

2150 Department of Financial Institutions

To protect and serve California's citizens through the effective regulation and supervision of financial institutions, such as banks and credit unions, licensed by the Department.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Licensing and Supervision of Banks and Trust Companies	129.2	123.5	123.5	\$20,830	\$22,575	\$22,936
20 Money Transmitters	22.8	22.8	22.8	2,952	3,105	3,296
40 Administration of Local Agency Security	2.9	3.8	3.8	324	391	402
50 Supervision of California Business and Industrial Development Corporations	-	-	-	19	33	33
60 Credit Unions	55.0	54.1	54.1	6,558	7,349	7,460
70 Savings and Loan	-	-	-	-	104	104
80 Industrial Banks	7.2	7.6	7.6	923	992	1,011
90.01 Administration	52.1	51.3	51.3	6,001	6,643	6,822
90.02 Distributed Administration	-	-	-	-6,001	-6,643	-6,822
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	269.2	263.1	263.1	\$31,606	\$34,549	\$35,242
FUNDING				2010-11*	2011-12*	2012-13*
0240 Local Agency Deposit Security Fund				\$324	\$391	\$402
0298 Financial Institutions Fund				23,899	25,587	26,158
0299 Credit Union Fund				6,558	7,349	7,460
0995 Reimbursements				825	1,222	1,222
TOTALS, EXPENDITURES, ALL FUNDS				\$31,606	\$34,549	\$35,242

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

California Financial Code, Division 1, Chapter 2.

PROGRAM AUTHORITY

10-Licensing and Supervision of Banks and Trust Companies:

California Financial Code, Division 1 (Banking Law).

20-Money Transmitters:

California Financial Code, Division 1.2.

40-Administration of Local Agency Security:

Government Code Sections 53630-53686.

50-Supervision of California Business and Industrial Development Corporations:

California Financial Code, Division 15.

60-Credit Unions:

California Financial Code, Division 5.

70-Savings and Loan:

California Financial Code, Division 2.

80-Industrial Banks:

California Financial Code, Division 1, Chapter 15.

* Dollars in thousands, except in Salary Range.

2150 Department of Financial Institutions - Continued

90-Administration:

California Financial Code, Division 1, Chapter 2.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustment	\$-	-\$312	-	\$-	\$83	-
• Retirement Rate Adjustment	-	153	-	-	153	-
• Limited-Term/Expiring Positions	-	-	-	-	-843	-4.7
• Operational Efficiency Plan	-	-194	-	-	-194	-
• Cell Phone Reductions	-	-51	-	-	-51	-
• Rental Rate Reductions	-	-101	-	-	-66	-
• Miscellaneous Adjstment for ProRata	-	-	-	-	263	-
Totals, Other Workload Budget Adjustments	\$-	-\$505	-	\$-	-\$655	-4.7
Totals, Workload Budget Adjustments	\$-	-\$505	-	\$-	-\$655	-4.7
Policy Adjustments						
• Convert Limited Term Positions to Permanent	\$-	\$-	-	\$-	\$843	4.7
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$843	4.7
Totals, Budget Adjustments	\$-	-\$505	-	\$-	\$188	-

PROGRAM DESCRIPTIONS

10 - LICENSING AND SUPERVISION OF BANKS AND TRUST COMPANIES

The objective of this program is to promote the integrity and stability of state-licensed banks and trust companies through the regulation and supervision of these institutions. Program activities include examinations at least once every two years to ensure that business is conducted in a safe and sound manner, and investigation of new bank and trust company applications.

20 - MONEY TRANSMITTERS

The objective of this program is to promote the integrity and stability of businesses selling payment instruments (money orders), traveler's checks, and those licensed to transmit money, through the regulation and supervision of these institutions. Examinations are conducted at any time to ensure the licensees are complying with the provisions of the law and operating in a safe and sound manner. In order to protect the public, a thorough examination of each new applicant is conducted before the license is issued.

40 - ADMINISTRATION OF LOCAL AGENCY SECURITY

As the Administrator of the Local Agency Security Program, the Commissioner monitors the amount and quality of collateral pledged to secure deposits of public funds made by approximately 1,500 local agencies. The Commissioner also administers local agency security for banks, savings and loans, credit unions, and industrial banks as well as federally chartered financial institutions.

50 - SUPERVISION OF CALIFORNIA BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS

This program licenses and regulates non-fiduciary businesses and industrial development corporations. The program ensures that business is conducted in a financially sound manner through both periodic examinations and analyses of required reports.

