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NEWS RELEASE

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OFFICE OF FINANCIAL INSTITUTIONS INCREASES EXAMINER COMPENSATION

Examiner salaries become more competitive, staff moves to 40-hour work week

FRANKFORT, Ky. (Jan. 18, 2007) – The Kentucky Office of Financial Institutions (OFI) will implement a compensation equity plan on March 16 exclusively for the “Financial Institutions Examiner” classification, Governor Ernie Fletcher announced today.

OFI will also implement a 40-hour work week for all employees beginning Feb. 16.

“The oversight responsibility of the Office of Financial Institutions demands the agency have experienced and professional examiners,” Governor Fletcher said. “The compensation equity plan will raise examiners’ salaries to a level that is more competitive with federal examiners and the 40-hour work week will help the agency meet the needs of the banking industry.”

Employees will work an additional 30 minutes each day, 2.5 hours per week. Merit employees and certain non-merit employees will receive a corresponding 6.67 percent salary adjustment.

“At a lower pay scale, we hire examiners and invest dollars in training them – only to lose them, and their training and experience, three or four years later to the industry or the Federal Deposit Insurance Corp.,” said Cordell Lawrence, executive director of OFI. “We want to provide Kentucky’s banking industry with a competent and experienced corps of professional examiners, which strengthens the banking system.”

OFI recommended the change because it will enhance recruitment and retention of a well-trained and knowledgeable staff. Lawrence said this key initiative of Governor Fletcher will provide a more cost-effective, efficient regulatory process for examining Kentucky’s state-chartered financial institutions.

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Certain other government agencies also have implemented 40-hour work week schedules, including the Finance Cabinet and the Auditor of Public Accounts. Similar proposals may be considered as the needs of each governmental office are assessed to best serve the public.

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It is charged with licensing, chartering and regulating the activities of state-chartered/licensed depository and nondepository financial institutions. OFI's mission is to serve the public through effective and efficient regulation that promotes consumer confidence and economic growth.

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