

House Budget Committee Report

Agency: Office of the State Bank Commissioner

Bill No. HB 2274

Bill Sec. 2

Analyst: Light

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Budget Page No. 118

Expenditure Summary	Agency Estimate FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	12,963,709	12,704,267	12,420
<i>Subtotal</i>	<u>\$ 12,963,709</u>	<u>\$ 12,704,267</u>	<u>\$ 12,420</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>\$ 12,963,709</u>	<u>\$ 12,704,267</u>	<u>\$ 12,420</u>
 FTE positions	 112.0	 112.0	 0.0

Agency Estimate

The **agency** requests a revised estimate of \$13.0 million, all from special revenue funds, in FY 2023. This is an increase of \$299,261, or 2.7 percent, above the FY 2023 approved amount. Significant increases in the revised estimate include the following:

- **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The revised estimate includes a supplemental request to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **SUPPLEMENTAL - STAFF SALARY INCREASES.** The revised estimate includes a supplemental request to provide merit-based staff salary increases. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts.
- **SUPPLEMENTAL - TWO ADDITIONAL STAFF.** A third supplemental request is for two additional specialized examiners. The 2.0 FTE positions would be Information Technology (IT) Examiners and would conduct IT exams for banks to check for risks and exposures in cybersecurity.
- **TRAVEL-RELATED EXPENDITURES INCREASES.** The revised estimate also includes several increases for travel-related expenditures. This is for training of the

agency's staff in all areas of expertise as well as in-person examinations of state-owned banks. During the COVID-19 pandemic, the training schools, conferences, and programs moved to virtual events. Resumption of in-person training and in-person portions of examinations are included in the revised estimate.

The agency **requests 112.0** FTE positions in FY 2023. This is an increase of 2.0 FTE positions above the approved number for the purposes of adding two IT Examiners, as explained above.

Governor's Recommendation

The **Governor** recommends \$12.7 million, all from special revenue funds, in FY 2023. This is an overall decrease of \$259,442, or 2.0 percent, below the agency's FY 2023 revised estimate. The Governor's recommendation does not include the agency's supplemental requests for board member per diem increases or staff salary increases. The Governor recommends \$39,819, all from special revenue funds, to provide partial year funding for 2.0 FTE IT examiner positions.

The Governor's recommendation includes 112.0 FTE positions, which is the same as the agency's revised estimate in FY 2023.

House Budget Committee Recommendation

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

1. Add \$12,420 from special revenue funds to pay for board member per diem increases from \$35 to \$150 and add language to direct that this money can only be used if there is a change in the statutory limit for board member per diems in FY 2023.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation with the following adjustments:

1. Delete \$12,420, all special revenue funds, to increase board member per diem rates from \$35 to \$150 and delete language that this money can be used only if there is a change in the statutory limit for board member per diem in FY 2023. Review this deletion and language at Omnibus.
2. Delete \$39,819, all special revenue funds, and 2.0 FTE positions requested for IT examiners in FY 2023. Review at Omnibus.

House Committee of the Whole Recommendation (House Sub. for SB 42)

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2023.

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner

Bill No. SB 153

Bill Sec. 2

Analyst: Light

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Budget Page No. 118

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2023</u>	<u>Governor Recommendation FY 2023</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	12,963,709	12,704,267	0
<i>Subtotal</i>	<u>\$ 12,963,709</u>	<u>\$ 12,704,267</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>\$ 12,963,709</u>	<u>\$ 12,704,267</u>	<u>\$ 0</u>
FTE positions	112.0	112.0	0.0

Agency Estimate

The **agency** requests a revised estimate of \$13.0 million, all from special revenue funds, in FY 2023. This is an increase of \$299,261, or 2.7 percent, above the FY 2023 approved amount. Significant increases in the revised estimate include the following:

- **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The revised estimate includes a supplemental request to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **SUPPLEMENTAL - STAFF SALARY INCREASES.** The revised estimate includes a supplemental request to provide merit-based staff salary increases. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts.
- **SUPPLEMENTAL - TWO ADDITIONAL STAFF.** A third supplemental request is for two additional specialized examiners. The 2.0 FTE positions would be Information

Technology (IT) Examiners and would conduct IT exams for banks to check for risks and exposures in cybersecurity.

- **TRAVEL-RELATED EXPENDITURES INCREASES.** The revised estimate also includes several increases for travel-related expenditures. This is for training of the agency's staff in all areas of expertise as well as in-person examinations of state-owned banks. During the COVID-19 pandemic, the training schools, conferences, and programs moved to virtual events. Resumption of in-person training and in-person portions of examinations are included in the revised estimate.

The **agency** requests 112.0 FTE positions in FY 2023. This is an increase of 2.0 FTE positions above the approved number for the purposes of adding two IT Examiners, as explained above.

Governor's Recommendation

The **Governor** recommends \$12.7 million, all from special revenue funds, in FY 2023. This is an overall decrease of \$259,442, or 2.0 percent, below the agency's FY 2023 revised estimate. The Governor's recommendation does not include the agency's supplemental requests for board member per diem increases or staff salary increases. The Governor recommends \$39,819, all from special revenue funds, to provide partial year funding for 2.0 FTE IT examiner positions.

The Governor's recommendation includes 112.0 FTE positions, which is the same as the agency's revised estimate in FY 2023.

Senate Committee on Transparency and Ethics Recommendation

The **Committee** concurs with the Governor's recommendation in FY 2023.

Senate Committee Recommendation

The **Committee** concurs with the Transparency and Ethics Committee's recommendation in FY 2023.

Senate Committee of the Whole Recommendation (Sub. for SB 155)

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2023.

Conference Committee Recommendation (HB 2184)

The **Conference Committee** concurs with the Governor's recommendation in FY 2023 with the following adjustment:

1. Delete 2.0 FTE positions for additional IT examiners in FY 2023.

Omnibus Action (SB 25)

1. Add 2.0 FTE positions for additional IT examiners in FY 2023.

	Governor's Recommendation FY 2023	Legislative Action Mega Bill	Legislative Approved FY 2023	Legislative Action Omnibus Bill	Final Legislative Approved FY 2023
All Funds					
State Operations	\$ 12,554,267	\$ 0	\$ 12,554,267	\$ 0	\$ 12,554,267
Aid to Local Units	0	0	0	0	0
Other Assistance	150,000	0	150,000	0	150,000
<i>Subtotal - Operations</i>	<u>\$ 12,704,267</u>	<u>\$ 0</u>	<u>\$ 12,704,267</u>	<u>\$ 0</u>	<u>\$ 12,704,267</u>
Capital Improvements	0	0	0	0	0
TOTAL	<u><u>\$ 12,704,267</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,704,267</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,704,267</u></u>

State General Fund

State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

FTE Positions	112.0	(2.0)	110.0	2.0	112.0
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