

Honorably Discharged Veteran Impact FY 2017 Report to the Legislature

(Pursuant to Section 503 of PA 107 of 2017)

February 15, 2018

Prepared by

Cheryl Wykoff Pezon, Acting Director

Bureau of Professional Licensing

Reporting Period: October 1, 2016 through September 30, 2017



RICK SNYDER
GOVERNOR



SHELLY EDGERTON
DIRECTOR

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Executive Summary:

Public Act 107 of 2017 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.

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 2017

<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	14	\$490	\$590	\$0	\$0	\$0	\$1,670	\$2,750
Architects	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Barbers	29	\$580	\$1,140	\$0	\$0	\$0	\$0	\$1,720
Cosmetology	10	\$150	\$240	\$0	\$0	\$0	\$0	\$390
Foresters	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hearing Aid Dealers	1	\$10	\$40	\$0	\$0	\$0	\$0	\$50
Mortuary Science*	3	\$175	\$350	\$0	\$0	\$0	\$0	\$525
Personnel Agents	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Engineers	1	\$35	\$40	\$0	\$0	\$0	\$0	\$75
Professional Surveyors	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real estate	56	\$1,110	\$2,274	\$565	\$565	\$0	\$0	\$4,514
Residential Builders	66	\$990	\$9,900	\$0	\$0	\$1,980	\$0	\$12,870
TOTAL	180	\$3,540	\$14,574	\$565	\$565	\$1,980	\$1,670	\$22,894
Actual Costs:								

Average cost of staff (\$28.84 average hourly wage x 1.82) x Average application processing time (20 minutes) x Number of applications (177) = \$3,096. *Regulation of Mortuary Science was transferred from the Bureau of Professional Licensing to the Bureau of Corporations, Securities, & Commercial Licensing on 3/1/17.

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	18	\$616	\$770	\$0	\$0	\$0	\$2,134	\$3,520
Architects	4	\$132	\$154	\$0	\$0	\$0	\$0	\$286
Barbers	32	\$638	\$1,837	\$0	\$0	\$0	\$0	\$2,475
Cosmetology	11	\$165	\$264	\$0	\$0	\$0	\$0	\$429
Foresters	2	\$110	\$132	\$0	\$0	\$0	\$0	\$242
Hearing Aid Dealers	3	\$44	\$143	\$0	\$0	\$0	\$0	\$187
Personnel Agents	1	\$33	\$44	\$0	\$0	\$0	\$0	\$77
Professional Engineers	14	\$501	\$572	\$0	\$0	\$0	\$0	\$1,073
Professional Surveyors	1	\$39	\$55	\$0	\$0	\$0	\$0	\$94
Real estate	63	\$1,700	\$3,627	\$957	\$781	\$0	\$0	\$7,064
Residential Builders	73	\$1,089	\$10,899	\$0	\$0	\$2,151	\$0	\$14,139
TOTAL	222	\$5,066	\$18,497	\$957	\$781	\$2,151	\$2,134	\$29,586
Description of estimate:								
Assumed overall growth rate of 10% based on maximum of previous 3 years actual numbers.								

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	19	\$678	\$847	\$0	\$0	\$0	\$2,347	\$3,872
Architects	5	\$145	\$169	\$0	\$0	\$0	\$0	\$315
Barbers	35	\$702	\$2,021	\$0	\$0	\$0	\$0	\$2,723
Cosmetology	12	\$182	\$290	\$0	\$0	\$0	\$0	\$472
Foresters	2	\$121	\$145	\$0	\$0	\$0	\$0	\$266
Hearing Aid Dealers	4	\$48	\$157	\$0	\$0	\$0	\$0	\$206
Personnel Agents	1	\$36	\$48	\$0	\$0	\$0	\$0	\$85
Professional Engineers	16	\$551	\$629	\$0	\$0	\$0	\$0	\$1,180
Professional Surveyors	1	\$42	\$61	\$0	\$0	\$0	\$0	\$103
Real estate	69	\$1,869	\$3,989	\$1,053	\$859	\$0	\$0	\$7,771
Residential Builders	80	\$1,198	\$11,989	\$0	\$0	\$2,367	\$0	\$15,553
TOTAL	244	\$5,572	\$20,347	\$1,053	\$859	\$2,367	\$2,347	\$32,545
Description of estimate:								
Assumed overall growth rate of 10% over previous years projection.								

Fiscal Year 2020 – 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	\$4,259
Architects	5	\$160	\$186	\$0	\$0	\$0	\$0	\$346
Barbers	39	\$772	\$2,223	\$0	\$0	\$0	\$0	\$2,995
Cosmetology	13	\$200	\$319	\$0	\$0	\$0	\$0	\$519
Foresters	3	\$133	\$160	\$0	\$0	\$0	\$0	\$293
Hearing Aid Dealers	4	\$53	\$173	\$0	\$0	\$0	\$0	\$226
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	\$8,548
Residential Builders	88	\$1,318	\$13,188	\$0	\$0	\$2,603	\$0	\$17,109
TOTAL	269	\$6,129	\$22,381	\$1,158	\$945	\$2,603	\$2,582	\$35,799
Description of estimate:								
Assumed overall growth rate of 10% over previous years projection.								