

1 **DEPARTMENT OF FINANCIAL**
2 **INSTITUTIONS PAY PLAN**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Jeff Alexander**

6 Senate Sponsor: John W. Hickman

7
8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions governing compensation for employees of the Department
11 of Financial Institutions.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ requires that a market comparability study for employees of the Department of
- 15 Financial Institutions be based on a survey of certain federal entities; and
- 16 ▶ sets the salary for the commissioner of financial institutions as a percentage of the
- 17 highest paid employee of the department.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill provides an effective date.

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **67-22-2 (Superseded 07/01/06)**, as last amended by Chapter 8, Laws of Utah 2005,
25 First Special Session

26 **67-22-2 (Effective 07/01/06)**, as last amended by Chapter 8, Laws of Utah 2005, First
27 Special Session



28 ENACTS:

29 **67-19-12.1**, Utah Code Annotated 1953



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **67-19-12.1** is enacted to read:

33 **67-19-12.1. Department of Financial Institutions pay plans.**

34 To allow the state to recruit and retain the highest qualified examiners and regulators to
35 oversee the financial services industry in this state and ensure parity with officials and
36 employees of federal regulatory agencies and entities performing substantially similar jobs, the
37 pay plans for all examiners and supervisors specified in Title 7, Chapter 1, Article 2,
38 Department of Financial Institutions, shall comply with Section 67-19-12, except that the
39 market comparability study of state salary ranges for these positions shall be based on a survey
40 of salary ranges of federal regulatory agencies and organizations responsible for regulating
41 financial institutions chartered and regulated by the commissioner of financial institutions,
42 including the:

- 43 (1) Federal Deposit Insurance Corporation;
- 44 (2) Federal Reserve; and
- 45 (3) National Credit Union Administration.

46 Section 2. Section **67-22-2 (Superseded 07/01/06)** is amended to read:

47 **67-22-2 (Superseded 07/01/06). Compensation -- Other state officers.**

48 (1) (a) The governor shall establish salaries for the following state officers within the
49 following salary ranges fixed by the Legislature:

50 State Officer	Salary Range
51 Commissioner of Agriculture and Food	\$66,800 - \$90,600
52 Commissioner of Insurance	\$66,800 - \$90,600
53 Commissioner of the Labor Commission	\$66,800 - \$90,600
54 Director, Alcoholic Beverage Control	
55 Commission	\$66,800 - \$90,600
56 [Commissioner, Department of	
57 [Financial Institutions]	[\$66,800 - \$90,600]
58 Members, Board of Pardons and Parole	\$66,800 - \$90,600

59	Executive Director, Department	
60	of Commerce	\$66,800 - \$90,600
61	Executive Director, Commission on	
62	Criminal and Juvenile Justice	\$66,800 - \$90,600
63	Adjutant General	\$66,800 - \$90,600
64	Chair, Tax Commission	\$72,400 - \$97,600
65	Commissioners, Tax Commission	\$72,400 - \$97,600
66	Executive Director, Department of	
67	Community and Culture	\$72,400 - \$97,600
68	Executive Director, Tax Commission	\$72,400 - \$97,600
69	Chair, Public Service Commission	\$72,400 - \$97,600
70	Commissioners, Public Service	
71	Commission	\$72,400 - \$97,600
72	Executive Director, Department	
73	of Corrections	\$78,700 - \$106,200
74	Commissioner, Department of Public Safety	\$78,700 - \$106,200
75	Executive Director, Department of	
76	Natural Resources	\$78,700 - \$106,200
77	Director, Governor's Office of Planning	
78	and Budget	\$78,700 - \$106,200
79	Executive Director, Department of	
80	Administrative Services	\$78,700 - \$106,200
81	Executive Director, Department of	
82	Human Resource Management	\$78,700 - \$106,200
83	Executive Director, Department of	
84	Environmental Quality	\$78,700 - \$106,200
85	Director, Governor's Office	
86	of Economic Development	\$78,700 - \$106,200
87	Executive Director, Department of	
88	Workforce Services	\$85,700 - \$115,700
89	Executive Director, Department of	

