

BANKING DEPARTMENT

MISSION

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,400 State-chartered banking institutions and licensees with total assets of approximately \$1.9 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 587 positions for 2004-05.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Banking Department is entirely supported by assessments charged to regulated financial institutions and organizations. The Executive Budget recommends \$80 million to support the Department in 2004-05. Legislation is proposed to authorize the Superintendent to prescribe by regulation the amount of any fee or non-criminal penalty authorized pursuant to the Banking Law. Increasing certain licensing and investigation fees and fines is recommended to support Department initiatives and to effectively operate as incentives for regulated persons or entities to comply with various supervisory requirements.

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 and banking needs of local communities as required by various State laws.

Additionally, the Department's investigation and prosecution of 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 respond to the changing financial services environment and to promote a strong and healthy financial services industry.

BANKING

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that are held by banks, insurance companies and other institutions.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	73,288,000	80,247,000	6,959,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	73,288,000	80,247,000	6,959,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	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	471	489	18
Total	569	587	18

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	500,000	0	(500,000)
Special Revenue Funds - Other	72,788,000	80,247,000	7,459,000
Total	73,288,000	80,247,000	6,959,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	9,211,000	9,469,000	258,000
Analysis and Compliance			
Special Revenue Funds - Federal	200,000	0	(200,000)
Special Revenue Funds - Other	3,620,000	3,821,000	201,000
Regulation			
Special Revenue Funds - Federal	300,000	0	(300,000)
Special Revenue Funds - Other	59,957,000	66,957,000	7,000,000
Total	73,288,000	80,247,000	6,959,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	9,469,000	258,000	4,260,000	13,000
Analysis and Compliance	3,821,000	1,000	2,485,000	43,000
Regulation	66,957,000	6,700,000	35,142,000	1,763,000
Total	80,247,000	6,959,000	41,887,000	1,819,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	5,209,000	245,000	0	0
Analysis and Compliance	1,336,000	(42,000)	0	0
Regulation	30,650,000	4,937,000	1,165,000	0
Total	37,195,000	5,140,000	1,165,000	0