



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1: LINE ITEM DETAIL

2025 PA 22

FY 2025-26

Initial

SEC. 101. APPROPRIATION SUMMARY

1.	<u>Unclassified full-time equated (FTE) positions</u>	6.0
	Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	
2.	<u>Classified FTE positions</u>	390.5
	All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	
3.	<u>GROSS APPROPRIATION</u>	79,406,400
	Total appropriations.	
4.	<u>Interdepartmental grants (IDG)</u>	\$763,800
	Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total Statewide appropriations.	
5.	<u>ADJUSTED GROSS APPROPRIATION</u>	\$78,642,600
	Gross appropriations less IDGs.	
6.	<u>Federal revenue</u>	\$250,000
	Funding allocated to the State by the Federal government.	
7.	<u>State restricted revenue</u>	\$78,392,600
	Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	
8.	<u>State general fund/general purpose</u>	\$0
	Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, corporate income, sales, and use taxes.	

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1: LINE ITEM DETAIL

2025 PA 22

FY 2025-26

Initial

SEC. 102. DEPARTMENT SERVICES

1.	<u>Unclassified salaries</u>	\$984,100
	Unclassified FTE positions	6.0
	<p>Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.</p>	
2.	<u>Administrative hearings</u>	\$173,700
	<p>This appropriation covers expenses incurred by DIFS for any administrative hearings conducted on the Department's behalf. Administrative hearings are conducted by the Michigan Administrative Hearing System in LARA and billed to the appropriate department.</p>	
3.	<u>Department services</u>	\$8,777,800
	Classified FTE positions	17.0
	<p>This line provides funding for the Department's administrative bureaus including Finance, Personnel, Budgeting, Purchasing and Grant Services, and Federal reporting.</p>	
4.	<u>Executive director programs</u>	\$1,737,700
	Classified FTE positions	6.5
	<p>This line provides funding to support the costs of the staff and administration of the Department Director's Executive Office, and the salaries and administrative costs for the unclassified employees.</p>	
5.	<u>Property Management</u>	\$1,217,200
	<p>This line provides funding to support leases with the Department of Management and Budget, for space occupied by DIFS in State-owned buildings. These leases are statewide.</p>	
6.	<u>Workers' compensation</u>	\$1,900
	<p>This line supports the Department's obligations for workers' compensation premiums and reserve funds.</p>	
	Unit Gross Appropriation	\$12,892,400

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1: LINE ITEM DETAIL

2025 PA 22

FY 2025-26

Initial

SEC. 103. INSURANCE AND FINANCIAL SERVICES REGULATION

1.	<u>Consumer services and protection</u>	\$17,894,600
	Classified FTE positions	105.0
	<p>The Office of Consumer Services consists of the Communication Center Section which responds to inquiries regarding insurance, banking, mortgage loans, and other financial services. The Consumer Assistance Section reviews, evaluates, and performs dispute resolutions for all of the regulated insurance and financial institutions. The Office also encompasses the media relations section.</p>	
2.	<u>Financial institutions evaluation</u>	\$23,061,300
	Classified FTE positions	131.0
	<p>This line provides funding for the following areas:</p>	
	a) Bank and Trust Division. Charters, examines, and supervises chartered banks, savings banks, savings and loan associations, and BIDCOs (Business and Industrial Development Corporation).	
	b) Credit Union Division. Annually examines the State-chartered credit unions.	
	c) Mortgage and Consumer Finance Section. This unit supervises consumer financial service, credit cards, mortgage brokers, lenders and services; motor vehicle sales finance; and secondary mortgage loans. In FY 2010-11, 10.0 FTEs and \$646,500 were added to establish regular (two- to three-year intervals) examinations cycles for securities broker-dealers and investment advisors.	
	d) Enterprise Monitoring Division. Processes applications for new State-chartered financial institutions, those requesting changes in corporate structure, and those requesting capital enhancement. This division also evaluates large, complex, and diversified in-State financial service organizations, and administers the risk assessment program.	
3.	<u>Insurance evaluation</u>	\$21,946,100
	Classified FTE positions	131.0
	<p>This line merged three lines from the previous fiscal year into one:</p>	
	a) Insurance evaluation, (54.0 FTE positions) The line provides funding for the monitoring and regulation of insurance companies, including: processing applications for licensure from insurance companies, financial examination and monitoring of insurance companies, monitoring and examination of captive insurers, and other similar responsibilities as required by law.	
	b) Insurance rates and forms, (30.0 FTE positions) The line provides for the enforcement of statutory requirements as they pertain to the calculation of policy rates and the various forms used by insurance companies operating in the State.	

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1: LINE ITEM DETAIL

2025 PA 22

FY 2025-26

Initial

c) Regulatory compliance, market conduct and licensing, (34.0 FTE positions) The line provides funding for the licensure of insurance producers, solicitors, counselors, risk retention groups, purchasing groups and other regulated insurance entities. Additionally, this line provides for the review of the conduct of insurance and audits insurance agents and companies.

Unit Gross Appropriation

\$62,901,400

SEC. 104. INFORMATION TECHNOLOGY

1. Information technology services and projects

\$3,612,600

This line supports the information technology services provided by the Department of Technology, Management and Budget.

