Office of Banking and Financial Institutions (BI0)

The general mission of the Office of Banking and Financial Institutions (OBFI) is to promote a climate in which financial institutions will organize to do business in the District of Columbia and contribute to the economic development of the District through the increased availability of capital and credit and to expand advantageous financial services to the public in a nondiscriminatory manner.

Agency Director	**S. Kathryn Allen**
Proposed Operating Budget ($ in thousands)	**$1,869**

Fast Facts

- The proposed FY 2001 operating budget is $1,869,376, an increase of $999,585 over the FY 2000. There are 20 full-time equivalents (FTEs) supported by this budget.
- For FY 2001, $125,000 was added to the local budget by the Mayor to support the agency's initiative for increased banking enforcement.
- For FY 2001, 3 FTEs were added to the budget (1 FTE in local and 2 in other revenue). In total, there are 20 FTEs supported by the budget.
- During FY 2000, the agency plans to develop a database for tracking, monitoring and interfacing with DC agencies for licensure of financial businesses.
- During FY 2000, the agency plans to establish opportunities for international banking activity within the District.
- During FY 2000, the agency plans to establish Office of Banking and Financial Institution as a source of financial service information.

FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The Office of Banking and Financial Institutions is comprised of one control center that serve as the major components of the agency's budget.

FY 2001 Proposed Budget by Control Center

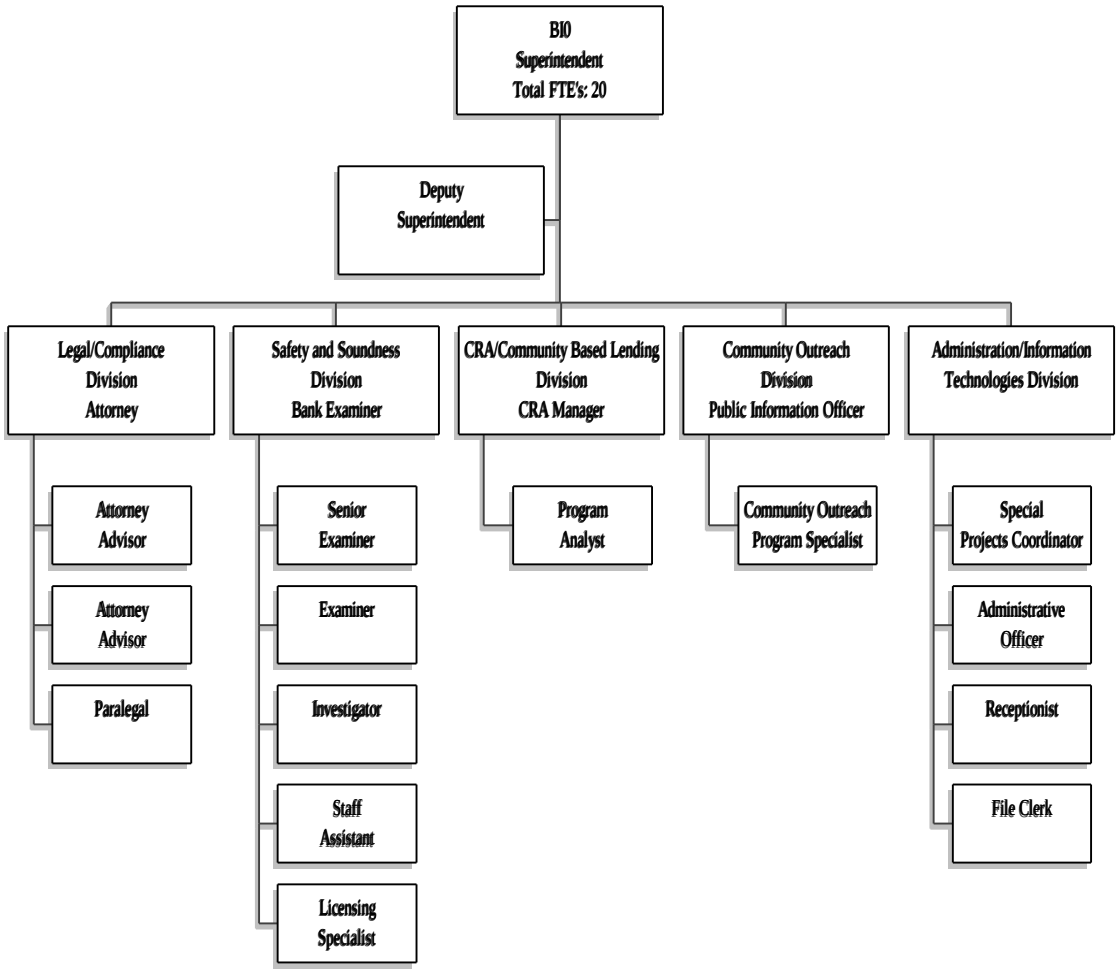
(Dollars in Thousands)

