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Standard Budget Adjustments (Financial Institutions)

[LFB 2005-07 Budget Summary: Page 165, #1]

CURRENT LAW

The Department of Financial Institutions (DFI) is responsible for the supervision of financial institutions, securities regulation, and other functions. In addition, the Office of Credit Unions is attached to DFI for administrative purposes.

GOVERNOR

As part of standard budget adjustments, reduce the agency's base budget as a result of a nonrecurring cost by $82,800 and 1.0 position annually.

MODIFICATION

The administration has requested that this adjustment to the agency's base budget for nonrecurring costs be eliminated, which would restore $82,800 PR and 1.0 PR position annually to DFI's base budget. As a result, the estimated transfer to the general fund of year-end balances as GPR-Earned would have to be reduced by $82,800 GPR-REV in each year.

> **Explanation:** Under the bill, the same position was mistakenly eliminated both as a nonrecurring cost under standard budget adjustments and as part of the agency's budget reductions. The modification would correct this error by adding back the position and funding under standard budget adjustments so that the position and funding would be deleted only once.
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> At the end of each fiscal year, DFI lapses to the general fund as GPR-Earned most of the program revenues that have been received in excess of expenditures. Under the

modification, the balances to be transferred to the general fund would have to be reduced by $82,800 annually to reflect the amounts restored to the agency budget.

Modification	GPR-REV	PR
2005-07 REVENUE (Change to Bill)	**-** $165,600	
2005-07 FUNDING (Change to Bill)		$165,600
2006-07 POSITIONS (Change to Bill)		1.00

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