

# **Honorably Discharged Veteran Impact FY 2016 Report to the Legislature**

(Pursuant to Section 503 of PA 268 of 2016)

**February 1, 2017**

Prepared by

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**Bureau of Professional Licensing**

Reporting Period: October 1, 2015 through September 30, 2016



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## **Executive Summary:**

Public Act 268 of 2016 section 503 requires the following:

**Sec. 503.** *No later than February 15, the department shall submit a report to the subcommittees, fiscal agencies, and state budget director providing the following information:*

*(a) The number of honorably discharged veterans, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.*

*(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.*

*(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the preceding fiscal year and a description of how these costs were calculated.*

*(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.*

Pursuant to this requirement, this report has been prepared and issued electronically to the House and Senate appropriations subcommittees, House and Senate Fiscal Agencies, and the state budget director to meet the February 15 reporting requirement. In addition, this report is also online under the following locations:

- The Bureau of Professional Licensing (BPL) website at [www.michigan.gov/bpl](http://www.michigan.gov/bpl).
- The 'All About LARA' section – 'Legislative Reports' of the Department of Licensing and Regulatory Affairs (LARA) website at: [www.michigan.gov/lara](http://www.michigan.gov/lara).

## **Background:**

The BPL is within LARA, and oversees the licensing, investigations and enforcement responsibilities of individuals licensed under the Public Health Code and the Occupational Code. It is important to note that this reporting period reflects the time when the occupational licensing and regulation programs were still under the Corporations, Securities, and Commercial Licensing Bureau prior to moving mid-year to the BPL.

Legislation was passed to waive certain licensure or registration fees for qualifying veterans. The objective of the legislation was to reduce possible barriers to entry for veterans who are transitioning to civilian employment, which may require state licensure or registration. This report outlines the fiscal impact on LARA due to the fee waiver.

**Required Information for Section 503:**

Fiscal Year 2016

<u>Profession</u>	<u>Count</u>	<u>Application Fees</u>	<u>License Fees</u>	<u>Real Estate Continuing Education Fund Fees</u>	<u>Real Estate Enforcement Fund Fees</u>	<u>Builder Enforcement Fund Fees</u>	<u>Accountancy Enforcement Fund Fees</u>	<u>Total Fees Exempted</u>
Accountancy	16	\$560	\$700	\$0	\$0	\$0	\$1,940	\$3,200
Architects	4	\$120	\$140	\$0	\$0	\$0	\$0	\$260
Barbers	25	\$500	\$1,440	\$0	\$0	\$0	\$0	\$1,940
Cosmetology	7	\$105	\$168	\$0	\$0	\$0	\$0	\$273
Foresters	2	\$100	\$120	\$0	\$0	\$0	\$0	\$220
Hearing Aid Dealers	3	\$40	\$130	\$0	\$0	\$0	\$0	\$170
Mortuary Science	3	\$45	\$90	\$0	\$0	\$0	\$0	\$135
Personnel Agents	1	\$30	\$40	\$0	\$0	\$0	\$0	\$70
Professional Engineers	13	\$455	\$520	\$0	\$0	\$0	\$0	\$975
Professional Surveyors	1	\$35	\$50	\$0	\$0	\$0	\$0	\$85
Real estate	57	\$1,545	\$3,297	\$870	\$710	\$0	\$0	\$6,422
Residential Builders	41	\$615	\$6,155	\$0	\$0	\$1,215	\$0	\$7,985
<b>TOTAL</b>	<b>173</b>	<b>\$4,150</b>	<b>\$12,850</b>	<b>\$870</b>	<b>\$710</b>	<b>\$1,215</b>	<b>\$1,940</b>	<b>\$21,735</b>
<b>Actual Costs:</b>								
Average cost of staff (\$28.84 average hourly wage x 1.82) x Average application processing time (20 minutes) x Number of applications (186) = \$3,254.31								

Fiscal Year 2017 – Projected

<u>Program</u>	<u>Count</u>	<u>Application Fees</u>	<u>License Fees</u>	<u>Real Estate Continuing Education Fund Fees</u>	<u>Real Estate Enforcement Fund Fees</u>	<u>Builder Enforcement Fund Fees</u>	<u>Accountancy Enforcement Fund Fees</u>	<u>Total Fees Exempted</u>
Accountancy	21	\$745	\$932	\$0	\$0	\$0	\$2,582	\$4,258
Architects	5	\$160	\$186	\$0	\$0	\$0	\$0	\$346
Barbers	33	\$665	\$1,916	\$0	\$0	\$0	\$0	\$2,582
Cosmetology	9	\$140	\$224	\$0	\$0	\$0	\$0	\$363
Foresters	3	\$133	\$160	\$0	\$0	\$0	\$0	\$293
Hearing Aid Dealers	4	\$53	\$173	\$0	\$0	\$0	\$0	\$226
Mortuary Science	4	\$60	\$120	\$0	\$0	\$0	\$0	\$180
Personnel Agents	1	\$40	\$53	\$0	\$0	\$0	\$0	\$93
Professional Engineers	17	\$606	\$692	\$0	\$0	\$0	\$0	\$1,298
Professional Surveyors	1	\$47	\$67	\$0	\$0	\$0	\$0	\$113
Real estate	76	\$2,056	\$4,388	\$1,158	\$945	\$0	\$0	\$8,546
Residential Builders	55	\$818	\$8,191	\$0	\$0	\$1,617	\$0	\$10,626
<b>TOTAL</b>	<b>230</b>	<b>\$5,523</b>	<b>\$17,100</b>	<b>\$1,158</b>	<b>\$945</b>	<b>\$1,617</b>	<b>\$2,582</b>	<b>\$28,924</b>
<b>Description of estimate:</b>								
Assumed overall rate of growth from FY 2015 to FY 2016 will be consistent in future years and applied to all professions.								

