

**Department of Financial Institutions
Budget No. 413
House Bill Nos. 1008 and 1068**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	35.00	\$0	\$10,081,379	\$10,081,379 ¹
2021-23 legislative appropriation	<u>31.00</u>	<u>0</u>	<u>9,106,507</u>	<u>9,106,507</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	4.00	\$0	\$974,872	\$974,872

¹This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 35 FTE positions for the Department of Financial Institutions for the 2023-25 biennium, an increase of 4 FTE positions from the 2021-23 biennium. The Legislative Assembly added 1 FTE large bank examiner position, 2 FTE mortgage servicer examiner positions, and 1 FTE licensing or nondepository examiner position.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced \$1,066,943 of 2023-25 biennium special fund appropriation authority for the Department of Financial Institutions for the new and vacant FTE funding pool, of which \$826,742 was reduced for new FTEs and \$240,201 was reduced for vacant FTEs.

Line item transfers - 2023-25 Biennium - Section 2 of House Bill No. 1008 authorizes the Department of Financial Institutions to transfer appropriation authority between line items during the 2023-25 biennium.

Appropriation and management procedures study - In Section 3 of House Bill No. 1008, the Legislative Assembly provided for a study of the appropriation procedures for the department. The study must include an analysis of the feasibility and desirability of alternative appropriation methods, management structures employed, oversight and reporting to the executive

Status/Result

The status of the new FTE positions is shown below:

- The large bank examiner position was filled in August 2023.
- A mortgage servicer examiner position was filled in August 2023.
- A mortgage servicer examiner position was filled in September 2023.
- The licensing examiner position was filled in September 2023.

The Department of Financial Institutions received \$235,056 of special fund authority for targeted market equity increases. Equity increases were provided to 20 employees.

The Department of Financial Institutions has received \$912,209 from the new and vacant FTE funding pool to fill 4 new FTE positions and 1 vacant FTE position. Through January 2024, the Department of Financial Institutions had estimated vacant FTE position savings of \$170,366. The department used \$76,450 of the savings for temporary salary funding. The number of monthly vacancies in the department has ranged from five to three with an average monthly vacancy rate of 4.14 FTE positions.

The department estimates its salary funding will be sufficient and does not anticipate requesting additional transfers from the new and vacant FTE funding pool.

As of March 31, 2024, the department has not made any transfers between line items.

As of March 31, 2024, the appropriation and management procedures study is ongoing and being considered by the interim Government Finance Committee. During the March 19, 2024, meeting, the committee was presented with a bill draft relating to the budget approval process and a continuing appropriation for the Department of Financial Institutions.

and legislative branches of government, staff classifications structures tied to federal or market compensation indexes, and staffing structures which allow for adjustments to market conditions.