

Honorably Discharged Veteran Impact FY 2018 Report to the Legislature

(Pursuant to Section 503 of PA 207 of 2018)

March 8, 2019

Prepared by

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Bureau of Professional Licensing

Reporting Period: October 1, 2017 through September 30, 2018



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TABLE OF CONTENTS

| | |
|----------------------------|---|
| Executive Summary..... | 2 |
| Background | 2 |
| Required Information | 3 |

Executive Summary:

[Public Act 207 of 2018](#) section 503 requires the following:

Sec. 503. *Not later than February 15, the department shall submit a report to the subcommittees, the senate and house fiscal agencies, and state budget director providing the following information:*

(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character of service or under honorable conditions (general) character of service, 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 2018

| <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 | 11 | \$385 | \$620 | \$0 | \$0 | \$0 | \$1,595 | \$2,600 |
| Architects | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Barbers | 8 | \$160 | \$480 | \$0 | \$0 | \$0 | \$0 | \$640 |
| Cosmetology | 1 | \$15 | \$24 | \$0 | \$0 | \$0 | \$0 | \$39 |
| Foresters* | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Hearing Aid Dealers | 1 | \$20 | \$160 | \$0 | \$0 | \$0 | \$0 | \$180 |
| Personnel Agents | 1 | \$30 | \$40 | \$0 | \$0 | \$0 | \$0 | \$70 |
| Professional Engineers | 2 | \$70 | \$80 | \$0 | \$0 | \$0 | \$0 | \$150 |
| Professional Surveyors | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Real Estate Appraisers | 3 | \$105 | \$250 | \$0 | \$0 | \$0 | \$0 | \$335 |
| Real Estate Brokers and Salespersons | 66 | \$1,235 | \$2,410 | \$600 | \$600 | \$0 | \$0 | \$4,845 |
| Residential Builders** | 80 | \$1,200 | \$12,000 | \$0 | \$0 | \$2,400 | \$0 | \$15,600 |
| TOTAL | 173 | \$3,220 | \$16,064 | \$600 | \$600 | \$2,400 | \$1,595 | \$24,479 |
| Actual Costs: | \$3,027 | | | | | | | |

Average cost of staff (\$28.84 average hourly wage x 1.82) x Average application processing time (20 minutes) x Number of applications (173) = \$3,027.

*Regulation of Foresters was transferred from the Bureau of Professional Licensing to the Department of Natural Resources following the effect dates of Public Acts [116](#) and [117](#) of 2018, which became effective on July 25, 2018.

**Regulation of Residential Builders was transferred to the Bureau of Construction Codes on August 27, 2018.

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>Accountancy Enforcement Fund Fees</u> | <u>Total Fees Exempted</u> |
|---|--------------|-------------------------|---------------------|---|--|--|----------------------------|
| Accountancy | 12 | \$420 | \$676 | \$0 | \$0 | \$1,740 | \$2,836 |
| Architects | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Barbers | 9 | \$180 | \$540 | \$0 | \$0 | \$0 | \$720 |
| Cosmetology | 1 | \$15 | \$24 | \$0 | \$0 | \$0 | \$39 |
| Hearing Aid Dealers | 1 | \$20 | \$160 | \$0 | \$0 | \$0 | \$180 |
| Personnel Agents | 1 | \$30 | \$40 | \$0 | \$0 | \$0 | \$70 |
| Professional Engineers | 2 | \$70 | \$80 | \$0 | \$0 | \$0 | \$150 |
| Professional Surveyors | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Real Estate Appraisers | 3 | \$105 | \$250 | \$0 | \$0 | \$0 | \$335 |
| Real Estate Brokers and Salespersons | 73 | \$1,366 | \$2,666 | \$664 | \$664 | \$0 | \$5,360 |
| TOTAL | 102 | \$2,206 | \$4,436 | \$664 | \$664 | \$1,740 | \$9,710 |
| Description of estimate: | | | | | | | |
| Assumed overall growth rate of 10% based on maximum of previous 4 years actual numbers. | | | | | | | |

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>Accountancy Enforcement Fund Fees</u> | <u>Total Fees Exempted</u> |
|--|--------------|-------------------------|---------------------|---|--|--|----------------------------|
| Accountancy | 13 | \$455 | \$733 | \$0 | \$0 | \$1,885 | \$3,073 |
| Architects | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Barbers | 10 | \$200 | \$600 | \$0 | \$0 | \$0 | \$800 |
| Cosmetology | 1 | \$15 | \$24 | \$0 | \$0 | \$0 | \$39 |
| Hearing Aid Dealers | 1 | \$20 | \$160 | \$0 | \$0 | \$0 | \$180 |
| Personnel Agents | 1 | \$30 | \$40 | \$0 | \$0 | \$0 | \$70 |
| Professional Engineers | 2 | \$70 | \$80 | \$0 | \$0 | \$0 | \$150 |
| Professional Surveyors | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Real Estate Appraisers | 3 | \$105 | \$250 | \$0 | \$0 | \$0 | \$335 |
| Real Estate Brokers and Salespersons | 80 | \$1,497 | \$2,921 | \$727 | \$727 | \$0 | \$5,872 |
| TOTAL | 111 | \$2,392 | \$4,808 | \$727 | \$727 | \$1,885 | \$10,539 |
| Description of estimate: | | | | | | | |
| Assumed overall growth rate of 10% over previous years projection. | | | | | | | |

Fiscal Year 2021 – 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>Accountancy Enforcement Fund Fees</u> | <u>Total Fees Exempted</u> |
|--|--------------|-------------------------|---------------------|---|--|--|----------------------------|
| Accountancy | 14 | \$490 | \$789 | \$0 | \$0 | \$2,030 | \$3,309 |
| Architects | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Barbers | 11 | \$220 | \$660 | \$0 | \$0 | \$0 | \$880 |
| Cosmetology | 1 | \$15 | \$24 | \$0 | \$0 | \$0 | \$39 |
| Hearing Aid Dealers | 1 | \$20 | \$160 | \$0 | \$0 | \$0 | \$180 |
| Personnel Agents | 1 | \$30 | \$40 | \$0 | \$0 | \$0 | \$70 |
| Professional Engineers | 3 | \$105 | \$120 | \$0 | \$0 | \$0 | \$225 |
| Professional Surveyors | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Real Estate Appraisers | 4 | \$140 | \$333 | \$0 | \$0 | \$0 | \$473 |
| Real Estate Brokers and Salespersons | 88 | \$1,647 | \$3,213 | \$800 | \$800 | \$0 | \$6,460 |
| TOTAL | 123 | \$2,667 | \$5,339 | \$800 | \$800 | \$2,030 | \$11,636 |
| Description of estimate: | | | | | | | |
| Assumed overall growth rate of 10% over previous years projection. | | | | | | | |