

DEPARTMENT OF FINANCIAL INSTITUTIONS

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY23 Adjusted Base	FY24 Recommended	% Change Over FY23	FY25 Recommended	% Change Over FY24
GPR	0	2,000,000	0.0	0	-100.0
PR-O	18,329,700	23,099,700	26.0	24,585,700	6.4
SEG-O	999,600	949,500	-5.0	949,500	0.0
TOTAL	19,329,300	26,049,200	34.8	25,535,200	-2.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY23 Adjusted Base	FY24 Recommended	FTE Change Over FY23	FY25 Recommended	FTE Change Over FY24
PR-O	138.54	141.04	2.50	141.04	0.00
SEG-O	3.00	3.00	0.00	3.00	0.00
TOTAL	141.54	144.04	2.50	144.04	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, registration of trademarks, registration of charitable organizations, 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.

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PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been revised.

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, so approximately 40 percent of all state-chartered banks should be examined by the department in each calendar year in order to meet that standard.

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 for the program 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.

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PERFORMANCE MEASURES

2021 AND 2022 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2021	Actual 2021	Goal 2022	Actual 2022
1.	Percentage of banks examined within required 18-month cycle. ¹				
	Number of banks	150	149 ²	145	145 ²
	Bank exams due	56	52	50	60 ³
	Number of exams	56	52	50	61 ³
	Percentage examined each year	100%	100%	100%	102% ³
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. ¹				
	Number of credit unions	110	113 ²	105	110 ²
	Credit union exams due	73	73	70	79 ³
	Number of exams	73	77	70	79 ³
	Percentage examined each year	100%	105%	100%	100% ³
3.	College Savings total accounts.	345,000	371,080 ¹	353,000	381,000 ³

Note: Based on fiscal year, unless noted.

¹Based on calendar year.

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

³Projected 2022 year-end totals.

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2023, 2024 AND 2025 GOALS

Prog. No.	Performance Measure	Goal 2023 ¹	Goal 2024	Goal 2025
1.	Percentage of banks examined within required 18-month cycle. ²			
	Number of banks	140 ³	135 ³	130 ³
	Bank exams due	54	51	49
	Number of exams	54	51	49
	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. ²			
	Number of credit unions	105 ³	100 ³	95 ³
	Credit union exams due	70	66	63
	Number of exams	70	66	63
	Percentage examined each year	100%	100%	100%
3.	College Savings total accounts.	387,000 ²	393,000 ²	399,000 ²

Note: Based on fiscal year, unless noted.

¹Goals have been revised for 2023.

²Based on calendar year.

³Decrease in number of institutions is due to mergers, acquisitions or closings.

DEPARTMENT OF FINANCIAL INSTITUTIONS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Small Business Retirement Program
2. Achieving a Better Life Experience Program
3. Sustaining Department Operations
4. Charitable and Professional Organizations Technology Project
5. Securities Filing Technology Project
6. Uniform Commercial Code and Trademark Filing System Technology Project
7. Transfer to the Secretary of State
8. Agency Equity Officer
9. Standard Budget Adjustments

Financial Institutions

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

	ACTUAL FY22	ADJUSTED BASE FY23	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY24	FY25	FY24	FY25
GENERAL PURPOSE REVENUE	\$0.0	\$0.0	\$0.0	\$0.0	\$2,000.0	\$0.0
State Operations	0.0	0.0	0.0	0.0	2,000.0	0.0
PROGRAM REVENUE (2)	\$17,842.2	\$18,329.7	\$18,694.5	\$18,694.5	\$23,099.7	\$24,585.7
State Operations	17,842.2	18,329.7	18,694.5	18,694.5	23,099.7	24,585.7
SEGREGATED REVENUE (3)	\$573.1	\$999.6	\$938.6	\$938.6	\$949.5	\$949.5
State Operations	573.1	999.6	938.6	938.6	949.5	949.5
TOTALS - ANNUAL	\$18,415.3	\$19,329.3	\$19,633.1	\$19,633.1	\$26,049.2	\$25,535.2
State Operations	18,415.3	19,329.3	19,633.1	19,633.1	26,049.2	25,535.2

(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 FY23	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY24	FY25	FY24	FY25
PROGRAM REVENUE (2)	138.54	138.54	138.54	141.04	141.04
State Operations	138.54	138.54	138.54	141.04	141.04
SEGREGATED REVENUE (3)	3.00	3.00	3.00	3.00	3.00
State Operations	3.00	3.00	3.00	3.00	3.00
TOTALS - ANNUAL	141.54	141.54	141.54	144.04	144.04
State Operations	141.54	141.54	141.54	144.04	144.04