Office of Banking and Financial Institutions

Control Center		Proposed FY 2001 Budget
1000	OFFICE OF BANKS & FINANCIAL INST.	1,869
BI0	Office of Banking and Financial Institutions	1,869

Agency Overview and Organization

The Office of Banking and Financial Institutions mandates that all financial institutions operating in the District and all banks and bank holding companies seeking entry into the District provide financial services to the public in a manner that fosters the development and revitalization of housing and commercial corridors in underserved neighborhoods. Also, the Office assures that those institutions help to meet the credit and deposit services needed by low income and minority residents, and expand the financial and technical support for local, small, and disadvantaged businesses.



FY 2001 Proposed Operating Budget

The Office of Banking and Financial Institutions Operating Budget is composed of two categories: (1) Personal Services (PS), and (2) Nonpersonal Services (NPS).

Within the PS budget category are several object classes of expenditure such as regular pay, other pay, additional gross pay, and fringe benefits. Within the NPS budget category are several object classes of expenditure such as supplies and materials, utilities, communications, rent, other services and charges, contractual services, subsidies and transfers, equipment and equipment rental, and debt service.

Authorized spending levels present the dollars and related full-time equivalents (FTE) by revenue type. Revenue types include Local (tax and non-tax revenue not earmarked for a particular purpose); and Other (charitable contributions and fees from fines, etc), and Intra-District (payments for services provided by one District agency for another District agency).

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Office of Banking and Financial Institutions

Object Class	FY 1999 Unaudited	Budget FY 2000	Proposed FY 2001	Variance
Regular Pay -Cont. Full Time	366	558	1,109	551
Regular Pay - Other	62	0	0	0
Additional Gross Pay	12	0	0	0
Fringe Benefits	50	84	145	62
Unknown Payroll Postings	-13	0	0	0
Subtotal for: Personal Services (PS)	477	642	1,255	613
Supplies and Materials	9	15	44	29
Utilities	0	17	0	-17
Telephone, Telegraph, Telegram	2	2	7	5
Rentals - Land and Structures	100	103	266	163
Other Services and Charges	38	39	161	122
Contractual Services - Other	3	10	79	69
Equipment and Equipment Rental	17	42	57	15
Subtotal for: Nonpersonal Services (NPS)	169	228	615	387
Total Expenditures:	646	870	1,869	1,000

Authorized Spending Levels by Revenue Type:	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	9	386	5	381	6	522	1	141
Other	0	260	5	489	14	1,347	9	859
Total:	9	646	10	870	20	1,869	10	1,000

Agency Funding Summary

The proposed FY 2001 operating budget *for all funding sources* are $1,869,376, an increase of $999,585 over the FY 2000 budget. The Office of Banking and Financial Institutions receives funding from 72.1 percent local and from 27.9 percent other revenue sources. There are 20 FTEs supported by this budget, an increase of three over FY 2000.

- **Local.** The proposed *local* budget is $522,012, an increase of $141,012 over FY 2000 budget. The entire increase is in personal services. There are six FTEs supported by local source, an increase of two over FY 2000.

  Major changes affect personal services:

  - $132,619 increase in regular pay for full-time employees
  - $8,393 increase in fringe benefits.

- **Other.** The proposed *other* revenue budget is $1,347,364, an increase of $858,573 over the FY 2000 budget Of this increase, $471,909 is in personal services and $386,664 is in nonpersonal services. There are 14 FTEs supported by this funding source.

Figure 1

Of the total Proposed FY 2001 Operating Budget, 27.9 percent is Local.

Other funds represent 72.1 percent of the total budget.

