



KANSAS CREDIT UNION ASSOCIATION

To: Senate Financial Institutions & Insurance Committee

From: Haley DaVee, Vice President of Governmental & Public Affairs

Date: Wednesday, March 7, 2012

Re: Support Senate Bill 431

The Kansas Credit Union Association appreciates the opportunity to appear today in support of Senate Bill 431. The 100 Kansas credit unions are not-for-profit financial cooperatives whose purpose is to serve the financial needs of their 625,000+ member/owners.

Kansas has a strong tradition and presence of state chartered credit unions almost 80% of Kansas credit unions holding a state charter. KCUA has long been a proponent of the dual chartering system for credit unions and supports a strong state charter option for credit unions in Kansas. Having a state regulatory agency that has the resources that it needs to hire and retain experienced credit union examiners is an important piece of the state charter option.

SB 431 would allow the specified positions within the Kansas Department of Credit Unions to become unclassified. SB 431 also will ensure that the salaries for these unclassified positions are commiserate with those in other states by including language that states that the salaries should not exceed the average compensation of corresponding state regulatory positions in surrounding states. SB 431 would give the KDCU additional flexibility in a measured manner to bring examiner salaries in line with those in surrounding states. Finally, it requires that the salary schedule shall be reported to the Credit Union Council on an annual basis.

The Kansas Department of Credit Unions is fully funded by the fees assessed to Kansas credit unions. We always encourage the KDCU to consider the impact that their fees have on state chartered credit unions and we appreciate their efforts to communicate this proposed change to credit unions.

Thank you for the opportunity to appear today in support of SB 431. I would be happy to stand for questions at the appropriate.