

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner

Bill No. SB 514 **Bill Sec.** 3

Analyst: Pratt

Budget Analysis Vol. --

GBR Vol. II, p. 120

Expenditure Summary	Agency Estimate FY 2024	Governor Recommendation FY 2024	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	13,312,335	13,299,915	0
<i>Subtotal</i>	<u>\$ 13,312,335</u>	<u>\$ 13,299,915</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 13,312,335</u></u>	<u><u>\$ 13,299,915</u></u>	<u><u>\$ 0</u></u>
FTE positions	114.0	114.0	0.0

Agency Estimate

The **agency** submits a revised estimate of \$13.3 million, all from special revenue funds, in expenditures and 114.0 FTE positions in FY 2024. This is a decrease of \$109,648, or 0.8 percent, below the FY 2024 approved amount. The decrease is primarily the result of the agency not expending as much as it initially budgeted on outside services to regulate the new Technology Enabled Fiduciary Financial Institutions (TEFFI) industry. The decrease is partially offset by the following three supplemental requests:

- The revised estimate includes **\$127,714 in supplemental funding and an increase of 2.0 FTE positions to hire two additional Trust Examiners in FY 2024**. The agency anticipates an increase in the number of trust assets under its regulatory supervision and requests additional resources to ensure trust files, which are increasingly complex in nature, are adequately reviewed during examinations.
- The revised estimate also includes **\$68,467 in supplemental funding for compensation increases for agency staff in FY 2024**. According to the agency, a competitive salary structure for their Financial Examiners and other staff will allow the agency to attract and retain high-quality employees rather than compete with the Federal Deposit Insurance Corporation and private financial institutions.
- Finally, the revised estimate includes **\$12,420 in supplemental funding to increase the per diem compensation for members of the State Banking Board from \$35 per meeting to approximately \$150 per meeting in FY 2024**. The current per diem rate has remained unchanged since 1974.

Governor's Recommendation

The **Governor** recommends expenditures of \$13.3 million, all from special revenue funds, and 114.0 FTE positions in FY 2024. This is a decrease of \$12,420, or 0.1 percent, below the agency's FY 2024 revised estimate. The decrease is due to the Governor not recommending the agency's supplemental request to increase the per diem compensation for members of the State Banking Board.

Senate Committee on Transparency and Ethics Recommendation

The **Committee** concurs with the Governor's recommendation in FY 2024.

Senate Committee on Ways and Means Recommendation

The **Committee** concurs with the Senate Committee's recommendation in FY 2024 with the following adjustment:

1. Add \$12,420, all from the Bank Commissioner Fee Fund, to recommend the agency's supplemental request to increase the per diem compensation for members of the State Banking Board in FY 2024.



House Budget Committee Report

Agency: Office of the State Bank Commissioner

Bill No. HB 2802 **Bill Sec.** 3

Analyst: Pratt

Budget Analysis Vol. --

GBR Vol. II, p. 120

Expenditure Summary	Agency Estimate FY 2024	Governor Recommendation FY 2024	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	13,312,335	13,299,915	12,420
<i>Subtotal</i>	\$ 13,312,335	\$ 13,299,915	\$ 12,420
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 13,312,335	\$ 13,299,915	\$ 12,420
FTE positions	114.0	114.0	0.0

Agency Estimate

The **agency** submits a revised estimate of \$13.3 million, all from special revenue funds, in expenditures and 114.0 FTE positions in FY 2024. This is a decrease of \$109,648, or 0.8 percent, below the FY 2024 approved amount. The decrease is primarily the result of the agency not expending as much as it initially budgeted on outside services to regulate the new TEFFI industry. The decrease is partially offset by the following three supplemental requests:

- The revised estimate includes **\$127,714 in supplemental funding and an increase of 2.0 FTE positions to hire two additional Trust Examiners in FY 2024**. The agency anticipates an increase in the number of trust assets under its regulatory supervision and requests additional resources to ensure trust files, which are increasingly complex in nature, are adequately reviewed during examinations.
- The revised estimate also includes **\$68,467 in supplemental funding for compensation increases for agency staff in FY 2024**. According to the agency, a competitive salary structure for their Financial Examiners and other staff will allow the agency to attract and retain high-quality employees rather than compete with the Federal Deposit Insurance Corporation and private financial institutions.
- Finally, the revised estimate includes **\$12,420 in supplemental funding to increase the per diem compensation for members of the State Banking Board from \$35 per meeting to approximately \$150 per meeting in FY 2024**. The current per diem rate has remained unchanged since 1974.

Governor's Recommendation

The **Governor** recommends expenditures of \$13.3 million, all from special revenue funds, and 114.0 FTE positions in FY 2024. This is a decrease of \$12,420, or 0.1 percent, below the agency's FY 2024 revised estimate. The decrease is due to the Governor not recommending the agency's supplemental request to increase the per diem compensation for members of the State Banking Board.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2024 with the following adjustment:

1. Add \$12,420, all from the Bank Commissioner Fee Fund, to recommend the agency's supplemental request to increase the per diem compensation for members of the State Banking Board in FY 2024.

House Committee on Appropriations Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2024 with the following adjustment:

1. Delete \$12,420, all from the Bank Commissioner Fee Fund, to not recommend the agency's supplemental request to increase the per diem compensation for members of the State Banking Board in FY 2024.