Unit Gross Appropriation

\$3,612,600

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 2: BOILERPLATE DETAIL

2025 PA 22

Section

Number Description and History

STANDARD LANGUAGE SECTIONS

- 201 **Total State Spending in Part 1.** Total State spending and payments to local reporting section for appropriation made in Part 1.
Background: This section states the total State spending from State resources in this bill and lists the total payments to local units of government. This is a standard boilerplate section contained in all appropriations bills pursuant to 1984 PA 431.
- 202 **Management and Budget Act.** States that appropriations authorized under this Act are subject to the Management and Budget Act.
Background: This is a standard section contained in all appropriations bills.
- 203 **Definitions.** Definitions and acronyms contained in the Act.
Background: This is a standard section contained in all appropriations bills.
- 204 **Internet Reporting.** Requires the Department to use the Internet to fulfill reporting requirements of this act.
Background: This language was first included in FY 1999-2000.
- 205 **Buy American.** Prohibits the use of funds for purchase of foreign goods or services if competitively priced American goods or services are available. Requires that preference also be given to Michigan-based companies and veteran-owned and operated companies.
Background: This language was first put in the appropriations bill in FY 1992-93. It is standard in most appropriations bills. The language was modified for FY 2007-08 to include a preference for veterans.
- 206 **Prohibit Disciplinary Action.** Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or legislative staff.
Background: This section was added in FY 2005-06 to all budget acts. No specific incident was cited.
This section was declared unenforceable in FY 2023-24.
- 207 **Travel Report.** Requires a report on out-of-state travel for State employees.
Background: FY 2004-05 was the first year of this language. The original FY 2004-05 language prohibited out-of-state travel, but the prohibition was later removed and only the reporting requirement remained. Language was added for FY 2017-18 to require immediate supervisor approval for out-of-state travel. Modified in FY 2021-22 and FY 2023-24 due to standardization across budgets.
- 208 **GF/GP Lapse Report.** Requires the Department to submit a report on projected GF/GP lapses.
Background: This section was added for FY 2011-12. Modified report date to December 15 in FY 2023-24.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 2: BOILERPLATE DETAIL

2025 PA 22

Section

Number Description and History

208 ~~**Legal Services Limitation.** Prohibits use of funds to hire legal services that are the responsibility of the Attorney General.~~

Background: First included in FY 2007-08. Removed in FY 2025-26.

209 **Contingency Authorization.** Permits additional Federal and restricted funds received during the year to be expended after approval of a legislative transfer.

Background: This language was restored in FY 2007-08 after not being included in the budget since FY 2001-02. The FY 2019-20 budget reduced contingency fund allowances to one-fifth of their previous level. Modified in FY 2021-22 to contingency authorization.

210 **Searchable Expenditure Posting.** Requires that all Department expenditures be posted on a searchable website available to the public.

Background: This section was added in FY 2010-11 and appeared in other budgets for this year.

211 **Restricted Fund Balance Report.** Requires the Department to provide an annual report on restricted fund balances, projected revenue, and expenditures for the current and immediately preceding fiscal years. The report is due within 14 days of the release of the Executive budget recommendation.

Background: This section was added for FY 2011-12.

212 **FTE Reporting.** Requires the Department to report on the number of FTEs by type and classification, and compare authorized to actual FTEs.

Background: This section was added in FY 2020-21. Language requiring reporting related to remote work was removed in FY 2023-24. Modified in FY 2024-25 to specify the recipients of the report.

213 **Work Project Fund Prioritization.** Requires that appropriations in part 1 not be expended until all existing work project authorization available for the same purpose is exhausted.

Background: This section was added in FY 2020-21. This section was declared unenforceable in FY 2023-24.

214 **Geographically Disadvantaged Business Enterprises.** Directs the Department to take reasonable steps to ensure geographically disadvantaged business enterprises as defined Executive Directive 2019-98 compete for and perform contracts for services and supplies. The Director shall strongly encourage subcontracts with these enterprises.

Background: This is a long-standing section in most department budgets. Modified in FY 2023-24 to refer to geographically disadvantaged business enterprises rather than deprived and distressed communities.

215 **Marginalized Communities and Local Health Officer Duties.** States that no funding shall be used to restrict or impeded a marginalized community's access to government resources, programs, or facilities.

Background: This section was added in FY 2023-24.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 2: BOILERPLATE DETAIL