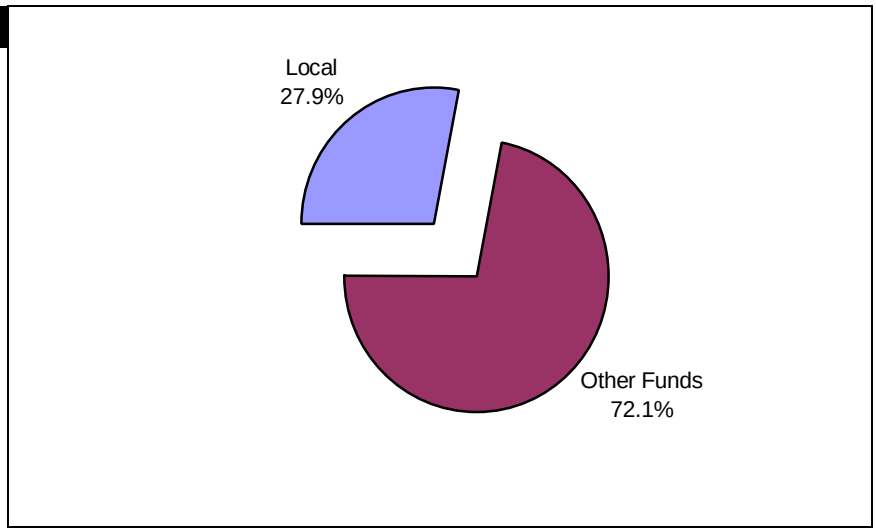
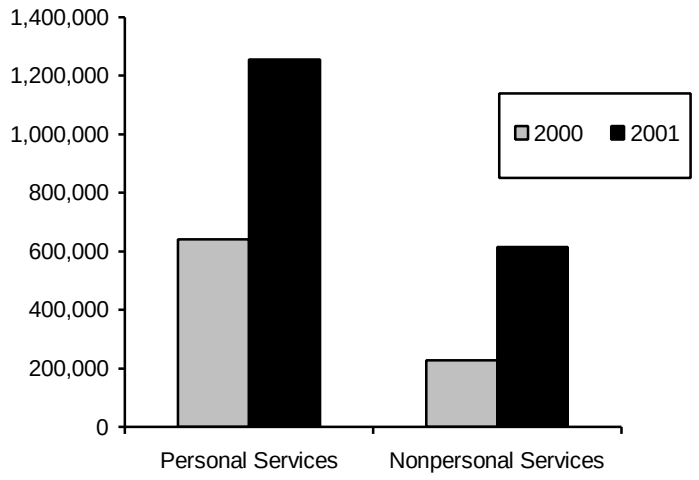


Figure 2

FY 2001 Proposed Budget Includes an Increase for PS and NPS

Personal Services increased by 95.5 percent, from $0.6 million in FY 2000 to $1.2 million, in FY 2001.

Nonpersonal services increased by 169.6 percent, from $0.2 million to $0.6 million, due to an increase in rent and other services and charges.



Occupational Classification Codes

Occupational Classification Codes (OCC) are used by federal agencies like the Bureau of Labor and the Census Bureau, as a way of classifying workers into eight Major Occupational Categories for the purpose of collecting, calculating, or disseminating data. The Office of Banking and Financial Institutions workforce is divided among five occupational classification codes.

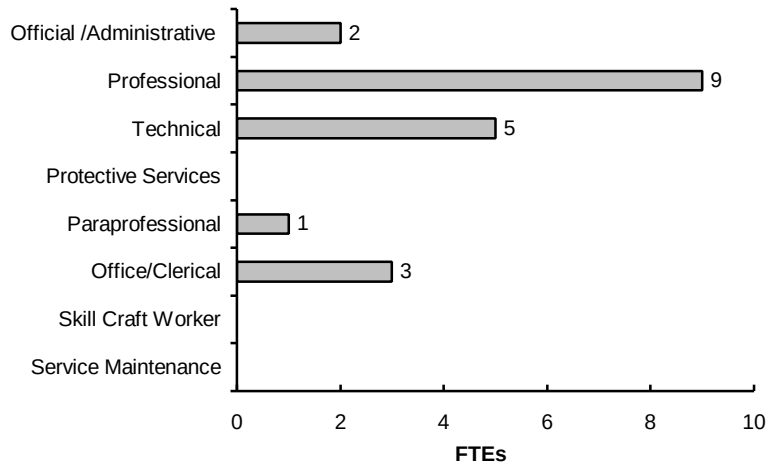
Agency FTEs by Occupational Classification Code

OC Code	FTEs in FY 2001
Official /Administrative	2
Professional	9
Technical	5
Protective Services	0
Paraprofessional	1
Office/Clerical	3
Skill Craft Worker	0
Service Maintenance	0
Total	**20**

FTE Analysis

Agency FTEs by Occupational Classification Code

The Office of Banking and Financial Institutions is a regulatory agency. Of the total FTEs, 45 percent are Professional. Another 25 percent are Technical employees.



