659,000 | 0 |
| | Restricted | 7,066,000 | 0 |
| | GF/GP | \$0 | \$0 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change |
|--|--------------|---|---|
| 10. Compensation Supplement Fund | | | |
| <u>Executive</u> increases in GF/GP spending authorization for the Compensation Supplement Fund administered under the Workers' Compensation Agency (WCA) to support reimbursements to self-insured entities that no longer receive a MBT tax credit which was repealed by 2011 PA 39. Equivalent FY 2012-13 supplemental appropriation was enacted by 2013 PA 102 and equivalent supplemental request for FY 2013-14 has been issued by SBO. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | Gross | \$820,000 | \$1,000,000 |
| | Restricted | 820,000 | 0 |
| | GF/GP | \$0 | \$1,000,000 |
| 11. Michigan Administrative Hearing System | | | |
| <u>Executive</u> decreases spending authorization, supported with an IDG from the Department of Environmental Quality (DEQ), to more accurately reflect anticipated administrative hearing caseload from DEQ for the Michigan Administrative Hearing System (MAHS). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | FTE | 209.0 | 0.0 |
| | Gross | \$38,803,900 | (\$236,300) |
| | IDG/IDT | 14,128,200 | (236,300) |
| | Federal | 9,154,300 | 0 |
| | Restricted | 12,508,700 | 0 |
| | GF/GP | \$1,012,700 | \$0 |
| 12. Michigan Administrative Hearing System | | | |
| <u>Executive</u> increases spending authorization and staff, supported by 50/50 state/federal match, for the Michigan Administrative Hearing System (MAHS) to support an anticipated escalation in administrative hearings engender by an estimated 35% increase in the Medicaid caseload under the Healthy Michigan Plan (i.e. Medicaid Expansion/Reform). To illustrate context, during FY 2012-13, MAHS opened 23,539, heard 6,213, and closed 24,031 administrative hearings pertaining to Medicaid eligibility and benefits. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | FTE | 209.0 | 6.0 |
| | Gross | \$36,803,900 | \$900,000 |
| | IDG/IDT | 14,128,200 | 0 |
| | Federal | 9,154,300 | 450,000 |
| | Restricted | 12,508,700 | 0 |
| | GF/GP | \$1,012,700 | \$450,000 |
| 13. Liquor Control Commission IT Upgrades (One-Time) | | | |
| <u>Executive</u> transfers spending authorization (\$2.0 million) for replacement of the Liquor Control Commission's (LCC) COBOL-based information technology system, supported with revenue from state wholesale liquor sales, from ongoing baseline to a one-time appropriation, eliminating funding in subsequent fiscal years. <u>House</u> concurs in part, but subsequently reduces amount transferred based on amount stipulated in DTMB project budget. <u>Senate</u> concurs. <u>Conference</u> concurs with <u>House</u> . | Gross | \$2,000,000 | (\$1,500,000) |
| | Restricted | 2,000,000 | (1,500,000) |
| 14. Nursing Home Survey IT System | | | |
| <u>Executive</u> eliminates one-time GF/GP spending authorization for upgrades to the information technology system utilized by nursing home surveyors within the Bureau of Health Care Services (BHCS). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | Gross | \$2,140,300 | (\$2,140,300) |
| | GF/GP | \$2,140,300 | (\$2,140,300) |
| 15. Fund Shifts (Multiple Line Items) | | | |
| <u>Executive</u> incorporates numerous fund shifts within various line items between fund sources that net out to zero gross, though they may alter the types of fund sources, reflecting changes in the availability and allocation of funds to more accurately reflect program administration. <u>House</u> concurs in part, but includes additional fund shifts to reverse portions (\$2.1 million) of GF/GP offsets for veteran fee exemptions included in the FY 2013-14 budget to bring the amounts offset in-line with actual revenue loss. <u>Senate</u> concurs. <u>Conference</u> concurs in part, but includes additional fund shifts to reverse portions (\$2.0 million) GF/GP offsets for veteran fee exemptions included in the FY 2013-14 budget to bring the amounts offset more in-line with actual revenue loss and includes GF/GP offset (\$2.0 million) of revenue from the Liquor Purchase Revolving Fund within the Bureau of Fire Services line item. | Gross | \$6,069,100 | \$0 |
| | Federal | 555,000 | (293,000) |
| | Restricted | 3,517,400 | 318,000 |
| | GF/GP | \$1,996,700 | (\$25,000) |
| 16. Economic Adjustments (Multiple Line Items) | | | |
| <u>Executive</u> increases and decreases spending authorization, resulting in a net increase, for negotiated salary and wage increases, insurance rates, actuarially-required retirement benefit rates, other postemployment benefits prefunding, workers' compensation costs, building occupancy costs and rent, and other incidental economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. | Gross | N/A | \$4,127,400 |
| | IDG/IDT | N/A | 367,900 |
| | Federal | N/A | 1,432,900 |
| | Restricted | N/A | 2,307,400 |
| | GF/GP | N/A | \$19,200 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change | |
|---|--|--|------------------------------------|----------------------|
| 17. Special Project Advances | | Gross | \$200,000 | (\$200,000) |
| <u>House</u> eliminates spending authorization and line item for Special Project Advances and transfers pass-through spending authorization to boilerplate Sec. 241, subject to a \$500,000 limitation. <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>House</u> . (See boilerplate Sec. 241.) | | Private | 200,000 | (200,000) |
| 18. Public Service Commission | | FTE | 193.0 | 0.0 |
| <u>House</u> eliminates the appropriation from the Children's Protection Registry Fund which is transferred from the Public Service Commission (PSC) to the Department of State by Executive Order 2014-5. The Fund is created by the Children's Protection Registry Act of 2004, enacted to prevent minors from receiving messages about products or services which are prohibited for minors to purchase or view, and is supported by fees paid by entities sending messages pertaining to products or services prohibited for minors. <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>House</u> . | | Gross | \$30,597,100 | (\$272,600) |