2025 PA 22

Section

Number Description and History

- 216 **Report Retention.** Requires the Department to receive and retain all copies of reports funded from the appropriations in part 1.
Background: This section was added in FY 2020-21.
- 217 **Policy Change Report.** Requires the Department to report on each specific policy change made to implement a public act that took effect during the prior calendar year.
Background: This section was first added in FY 2020-21.
- 218 **Federal Policy Change Report.** Requires the Department to report on each specific policy change made to implement a public act that took effect during the prior calendar year.
Background: This section was first added in FY 2020-21.
- 219 **State Administrative Board Transfers.** If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this act, the legislature may, by a concurrent adopted by a majority of the members elected to and serving in each house, intertransfer funds within this act for the particular department, board, commission, office, or institution.
Background: This section was first added in FY 2025-26.
- 220 **In-person Work.** Requires departments to maximize utilization of it's in-person state workforce.
Background: This section was first added in FY 2025-26.
- 221 **E-Verify.** Requires all contracts and contractors to agree to use the E-Verify system when hiring.
Background: This section was first added in FY 2025-26.
- 222 **Work Project Letters.** Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts.
Background: This section was first added in FY 2025-26.
- 222 ~~**State Recovery Funds.** Requires the State Budget Director to recover all funds allocated to the State under the American Rescue Plan Act of 2021.~~
Background: This language was first included in FY 2024-25. The section was removed in FY 2025-26.
- 223 **Legacy Costs.** Included in FY 2025-26 and states the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$6.514 million (\$5.9 million on pension-related legacy costs; \$683,800 million on health care-related legacy costs).
Background: This section was brought back in FY 2025-26.
- 224 **Strategic Plan** Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan.
Background: This section was added in FY 2025-26.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 2: BOILERPLATE DETAIL

2025 PA 22

Section

Number Description and History

- 225 **Court Settlements**: The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.
Background: This section was added in FY 2025-26.
- 226 **Disclosure of Private and other Third-party Funds**. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year.
Background: This section was first added in FY 2025-26.
- 227 **Archivable website**. The department shall make each report required under this act readily accessible to the public and conspicuously post each required report in a single archivable location on the department's Michigan.gov website not later than the due date required for each report.
Background: This section was first added in FY 2025-26.
- 228 **Transparency Language for all Grants**. Added new transparency language for all grants or direct appropriation grants funded in Part 1.
Background: This section was first added in FY 2025-26.
- 250 **Payment by Credit Card**. Allows the Department to accept credit cards and other electronic payments, unless prohibited by law.
Background: This section was added in FY 2010-11.
- 251 **Legislative Participation in Insurance Activities**. Permits the expenditure of funds from the insurance bureau fund in support of legislative participation in insurance activities coordinated by insurance and legislative associations in accordance with Section 225 of 1956 PA 218.
Background: This language was first included in FY 2018-19.
- 252 **Television and Radio Expenditure Reporting**. Requires the Department to report on expenditures for television and radio production.
Background: This section was removed in FY 2024-2025. Added back in FY 2025-26.

INSURANCE AND FINANCIAL SERVICES REGULATION

- 301 **Annual Health Insurance Rate Filings Report**. Requires the department to electronically transmit the annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b) to the recipients in Sec. 205 at the time the report is published.
Background: This section was added in FY 2015-16. A reporting deadline of September 30 was added for FY 2017-18. This section was modified in FY 2023-24 to require electronic transmission and refer to 45 CFR 154.301(b); previously, report contents were explicitly listed. Modified in FY 2024-25 to require the report to include the total number of objections issued for health insurance filings.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 2: BOILERPLATE DETAIL

2025 PA 22

Section

Number Description and History

- 302 **Office of Financial and Insurance Services, Conservatorship and Liquidation.** Allows for the funds collected for a conservatorship or liquidation to be appropriated for all related expenses and permits the funds to be carried forward.
Background: This is a longstanding boilerplate section. Previous to FY 2011-12, this section was split into two separate sections that did essentially the same thing as this section. Modified in FY 2021-22 to increase cap from \$300,000 to \$400,000 total for Secs. 302 and 303. Modified in FY 2023-24 to increase expenditure cap to \$1.0 million. Modified in FY 2025-26 to lower expenditure cap to \$600,000.
- 303 **Non-Confidential Information Requests.** Allows the Department to make non-confidential information available to interested entities. The Department may charge a reasonable fee for this service. Revenue is to be appropriated when received for the service. Any revenue balance will lapse to a restricted fund.
Background: This section was added in FY 2016-17. Modified in FY 2021-22 to increase cap from \$300,000 to \$400,000 total for Secs. 302 and 303. Modified in FY 2025-26 to lower expenditure cap to \$600,000.
- 304 **Transmission of Annual Report to Subcommittees.** Requires the Department to transmit annual report to the recipients in Sec. 205.
Background: This section was added in FY 2019-20 and required the Department to provide a report on complaints received by the Office of Consumer Services. Modified in FY 2021-22 to require only transmission of annual report. Modified in FY 2023-24 to reflect Sec. 205.
- 305 **Marijuana Banking Guidance.** Requires the Department to update examination manuals and letters of guidance to state-chartered financial institutions regarding department evaluation of institutions that provide financial services to marijuana-related businesses.
Background: This section was added in FY 2020-21.
- 306 **Annual Rate Filings.** Requires the Department to submit a report based on the annual rate filings from auto insurance issuers.
Background: This section was added in FY 2024-25.
- 307 **Auto Insurance Customer Service.** Requires the Department to provide customer service outreach or education related to financial services and insurance.
Background: This section was added in FY 2024-25.
- 308 **Satellite Offices.** ~~Requires the Department to increase outreach, education, and support services to the public.~~
Background: This section was first added in FY 2024-25 and deleted in FY 2025-26.