Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

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Eliminate Long-Term Vacancies (DFI)

[LFB 2015-17 Budget Summary: Page 156, #5]

CURRENT LAW

The Department of Financial Institutions (DFI) regulates state-chartered banks, savings and loan associations, credit unions, as well as various operations of the securities industry. The Department's base budget totals $18,381,400 PR and 141.54 PR positions.

GOVERNOR

Delete 2.0 PR positions to reflect the elimination of long-term vacant positions under the bill. Position reductions are associated with positions that have been vacant for 12 months or more (1.0 Financial Examiner and 1.0 Operations Program Associate).

DISCUSSION POINTS

1. Under the bill, the Governor recommends deleting 2.0 positions that had been vacant for 12 months or longer, as of August, 2014. Expenditure authority associated with the positions is not deleted under the bill.

2. According to DFI, both positions identified by the Department of Administration (DOA) in the bill were filled as financial examiners in the pay period immediately following the quarter in which DOA drew its vacancy figures. In the past year, DFI has focused attention on filling financial examiner positions. DFI has subsequently shifted the two financial examiners into two vacant positions within the same general program operations appropriation. The end result is the original 2.0 positions identified for deletion by the administration are now vacant and can be deleted as recommended by the Governor.

3. The proposal would delete 2.0 vacant positions in DFI's appropriation for general

program operations. Position reductions are associated with one financial examiner position with salary and benefits totaling $49,700 annually and one operations program associate positions with salary and benefits totaling $44,500 annually.

4. Generally, when an agency's position authority is reduced, funding appropriated to support the eliminated positions' salary and fringe benefits costs is also eliminated. As with other agencies with long-term vacancies identified for elimination, the bill would not delete funding associated with positions funded from program revenue. The Committee could choose to reduce the Department's PR expenditure authority associated with the eliminated positions' salary and fringe benefits costs [Alternative 2].

5. DFI is funded through program revenue derived from a variety of fees and assessments paid by regulated entities and individuals. To fund the Department's general program operations expenditures, 88% of all moneys collected by the office of credit unions and the division of banking and 100% of all program revenue received by DFI's remaining administrative divisions, is deposited in DFI's general program operating appropriation. Any balance in this appropriation at the close of a fiscal year lapses to the general fund (GPR-Rev). In addition, 12% of amounts collected by the office of credit unions and the division of banking are immediately deposited to the general fund. The funds collected through this appropriation have significantly exceeded department expenditures resulting annual lapses from DFI to the general fund. Alternative 2 would result in an additional lapse of $188,400 to the general fund.

ALTERNATIVES

1. Approve the Governor's recommendation to eliminate 2.0 positions that have been vacant for one year or more.

2. Adopt the Governor's recommendation. In addition, reduce associated funding by $94,200 annually to reflect the salary and fringe benefit amounts associated with deleting the 2.0 vacant positions.

ALT 2	**Change to Bill**
PR	- $188,400
GPR-REV	188,400

3. Delete provision.

ALT 3	**Change to Bill** Positions
PR	2.00

Prepared by: Ryan Horton