

BANKING DEPARTMENT

MISSION

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,100 State-chartered banking institutions and licensees with total assets of approximately \$1.8 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

ORGANIZATION AND STAFFING

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, Syracuse, London, and Tokyo. The Banking Department will have a workforce of 569 positions for 2003-04.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Banking Department is entirely supported by fees charged to regulated financial institutions and organizations. The Executive Budget recommends \$73 million to support the Department in 2003-04.

PROGRAM HIGHLIGHTS

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them. This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Other staff monitor whether institutions are helping to meet the credit needs of, and providing banking services to, local communities as required by the State Community Reinvestment Act.

Additionally, the Department's fair but firm approach to criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies, and procedures in order to eliminate inefficiencies, respond to the changing environment for financial services and promote a strong and healthy financial services industry.

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that have been withheld by banks and insurance companies.

BANKING

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	75,048,000	73,288,000	(1,760,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	75,048,000	73,288,000	(1,760,000)	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
Special Revenue Funds - Other	63	63	0
Analysis and Compliance			
Special Revenue Funds - Other	35	35	0
Regulation			
Special Revenue Funds - Other	483	471	(12)
Total	581	569	(12)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	71,848,000	70,088,000	(1,760,000)
Fiduciary Funds	2,700,000	2,700,000	0
Total	75,048,000	73,288,000	(1,760,000)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
Special Revenue Funds - Other	6,351,000	6,511,000	160,000
Fiduciary Funds	2,700,000	2,700,000	0
Analysis and Compliance			
Special Revenue Funds - Federal	200,000	200,000	0
Special Revenue Funds - Other	3,776,000	3,620,000	(156,000)
Regulation			
Special Revenue Funds - Federal	300,000	300,000	0
Special Revenue Funds - Other	61,721,000	59,957,000	(1,764,000)
Total	75,048,000	73,288,000	(1,760,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	9,211,000	160,000	4,247,000	49,000
Analysis and Compliance	3,820,000	(156,000)	2,442,000	(150,000)
Regulation	60,257,000	(1,764,000)	33,379,000	(1,604,000)
Total	<u>73,288,000</u>	<u>(1,760,000)</u>	<u>40,068,000</u>	<u>(1,705,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,964,000	111,000	0	0
Analysis and Compliance	1,378,000	(6,000)	0	0
Regulation	25,713,000	(187,000)	1,165,000	27,000
Total	<u>32,055,000</u>	<u>(82,000)</u>	<u>1,165,000</u>	<u>27,000</u>