

Honorably Discharged Veteran Impact FY 2015 Report to the Legislature

(Pursuant to Section 503 of PA 84 of 2015)

February 1, 2016

Prepared by

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Reporting Period: October 1, 2014 through September 30, 2015



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Executive Summary:

Public Act 84 of 2015 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.
- The 'All About LARA' section – 'Legislative Reports' of the Department of Licensing and Regulatory Affairs (LARA) website at: 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 2015

<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	10	\$350	\$390	\$0	\$0	\$0	\$1,110	\$1,850
Architects	2	\$60	\$70	\$0	\$0	\$0	\$0	\$130
Barbers	21	\$420	\$1,200	\$0	\$0	\$0	\$0	\$1,620
Cosmetology	5	\$75	\$120	\$0	\$0	\$0	\$0	\$195
Foresters	1	\$50	\$40	\$0	\$0	\$0	\$0	\$90
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	11	\$385	\$440	\$0	\$0	\$0	\$0	\$825
Professional Surveyors	1	\$35	\$50	\$0	\$0	\$0	\$0	\$85
Real estate	21	\$610	\$824	\$170	\$170	\$0	\$0	\$1,774
Residential Builders	51	\$765	\$7,650	\$0	\$0	\$1,530	\$0	\$9,945
TOTAL	130	\$2,865	\$11,044	\$170	\$170	\$1,530	\$1,110	\$16,889
Actual Costs:								
Average cost of staff (\$28.27 average hourly wage x 1.82) x Average application processing time (20 minutes) x Number of applications (130) = \$2,229.56								

Fiscal Year 2016 – 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	11	\$385	\$429	\$0	\$0	\$0	\$1,221	\$2,035
Architects	2	\$66	\$77	\$0	\$0	\$0	\$0	\$143
Barbers	23	\$462	\$1,320	\$0	\$0	\$0	\$0	\$1,782
Cosmetology	6	\$83	\$132	\$0	\$0	\$0	\$0	\$215
Foresters	1	\$55	\$44	\$0	\$0	\$0	\$0	\$99
Hearing Aid Dealers	3	\$44	\$143	\$0	\$0	\$0	\$0	\$187
Mortuary Science	3	\$50	\$99	\$0	\$0	\$0	\$0	\$149
Personnel Agents	1	\$33	\$44	\$0	\$0	\$0	\$0	\$77
Professional Engineers	12	\$424	\$484	\$0	\$0	\$0	\$0	\$908
Professional Surveyors	1	\$39	\$55	\$0	\$0	\$0	\$0	\$94
Real estate	23	\$671	\$906	\$187	\$187	\$0	\$0	\$1,951
Residential Builders	56	\$842	\$8,415	\$0	\$0	\$1,683	\$0	\$10,940
TOTAL	143	\$3,152	\$12,148	\$187	\$187	\$1,683	\$1,221	\$18,578
Description of estimate:								
Assumed an increase of 10% over FY 2015 as awareness increases.								

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	12	\$424	\$472	\$0	\$0	\$0	\$1,343	\$2,239
Architects	2	\$73	\$85	\$0	\$0	\$0	\$0	\$157
Barbers	25	\$508	\$1,452	\$0	\$0	\$0	\$0	\$1,960
Cosmetology	6	\$91	\$145	\$0	\$0	\$0	\$0	\$236
Foresters	1	\$61	\$48	\$0	\$0	\$0	\$0	\$109
Hearing Aid Dealers	4	\$48	\$157	\$0	\$0	\$0	\$0	\$206
Mortuary Science	4	\$54	\$109	\$0	\$0	\$0	\$0	\$163
Personnel Agents	1	\$36	\$48	\$0	\$0	\$0	\$0	\$85
Professional Engineers	13	\$466	\$532	\$0	\$0	\$0	\$0	\$998
Professional Surveyors	1	\$42	\$61	\$0	\$0	\$0	\$0	\$103
Real estate	25	\$738	\$997	\$206	\$206	\$0	\$0	\$2,147
Residential Builders	62	\$926	\$9,257	\$0	\$0	\$1,851	\$0	\$12,033
TOTAL	157	\$3,467	\$13,363	\$206	\$206	\$1,851	\$1,343	\$20,436
Description of estimate:								
Assumed an increase of 10% over FY 2016 as awareness increases.								

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	13	\$466	\$519	\$0	\$0	\$0	\$1,477	\$2,462
Architects	3	\$80	\$93	\$0	\$0	\$0	\$0	\$173
Barbers	28	\$559	\$1,597	\$0	\$0	\$0	\$0	\$2,156
Cosmetology	7	\$100	\$160	\$0	\$0	\$0	\$0	\$260
Foresters	1	\$67	\$53	\$0	\$0	\$0	\$0	\$120
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	15	\$512	\$586	\$0	\$0	\$0	\$0	\$1,098
Professional Surveyors	1	\$47	\$67	\$0	\$0	\$0	\$0	\$113
Real estate	28	\$812	\$1,097	\$226	\$226	\$0	\$0	\$2,361
Residential Builders	68	\$1,018	\$10,182	\$0	\$0	\$2,036	\$0	\$13,237
TOTAL	173	\$3,813	\$14,700	\$226	\$226	\$2,036	\$1,477	\$22,479
Description of estimate:								
Assumed an increase of 10% over FY 2017 as awareness increases.								