| | | Federal | 1,245,400 | 0 |
| | | Restricted | 29,351,700 | (272,600) |
| 19. Bureau of Services for Blind Persons | | FTE | 113.0 | 0.0 |
| <u>House</u> increases federal spending authorization for the Bureau of Services for Blind Persons (BSBP), subsequent to a \$3.4 million decrease in spending authorization in the FY 2013-14 budget, to enable the BSBP to expend grants awarded by the U.S. Department of Education for BSBP operations. <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>House</u> . | | Gross | \$23,725,200 | \$1,500,000 |
| | | Federal | 17,133,400 | 1,500,000 |
| | | Local | 529,000 | 0 |
| | | Private | 111,800 | 0 |
| | | Restricted | 562,000 | 0 |
| | | GF/GP | \$5,389,000 | \$0 |
| 20. Fireworks Safety Grants | | Gross | \$1,000,000 | (\$1,000,000) |
| <u>House</u> eliminates spending authorization and line item for Fireworks Safety Grants due to amendments made by 2013 PA 65 to the Michigan Fireworks Safety Act of 2011 which altered the statutory restrictions on revenues collected under the Act thereby redirecting the funding (to firefighter training) which would have supported the fireworks safety grants. (See boilerplate Sec. 305.) <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>House</u> . | | Restricted | 1,000,000 | (1,000,000) |
| 21. Firefighter Training Grants | | Gross | N/A | \$1,000,000 |
| <u>House</u> includes spending authorization and a new line item for Firefighter Training Grants administered by the Firefighters Training Council to local fire departments for the training of firefighters (i.e. supports compensation for training instructors, purchase of training equipment, and examination of firefighters). Pursuant to 2013 PA 65, revenue generated by fireworks safety fees (approximately 6.0% of gross income generated by the retail sale of all fireworks) is restricted for expenditure on firefighter training under the direction and approval of the Council. <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>House</u> . (See boilerplate Sec. 903.) | | Restricted | N/A | 1,000,000 |
| 22. Fireworks Safety Inspection Grants | | Gross | N/A | \$0 |
| <u>House</u> transfers spending authorization (\$165,200) from the Bureau of Fire Services line item to a new Fireworks Safety Inspection Grants line item for grants, administered by the BFS, to reimburse local fire departments for statutorily-required inspections of fireworks retailers. Amount transferred was based on the anticipated reimbursements for FY 13-14, at a rate required by 2013 PA 65, supported with revenue generated by consumer fireworks certificate safety fees and fines. <u>Senate</u> does not concur. <u>Conference</u> concurs with <u>Senate</u> . | | Restricted | N/A | 0 |
| 23. Delphi Corp. Workers' Compensation Payment Fund (One-Time) | | Gross | N/A | \$15,000,000 |
| <u>House</u> includes placeholder for supplemental appropriation if sufficient resources are not provided within the Self-Insurers Security Fund to cover the workers' compensation claims of approximately 350 former employees of Delphi Corporation which was reorganized under bankruptcy protection from 2005 to 2009. <u>Senate</u> does not concur. <u>Conference</u> includes spending authorization anticipated to be sufficient (in conjunction with revenue generated by the temporarily increased SISF assessment pursuant to HB 5487) to cover the workers' compensation claims of approximately 350 former employees of Delphi Corporation. (See boilerplate Sec. 1001.) | | GF/GP | N/A | \$15,000,000 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 Conference Change |
|--|--------------|---|---|
| 24. Disability Accessibility Pilot Project (One-Time) <u>Senate</u> includes new line item and spending authorization for a pilot program under which LARA will collaborate with a nonprofit organization to provide services to improve accessibility for persons with disabilities and create electronically-available universal design blueprints. Supported with revenue generated by fees paid pursuant to elevator regulations. <u>House</u> does not concur. <u>Conference</u> concurs with <u>Senate</u> , but includes spending authorization as one-time. (See boilerplate Sec. 1002.) | Gross | N/A | \$100,000 |
| | Restricted | N/A | 100,000 |
| 25. Motor Carrier Database Rewrite Project (One-Time) <u>Senate</u> includes one-time placeholder for a rewrite of the IT system utilized by the Motor Carrier Division within the Public Service Commission (PSC). <u>House</u> does not concur. <u>Conference</u> concurs with <u>House</u> . | Gross | N/A | \$0 |
| | Restricted | N/A | 0 |
| 26. Corporations Database Rewrite Project (One-Time) <u>Senate</u> includes one-time placeholder for a rewrite of the IT system utilized by the Corporations Division within the Corporations, Securities, and Commercial Licensing Bureau (CSCLB). <u>House</u> does not concur. <u>Conference</u> concurs with <u>House</u> . | Gross | N/A | \$0 |
| | Restricted | N/A | 0 |
| 27. True-Up Authorized FTEs (Multiple Line Items) <u>Senate</u> reduces authorized, yet unfunded, FTEs (111.7) throughout several line items and adds 11.0 FTEs to the Medical Marihuana Program line item to more accurately reflect current LARA staffing levels. <u>House</u> does not concur. <u>Conference</u> concurs with <u>Senate</u> . | FTE | 2,029.8 | (100.7) |
| | | | |
| 28. Health Professions Regulations <u>Conference</u> includes spending authorization for upgrades to the Bureau of Health Care Services (BHCS) website to allow users to search health professionals' disciplinary actions. Intended as one-time funding. (See boilerplate Sec. 512.) | FTE | 151.0 | 0.0 |
| | Gross | \$27,472,300 | \$200,000 |
| | Federal | 413,400 | 0 |
| | Restricted | 27,058,900 | 0 |
| | GF/GP | \$0 | \$200,000 |
| 29. Private Grant Programs <u>Conference</u> eliminates spending authorization and line item for Private Grant Programs and transfers pass-through spending authorization to boilerplate Sec. 225, subject to a \$1.5 million limitation. (See boilerplate Sec. 225.) | Gross | \$1,500,000 | (\$1,500,000) |
| | Private | 1,500,000 | (1,500,000) |

