

## House Budget Committee Report

**Agency:** Office of the State Bank Commissioner

**Bill No.** HB 2273

**Bill Sec.** 4

**Analyst:** Light

**Analysis Pg. No.** Vol. I, p. 583

**Budget Page No.** 118

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	12,938,789	12,870,158	12,420
<i>Subtotal</i>	<i>\$ 12,938,789</i>	<i>\$ 12,870,158</i>	<i>\$ 12,420</i>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
<b>TOTAL</b>	<b><u>\$ 12,938,789</u></b>	<b><u>\$ 12,870,158</u></b>	<b><u>\$ 12,420</u></b>
FTE positions	112.0	112.0	0.0

### Agency Request

The **agency** requests \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$90,084, or 0.7 percent, below the FY 2024 request. Significant items in the agency request include the following:

- **ENHANCEMENT - BOARD MEMBER PER DIEM.** The request includes an enhancement request to maintain the increased board member per diem rates as requested in the revised estimate in FY 2023 and FY 2024. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **ENHANCEMENT - STAFF SALARY INCREASES.** The request includes an enhancement request to continue to provide merit-based staff salary increases requested in the revised estimate in FY 2023 and FY 2024. 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.
- **ENHANCEMENT - TWO ADDITIONAL STAFF.** This request is to continue the additional 2.0 FTE positions requested in FY 2023 and FY 2024. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity.

- **OTHER ADJUSTMENTS.** There is an anticipated decrease in employer contributions for group health insurance of \$135,214, or 1.3 percent, below the FY 2024 request. There is also an increase in contractual services expenditures of \$40,390, or 1.8 percent, above the FY 2024 request, mainly for additional travel-related expenses (\$14,000) and other contractual services (\$18,502).

The **agency** requests 112.0 FTE positions for FY 2025, which is the same as the FY 2024 number.

### **Governor's Recommendation**

The **Governor** recommends \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$68,631, or 0.5 percent, below the agency's request for FY 2025. The Governor's recommendation does not include the enhancement requests for board member per diem increases or staff salary increases. The Governor's recommendation does include \$157,110, all from special revenue funds, for 2.0 FTE IT examiner positions.

The **Governor's** recommendation includes 112.0 FTE positions, which is the same as the agency's request for FY 2025.

### **Budget Committee Recommendation**

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

1. Add \$12,420, all 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 diem for FY 2025.

### **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 for for FY 2025. Review this deletion and language at Omnibus.
2. Delete \$157,110, all special revenue funds, and 2.0 FTE positions requested for IT examiners for FY 2025. 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 for FY 2025.

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## Senate Subcommittee Report

**Agency:** Office of the State Bank Commissioner

**Bill No.** SB 155

**Bill Sec.** 4

**Analyst:** Light

**Analysis Pg. No.** Vol I, p. 583

**Budget Page No.** 118

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	12,938,789	12,870,158	12,420
<i>Subtotal</i>	<i>\$ 12,938,789</i>	<i>\$ 12,870,158</i>	<i>\$ 12,420</i>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
 <b>TOTAL</b>	 <b><u>\$ 12,938,789</u></b>	 <b><u>\$ 12,870,158</u></b>	 <b><u>\$ 12,420</u></b>
 FTE positions	 112.0	 112.0	 0.0

### Agency Request

The **agency** requests \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$90,084, or 0.7 percent, below the FY 2024 request. Significant items in the agency request include the following:

- **ENHANCEMENT - BOARD MEMBER PER DIEM.** The request includes an enhancement request to maintain the increased board member per diem rates as requested in the revised estimate in FY 2023 and FY 2024. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **ENHANCEMENT - STAFF SALARY INCREASES.** The request includes an enhancement request to continue to provide merit-based staff salary increases requested in the revised estimate in FY 2023 and FY 2024. 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.
- **ENHANCEMENT - TWO ADDITIONAL STAFF.** This request is to continue the additional 2.0 FTE positions requested in FY 2023 and FY 2024. The two IT

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

- **OTHER ADJUSTMENTS.** There is an anticipated decrease in employer contributions for group health insurance of \$135,214, or 1.3 percent, below the FY 2024 request. There is also an increase in contractual services expenditures of \$40,390, or 1.8 percent, above the FY 2024 request, mainly for additional travel-related expenses (\$14,000) and other contractual services (\$18,502).

The **agency** requests 112.0 FTE positions for FY 2025, which is the same as the FY 2024 number.

### **Governor's Recommendation**

The **Governor** recommends \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$68,631, or 0.5 percent, below the agency's request for FY 2025. The Governor's recommendation does not include the enhancement requests for board member per diem increases or staff salary increases. The Governor's recommendation does include \$157,110, all from special revenue funds, for 2.0 FTE IT examiner positions.

The **Governor's** recommendation includes 112.0 FTE positions, which is the same as the agency's request for FY 2025.

### **Senate Committee on Transparency and Ethics Recommendation**

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

1. Add \$12,420 all from special revenue funds to pay for board member per diem increases 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 diem for FY 2025.

### **Senate Committee Recommendation**

The **Committee** concurs with the Transparency and Ethics Committee's recommendation for FY 2025.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2025.

### **Conference Committee Recommendation (HB 2184)**

The **Conference Committee** concurs with the Governor's recommendation for FY 2025 with the following adjustments:

1. Delete \$12.9 million, all from special revenue funds, to eliminate the agency's budget for FY 2025 and review at Omnibus.
2. Delete 2.0 FTE positions for additional IT examiners for FY 2025.

3. Consider the possible addition of \$12,420, all from special revenue funds, for a board member per diem rate increase for FY 2025 at Omnibus.

**Omnibus Action (SB 25)**

1. Add \$12.9 million, all from special revenue funds, to restore the agency's budget for FY 2025.
2. Add 2.0 FTE positions for IT examiners for FY 2025.

	Governor's Recommendation FY 2025	Legislative Action Mega Bill	Legislative Approved FY 2025	Legislative Action Omnibus Bill	Final Legislative Approved FY 2025
<b>All Funds</b>					
State Operations	\$ 12,720,158	\$ (12,720,158)	\$ 0	\$ 12,720,158	\$ 12,720,158
Aid to Local Units	0	0	0	0	0
Other Assistance	150,000	(150,000)	0	150,000	150,000
<i>Subtotal - Operations</i>	<i>\$ 12,870,158</i>	<i>\$ (12,870,158)</i>	<i>\$ 0</i>	<i>\$ 12,870,158</i>	<i>\$ 12,870,158</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 12,870,158</b>	<b>\$ (12,870,158)</b>	<b>\$ 0</b>	<b>\$ 12,870,158</b>	<b>\$ 12,870,158</b>

#### 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>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

FTE Positions	112.0	(2.0)	110.0	2.0	112.0
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