

DEPARTMENT OF FINANCIAL INSTITUTIONS

GOVERNOR'S BUDGET RECOMMENDATIONS

| Source of Funds | FY25 Adjusted Base | FY26 Recommended | % Change Over FY25 | FY27 Recommended | % Change Over FY26 |
|-----------------|--------------------|------------------|--------------------|------------------|--------------------|
| PR-O | 20,991,500 | 23,338,000 | 11.2 | 23,876,400 | 2.3 |
| SEG-O | 965,800 | 997,300 | 3.3 | 993,100 | -0.4 |
| TOTAL | 21,957,300 | 24,335,300 | 10.8 | 24,869,500 | 2.2 |

FULL-TIME EQUIVALENT POSITION SUMMARY

| Source of Funds | FY25 Adjusted Base | FY26 Recommended | FTE Change Over FY25 | FY27 Recommended | FTE Change Over FY26 |
|-----------------|--------------------|------------------|----------------------|------------------|----------------------|
| PR-O | 138.54 | 146.10 | 7.56 | 146.10 | 0.00 |
| SEG-O | 3.00 | 2.90 | -0.10 | 2.90 | 0.00 |
| TOTAL | 141.54 | 149.00 | 7.46 | 149.00 | 0.00 |

AGENCY DESCRIPTION

The department is headed by a secretary who is appointed by the Governor with the advice and consent of the Senate. The department operates with four regulatory and licensing divisions or offices and is supported by the Division of Administrative Services and Technology. The Office of Credit Unions is attached to the department for administrative purposes. The department's functions include the regulation and examination of state-chartered depository institutions, licensing of other financial service providers, registration of securities offerings and regulation of securities professionals, issuance of notary public commissions and apostilles, registration of trademarks, registration of charitable organizations, registration of homeowners' associations, and support and maintenance of the state's central business registration and uniform commercial code filing systems. In addition, the secretary is the administrator of the Wisconsin Consumer Act, governing consumer credit transactions not exceeding \$25,000. The department is also the administrator of Wisconsin's Section 529 College Savings Program, known as Edvest and Tomorrow's Scholar. Further, the department houses the Office of Financial Literacy, which promotes financial literacy as a life skill and provides information to the public on matters of personal finance, investor protection and the affordability of a postsecondary education.

MISSION

The department is dedicated to protecting the safety and soundness of Wisconsin's financial institutions, safeguarding the investing public, facilitating commerce and increasing financial capability throughout the state.

Financial Institutions

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Supervision of Financial Institutions, Securities Regulation and Other Functions

Goal: Ensure the safety and soundness of the state's banking industry.

Objective/Activity: Examine state-chartered banks and savings institutions for compliance with laws and any issues related to the condition of the financial institutions within established time frames. All state-chartered banks are to be examined at least every 18 months, with more frequent examinations of larger, more complex institutions. The Division of Banking has entered into alternating examination agreements with the Federal Deposit Insurance Corporation and the Federal Reserve, requiring 40 percent of all state-chartered banks to be examined by the department in each calendar year.

Goal: Protect the consumers of financial services.

Objective/Activity: Address abuses and violations of rules and statutes through expedient resolution of consumer complaints by the Bureau of Consumer Affairs.

Goal: Facilitate economic growth.

Objective/Activity: Process new business filings timely to support new business activity.

Goal: Ensure the safety and soundness of the state's credit unions.

Objective/Activity: Examine state-chartered credit unions for compliance with laws and any issues related to the condition of the financial institutions within established time frames. All state-chartered credit unions are to be examined at least every 18 months, with more frequent examinations of larger, more complex institutions.

Program 3: College Tuition and Expenses and College Savings Programs

Goal: Continue to provide college savings plans for the benefit of Wisconsin residents and also nationwide, as allowed by Section 529 of the Internal Revenue Code.

Objective/Activity: Maintain and increase levels of participation in each of Wisconsin's 529 college savings plans by offering high-quality and lower-cost investment options. Direct a statewide outreach and marketing effort to create awareness of higher education costs, the importance of developing a higher education savings strategy and the benefits of saving with a 529 college savings plan.

Financial Institutions

PERFORMANCE MEASURES

2023 AND 2024 GOALS AND ACTUALS

| Prog. No. | Performance Measure | Goal 2023 | Actual 2023 | Goal 2024 | Actual 2024 |
|------------------|---|------------------|--------------------|------------------|----------------------|
| 1. | Percentage of banks examined within required 18-month cycle. | | | | |
| | Number of banks | 140 | 137 ¹ | 135 | 137 ^{1,2} |
| | Bank exams due | 54 | 65 | 51 | 51 ² |
| | Number of exams | 54 | 65 | 51 | 51 ² |
| | Percentage examined each year | 100% | 100% | 100% | 100% ² |
| 1. | Percentage of consumer complaints acted on within five days of receipt. | 100% | 100% | 100% | 100% |
| 1. | Percentage of charter document filings processed within five days. | 100% | 100% | 100% | 100% |
| 1. | Percentage of credit unions examined within required 18-month cycle. | | | | |
| | Number of credit unions | 105 | 107 ¹ | 100 | 104 ^{1,2} |
| | Credit union exams due | 70 | 73 | 66 | 75 ² |
| | Number of exams | 70 | 77 | 66 | 79 ² |
| | Percentage examined each year | 100% | 105% | 100% | 105% ² |
| 3. | College Savings total accounts. | 387,000 | 394,500 | 393,000 | 398,000 ² |

Note: Based on calendar year.