Major Boilerplate Changes From FY 2013-14

Note: House and Senate renumber several sections, section numbers below are referenced as they appear in SB 772 (S-1) CR-1 with the current law section numbers in parenthesis.

Sec. 205. Benchmarks for New Programs or Program Expansions – NEW

Requires LARA to submit reports to the Legislature identifying specific benchmarks intended to measure the performance or return on taxpayer investment of new programs or program expansions and updating the Legislature on the progress of the programs as measured by those benchmarks; stipulates that the Legislature intends that benchmarks be included with executive budget requests beginning with the FY 15-16 budget. House creates. Senate does not concur. Conference concurs with House in part, but revises language.

Sec. 211. LCC IT Work Project – REVISED

Designates the appropriation for LCC IT upgrades as a work project, stipulates that the appropriation remain available and shall not lapse, and anticipates future appropriations until the project is completed. Executive eliminates language pertaining to additional appropriations and anticipated completion date. House concurs. Senate concurs in part, but adds language indicating that the estimated completion date is 11/1/14. Conference concurs with Senate.

Sec. 225. Private Grant Appropriation and Notice – REVISED

Requires LARA to provide notice to the Legislature within ten days of receipt of grants under the private grant programs line item. Executive eliminates. House retains. Senate retains. Conference revises to include appropriation of private grant revenues, subject to a limitation of \$1.5 million.