Fiscal Year 2018 – Projected

<u>Program</u>	<u>Count</u>	<u>Application Fees</u>	<u>License Fees</u>	<u>Real Estate Continuing Education Fund Fees</u>	<u>Real Estate Enforcement Fund Fees</u>	<u>Builder Enforcement Fund Fees</u>	<u>Accountancy Enforcement Fund Fees</u>	<u>Total Fees Exempted</u>
Accountancy	28	\$992	\$1,240	\$0	\$0	\$0	\$3,436	\$5,667
Architects	7	\$213	\$248	\$0	\$0	\$0	\$0	\$460
Barbers	44	\$885	\$2,550	\$0	\$0	\$0	\$0	\$3,436
Cosmetology	12	\$186	\$298	\$0	\$0	\$0	\$0	\$483
Foresters	4	\$177	\$213	\$0	\$0	\$0	\$0	\$390
Hearing Aid Dealers	5	\$71	\$230	\$0	\$0	\$0	\$0	\$301
Mortuary Science	5	\$80	\$159	\$0	\$0	\$0	\$0	\$239
Personnel Agents	2	\$53	\$71	\$0	\$0	\$0	\$0	\$124
Professional Engineers	23	\$806	\$921	\$0	\$0	\$0	\$0	\$1,727
Professional Surveyors	2	\$62	\$89	\$0	\$0	\$0	\$0	\$151
Real estate	101	\$2,736	\$5,839	\$1,541	\$1,257	\$0	\$0	\$11,373
Residential Builders	73	\$1,089	\$10,900	\$0	\$0	\$2,152	\$0	\$14,141
<b>TOTAL</b>	<b>306</b>	<b>\$7,349</b>	<b>\$22,757</b>	<b>\$1,541</b>	<b>\$1,257</b>	<b>\$2,152</b>	<b>\$3,436</b>	<b>\$38,492</b>
<b>Description of estimate:</b>								
Assumed overall rate of growth from FY 2015 to FY 2016 will be consistent in future years and applied to all professions.								

Fiscal Year 2019 – Projected

<u>Program</u>	<u>Count</u>	<u>Application Fees</u>	<u>License Fees</u>	<u>Real Estate Continuing Education Fund Fees</u>	<u>Real Estate Enforcement Fund Fees</u>	<u>Builder Enforcement Fund Fees</u>	<u>Accountancy Enforcement Fund Fees</u>	<u>Total Fees Exempted</u>
Accountancy	38	\$1,320	\$1,650	\$0	\$0	\$0	\$4,572	\$7,542
Architects	9	\$283	\$330	\$0	\$0	\$0	\$0	\$613
Barbers	59	\$1,178	\$3,394	\$0	\$0	\$0	\$0	\$4,572
Cosmetology	16	\$247	\$396	\$0	\$0	\$0	\$0	\$643
Foresters	5	\$236	\$283	\$0	\$0	\$0	\$0	\$518
Hearing Aid Dealers	7	\$94	\$306	\$0	\$0	\$0	\$0	\$401
Mortuary Science	7	\$106	\$212	\$0	\$0	\$0	\$0	\$318
Personnel Agents	2	\$71	\$94	\$0	\$0	\$0	\$0	\$165
Professional Engineers	31	\$1,072	\$1,225	\$0	\$0	\$0	\$0	\$2,298
Professional Surveyors	2	\$82	\$118	\$0	\$0	\$0	\$0	\$200
Real estate	134	\$3,641	\$7,770	\$2,050	\$1,673	\$0	\$0	\$15,135
Residential Builders	97	\$1,449	\$14,506	\$0	\$0	\$2,863	\$0	\$18,818
<b>TOTAL</b>	<b>408</b>	<b>\$9,780</b>	<b>\$30,284</b>	<b>\$2,050</b>	<b>\$1,673</b>	<b>\$2,863</b>	<b>\$4,572</b>	<b>\$51,223</b>
<b>Description of estimate:</b>								
Assumed overall rate of growth from FY 2015 to FY 2016 will be consistent in future years and applied to all professions.								