

State Department of Financial Institutions

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DESCRIPTION	FY 2007 ACTUAL	FY 2008 ESTIMATE	FY 2009 JLBC
OPERATING BUDGET			
Full Time Equivalent Positions	55.1	57.1	57.1
Personal Services	2,420,800	2,654,700	2,654,700
Employee Related Expenditures	758,300	826,300	826,300
Professional and Outside Services	17,700	12,000	12,000
Travel - In State	2,700	0	0
Travel - Out of State	12,500	0	0
Other Operating Expenditures	376,800	513,800	513,800
Equipment	1,600	0	0
OPERATING SUBTOTAL	3,590,400	4,006,800	4,006,800
SPECIAL LINE ITEMS			
Document Imaging Project	75,000	75,000	0
AGENCY TOTAL	3,665,400	4,081,800	4,006,800
FUND SOURCES			
General Fund	3,665,400	4,081,800	4,006,800
SUBTOTAL - Appropriated Funds	3,665,400	4,081,800	4,006,800
Other Non-Appropriated Funds	1,774,100	1,502,800	1,502,800
TOTAL - ALL SOURCES	5,439,500	5,584,600	5,509,600

CHANGE IN FUNDING SUMMARY

	FY 2008 to FY 2009 JLBC	
	\$ Change	% Change
General Fund	(75,000)	(1.8%)
Total Appropriated Funds	(75,000)	(1.8%)
Non Appropriated Funds	0	0.0%
Total - All Sources	(75,000)	(1.3%)

AGENCY DESCRIPTION – The department regulates state-chartered financial entities. The regulated entities include money transmitters, motor vehicle dealers, holding companies, trust companies, sales finance companies, collection agencies, escrow agents, debt management companies, consumer lenders, mortgage bankers, mortgage brokers, premium finance companies, credit unions, and banks.

PERFORMANCE MEASURES	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2009 JLBC
<ul style="list-style-type: none"> % of examinations reports mailed within 25 days of examiner's completion of exam procedures Comments: The department reports that this measure declined in FY 2007 due to administrative staff turnover and an increase in unlicensed activity requiring further action. 	87.9	74.0	55.0	78.0
<ul style="list-style-type: none"> % of license applications approved within 45 days of receipt Comments: The department reports that the percent of license applications approved within 45 days decreased from FY 2006 to FY 2007 due to growth in the number of licensees. 	85.3	61.9	40.6	65.0
<ul style="list-style-type: none"> % of examinations receiving satisfactory rating 	87.0	84.0	82.0	91.0
<ul style="list-style-type: none"> Average days from receipt to resolution of regular complaints Comments: The department reports that the average days to resolve a complaint increased in FY 2007 due to an increase in the volume and complexity of complaints. 	21.4	66.0	88.0	100.0
<ul style="list-style-type: none"> % of complainants indicating they received "good" or better service when filing a complaint 	70.0	73.0	79.0	75.0

Operating Budget

The JLBC includes \$4,006,800 and 57.1 FTE Positions from the General Fund for the operating budget in FY 2009. This amount is unchanged from FY 2008.

Document Imaging Project

The JLBC includes no funding from the General Fund for the Document Imaging Project in FY 2009. FY 2009 adjustments would be as follows:

Project Completion **GF** **(75,000)**

This adjustment would be a decrease of \$(75,000) in FY 2009 to reflect the completion of the Document Imaging Project.

The goal of the project is to convert files for closed licenses, convert active licenses, and establish new licenses in an imaged form. The last phase of the project will finish in FY 2008. The total cost of the project is \$180,000.

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FORMAT — Lump Sum by Agency

FOOTNOTES

Standard Footnotes

The Department of Financial Institutions shall assess and set fees to ensure that monies deposited in the state General Fund will equal or exceed its expenditure from the state General Fund.

SUMMARY OF FUNDS	FY 2007 Actual	FY 2008 Estimate
Arizona Escrow Recovery Fund (BDA2341/A.R.S. § 6-847.01)		Non-Appropriated
Source of Revenue: Within the fund, the Superintendent shall keep separate and distinct the following 2 accounts: 1) real property escrow agents account and 2) all other escrow agents account. All real property escrow agents shall make a one-time contribution of \$5,000 plus 3% of gross escrow fees until the real property escrow subaccount balance reaches \$4,000,000. Real property escrow agents may be asked to resume payment if claims draw the subaccount balance below \$4,000,000 or if there is an open escrow receivership that may require additional monies. Escrow agents, other than real property agents, pay into the fund as prescribed by the Superintendent.		
Purpose of Fund: To pay claims against escrow agents. Each year, the department may receive up to 2% of the fund balance for administration costs.		
Funds Expended	0	0
Year-End Fund Balance	5,328,600	5,325,400
IGA and ISA Fund (BDA2500/A.R.S. § 6-1201)		Non-Appropriated
Source of Revenue: Monies received through Intergovernmental Agreements with the Attorney General's Office.		
Purpose of Fund: To reimburse the department for expenses related to the examination of money transmitting organizations. The banking examiners work in cooperation with the Attorney General's Office to provide information leading to the criminal conviction of fraudulent money transmitting organizations.		
Funds Expended	265,600	261,600
Year-End Fund Balance	200	200
Receivership Revolving Fund (BDA3023/A.R.S. § 6-135.01)		Non-Appropriated
Source of Revenue: Revenue generated from the sale of assets of firms under receivership and transfers from the department's Revolving Fund.		
Purpose of Fund: To provide funding for the administration of receiverships.		
Funds Expended	36,900	41,200
Year-End Fund Balance	1,552,100	1,551,100
Revolving Fund (BDA2126/A.R.S. § 6-135)		Non-Appropriated
Source of Revenue: Investigative costs, attorney fees, or civil penalties recovered as the result of an enforcement action brought by the department or the Attorney General for violations of state banking laws.		
Purpose of Fund: To support investigative and enforcement activities conducted by the department and the Attorney General. Year-end unencumbered fund balances in excess of \$50,000 are transferred to the department's Receivership Revolving Fund.		
Funds Expended	1,471,600	1,200,000
Year-End Fund Balance	1,519,300	50,000