Sec. 235. Annual Legacy Costs – NEW

Identifies annual pension-related and retiree health care legacy costs for LARA pursuant to boilerplate Section 1202 of 2013 PA 59. Executive creates. House concurs. Senate concurs. Conference concurs.

Major Boilerplate Changes From FY 2013-14

Sec. 238. Require RFIs and RFQs Prior to Issuing RFPs – DELETED

Prohibits LARA from issuing requests for proposals (RFP) for contracts in excess of \$50.0 million without first considering issuing requests for information (RFI) or requests for qualifications (RFQ) and requires that LARA notify DTMB of the evaluation process used to determine that a RFI or RFQ was not necessary. Executive eliminates. House concurs. Senate concurs. Conference concurs.

Sec. 241. Informational, Training, and Special Events Revenues and Expenditures – NEW

Stipulates that LARA may charge registration fees for events sponsored by LARA, that fees shall reflect costs of sponsoring events, that revenue generated by fees is appropriated for sponsorship costs, that excess revenue shall carry-forward, and requires annual report pertaining to revenues and expenditures related to events. House creates. Senate does not concur. Conference concurs with House in part, but adds appropriation limitation of \$500,000.

Sec. 243. Reinvention Performance in Michigan MOUs – NEW

Requires LARA to work to establish memorandums of understanding (MOUs) with participating state departments to devise a mechanism to recover costs related to services performed for the Reinventing Performance in Michigan (RPM) initiative, requires an annual report, and stipulate the Legislature's intent that the RPM shall be funded by participating state departments. Conference creates.

Sec. 245. Healthy Michigan Plan Accounting Structure – NEW

Requires LARA in conjunction with the Department of Community Health (DCH) to establish accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires LARA to annually provide the Legislature with relevant accounting scripts and reports. House creates. Senate does not concur. Conference concurs with House.

Sec. 511. (305) Fireworks Safety Grants – REVISED

Stipulates that the Legislature intends that LARA expends \$1.0 million in fireworks safety grants to local units of government, requires local units of government to submit a report to LARA indicating the annual costs of inspections and enforcement activities associated with the Fireworks Safety Act of 2011, and requires LARA to submit a report providing information pertaining to the amounts of fireworks safety grants awarded to local units of government. Executive eliminates. House concurs. Senate concurs in part, but retains intent language and reporting requirement. Conference concurs with Senate in part, but revises references and cites.

Sec. 512. Public Availability of BHCS Disciplinary Actions – NEW

Requires the Bureau of Health Care Services (BHCS), to the extent allowed under applicable laws, to make disciplinary actions taken against health professionals publically available through a license verification website. Senate creates. House does not concur. Conference concurs with Senate in part, but adds language pertaining to one-time appropriation for website development.

Sec. 513. Fees for False Final Inspections by the BFS – NEW

Authorizes LARA to assess a fee not to exceed \$200 if the Bureau of Fire Services (BFS) responds to confirmed false inspection appointment, requires LARA to explicitly identify revenue generated by the fee in MAIN, and requires a report pertaining to the fee, its effects on the BFS' costs, and recommendations to the Legislature. Conference creates.

Sec. 702. (332) UI Computer System Report – REVISED

Requires quarterly reports on the status of the UIA's integrated IT system re-write project until project completion. Executive eliminates. House revises to require quarterly reports on the implementation or and improvements to the integrated system project. Senate retains.

Sec. 703. (333) UI Internet Claims Report – REVISED

Requires LARA to submit quarterly reports pertaining to the percentage of claimants using the internet MARVIN system, or any application developed for that purpose, to certify and receive UI benefits and implement improvement to the system to reach a goal of 80.0% of claimants certifying on systems that reduces staff face time and MARVIN telephone system usage. Executive eliminates. House revises to include accurate terminology and increases goal to 85.0%. Senate retains. Conference concurs with House in part, but reduces goal to 75.0%.

Sec. 341 Administrative Rules Restriction – DELETED

Prohibits LARA from promulgating administrative rules that are more stringent than applicable federal standards unless specifically authorized by statute. In a signing letter dated June 13, 2013, the Governor asserts that this boilerplate section is unenforceable. Executive eliminates. House retains. Senate eliminates. Conference concurs with Senate.

