

Office of the State Bank Commissioner

Consider the addition of \$162,724 in FY 2022 and \$167,156 for FY 2023, all from special revenue funds, for board member compensation and merit-based salaries. SB 299, which is currently referred to the Senate Committee on Ways and Means, would increase the per-diem rate for the State Banking Board.

Salary Increases

The agency requested \$150,304, all from special revenue funds, in FY 2022 for merit-based salary increases. The agency has traditionally provided salary increases for its employees through a merit-based system based on yearly performance reviews. The agency reports that it has historically faced high staff turnover related to competition from the private sector and believes that merit-based increases assist in the retention of employees.

During the 2021 Legislative Session, the agency indicated that it had an understanding with a previous administration to allow for merit-based increases when employees shifted from classified to unclassified status in 2012. While KSA 75-3135a allows the Bank Commissioner to establish a salary schedule for unclassified positions, that schedule is subject to the approval of the governor and acts of appropriation.

The Governor did not include the increase in salaries in her recommendation, however the agency would be included in the Governor's 5.0 percent executive pay plan in FY 2023.

Board Member Per Diem

The agency's request includes \$12,420, all from special revenue funds, to increase the per diem rate paid to State Banking Board members from \$35.00 to \$150.00 per day of actual attendance of any board meeting. Board member compensation was last adjusted in 1974 through the enactment of KSA 75-3223, which set a daily rate of \$35.00.

During the 2021 Legislative Session, the agency requested 2021 SB 299 be introduced, which would provide the Bank Commissioner the authority to increase the daily per diem rate between \$100.00 and \$150.00. The bill was referred to the Senate Committee on Ways and Means.

The Governor did not include the increase in salaries in her recommendation.