90	Health	\$85,700 - \$115,700
91	Executive Director, Department	
92	of Human Services	\$85,700 - \$115,700
93	Executive Director, Department	
94	of Transportation	\$85,700 - \$115,700
95	Executive Director, Department	
96	of Information Technology	
97	Services	\$85,700 - \$115,700

98 (b) The governor shall establish the salary for the commissioner of the Department of
 99 Financial Institutions to be no less than 110% and no more than 120% of the highest salary
 100 paid to any other employee of the Department of Financial Institutions.

101 (2) (a) The Legislature fixes benefits for the state offices outlined in Subsection (1) as
 102 follows:

- 103 (i) the option of participating in a state retirement system established by Title 49, Utah
- 104 State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered
- 105 by the State Retirement Office in accordance with the Internal Revenue Code and its
- 106 accompanying rules and regulations;
- 107 (ii) health insurance;
- 108 (iii) dental insurance;
- 109 (iv) basic life insurance;
- 110 (v) unemployment compensation;
- 111 (vi) workers' compensation;
- 112 (vii) required employer contribution to Social Security;
- 113 (viii) long-term disability income insurance;
- 114 (ix) the same additional state-paid life insurance available to other noncareer service
- 115 employees;
- 116 (x) the same severance pay available to other noncareer service employees;
- 117 (xi) the same sick leave, converted sick leave, educational allowances, and holidays
- 118 granted to Schedule B state employees, and the same annual leave granted to Schedule B state
- 119 employees with more than ten years of state service;
- 120 (xii) the option to convert accumulated sick leave to cash or insurance benefits as

121 provided by law or rule upon resignation or retirement according to the same criteria and
122 procedures applied to Schedule B state employees;

123 (xiii) the option to purchase additional life insurance at group insurance rates according
124 to the same criteria and procedures applied to Schedule B state employees; and

125 (xiv) professional memberships if being a member of the professional organization is a
126 requirement of the position.

127 (b) Each department shall pay the cost of additional state-paid life insurance for its
128 executive director from its existing budget.

129 (3) The Legislature fixes the following additional benefits:

130 (a) for the executive director of the State Tax Commission a vehicle for official and
131 personal use;

132 (b) for the executive director of the Department of Transportation a vehicle for official
133 and personal use;

134 (c) for the executive director of the Department of Natural Resources a vehicle for
135 commute and official use;

136 (d) for the Commissioner of Public Safety:

137 (i) an accidental death insurance policy if POST certified; and

138 (ii) a public safety vehicle for official and personal use;

139 (e) for the executive director of the Department of Corrections:

140 (i) an accidental death insurance policy if POST certified; and

141 (ii) a public safety vehicle for official and personal use;

142 (f) for the Adjutant General a vehicle for official and personal use; and

143 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
144 official use.

145 (4) (a) The governor has the discretion to establish a specific salary for each office
146 listed in Subsection (1), and, within that discretion, may provide salary increases within the
147 range fixed by the Legislature.

148 (b) The governor shall apply the same overtime regulations applicable to other FLSA
149 exempt positions.

150 (c) The governor may develop standards and criteria for reviewing the performance of
151 the state officers listed in Subsection (1).

152 (5) Salaries for other Schedule A employees, as defined in Section 67-19-15, which are
 153 not provided for in this chapter, or in Title 67, Chapter 8, Utah Executive and Judicial Salary
 154 Act, shall be established as provided in Section 67-19-15.

