



Ohio Department of Commerce

John R. Kasich, Governor

Jacqueline T. Williams, Director

Testimony before the Sunset Review Committee by Kevin Allard, Deputy Superintendent for the Ohio Department Commerce, Division of Financial Institutions

Thursday, November 30, 2015

Introduction:

Chairman Brown and members of the Sunset Review Committee, My name is Kevin Allard, and I am the Deputy Superintendent for the Department of Commerce, Division of Financial Institutions. Thank you for inviting me today to talk about the Ohio Banking Commission.

1. The Commission's primary purpose and its various goals and objectives:

The Ohio Banking Commission (Commission) is authorized pursuant to ORC 1123.01 and consists of seven members. The Deputy Superintendent for Banks, a staff member of the Division of Financial Institutions, must be the chairperson of the Board. The Governor, with the advice and consent of the Senate, appoints the remaining six members. The primary purpose of the Banking Commission is to serve as an advisory body to the Division of Financial Institutions by providing input on matters relating to policy, statutory changes, or administrative rule changes and confirms the assessment recommendations as calculated by the Superintendent.

2. The agency's past and anticipated workload, the number of staff required to complete that workload, and the agency's total number of staff:

Six of the seven Commission members serve on a volunteer, non-compensated basis. The Commission does not have a dedicated staff. However, as stated, the Chairman of the Commission is the Deputy Superintendent for Banks and a member of the Division of Financial Institutions' staff devotes less than 10 hours per quarter to support the Board meetings.

Commission meetings are held once each calendar quarter (February, June, August, and November), and the past and anticipated workload for the Commission has remained constant. During these meetings, the Commission allows for open discussion of pertinent items relating to the Banking section of the Division of Financial Institutions. Matters discussed during meetings of the Ohio Banking Commission include: 1) Overviews of financial statements for the Banks fund; 2) Reports regarding personnel changes, industry-relative legislative issues, and examination operations; and 3) The Deputy Superintendent provides an update report regarding industry trends and current financial industry news.

3. The agency's past and anticipated budgets and its sources of funding:

The Commission does not have its own budget and members receive no salary reimbursement. The only reimbursable costs are travel expenses, such as mileage and parking fees. Expenses for the quarterly Commission meetings total less than \$250 per meeting, and it is anticipated that the budget for FY 2016 and FY 2017 would not exceed \$1,000 for each fiscal year. The Commission's expenses are paid from the Banks Fund. The Banks fund derives its revenue entirely from industry assessments, fees for applications, and reimbursements for specialty examinations billed at cost.

4. The number of members of its governing board or other governing entity and their compensation, if any:

The Ohio Banking Commission in its capacity is defined as an agency for purposes of the ORC and therefore has no governing board or governing entity.

Conclusion:

In closing, we recommend the Ohio Banking Commission be re-authorized due to its effective governance by the Division of Financial Institutions, minimal staff requirements and the important and necessary role in confirming the banking assessment.

I wish to express my appreciation to you Mr. Chairman and members of the committee for allowing me to testify. I would be happy to answer any questions the committee may have.