(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 FY22	ADJUSTED BASE FY23	AGENCY REQUEST FY24	AGENCY REQUEST FY25	GOVERNOR'S RECOMMENDATION FY24	GOVERNOR'S RECOMMENDATION FY25
1. Supervision of financial institutions, securities regulation and other functions	\$17,842.2	\$18,329.7	\$18,694.5	\$18,694.5	\$23,099.7	\$24,585.7
3. College tuition and expenses and college savings programs	\$573.1	\$999.6	\$938.6	\$938.6	\$949.5	\$949.5
4. Small Business Retirement Savings Program	\$0.0	\$0.0	\$0.0	\$0.0	\$2,000.0	\$0.0
TOTALS	\$18,415.3	\$19,329.3	\$19,633.1	\$19,633.1	\$26,049.2	\$25,535.2

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

	ADJUSTED BASE FY23	AGENCY REQUEST FY24	AGENCY REQUEST FY25	GOVERNOR'S RECOMMENDATION FY24	GOVERNOR'S RECOMMENDATION FY25
1. Supervision of financial institutions, securities regulation and other functions	138.54	138.54	138.54	141.04	141.04
3. College tuition and expenses and college savings programs	3.00	3.00	3.00	3.00	3.00
TOTALS	141.54	141.54	141.54	144.04	144.04

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1. Small Business Retirement Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	2,000,000	0.00	0	0.00
PR-O	0	0.00	0	0.00	63,200	1.00	81,000	1.00
TOTAL	0	0.00	0	0.00	2,063,200	1.00	81,000	1.00

The Governor recommends creating a retirement savings program for employees of small businesses who are not offered a retirement savings program through their employer and providing start-up funding of \$2,000,000 GPR. The Governor also recommends creating a Small Business Retirement Savings Board to provide oversight of the program. The Governor further recommends providing expenditure and position authority to support the board and administer the program.

2. Achieving a Better Life Experience Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	247,500	1.00	275,000	1.00
TOTAL	0	0.00	0	0.00	247,500	1.00	275,000	1.00

The Governor recommends implementing and administering a qualified Achieving a Better Life Experience (ABLE) program either directly or by entering into an agreement with another state or alliance of states. 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 administer the program.

3. Sustaining Department Operations

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	3,393,100	0.00	3,393,100	0.00
TOTAL	0	0.00	0	0.00	3,393,100	0.00	3,393,100	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 costs.

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4. Charitable and Professional Organizations Technology Project

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	0	0.00	1,115,900	0.00
TOTAL	0	0.00	0	0.00	0	0.00	1,115,900	0.00

The Governor recommends providing funding for modernization of the department's charitable and professional organizations technology systems. These upgrades will allow the department to accept the annual reports of 11,000 active charitable organizations electronically, rather than on paper, and will further allow fund-raising costs as a percentage of donations received to be automatically added to the department's publicly available database.

5. Securities Filing Technology Project

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	0	0.00	1,038,900	0.00
TOTAL	0	0.00	0	0.00	0	0.00	1,038,900	0.00

The Governor recommends providing funding to update and enhance the department's securities filing technology systems.

6. Uniform Commercial Code and Trademark Filing System Technology Project

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	724,500	0.00	0	0.00
TOTAL	0	0.00	0	0.00	724,500	0.00	0	0.00

The Governor recommends providing one-time funding for modernization of the department's Uniform Commercial Code and trademark processing and filing technology systems.

7. 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 \$260,000. See Secretary of State, Item #1.

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8. Agency Equity Officer

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	36,700	0.50	47,100	0.50
TOTAL	0	0.00	0	0.00	36,700	0.50	47,100	0.50

The Governor recommends creating a new agency equity officer position within the Office of the Secretary. The agency equity officer will collaborate with the Chief Equity Officer within the Department of Administration and agency equity officers within other agencies to identify opportunities to advance equity in government operations, including determining how current government practices and policies impact communities of color and individuals with disabilities. See Department of Administration, Item #15; Department of Agriculture, Trade and Consumer Protection, Item #30; Department of Children and Families, Item #35; Department of Corrections, Item #33; Department of Health Services, Item #120; Department of Justice, Item #33; Department of Military Affairs, Item #19; Department of Natural Resources, Item #76; Department of Public Instruction, Item #54; Department of Revenue, Item #53; Department of Safety and Professional Services, Item #29; Department of Tourism, Item #9; Department of Transportation, Item #60; Department of Veterans Affairs, Item #14; Department of Workforce Development, Item #30; Office of the Commissioner of Insurance, Item #29; and Public Service Commission, Item #21.

9. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	364,800	0.00	364,800	0.00	305,000	0.00	305,000	0.00
SEG-O	-61,000	0.00	-61,000	0.00	-50,100	0.00	-50,100	0.00
TOTAL	303,800	0.00	303,800	0.00	254,900	0.00	254,900	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$302,600 in each year); (b) full funding of continuing position salaries and fringe benefits (\$606,400 in each year); and (c) full funding of lease and directed moves costs (-\$48,900 in each year).