60 - CREDIT UNIONS

The primary objective of this program is to promote the integrity and stability of credit unions through the regulation and supervision of these institutions, including examinations to ensure they are operating in a safe and sound manner and complying with the appropriate provisions of the Financial Code relating to their operation.

70 - SAVINGS AND LOAN

The Savings and Loan Program ensures that savings associations comply with applicable laws and regulations.

* Dollars in thousands, except in Salary Range.

2150 Department of Financial Institutions - Continued

80 - INDUSTRIAL BANKS

The Industrial Banks Program administers and enforces the provisions of the Financial Code relating to industrial loan companies. This includes processing applications for new companies and conducting examinations to determine compliance with applicable laws and regulations.

90 - ADMINISTRATION

The Administration Program provides services essential for the administration of the Department and its programs, including executive, legal, legislative, policy, fiscal, business services, and information technology.

DETAILED EXPENDITURES BY PROGRAM

	2010-11*	2011-12*	2012-13*
PROGRAM REQUIREMENTS			
10 LICENSING AND SUPERVISION OF BANKS AND TRUST COMPANIES			
State Operations:			
0298 Financial Institutions Fund	\$20,005	\$21,353	\$21,714
0995 Reimbursements	825	1,222	1,222
Totals, State Operations	\$20,830	\$22,575	\$22,936
PROGRAM REQUIREMENTS			
20 MONEY TRANSMITTERS			
State Operations:			
0298 Financial Institutions Fund	\$2,952	\$3,105	\$3,296
Totals, State Operations	\$2,952	\$3,105	\$3,296
PROGRAM REQUIREMENTS			
40 ADMINISTRATION OF LOCAL AGENCY SECURITY			
State Operations:			
0240 Local Agency Security Deposit Fund	\$324	\$391	\$402
Totals, State Operations	\$324	\$391	\$402
PROGRAM REQUIREMENTS			
50 SUPERVISION OF CALIFORNIA BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS			
State Operations:			
0298 Financial Institutions Fund	\$19	\$33	\$33
Totals, State Operations	\$19	\$33	\$33
PROGRAM REQUIREMENTS			
60 CREDIT UNIONS			
State Operations:			
0299 Credit Union Fund	\$6,558	\$7,349	\$7,460
Totals, State Operations	\$6,558	\$7,349	\$7,460
PROGRAM REQUIREMENTS			
70 SAVINGS AND LOAN			
State Operations:			
0298 Financial Institutions Fund	\$-	\$104	\$104
Totals, State Operations	\$-	\$104	\$104
PROGRAM REQUIREMENTS			
80 INDUSTRIAL BANKS			
State Operations:			
0298 Financial Institutions Fund	\$923	\$992	\$1,011
Totals, State Operations	\$923	\$992	\$1,011
TOTALS, EXPENDITURES			
State Operations	31,606	34,549	35,242

* Dollars in thousands, except in Salary Range.

2150 Department of Financial Institutions - Continued

	<u>2010-11*</u>	<u>2011-12*</u>	<u>2012-13*</u>
Totals, Expenditures	\$31,606	\$34,549	\$35,242

EXPENDITURES BY CATEGORY

1 State Operations	<u>Positions/Personnel Years</u>			<u>Expenditures</u>		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	269.2	277.0	277.0	\$17,787	\$19,214	\$20,033
Estimated Salary Savings	-	-13.9	-13.9	-	-911	-952
Net Totals, Salaries and Wages	269.2	263.1	263.1	\$17,787	\$18,303	\$19,081
Staff Benefits	-	-	-	6,636	5,659	5,900
Totals, Personal Services	269.2	263.1	263.1	\$24,423	\$23,962	\$24,981
OPERATING EXPENSES AND EQUIPMENT				\$7,183	\$10,587	\$10,261
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$31,606	\$34,549	\$35,242

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0240 Local Agency Deposit Security Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$409	\$400	\$402
Allocation for employee compensation	2	1	-
Adjustment per Section 3.60	9	2	-
Adjustment per Section 3.90	-18	-6	-
Adjustment per Section 3.91	-28	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-1	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-	-2	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-3	-
Totals Available	\$374	\$391	\$402
Unexpended balance, estimated savings	-50	-	-
TOTALS, EXPENDITURES	\$324	\$391	\$402
0298 Financial Institutions Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$26,038	\$25,968	\$26,158
Allocation for employee compensation	76	36	-
Adjustment per Section 3.60	432	115	-
Adjustment per Section 3.90	-811	-270	-
Adjustment per Section 3.91	-1,300	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-40	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-	-76	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-146	-
Totals Available	\$24,435	\$25,587	\$26,158
Unexpended balance, estimated savings	-536	-	-
TOTALS, EXPENDITURES	\$23,899	\$25,587	\$26,158
0299 Credit Union Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,501	\$7,464	\$7,460
Allocation for employee compensation	23	11	-

* Dollars in thousands, except in Salary Range.

