

Office of Consumer Credit Commissioner
Report of Information Regarding Executive Staff Compensation
As Required by HB 12 of the 83rd Legislative Session
August 2013

In accordance with Section 659.026 of HB 12 of the 83rd Legislative Session, the Department reports the following information regarding executive staff compensation as required by the bill:

1. The number of full-time equivalent employees employed by the agency.
74 at July 31, 2013.
2. The amount of legislative appropriations to the agency for each fiscal year of the current state fiscal biennium.
The Office of Consumer Credit Commissioner was granted Self-Directed, Semi-Independent (SDSI) status by the Legislature in 2009. Therefore the agency budget is set annually by the agency's oversight body, the Finance Commission of Texas. The budget for fiscal 2012 was \$6,893,074; fiscal 2013 was \$7,383,744 and fiscal year 2014 is \$8,113,123. Fiscal year 2015 will be set in August 2014.
3. The agency's methodology, including any employment market analysis, for determining the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology.

In fiscal 2010 due to excessive turnover and lagging staff compensation, the Finance Commission undertook a market-based compensation strategy for the agency with an end objective of hiring and retaining a highly qualified staff to effectively discharge the duties of the agency.

The salary of the Consumer Credit Commissioner is set by vote of the Finance Commission of Texas. The Chairman of the Finance Commission is William J. White.

The Commissioner's salary was last adjusted in September 2011. Commission members considered various performance reviews and earnings history of comparable executive compensation information including but not limited to:

- (i) *the State Auditor's Office August 2010 Classification Study of Exempt Positions;*
- (ii) *comparable salary information of selected positions at federal agencies with similar responsibilities such as the Consumer Financial Protection Bureau (CFPB) and the Federal Housing Finance Authority (FHFA); and*
- (iii) *comparable salary information of senior classified staff in other financial regulatory agencies.*

The compensation levels for the senior executive staff, Director of Consumer Protection and General Counsel for the OCCC are set by the Commissioner, who is Leslie L. Pettijohn. Beginning in fiscal 2010, to curb turnover and to attract and retain qualified individuals within the financial examiner and related director series, the agency targeted comparable and key positions with the Department of Banking, the Department of Savings & Mortgage Lending, and the Credit Union Department as reasonable benchmarks. For positions not related to financial examination, statewide salary averages were used as reasonable benchmarks.¹

4. Whether executive staff are eligible for a salary supplement.
No.
5. The market average for compensation of similar executive staff in the private and public sectors.
Commissioner comparison using mid-point of salary scheduled information obtained for comparable positions, unless otherwise indicated, for the items discussed in 3 above are:

¹ All salary information for the state of Texas agencies was obtained from the State Auditor's Office Electronic Classification Analysis System (E-Class)

(i) \$143,120²

(ii) \$192,913 - \$217,500

Director Examination-Related Market Average³: \$119,111 for FY2013

General Counsel Market Average⁴: \$117,438 for FY2013

6. The average compensation paid to employees employed by the agency who are not executive staff.
Average salary without longevity and BRP was \$45,314.89 at July 2013.
7. The percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years.

Percentage Increase in Compensation for Executive Staff (FY 2008 – FY 2013)

<i>Fiscal Year</i>	<i>Percentage Increase</i>
<i>FY 2008</i>	<i>0%</i>
<i>FY 2009</i>	<i>1.20%</i>
<i>FY 2010</i>	<i>23.60%</i>
<i>FY 2011</i>	<i>0.00%</i>
<i>FY 2012</i>	<i>7.90%</i>
<i>FY 2013</i>	<i>8.00%</i>
<i>FY 2014</i>	<i>0.00%</i>

Percentage Increase in Legislative Appropriations / SDSI Budgets

Funding	Amount	Percentage Change
FY 2008 Appropriation	\$5,897,277	0%
FY 2009 Appropriation	\$5,802,750	-1.60%
FY 2010 SDSI	\$6,960,173	19.90%
FY 2011 SDSI	\$6,292,025	9.60%
FY 2012 SDSI	\$6,893,074	9.60%
FY 2013 SDSI	\$7,383,740	7.10%
FY 2014 SDSI	\$8,113,123	9.90%

² Market average based on State Auditor's Office August 2010 Classification Study of Exempt Positions

³Market average includes Department of Banking, Department of Savings & Mortgage Lending, OCCC, and Credit Union Department

⁴ Market average includes Department of Banking, Department of Savings & Mortgage Lending, OCCC, and Credit Union Department