



Staff Compensation Report

**As Required by
Texas Government Code**

Section 659.026

**Health and Human Services
Commission**

December 2018



TEXAS
Health and Human
Services

Executive Summary

As required by Section 659.026 of Texas Government Code, certain executive and non-executive compensation information must be made available to the public on the agency's internet website. To comply with this requirement, the following compensation information on Health and Human Services Commission (HHSC) employees is reported.

As of August 31, 2018, HHSC employed 37,336.16 full-time equivalent employees (FTEs). An FTE is a unit equivalent to an employee working an eight-hour day. The total work hours used to calculate FTEs may come from full- time or part-time positions.

Appropriations

As reported in Article II of the General Appropriations Act, the agency received the following legislative appropriations for each fiscal year of the current biennium:

Method of Financing	For the Years Ending	
	FY 2018	FY 2019
General Revenue Fund	\$14,681,854,307	\$14,599,273,714
Federal Funds	\$20,359,386,073	\$20,539,809,270
Other Funds	\$1,072,596,482	\$1,071,546,981
Total Method of Financing	\$36,113,836,862	\$36,210,629,965

Executive Salary Determination Methodology

Non-Classified Executive Staff

The annual compensation for the agency's Executive Commissioner is legislatively set in Article II of the General Appropriations Act at \$266,500 and falls within Salary Group 8 (for positions exempt from the State's Position Classification Plan). In addition, pursuant to Article IX, Section 3.04 of the 2018-2019 General Appropriations Act, the Office of the Governor may authorize the Executive Commissioner of HHSC to receive a rate of compensation within the appropriate exempt salary group schedule.

As reported in the State Auditor's Office (SAO) Report on Executive Compensation at State Agencies (August 2018, Report No. 18-705), the SAO provides the legislature with recommended salary ranges for executive officer positions, based on an analysis of:

- executive officer salaries and assigned salary groups;
- the amount of annual appropriations for the agency;
- the number of authorized full-time equivalent employees at the agency;
- market average compensation for similar executive positions;
- the agency's mission;
- salaries of classified employees; and
- specialized education required for the position.

To obtain the market average compensation for similar executive positions, the SAO reviewed data from public, nonprofit, and private sector salary sources, and sent salary surveys to populous states outside of Texas, quasi-governmental agencies, and major Texas cities and counties.

Through this methodology, the SAO reported the market average for the HHSC Executive Commissioner as \$305,535.

Classified Executive Staff

The annual compensation of executive staff in classified positions is determined by the executive commissioner based on a number of factors, including the complexity of the work performed, skill and experience requirements, education required, budget and staff oversight, and the internal relationship to comparable positions in

the agency. In addition, the agency monitors and reviews these positions to ensure that proper reporting relationships are maintained.

The minimum and maximum salary ranges for these positions are specified in the State's Position Classification Plan in Article IX of the General Appropriations Act. As reported in the SAO Biennial Report on the State's Position Classification Plan for the 2020-2021 Biennium (September 2018, Report No. 19-702), the SAO conducts market analyses and recommends changes to the legislature when established salary ranges are identified as no longer equitable or competitive. To conduct this analysis and review, the SAO collected market data from multiple salary survey sources for positions representative of the work performed in state government.

Note: The agency's executive staff are not eligible for a salary supplement.

Market Average for Executive Staff

For the purpose of conducting a comparison of market average compensation of similar executive staff in the private and public sectors, the following table provides the annual state and national wages for public and chief executives, based on the Bureau of Labor Statistics data for Standard Occupational Code 11-1011.00, Chief Executives. The percentile wage estimate is the value of a wage below which a certain percent of employees fall:

May 2017* Salary Data Average					
Location	10th Percentile	25th Percentile	Salary	75th Percentile	90th Percentile
United States	\$68,110	\$113,470	\$183,270	- -	- -
Texas	\$94,510	\$149,900	- -	- -	- -

*Reflects most recent data available.