¹Decrease in number of institutions is due to mergers, acquisitions or closings.

²Projected 2024 year-end totals.

Financial Institutions

2025, 2026 AND 2027 GOALS

| Prog. No. | Performance Measure | Goal 2025 ¹ | Goal 2026 | Goal 2027 |
|-----------|---|------------------------|------------------|------------------|
| 1. | Percentage of banks examined within required 18-month cycle. | | | |
| | Number of banks | 132 ² | 127 ² | 122 ² |
| | Bank exams due | 49 | 47 | 45 |
| | Number of exams | 49 | 47 | 45 |
| | Percentage examined each year | 100% | 100% | 100% |
| 1. | Percentage of consumer complaints acted on within five days of receipt. | 100% | 100% | 100% |
| 1. | Percentage of charter document filings processed within five days. | 100% | 100% | 100% |
| 1. | Percentage of credit unions examined within required 18-month cycle. | | | |
| | Number of credit unions | 102 ² | 100 ² | 98 ² |
| | Credit union exams due | 70 | 68 | 67 |
| | Number of exams | 70 | 68 | 67 |
| | Percentage examined each year | 100% | 100% | 100% |
| 3. | College Savings total accounts. | 403,000 | 409,000 | 414,000 |

Note: Based on calendar year.

¹Goals have been revised for 2025.

²Decrease in number of institutions is due to mergers, acquisitions or closings.

DEPARTMENT OF FINANCIAL INSTITUTIONS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Sustaining Department Operations
2. Achieving a Better Life Experience Program
3. Office of Credit Unions Resources
4. Division of Banking - Mortgage Banking Resources
5. Division of Securities Resources
6. Information Technology Modernization Project
7. Alternate Data Storage Site
8. Transfer to the Secretary of State
9. Standard Budget Adjustments

Financial Institutions

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

| | ACTUAL FY24 | ADJUSTED BASE FY25 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|------------------------|----------------|--------------------------|----------------|------------|------------------------------|------------|
| | | | FY26 | FY27 | FY26 | FY27 |
| PROGRAM REVENUE (2) | \$20,095.7 | \$20,991.5 | \$20,961.9 | \$20,961.9 | \$23,338.0 | \$23,876.4 |
| State Operations | 20,095.7 | 20,991.5 | 20,961.9 | 20,961.9 | 23,338.0 | 23,876.4 |
| SEGREGATED REVENUE (3) | \$648.1 | \$965.8 | \$1,010.2 | \$1,010.2 | \$997.3 | \$993.1 |
| State Operations | 648.1 | 965.8 | 1,010.2 | 1,010.2 | 997.3 | 993.1 |
| TOTALS - ANNUAL | \$20,743.8 | \$21,957.3 | \$21,972.1 | \$21,972.1 | \$24,335.3 | \$24,869.5 |
| State Operations | 20,743.8 | 21,957.3 | 21,972.1 | 21,972.1 | 24,335.3 | 24,869.5 |

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions)

| | ADJUSTED BASE FY25 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|------------------------|--------------------------|----------------|--------|------------------------------|--------|
| | | FY26 | FY27 | FY26 | FY27 |
| PROGRAM REVENUE (2) | 138.54 | 138.54 | 138.54 | 146.10 | 146.10 |
| State Operations | 138.54 | 138.54 | 138.54 | 146.10 | 146.10 |
| SEGREGATED REVENUE (3) | 3.00 | 3.00 | 3.00 | 2.90 | 2.90 |
| State Operations | 3.00 | 3.00 | 3.00 | 2.90 | 2.90 |
| TOTALS - ANNUAL | 141.54 | 141.54 | 141.54 | 149.00 | 149.00 |
| State Operations | 141.54 | 141.54 | 141.54 | 149.00 | 149.00 |

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Financial Institutions

Table 3
Department Budget Summary by Program (in thousands of dollars)

| | ACTUAL FY24 | ADJUSTED BASE FY25 | AGENCY REQUEST FY26 | AGENCY REQUEST FY27 | GOVERNOR'S RECOMMENDATION FY26 | GOVERNOR'S RECOMMENDATION FY27 |
|---|-------------------|--------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| 1. Supervision of financial institutions, securities regulation and other functions | \$20,095.7 | \$20,991.5 | \$20,961.9 | \$20,961.9 | \$23,338.0 | \$23,876.4 |
| 3. College tuition and expenses and college savings programs | \$648.1 | \$965.8 | \$1,010.2 | \$1,010.2 | \$997.3 | \$993.1 |
| TOTALS | \$20,743.8 | \$21,957.3 | \$21,972.1 | \$21,972.1 | \$24,335.3 | \$24,869.5 |