Sec. 248. (368) Regulatory Statistical Report – REVISED

Requires LARA to submit an annual report including statistical information pertaining to revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, and enforcement actions for each regulatory product administered by regulatory agencies within LARA. Executive eliminates. House adds reporting requirements pertaining to administrative hearings and adjudications. Senate retains. Conference concurs with House.

Major Boilerplate Changes From FY 2013-14

Sec. 375. Securities Fees Carryforward – DELETED

Permits LARA to carryforward unexpended securities fees collected by the Corporations, Securities, and Commercial Licensing Bureau into future fiscal years. In a signing letter dated June 13, 2013, the Governor asserts that this boilerplate section is unenforceable. Executive retains. House concurs. Senate eliminates. Conference concurs with Senate.

Sec. 505. (380) Homeowner Construction Lien Recovery Fund – REVISED

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payment of court-ordered construction lien judgments entered prior to the repeal of the Fund on August 23, 2010. Executive retains. House concurs. Senate revises to include a financial reporting requirement. Conference concurs with Senate.

Sec. 509. (731) Bureau of Health Care Services Regulatory Costs and Fee Reports – REVISED

Requires the Bureau of Health Care Services (BHCS) to submit to the Legislature an updated report pertaining to the costs to regulate each of the several types of health facilities and a proposed updated fee schedule to offset BHCS' regulatory costs, including recommended statutory and rule changes. Executive eliminates regulatory cost reporting requirement. House concurs. Senate concurs. Conference concurs.

Sec. 510. (732) Support for BHCS Inspections of FSOFs – RETAINED

Requires that the Bureau of Health Care Services (BHCS) expend at least \$530,000 of the amount appropriated in Part 1 for the inspection of Freestanding Surgical Outpatient Facilities (FSOFs). Executive eliminates. House retains. Senate eliminates. Conference concurs with House.

Sec. 801. Nursing Home Survey IT System Project – DELETED

Stipulates that the appropriation for nursing home survey IT system is for costs associated with complying with 2012 PA 322 and is one-time, sufficient to cover expenditures, and that no future appropriations are anticipated. Executive eliminates. House concurs. Senate concurs. Conference concurs.

Sec. 902. (728) Medical Marihuana Registry Cards Report and Grants to County Law Enforcement – REVISED

Requires LARA to submit a report pertaining to the number of medical marihuana registry identification cards issued or renewed in each county. Stipulates that LARA award Medical Marihuana Operation and Oversight Grants to county law enforcement agencies. Requires reports submitted by both county law enforcement agencies and LARA pertaining to the amounts, recipients, and uses of the grants. Permits county law enforcement agencies to distribute discretionary grants to municipal law enforcement agencies. Executive includes new subsection further delineating the granting process and alters grant application and reporting dates. House partly concurs, but nominally differs in revisions. Senate partly concurs, but nominally differs in revisions. Conference concurs with House.

Sec. 903. Firefighter Training Grants – NEW

Requires that the appropriation be expended for payments to counties and purposes pursuant to 1966 PA 291, stipulates intent pertaining to how the appropriation is disbursed to counties and specifying a minimum disbursement to each county, requires an annual report identifying potential and actual disbursements and other expenditures, stipulates intent that unexpended disbursements lapse back into the restricted fund are appropriated in the next fiscal year. Conference creates.

Sec. 1001. Delphi Corp Workers' Compensation Claims – NEW

Stipulates that if sufficient funds are not appropriated in FY 2013-14 to cover the workers' compensation claims of former employees of Delphi Corp, it is the Legislature's intent to appropriate sufficient funds in FY 2014-15. House creates. Senate does not concur. Conference substantially revises to stipulate how LARA is to expend the \$15.0 million appropriation (\$8.0 million immediately, \$7.0 million over five years) and specifying under what conditions future expenditures may occur, stipulates that unexpended funds shall lapse to the General Fund, requires LARA to annually notify the Legislature of any expenditures, and designates the appropriation as a work project available for expenditure until 09/30/19.

Sec. 1002. Disability Accessibility Pilot Project – NEW

Requires LARA to work with a nonprofit group with expertise in disability accessibility evaluations on a pilot project to provide services to municipalities and business to improve accessibility for persons with disabilities and create universal design blueprints that are electronically-available through the Bureau of Construction Codes (BCC). Senate creates. House does not concur. Conference concurs with Senate.

Various Sections Deleted by Executive, Retained by Conference

Executive eliminates Sections 212, 215, 219, 232, 240, 250, 801 (390), 705 (611), 506 (714), and 507(1) (726(1)). House retains. Senate retains. Conference retains.