The following table provides market average data for state agency executive staff in Texas, based on August 31, 2018, data provided by Comptroller of Public Accounts Fiscal Integrity Division Fiscal Analysis Section:

**State of Texas
Fiscal Management Division
Statewide Data on Director and Deputy Director Jobs and Salaries*
As of August 31, 2018**

	Class Title	Active Employees	Mean Salary Value	Highest Salary Value	Median Salary Value	Smallest Salary Value	Most Frequent Salary Value
1	Director I	354	\$7,738	\$10,209	\$7,712	\$5,785	\$7,688
2	Director II	703	\$8,650	\$10,761	\$8,705	\$6,363	\$7,500
3	Director III	573	\$9,625	\$12,921	\$9,703	\$6,999	\$10,000
4	Director IV	363	\$10,893	\$13,021	\$10,693	\$7,892	\$10,000
5	Director V	91	\$12,169	\$14,323	\$12,188	\$9,875	\$11,644
6	Director VI	183	\$13,015	\$18,976	\$13,160	\$9,500	\$13,761
7	Director VII	46	\$15,448	\$20,034	\$16,034	\$11,554	\$16,514
8	Deputy Director I	74	\$15,434	\$22,766	\$15,090	\$11,272	\$15,000
9	Deputy Director II	24	\$17,120	\$20,000	\$17,262	\$12,400	\$15,242
10	Deputy Director III	15	\$21,172	\$23,068	\$22,083	\$15,000	\$22,083

*Salaries shown are monthly.

Non-Executive Staff Compensation

The average base salary for non-executive staff on August 31, 2018, was \$32,300.62.

Executive Salaries Compared to Appropriations

The following table shows the percentage changes in HHSC's legislative appropriations between FY 2015 and FY 2019.

Method of Financing	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017	Percent Change	FY 2018	Percent Change	FY 2019	Percent Change
General Revenue Fund	12,719,301,239	36.53%	\$13,400,559,133	5.36%	\$13,873,951,153	3.53%	\$15,587,558,652	12.35%	\$14,599,273,714	-6.34%
Federal Funds	19,871,199,132	37.21%	\$20,183,974,810	1.57%	\$19,595,666,668	-2.91%	\$21,497,653,992	9.71%	\$20,539,809,270	-4.46%
Other Funds	635,772,377	18.92%	\$644,344,794	1.35%	\$717,296,330	11.32%	\$1,066,346,855	48.66%	\$1,071,546,981	0.49%
Total Method of Financing	\$33,226,272,748	36.55%	\$34,228,878,737	3.02%	\$34,186,914,151	-0.12%	\$38,151,559,499	11.60%	\$36,210,629,965	-5.09%

The following table shows the percentage changes in HHSC's executive salaries between FY 2014 and FY 2018.

Positions	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017	Percent Change	FY 2018	Percent Change
Executive Commissioner	\$260,000	13.5%	\$259,999.92	0.0%	\$266,499.96	2.4%	\$266,499.96	0.0%	\$266,499.96	0.0%
Chief Deputy Executive Commissioner	\$235,000	8.5%	\$239,699.88	2.0%	\$245,692.32	2.4%	\$245,692.32	0.0%	\$245,692.32	0.0%
Chief of Staff	\$161,600	1.0%	\$164,831.88	2.0%	\$159,999.96	-3.0%	\$190,000.08	15.8%	\$184,992.00	-2.7%
Inspector General	\$185,587	1.0%	\$220,000.08	15.6%	\$225,500.04	2.4%	\$225,500.04	0.0%	\$225,500.04	0.0%
Chief Counsel	\$197,500	16.9%	\$201,450.00	2.0%	\$206,486.16	2.4%	\$206,486.16	0.0%	\$206,486.16	0.0%
Chief Operating Officer		NA		NA	\$234,999.96	NA	\$234,999.96	0.0%	\$234,999.96	0.0%
Chief Policy Officer		NA		NA		NA		NA	\$230,000.04	NA

Positions	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017	Percent Change	FY 2018	Percent Change
Chief Program & Service Officer		NA		NA		NA		NA	\$210,000.00	NA
Internal Audit Director	\$114,328.00.	N/A	\$138,000.00	20.76%	\$157,000.00	13.76%	\$157,000.00	0%	\$162,855.00	3.72%