Performance Goals and Targets

The performance goals and targets below were adapted from the Superintendent of Banking and Finance's performance contract with the Mayor.

GOAL
Legal/Compliance Division: Review existing legislation to address deficiencies within the District's regulatory framework to insure adequate protection for residents from abuses by financial institutions and to foster a business-friendly climate to attract financial institutions to do business in the District. Render opinions regarding charters and mergers on a timely basis. Investigate and resolve complaints against financial institutions

MANAGER: General Counsel
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
Targets for new financial institutions by type	TBD	TBD
OBFI opinions on charters and mergers issued within 30 days of filing	100%	100%
Investigations:		
Acknowledgement of receipt of complaint within 48 hrs.	95%	95%
Investigations completed within 35 days of complaint	95%	95%

GOAL
International Banking: Explore opportunities for international banking activity within the District and develop a strategy to develop that market within 75 days of ratification of this agreement.

FY 2000 KEY OBJECTIVES
- Meeting timetable to develop of international banking market development strategy
- Meeting timetable for the draft of an international banking charter for the District

MANAGER: General Counsel
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
Targeted number of international banking and financial institutions to attract	3	TBD

GOAL
Safety and Soundness: Protect consumers from unfair practices through chartering, licensing, examination or investigation of financial institutions. Monitor and assess the safety and soundness of financial institutions. Establish an equitable business-operating arena for all institutions.

MANAGER: Safety and Soundness Division Manager
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
Financial institution licenses and renewals processed within 45 days	75%	75%
Investigations of Complaints of Unfair Practices:		
Acknowledged in 48 hours	95%	95%
Investigations completed within 30 days of complaint	95%	95%
Resolved within target timeframes	95%	95%

GOAL
CRA/Community-Based Lending: Educate and partner with financial institutions to insure community reinvestment, community development and foster rehabilitation of neighborhood housing and commercial corridors. Increase participation of minority and immigrant residents and owners of small disadvantaged businesses in banking and credit. Coordinate CRA/CBL programs with the Economic Development goals of the *Citywide Strategic Plan*

FY 2000 KEY OBJECTIVE
- Conduct a survey of banking practices among minority residents and small business owners by summer 2000

MANAGER: CRA Manager
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
Baseline data on capital and credit available by Ward	By 6/00	TBD[1]
Percent increase of minority residents and small-business owners engaged in banking activities	30%	30%
Percent of banks and financial institutions in compliance with CRA/CBL goals	70%	70%
Baseline data on impact of District banks' CRA funding activities	By 8/00	TBD

[1] FY 2001 targets for capital and credit availability will be established subsequent to an OBFI survey, summer 2000.

GOAL
Community Outreach: Establish OBFI as a full-service financial information and consumer protection resource center by providing a wide-range of school-based and adult financial literacy educational programs.

FY 2000 KEY OBJECTIVES
- Implement school-based savings and investment clubs
- Market Electronic Transfer Accounts (ETAs)
- Coordinate and disseminate OBFI monthly newsletter, cable coverage and articles for print media.

MANAGER: Community Outreach Manager
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
# of Participants in financial literacy workshops and forums	2,000	2,000
Measure of financial institutions' financial and in-kind contributions to OBFI educational programs	$20,000	$20,000

GOAL
Public Relations: Develop educational and informational publications on banking and financial services in the District In print and electronic media and multiple languages. Update OBFI's technology to be comparable to Banking Offices in other jurisdictions throughout the nation and train OBFI staff to become proficient with standard office software.

FY 2000 KEY OBJECTIVES
- Upgrade OBFI web-site
- Produce and Disseminate OBFI publications
- Develop operating procedures and train staff

MANAGER: Special Projects Manager
SUPERVISOR: S. Kathryn Allen, Superintendent, Office of Banking and Financial Institutions

PERFORMANCE MEASURES	TARGET	
	FY00	FY01
Percent of OBFI forms available on-line	35%	100%
Percent of OBFI services available on-line	35%	80%
Percent OBFI publications available in languages other than English	20%	80%