

January 30, 2012

The Honorable Ruth Teichman, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Teichman:

**SUBJECT:** Fiscal Note for SB 315 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 315 is respectfully submitted to your committee.

SB 315 would add attorneys, officers, and employees of the Office of the State Bank Commissioner to the list of employees that are not subject to approval by the Governor. The bill would add to the list of positions that the Bank Commissioner would be allowed to appoint in the unclassified service to include Case Managers, Examiners, and a Business Manager. The bill would allow the State Bank Commissioner to establish an equitable salary schedule for all of its unclassified positions. Salaries established by the State Bank Commissioner would not exceed the average compensation of corresponding state regulatory positions in similar geographic areas and the salary schedule would be reported to the State Banking Board on an annual basis. The bill also includes technical amendments to remove outdated references.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	\$122,351	--	\$554,067
FTE Pos.	--	--	--	--

The Office of the State Bank Commissioner indicates that SB 315 would allow it to increase expenditures on salaries and wages by \$122,351 in FY 2012 and by \$554,067 in FY 2013. The agency indicates that the additional salaries and wages will allow it to retain experienced examination staff, attract qualified candidates, and address significant salary gaps

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that exist between current salary levels and those of other financial regulatory agencies. It should be noted that *The FY 2013 Governor's Budget Report* includes additional expenditures for salaries and wages in the Office of the State Bank Commissioner's budget to allow it to reduce employee turnover and to retain its experienced examination staff by providing more competitive salaries and wages.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Marilyn Jacobson, Administration  
Diane Bellquist, Banking