2150 Department of Financial Institutions - Continued

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
Adjustment per Section 3.60	129	36	-
Adjustment per Section 3.90	-261	-84	-
Adjustment per Section 3.91	-403	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-10	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-	-23	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-45	-
Totals Available	\$6,989	\$7,349	\$7,460
Unexpended balance, estimated savings	-431	-	-
TOTALS, EXPENDITURES	\$6,558	\$7,349	\$7,460
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$825	\$1,222	\$1,222
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$31,606	\$34,549	\$35,242

FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0240 Local Agency Deposit Security Fund ^s			
BEGINNING BALANCE	\$492	\$450	\$295
Prior year adjustments	-1	-	-
Adjusted Beginning Balance	\$491	\$450	\$295
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
121200 Other Regulatory Taxes	270	224	224
150300 Income From Surplus Money Investments	3	3	3
164300 Penalty Assessments	10	10	10
Total Revenues, Transfers, and Other Adjustments	\$283	\$237	\$237
Total Resources	\$774	\$687	\$532
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	-	1	1
2150 Department of Financial Institutions (State Operations)	324	391	402
Total Expenditures and Expenditure Adjustments	\$324	\$392	\$403
FUND BALANCE	\$450	\$295	\$129
Reserve for economic uncertainties	450	295	129
0298 Financial Institutions Fund ^s			
BEGINNING BALANCE	\$11,554	\$12,441	\$10,650
Prior year adjustments	1,687	-	-
Adjusted Beginning Balance	\$13,241	\$12,441	\$10,650
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
121200 Other Regulatory Taxes	21,136	22,325	22,325
125700 Other Regulatory Licenses and Permits	134	101	101
150300 Income From Surplus Money Investments	80	80	80
161400 Miscellaneous Revenue	1,430	1,403	1,403
163000 Settlements/Judgments(not Anti-trust)	203	-	-
164300 Penalty Assessments	175	-	-
Total Revenues, Transfers, and Other Adjustments	\$23,158	\$23,909	\$23,909
Total Resources	\$36,399	\$36,350	\$34,559
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			

* Dollars in thousands, except in Salary Range.

2150 Department of Financial Institutions - Continued

	2010-11*	2011-12*	2012-13*
Expenditures:			
0840 State Controller (State Operations)	44	35	33
2150 Department of Financial Institutions (State Operations)	23,899	25,587	26,158
8880 Financial Information System for California (State Operations)	<u>15</u>	<u>78</u>	<u>21</u>
Total Expenditures and Expenditure Adjustments	<u>\$23,958</u>	<u>\$25,700</u>	<u>\$26,212</u>
FUND BALANCE	\$12,441	\$10,650	\$8,347
Reserve for economic uncertainties	12,441	10,650	8,347
0299 Credit Union Fund ^s			
BEGINNING BALANCE	\$2,846	\$2,424	\$1,553
Prior year adjustments	<u>-287</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$2,559	\$2,424	\$1,553
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
121200 Other Regulatory Taxes	6,395	6,363	7,000
150300 Income From Surplus Money Investments	36	36	36
164300 Penalty Assessments	<u>8</u>	<u>111</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$6,439</u>	<u>\$6,510</u>	<u>\$7,036</u>
Total Resources	\$8,998	\$8,934	\$8,589
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	12	10	10
2150 Department of Financial Institutions (State Operations)	6,558	7,349	7,460
8880 Financial Information System for California (State Operations)	<u>4</u>	<u>22</u>	<u>6</u>
Total Expenditures and Expenditure Adjustments	<u>\$6,574</u>	<u>\$7,381</u>	<u>\$7,476</u>
FUND BALANCE	\$2,424	\$1,553	\$1,113
Reserve for economic uncertainties	2,424	1,553	1,113

* Dollars in thousands, except in Salary Range.