

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-2100/2	Introduction Number SB-119
Description Elimination of the Department of Safety and Professional Services and the Department of Financial Institutions; elimination of the Educational Approval Board; creation of the Department of Financial Institutions and Professional Standards; transfer of the Veterinary Examining Board to the Department of Agriculture, Trade and Consumer Protection, providing an exemption from emergency rule procedures; requiring the exercise of rule-making authority; and making appropriations	
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs	
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations 20.144(1)(a); 20.144(1)(g); 20.144(1)(h); 20.144(1)(i); 20.144(1)(j); 20.144(1)(m); 20.144(1)(u)
Agency/Prepared By DFI/ Susan Dietzel (608) 267-0399	Authorized Signature Susan Dietzel (608) 267-0399
Date 4/22/2015	

Fiscal Estimate Narratives

DFI 4/22/2015

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Assumptions Used in Arriving at Fiscal Estimate

This bill transfers the functions of the Department of the Financial Institutions (DFI) to a new Department, the Department of Financial Institutions and Professional Services (DFIPS), effective January 1, 2016.

Current funding (FY 2015) for DFI is \$17,947,600 annually. Standard budget adjustments and other budget change items included in the proposed 2015-2017 budget total \$18,627,000 in the first year of the biennium and \$18,538,400 in the second year. All DFI functions are transferred to DFIPS. No changes are made to the regulatory or other functions of DFI.

The creation of DFIPS consolidates all of the current functions of DFI with the functions of the Department of Safety and Professional Services (DSPS), except for certain functions transferred to the Department of Natural Resources and the Department of Agriculture, Trade and Consumer Protection.

In addition to merging DFI and DSPS, the new Department will also be responsible for:

- Administering the veteran-owned business certifications, woman-owned business certifications, and minority business certifications currently administered by the Department of Administration (DOA)
- Functions of the Office of Business Development, currently attached to DOA
- Certain functions currently conducted by the Educational Approval Board
- Oversight of tattooing, body piercing and tanning from the Department of Health Services

Based on estimates from the Department of Administration the total cost of the new Department is approximately \$32,843,700 in the first year and \$65,613,200 annually, with 326.0 FTE. According to summary documents prepared by the Legislative Fiscal Bureau, it is estimated that the consolidation will result in cost reductions of approximately \$2,001,800 in the first year and \$2,909,300 annually and would reduce FTE by approximately 39.26 positions.

The Departments will continue to analyze the proposed legislation to identify more specific changes to the budget.

Long-Range Fiscal Implications