

## 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 was merged into the Department of Business Oversight (Organization Code 1701) and moved from the Business, Transportation, and Housing Agency to the Business, Consumer Services, and Housing Agency.

The Department's mission was 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		
		2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10	Licensing and Supervision of Banks and Trust Companies	126.1	-	-	\$22,371	\$-	\$-
20	Money Transmitters	22.6	-	-	3,145	-	-
40	Administration of Local Agency Security	3.9	-	-	375	-	-
50	Supervision of California Business and Industrial Development Corporations	-	-	-	17	-	-
60	Credit Unions	53.7	-	-	7,232	-	-
70	Savings and Loan	-	-	-	14	-	-
80	Industrial Banks	3.2	-	-	687	-	-
90.01	Administration	47.5	-	-	6,483	-	-
90.02	Distributed Administration	-	-	-	-6,483	-	-
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>		<b>257.0</b>	<b>-</b>	<b>-</b>	<b>\$33,841</b>	<b>\$-</b>	<b>\$-</b>
<b>FUNDING</b>					<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
0240	Local Agency Deposit Security Fund				\$375	\$-	\$-
0298	Financial Institutions Fund				25,730	-	-
0299	Credit Union Fund				7,233	-	-
0995	Reimbursements				503	-	-
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>					<b>\$33,841</b>	<b>\$-</b>	<b>\$-</b>

### 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.

## 2150 Department of Financial Institutions - Continued

80-Industrial Banks:

California Financial Code, Division 1.1, Chapter 15.

90-Administration:

California Financial Code, Division 1, Chapter 2.

### PROGRAM DESCRIPTIONS

#### 10 - LICENSING AND SUPERVISION OF BANKS AND TRUST COMPANIES

The objective of this program was 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 included examinations at least once every three years to ensure that business was 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 was 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 was accomplished through the examination, regulation, and supervision of these institutions. Examinations were conducted at any time to ensure the licensees were 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 was conducted before a license is issued.

#### 40 - ADMINISTRATION OF LOCAL AGENCY SECURITY

As the Administrator of the Local Agency Security Program, the Commissioner monitored the amount and quality of collateral pledged to secure deposits of public funds made by approximately 1,500 local agencies. The Commissioner also administered 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 licensed and regulated non-fiduciary businesses and industrial development corporations. The program ensured that business was conducted in a financially sound manner through periodic examinations and analyses of required reports.

#### 60 - CREDIT UNIONS

The primary objective of this program was to promote the integrity and stability of credit unions through the regulation and supervision of these institutions, including examinations to ensure they were 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 ensured that savings associations comply with applicable laws and regulations.

#### 80 - INDUSTRIAL BANKS

The Industrial Bank Program administered and enforced the provisions of the Financial Code relating to industrial loan companies. This included processing applications for new companies and conducting examinations to determine compliance with applicable laws and regulations.

#### 90 - ADMINISTRATION

The Administration Program provided 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

		2012-13*	2013-14*	2014-15*
	<b>PROGRAM REQUIREMENTS</b>			
<b>10</b>	<b>LICENSING AND SUPERVISION OF BANKS AND TRUST COMPANIES</b>			
	<b>State Operations:</b>			
0298	Financial Institutions Fund	\$21,868	\$-	\$-

\* Dollars in thousands, except in Salary Range.

**2150 Department of Financial Institutions - Continued**

		<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
0995	Reimbursements	<u>503</u>	<u>-</u>	<u>-</u>
	<b>Totals, State Operations</b>	<b>\$22,371</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>20</b>	<b>MONEY TRANSMITTERS</b>			
	<b>State Operations:</b>			
0298	Financial Institutions Fund	<u>\$3,145</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$3,145</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>40</b>	<b>ADMINISTRATION OF LOCAL AGENCY SECURITY</b>			
	<b>State Operations:</b>			
0240	Local Agency Deposit Security Fund	<u>\$375</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$375</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>50</b>	<b>SUPERVISION OF CALIFORNIA BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS</b>			
	<b>State Operations:</b>			
0298	Financial Institutions Fund	<u>\$17</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$17</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>60</b>	<b>CREDIT UNIONS</b>			
	<b>State Operations:</b>			
0299	Credit Union Fund	<u>\$7,232</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$7,232</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>70</b>	<b>SAVINGS AND LOAN</b>			
	<b>State Operations:</b>			
0298	Financial Institutions Fund	<u>\$14</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$14</b>	<b>\$-</b>	<b>\$-</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>80</b>	<b>INDUSTRIAL BANKS</b>			
	<b>State Operations:</b>			
0298	Financial Institutions Fund	<u>\$687</u>	<u>\$-</u>	<u>\$-</u>
	<b>Totals, State Operations</b>	<b>\$687</b>	<b>\$-</b>	<b>\$-</b>
	<b>TOTALS, EXPENDITURES</b>			
	State Operations	<u>33,841</u>	<u>-</u>	<u>-</u>
	<b>Totals, Expenditures</b>	<b>\$33,841</b>	<b>\$-</b>	<b>\$-</b>

**EXPENDITURES BY CATEGORY**

	<b>1 State Operations</b>					
	<b>Positions</b>			<b>Expenditures</b>		
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	<u>257.0</u>	<u>-</u>	<u>-</u>	<u>\$17,703</u>	<u>\$-</u>	<u>\$-</u>
<b>Net Totals, Salaries and Wages</b>	<b>257.0</b>	<b>-</b>	<b>-</b>	<b>\$17,703</b>	<b>\$-</b>	<b>\$-</b>
Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,058</u>	<u>-</u>	<u>-</u>
<b>Totals, Personal Services</b>	<b>257.0</b>	<b>-</b>	<b>-</b>	<b>\$25,761</b>	<b>\$-</b>	<b>\$-</b>
OPERATING EXPENSES AND EQUIPMENT				<u>\$8,080</u>	<u>\$-</u>	<u>\$-</u>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$33,841</b>	<b>\$-</b>	<b>\$-</b>

\* Dollars in thousands, except in Salary Range.

## 2150 Department of Financial Institutions - Continued

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
<b>0240 Local Agency Deposit Security Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$402	\$-	\$-
Allocation for employee compensation	2	-	-
Adjustment per Section 3.60	8	-	-
Adjustment per Section 3.90	-19	-	-
<b>Totals Available</b>	<b>\$393</b>	<b>\$-</b>	<b>\$-</b>
Unexpended balance, estimated savings	-18	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$375</b>	<b>\$-</b>	<b>\$-</b>
<b>0298 Financial Institutions Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$26,158	\$-	\$-
Allocation for employee compensation	88	-	-
Adjustment per Section 3.60	339	-	-
Adjustment per Section 3.90	-853	-	-
<b>Totals Available</b>	<b>\$25,732</b>	<b>\$-</b>	<b>\$-</b>
Unexpended balance, estimated savings	-2	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$25,730</b>	<b>\$-</b>	<b>\$-</b>
<b>0299 Credit Union Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,460	\$-	\$-
Allocation for employee compensation	28	-	-
Adjustment per Section 3.60	105	-	-
Adjustment per Section 3.90	-265	-	-
<b>Totals Available</b>	<b>\$7,328</b>	<b>\$-</b>	<b>\$-</b>
Unexpended balance, estimated savings	-95	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$7,233</b>	<b>\$-</b>	<b>\$-</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$503	\$-	\$-
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$33,841</b>	<b>\$-</b>	<b>\$-</b>

\* Dollars in thousands, except in Salary Range.