

**Summary: Executive Budget Recommendation
for Fiscal Year 2018-19
INSURANCE AND FINANCIAL SERVICES**



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	FY 2017-18 Year-to-Date as of 2/7/18	FY 2018-19 Executive	Difference: FY 2018-19 Vs. FY 2017-18	
			Amount	%
IDG/IDT	\$707,600	\$713,800	\$6,200	0.9
Federal	2,014,700	2,017,300	2,600	0.1
Local	0	0	0	--
Private	0	0	0	--
Restricted	63,869,100	64,690,800	821,700	1.3
GF/GP	150,000	150,000	0	0.0
Gross	\$66,741,400	\$67,571,900	\$830,500	1.2
FTEs	342.5	342.5	0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations	FY 2017-18 YTD (as of 2/7/18)	Executive Change from YTD
1. Technical Adjustments	Gross	NA
Reflects internal adjustments which have no overall Gross or GF/GP impact. Technical adjustments include fund shifts reflected in several line items in order to align with the department's cost allocation plan.	GF/GP	NA
		\$0
2. Economic Adjustments	Gross	NA
Reflects increased costs of \$830,500 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		\$830,500
		6,200
		2,600
		821,700
		\$0

Major Boilerplate Changes From FY 2017-18

Sec. 207. Out-of-State Travel Requirements and Report – REVISED

Stipulates various limitations regarding the conditions when DIFS may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed report on out-of-state travel. Revises by striking sections delineating conditions under which out-of-state travel is permissible and by heavily modifying the requirements for information to be contained within the report.

Sec. 218. Communications with the Legislature – DELETED

Prohibits DIFS from taking disciplinary action against an employee for communicating with a member of the legislature or its staff.

Sec. 219. Television and Radio Productions – DELETED

Prohibits DIFS from developing or producing television or radio productions.

Sec. 220. Healthy Michigan Plan Accounting Structure – DELETED

Requires DIFS, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan.

Major Boilerplate Changes From FY 2017-18

Sec. 221. Appropriation for Healthy Michigan Plan Statutory Reporting Requirement – DELETED

Stipulates that the appropriation from the General Fund shall only be expended on DIFS' reporting requirements pursuant to subsection 105d(9) of The Social Welfare Act of 1939.

Sec. 301. Health Insurance Rate Filings Report – DELETED

Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included.