

March 1, 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 431 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 431 is respectfully submitted to your committee.

SB 431 would add to the list of positions that the Department of Credit Unions Administrator would be allowed to appoint in the unclassified service to include Financial Examiners, Financial Examiner Administrators, Case Managers, and a Business Manager. The bill would allow the Administrator to establish an equitable salary schedule for these positions. Salaries established by the Administrator would not exceed the average compensation of corresponding state regulatory positions in similar geographic areas and the salary schedule would be reported to the Credit Union Council on an annual basis.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2012 SGF | FY 2012 All Funds | FY 2013 SGF | FY 2013 All Funds |
| Revenue | -- | -- | -- | -- |
| Expenditure | -- | -- | -- | \$48,117 |
| FTE Pos. | -- | -- | -- | -- |

The Department of Credit Unions indicates that SB 431 would allow it to increase expenditures on salaries and wages by \$48,117 in FY 2013 and by \$51,726 in FY 2014. The additional expenditures, if authorized by an appropriation bill, would be from the Credit Union Fee Fund. The agency indicates that the additional salaries and wages would allow it to retain

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experienced examination staff, attract qualified candidates, and address significant salary gaps that exist between current salary levels and those of other financial regulatory agencies. Any fiscal effect associated with SB 431 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

cc: Marilyn Jacobson, Administration
John Smith, Credit Unions