

2150 Department of Financial Institutions

Effective July 1, 2013, pursuant to the Governor's Reorganization Plan No. 2 of 2012, the 2013-14 information for the Department of Financial Institutions is merging into the Department of Business Oversight (Organization Code 1701), which is created under this new Agency (Business, Consumer Services, and Housing). The Department of Financial Institutions was previously reported within the Business, Transportation, and Housing Agency.

The Department's mission is to protect and serve California's citizens through the effective regulation and supervision of financial institutions licensed by the Department.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Licensing and Supervision of Banks and Trust Companies	118.8	126.0	-	\$21,853	\$22,585	\$-
20 Money Transmitters	22.6	23.0	-	3,034	3,242	-
40 Administration of Local Agency Security	3.1	4.0	-	257	393	-
50 Supervision of California Business and Industrial Development Corporations	-	-	-	13	33	-
60 Credit Unions	53.7	56.0	-	7,167	7,328	-
70 Savings and Loan	-	-	-	12	104	-
80 Industrial Banks	7.2	8.0	-	567	990	-
90.01 Administration	53.8	53.0	-	6,640	6,710	-
90.02 Distributed Administration	-	-	-	-6,640	-6,710	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	259.2	270.0	-	\$32,903	\$34,675	\$-
FUNDING				2011-12*	2012-13*	2013-14*
0240 Local Agency Deposit Security Fund				\$257	\$393	\$-
0298 Financial Institutions Fund				24,460	25,732	-
0299 Credit Union Fund				7,167	7,328	-
0995 Reimbursements				1,019	1,222	-
TOTALS, EXPENDITURES, ALL FUNDS				\$32,903	\$34,675	\$-

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 and Division 1.1.

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.

* Dollars in thousands, except in Salary Range.

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80-Industrial Banks:

California Financial Code, Division 1.1, Chapter 15.

90-Administration:

California Financial Code, Division 1, Chapter 2.

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$1,019	-	\$-	\$-	-
• Retirement Rate Adjustment	-	451	-	-	-	-
• Limited Term Positions/Expiring Programs	-	-	-	-	-338	-3.0
• Miscellaneous Adjustments	-	-	-	-	-34,904	-267.0
Totals, Other Workload Budget Adjustments	\$-	-\$568	-	\$-	-\$35,242	-270.0
Totals, Workload Budget Adjustments	\$-	-\$568	-	\$-	-\$35,242	-270.0
Totals, Budget Adjustments	\$-	-\$568	-	\$-	-\$35,242	-270.0

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 foreign banks and trust companies through the regulation and supervision of these institutions. Program activities include examinations at least once every three years to ensure that business is conducted in a safe and sound manner, and investigation of new bank and trust company applications and other required applications.

20 - MONEY TRANSMITTERS

The objective of this program is to promote the integrity and stability of businesses receiving money in the United States for transmission, selling or issuing payment instruments, and selling or issuing stored value. The objective is accomplished through the examination, regulation, and supervision of these institutions. Examinations can be conducted at any time to ensure the licensees are complying with the provisions of the Money Transmission Act and operating in a safe and sound manner. In order to protect the public, a thorough review of each new applicant is conducted before a 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 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.

80 - INDUSTRIAL BANKS

The Industrial Bank Program administers and enforces the provisions of the Financial Code relating to industrial loan

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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

	2011-12*	2012-13*	2013-14*
PROGRAM REQUIREMENTS			
10 LICENSING AND SUPERVISION OF BANKS AND TRUST COMPANIES			
State Operations:			
0298 Financial Institutions Fund	\$20,834	\$21,363	\$-
0995 Reimbursements	1,019	1,222	-
Totals, State Operations	\$21,853	\$22,585	\$-
PROGRAM REQUIREMENTS			
20 MONEY TRANSMITTERS			
State Operations:			
0298 Financial Institutions Fund	\$3,034	\$3,242	\$-
Totals, State Operations	\$3,034	\$3,242	\$-
PROGRAM REQUIREMENTS			
40 ADMINISTRATION OF LOCAL AGENCY SECURITY			
State Operations:			
0240 Local Agency Deposit Security Fund	\$257	\$393	\$-
Totals, State Operations	\$257	\$393	\$-
PROGRAM REQUIREMENTS			
50 SUPERVISION OF CALIFORNIA BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS			
State Operations:			
0298 Financial Institutions Fund	\$13	\$33	\$-
Totals, State Operations	\$13	\$33	\$-
PROGRAM REQUIREMENTS			
60 CREDIT UNIONS			
State Operations:			
0299 Credit Union Fund	\$7,167	\$7,328	\$-
Totals, State Operations	\$7,167	\$7,328	\$-
PROGRAM REQUIREMENTS			
70 SAVINGS AND LOAN			
State Operations:			
0298 Financial Institutions Fund	\$12	\$104	\$-
Totals, State Operations	\$12	\$104	\$-
PROGRAM REQUIREMENTS			
80 INDUSTRIAL BANKS			
State Operations:			
0298 Financial Institutions Fund	\$567	\$990	\$-
Totals, State Operations	\$567	\$990	\$-
TOTALS, EXPENDITURES			
State Operations	32,903	34,675	-
Totals, Expenditures	\$32,903	\$34,675	\$-

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EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	259.2	270.0	267.0	\$17,837	\$18,717	\$20,159
Total Adjustments	-	-	-267.0	-	-	-20,159
Net Totals, Salaries and Wages	259.2	270.0	-	\$17,837	\$18,717	\$-
Staff Benefits	-	-	-	8,119	6,894	-
Totals, Personal Services	259.2	270.0	-	\$25,956	\$25,611	\$-
OPERATING EXPENSES AND EQUIPMENT				\$6,947	\$9,064	\$-
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$32,903	\$34,675	\$-
(State Operations)						

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0240 Local Agency Deposit Security Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$400	\$402	\$-
Allocation for employee compensation	1	2	-
Adjustment per Section 3.60	2	8	-
Adjustment per Section 3.90	-6	-19	-
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	\$391	\$393	\$-
Unexpended balance, estimated savings	-134	-	-
TOTALS, EXPENDITURES	\$257	\$393	\$-
0298 Financial Institutions Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$25,968	\$26,158	\$-
Allocation for employee compensation	36	88	-
Adjustment per Section 3.60	115	339	-
Adjustment per Section 3.90	-270	-853	-
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	\$25,587	\$25,732	\$-
Unexpended balance, estimated savings	-1,127	-	-
TOTALS, EXPENDITURES	\$24,460	\$25,732	\$-
0299 Credit Union Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,464	\$7,460	\$-
Allocation for employee compensation	11	28	-
Adjustment per Section 3.60	36	105	-
Adjustment per Section 3.90	-84	-265	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-10	-	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-23	-	-

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1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-45	-	-
Totals Available	\$7,349	\$7,328	\$-
Unexpended balance, estimated savings	-182	-	-
TOTALS, EXPENDITURES	\$7,167	\$7,328	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$1,019	\$1,222	\$-
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$32,903	\$34,675	\$-

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Authorized Positions	259.2	270.0	267.0	\$17,837	\$18,717	\$20,159
Workload and Administrative Adjustments:						
Reductions in Authorized Positions:						
Merged into Department of Business Oversight per GRP 2	-	-	-267.0	-	-	-20,159
Total Workload and Administrative Adjustments	-	-	-267.0	\$-	\$-	-\$20,159
Total Adjustments	-	-	-267.0	\$-	\$-	-\$20,159
TOTALS, SALARIES AND WAGES	259.2	270.0	-	\$17,837	\$18,717	\$-

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