Table 4
Department Position Summary by Program (in FTE positions)

| | ADJUSTED BASE FY25 | AGENCY REQUEST FY26 | AGENCY REQUEST FY27 | GOVERNOR'S RECOMMENDATION FY26 | GOVERNOR'S RECOMMENDATION FY27 |
|---|--------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| 1. Supervision of financial institutions, securities regulation and other functions | 138.54 | 138.54 | 138.54 | 146.10 | 146.10 |
| 3. College tuition and expenses and college savings programs | 3.00 | 3.00 | 3.00 | 2.90 | 2.90 |
| TOTALS | 141.54 | 141.54 | 141.54 | 149.00 | 149.00 |

Financial Institutions

1. Sustaining Department Operations

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|-----------|-----------|
| | FY26 | | FY27 | | FY26 | | FY27 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 1,250,000 | 0.00 | 1,250,000 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 1,250,000 | 0.00 | 1,250,000 | 0.00 |

The Governor recommends providing funding for the department's central duties including the maintenance and upgrade of mission critical information technology infrastructure, financial examiner travel and training costs, accreditation costs, and limited term employee salary and fringe benefit costs.

2. Achieving a Better Life Experience Program

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|---------|-----------|
| | FY26 | | FY27 | | FY26 | | FY27 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 137,400 | 1.10 | 183,100 | 1.10 |
| SEG-O | 0 | 0.00 | 0 | 0.00 | -12,900 | -0.10 | -17,100 | -0.10 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 124,500 | 1.00 | 166,000 | 1.00 |

The Governor recommends creating a position that will be dedicated to administering the state's new Achieving a Better Life Experience (ABLE) Program. The ABLE program provides tax exempt savings accounts to pay qualified expenses for an individual with disabilities, including education, housing and transportation costs. The Governor also recommends providing expenditure and position authority to enable this position to be supervised in the department's Office of Financial Capability.

3. Office of Credit Unions Resources

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|---------|-----------|
| | FY26 | | FY27 | | FY26 | | FY27 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 157,100 | 2.00 | 210,700 | 2.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 157,100 | 2.00 | 210,700 | 2.00 |

The Governor recommends providing expenditure and position authority for two credit union examiner positions to ensure financial examinations of state-chartered credit unions are completed in a timely manner.

Financial Institutions

4. Division of Banking - Mortgage Banking Resources

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|----------------|--------------|----------------|----------------------------|----------------|--------------|----------------|
| | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 176,700 | 2.46 | 235,600 | 2.46 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 176,700 | 2.46 | 235,600 | 2.46 |

The Governor recommends providing expenditure and position authority to ensure financial examinations of mortgage banking licensees are completed in a timely manner.

5. Division of Securities Resources

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|----------------|--------------|----------------|----------------------------|----------------|--------------|----------------|
| | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 169,500 | 2.00 | 226,000 | 2.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 169,500 | 2.00 | 226,000 | 2.00 |

The Governor recommends providing additional expenditure and position authority to strengthen the investigation of securities scams, investment schemes and other financial threats to protect the public.

6. Information Technology Modernization Project

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|----------------|--------------|----------------|----------------------------|----------------|--------------|----------------|
| | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions | FY26 Dollars | FY26 Positions | FY27 Dollars | FY27 Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 606,600 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 606,600 | 0.00 |

The Governor recommends providing funding for the department to modernize its corporations bureau fulfillment system, general online form repository and charitable organizations management system to improve data reporting functionality, increase public access to online forms and data, and reduce the need for manual printing and scanning.

Financial Institutions

7. Alternate Data Storage Site

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|---------|-----------|
| | FY26 | | FY27 | | FY26 | | FY27 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-O | 0 | 0.00 | 0 | 0.00 | 485,400 | 0.00 | 202,500 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 485,400 | 0.00 | 202,500 | 0.00 |

The Governor recommends providing funding to establish an alternate information systems and data storage site to ensure data is protected and secure.

8. Transfer to the Secretary of State

The Governor recommends increasing the annual transfer of revenue from the department's general program operations appropriation to the Secretary of State from \$150,000 to \$509,900 in FY26 and to \$555,400 in FY27. See Secretary of State, Item #2.

9. Standard Budget Adjustments

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|---------|-----------|
| | FY26 | | FY27 | | FY26 | | FY27 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-O | -29,600 | 0.00 | -29,600 | 0.00 | -29,600 | 0.00 | -29,600 | 0.00 |
| SEG-O | 44,400 | 0.00 | 44,400 | 0.00 | 44,400 | 0.00 | 44,400 | 0.00 |
| TOTAL | 14,800 | 0.00 | 14,800 | 0.00 | 14,800 | 0.00 | 14,800 | 0.00 |

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$333,600 in each year); (b) full funding of continuing position salaries and fringe benefits (\$482,200 in each year); and (c) full funding of lease and directed moves costs (-\$133,800 in each year).