



TEXAS ETHICS COMMISSION STAFF COMPENSATION REPORT (HOUSE BILL 12)

Authority:

In 2013, during the 83rd Regular Legislative Session, House Bill (HB) 12 passed, amending Government Code, Section 659.026. HB12 requires state agencies to make certain information regarding, including state compensation for the agency's executive staff, available to the public by posting the information on the agency's website. The following data is current as of Fiscal Year 2018 for the Texas Ethics Commission.

Number of full-time equivalent employees employed by the agency:

The General Appropriations Act for the 2018-2019 Biennium has authorized:

<u>FY 2018</u>	<u>FY 2019</u>
32.4 FTE	33.4 FTE

The actual FTEs as of September 1, 2018 is 28.05 FTEs.

Agency's Legislative appropriations:

<u>FY 2018</u>	<u>FY 2019</u>
\$2,943,938	\$2,983,940

Methodology and Market Analysis:

Non-Classified Executive Staff:

The salary for the Texas Ethics Commission's Executive Director, Group 4 and the General Counsel are both listed in the General Appropriations Act as Exempt positions. Their salaries are set by the TEC Commissioners, either at or below the amount set in the General Appropriations Act. The annual compensation for the executive director is legislatively established in Article I of the General Appropriations Act at a \$133,463 annually, which falls within Salary Group 4 range (\$106,500-\$171,688) for positions exempt from the State's Classification Plan and the general counsel's annual compensation is set at \$118,388.

The State Auditor's Office provides the legislature with recommended salary ranges for executive officer positions in their SAO Report on Executive Compensation at State Agencies (Report No 16-706). The report is based on an analysis of:

- The size of agency's annual appropriations;
- The agency's number of authorized full-time equivalent (FTE) employees using data as of February 29, 2016, including the Governor's and the Legislative Budget Board's approved changes;
- The market average compensation for similar executive positions;

- The executive officer position’s annual base salary compared to the annual base salaries of classified positions within the agency’ and
- Specialized education required for each position.

According to the SAO’s report, in determining the market average compensation for similar executive positions, they considered the average market compensation for similar executive and professional positions; compensation for classified employees; the size and complexity of agencies; and specialized experiences, education or skills required for each position. The SAO also compared executive officer positions from different agencies and took into account the size of the agency’s annual appropriations and the number of an agency’s authorized FTE employees.

In developing recommendations, The SAO also reviewed compensation rates for similar work performed in the public and private sectors and compared those rates to the midpoint of existing salary ranges to determine market competitiveness of the salary range for positions reviewed. Market salary data for each survey was aged to January 1, 2017.

Classified Executive Staff:

The salaries for executive staff in classified positions are set by the Executive Director with the minimum and maximum salary range specified for the position in the State’s Position Classification Plan for the 2018-2019 biennium (Report No. 17-701). The State of Texas Position Classification plan is designed to ensure that state employees are classified appropriately and consistently according to their education, work experience, skill, and work performed, and that the salary ranges for positions are competitive with similar positions in the public and private sector.

Compensation of executive staff is based on a number of factors, including the complexity of the work performed, skill requirements, experience requirements, education required, longevity, efficiency, innovation, output, cooperative ability, budget and staff oversight and the internal relations to comparable positions in the agency. In addition, the agency monitors and reviews these positions to ensure that proper reporting relationships are maintained. The agency also relies upon the regularly published SO reports regarding executive staff compensation, e.g. Legislative Workforce Summary and Report on Executive Compensation at State Agencies, when setting executive staff compensation.

Salary Supplement Eligibility:

A state employee employed by a state agency as defined by [Section 658.001](#) whose position is classified under Chapter 654 or whose exempt position is funded by the General Appropriations Act may not receive a salary supplement from any source unless a specific grant of authority to do so is provided by the General Appropriations Act or other law. Both the executive director and general counsel are not eligible for a salary supplement.

Market Averages:

Market average for salary of similar executive staff in private and public sectors:

- Executive Director: \$144,923.75 (Avg. of Group 4 Executive Directors listed in 2018-2019 GAA)
- General Counsel: \$181,845.00 (Market Avg. listed in SAO Biennial Report on State Positions Classification Plan)

Division Directors: \$ 91,068.50 (Avg. of Classified TEC Division Directors)

Average Compensation for Non-Executive Staff:

The average compensation rate for non-executive TEC employees is \$ 49,660.20

Percentage Increase for the five preceding fiscal years:

Compensation of Executive Staff:

For purposes of this report the term “executive staff” is defined by Tex. Gov’t Code Ann. Sec 659.026(2)(a)(b) and includes both the exempt positions listed in the 2018-2019 GAA and the classified employees who report directly to the executive director.

Classification	% increase FY 2013	% increase FY 2014	% increase FY 2015	% Increase FY 2016	% Increase FY 2017	Compensation A/O 9/01/2017
Executive Director	0%	10%	0%	5.50%	0%	\$133,463
General Counsel	0%	10%	0%	2.44%	0%	\$118,388
Director I (Disclosure Filings)	0%	1%	.36%	2.5%	0%	\$71,000
Director II (Finance & Administration)	0%	1%	2%	(4.87%)	0%	\$79,500
Director IV (Information Resources)	5.63%	1%	8.73%	19.92%	5.1%	\$103,774
Director IV (Enforcement)	N/A	100%	2%	2.5%	0%	\$110,000

Legislative Appropriations Increase:

The percentage increase in legislative appropriations to the agency is based on funding listing in the General Appropriations Act from one year to the next.

- 2013- (\$1,932,722) - 0%
- 2014- (\$5,484,462) - 183.77% (includes One Time Capital Rider of \$3,500,000)
- 2015- (\$1,984,462) - (63.82%)
- 2016- (\$2,996,141) – 50.98%
- 2017- (\$3,042,865) – 1.56%
- 2018- (\$2,943,938) – (3.25%)