155 Section 3. Section **67-22-2 (Effective 07/01/06)** is amended to read:

156 **67-22-2 (Effective 07/01/06). Compensation -- Other state officers.**

157 (1) (a) The governor shall establish salaries for the following state officers within the
 158 following salary ranges fixed by the Legislature:

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164 Commission	\$66,800 - \$90,600
165 [Commissioner, Department of]	
166 [Financial Institutions]	[\$66,800 - \$90,600]
167 Members, Board of Pardons and Parole	\$66,800 - \$90,600
168 Executive Director, Department	
169 of Commerce	\$66,800 - \$90,600
170 Executive Director, Commission on	
171 Criminal and Juvenile Justice	\$66,800 - \$90,600
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183	Commissioner, Department of Public Safety	\$78,700 - \$106,200
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187	and Budget	\$78,700 - \$106,200
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206 **Financial Institutions to be no less than 110% and no more than 120% of the highest salary**
207 **paid to any other employee of the Department of Financial Institutions.**

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209 follows:

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211 State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered
212 by the State Retirement Office in accordance with the Internal Revenue Code and its
213 accompanying rules and regulations;

- 214 (ii) health insurance;
- 215 (iii) dental insurance;
- 216 (iv) basic life insurance;
- 217 (v) unemployment compensation;
- 218 (vi) workers' compensation;
- 219 (vii) required employer contribution to Social Security;
- 220 (viii) long-term disability income insurance;
- 221 (ix) the same additional state-paid life insurance available to other noncareer service
- 222 employees;
- 223 (x) the same severance pay available to other noncareer service employees;
- 224 (xi) the same sick leave, converted sick leave, educational allowances, and holidays
- 225 granted to Schedule B state employees, and the same annual leave granted to Schedule B state
- 226 employees with more than ten years of state service;
- 227 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
- 228 provided by law or rule upon resignation or retirement according to the same criteria and
- 229 procedures applied to Schedule B state employees;
- 230 (xiii) the option to purchase additional life insurance at group insurance rates according
- 231 to the same criteria and procedures applied to Schedule B state employees; and
- 232 (xiv) professional memberships if being a member of the professional organization is a
- 233 requirement of the position.
- 234 (b) Each department shall pay the cost of additional state-paid life insurance for its
- 235 executive director from its existing budget.
- 236 (3) The Legislature fixes the following additional benefits:
- 237 (a) for the executive director of the State Tax Commission a vehicle for official and
- 238 personal use;
- 239 (b) for the executive director of the Department of Transportation a vehicle for official
- 240 and personal use;
- 241 (c) for the executive director of the Department of Natural Resources a vehicle for
- 242 commute and official use;
- 243 (d) for the Commissioner of Public Safety:
- 244 (i) an accidental death insurance policy if POST certified; and

- 245 (ii) a public safety vehicle for official and personal use;
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- 248 (ii) a public safety vehicle for official and personal use;
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- 250 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
- 251 official use.

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 253 listed in Subsection (1), and, within that discretion, may provide salary increases within the
 254 range fixed by the Legislature.

255 (b) The governor shall apply the same overtime regulations applicable to other FLSA
 256 exempt positions.

257 (c) The governor may develop standards and criteria for reviewing the performance of
 258 the state officers listed in Subsection (1).

259 (5) Salaries for other Schedule A employees, as defined in Section 67-19-15, which are
 260 not provided for in this chapter, or in Title 67, Chapter 8, Utah Executive and Judicial Salary
 261 Act, shall be established as provided in Section 67-19-15.

262 **Section 4. Effective date.**

263 This bill takes effect on May 1, 2006, except that the amendments to Section 67-22-2
 264 (Effective 07/01/06) take effect on July 1, 2006.

Legislative Review Note
as of 2-6-06 10:34 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

Passage of this bill will require an appropriation of at least \$11,400 from restricted funds to the Department of Financial Institutions to cover an increase in salary (and associated personal service costs) for its Commissioner.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2008</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund Restricted	\$11,400	\$11,400	\$0	\$0
TOTAL	\$11,400	\$11,400	\$0	\$0

Individual and Business Impact

The current Commissioner or the Department of Financial Institutions would experience an increase in salary upon passage of this bill.

Office of the Legislative Fiscal Analyst