

**Summary of Request:**

Attached is a public and two private executive director compensation surveys completed by staff and reviewed by an outside compensation specialist. The sources of the data came from Werling Associates of San Antonio and state data is from the General Appropriations Act, 81<sup>st</sup> Legislative Session and the State-by-State Executive Director survey was conducted by Board staff.

Also attached is the letter sent by staff to the Office of the State Auditor to request a group upgrade for the position of executive director for the Texas Board of Nursing.

Staff presents this information for Board discussion and specific direction.

**Historical Perspective:**

Staff presents to the Board compensation issues pertaining to the executive director position each biennium. This information is placed in the strategic plan and then put in the legislative appropriations request. Since the executive director position is the only staff member employed directly by the Board, this compensation issue can only be approved by board members.

**Pros:**

An effective compensation package will retain and reward the agency executive director and provide continuity to the day-to-day operations for the Texas Board of Nursing. Also, if for any reason the incumbent were to vacate this position, the Texas Board of Nursing will need to be in a position of offering a competitive salary to attract excellent, qualified candidates.

**Cons:**

In a down economy, a salary increase could be viewed as excessive.

**Staff Recommendation:**

Move to recommend that the position of executive director be moved from group 3 to group 4 in the current schedule of exempt positions as listed in the general appropriations act, 81<sup>st</sup> Legislative Session, Article IX, Section 3.05(b)(2); and,

Move to recommend to the 82<sup>nd</sup> Legislature that the executive director compensation be set at \$120,000 per year within the appropriate group of the schedule of exempt positions.

March 31, 2010

Sharon Schneider  
Project Manager  
Office of the State Auditor  
1501 North Congress, REJ Building  
Austin, Texas 78701

RE: Compensation Study of Exempt Positions

Ms. Schneider:

Please find attached public and private compensation survey data to support the recommendation of the Texas Board of Nursing to move the incumbent executive director from group 3 to group 4 in the schedule of exempt positions as listed in the general appropriations act, 81<sup>st</sup> Legislative Session, Article IX, Section 3.05 (b)(2). The survey data indicates the following:

Board of Nursing Executive Director has a market index of .83 compared to other comparable regulatory agencies (in terms of budget and FTEs).

Board of Nursing Executive Director has a market index of .92 compared to other state Board of Nursing Directors.

Board of Nursing Executive Director has a market index of .72 compared to not-for-profit organizations' Chief Nursing Officer.

Current Executive Director has extensive state agency experience, has been actively recruited, and would be difficult to replace at the current salary.

Group 4 of the Schedule of Exempt Positions has a minimum salary of \$106,500 which is below the \$111,438 average salary of comparable regulatory agencies.

Current Executive Director serves as the Chair of the Health Professions Council and is the Compact Administrator for the LVN/RN Nurse Licensure Compact and will be the Compact Administrator for the Advanced Practice Nurse Licensure Compact beginning September 1, 2010 (job description attached).

The Texas Board of Nursing contracted with Werling Associates of San Antonio to assist with the private sector data. The public sector information came from the general appropriations act, 81<sup>st</sup> Legislative Session and from a survey conducted by the Texas Board of Nursing with current salary information on executive directors from other state boards of nursing in the United States.

The Texas Board of Nursing appreciates the Office of the State Auditor on conducting this compensation survey and is ready to assist you in any way possible. Please do not hesitate to contact me at [Mark.Majek@bon.state.tx.us](mailto:Mark.Majek@bon.state.tx.us) or at 305-6801.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Mark Majek". The signature is written in a cursive style with a large, stylized initial "M".

Mark Majek  
Director, Operations

## PRIVATE SECTOR - CHIEF NURSING SALARIES

SURVEY	SURVEY TITLE	GROUP	No. ORGS.	ADJUSTED DATA			
				BASE PAY			
				25th	Avg	Med	75th
2010 Economic Research Institutes Non-profit Comparables Assessor	Nursing Top Executive	Not-for-Profit, Texas, Health, \$10,000,000 Revenue		\$ 68,422	\$ 92,585		\$ 116,747
2009/2010 Watson Wyatt Survey Report on Health Care Executive & Management Personnel Compensation	Top Nursing Services Executive	National, Not-For-Profit, All Health Care Organizations, Under 1,000 FTE. (25th %tile FTE = 447, Median FTE = 676)	46	\$ 134,828	\$ 153,566	\$ 156,904	\$ 176,073
2009 TSHHRAE Wage and Benefit Survey, Werling Associates, Inc.	Chief Nursing Officer	Texas, Not-For-Profit, Organizations with less than 25 Million Revenue	6	\$ 98,629	\$ 139,421	\$ 129,759	\$ 183,065
<b>Not-for-Profit Average</b>				<b>\$ 100,626</b>	<b>\$ 128,524</b>	<b>\$ 143,332</b>	<b>\$ 158,628</b>
<b>Texas Board of Nursing</b>	<b>Executive Director</b>				<b>\$ 92,600</b>		
				<b>MARKET INDEX</b>	<b>0.72</b>		
2009 Texas Compensation, Wage Access	Director Nursing Services	National, For-Profit, All Organizations	15	\$ 79,794	\$ 105,130	\$ 94,365	\$ 123,271
2009/2010 Watson Wyatt Survey Report on Health Care Executive & Management Personnel Compensation	Top Nursing Services Executive	National, For Profit, All Health Care Organizations. (25th %tile FTE = 319, Median FTE = 664)	7	\$ 118,902	\$ 166,052	\$ 141,776	\$ 218,490
2009 TSHHRAE Wage and Benefit Survey, Werling Associates, Inc.	Chief Nursing Officer	Texas, For Profit, Organizations with less than 25 Million Revenue	10	\$ 95,667	\$ 100,442	\$ 101,769	\$ 106,832
2009 San Antonio Area Wage and Benefit Survey, Werling Associates, Inc.	Nursing Director	For Profit, San Antonio, All Organizations	10	\$ 93,258	\$ 99,507	\$ 97,235	\$ 101,302
<b>For-Profit</b>				<b>\$ 96,905</b>	<b>\$ 117,783</b>	<b>\$ 108,786</b>	<b>\$ 137,474</b>
<b>Texas Board of Nursing</b>	<b>Executive Director</b>				<b>\$ 92,600</b>		
				<b>MARKET INDEX</b>	<b>0.79</b>		
<b>All Average</b>				<b>98,500</b>	<b>122,386</b>	<b>120,301</b>	<b>146,540</b>
<b>Executive Director - Health Industry</b>							
SURVEY	SURVEY TITLE	GROUP	No. ORGS.	ADJUSTED DATA			
				BASE PAY			
				25th	Avg	Med	75th
2010 Economic Research Institutes Non-profit Comparables Assessor	Executive Director	Not-for-Profit, Texas, Health, \$10,000,000 Revenue		\$ 61,857	\$ 156,642		\$ 251,427
<b>Texas Board of Nursing</b>	<b>Executive Director</b>				<b>\$ 92,600</b>		
				<b>MARKET INDEX</b>	<b>0.59</b>		

**Executive Director Compensation Survey - State Boards of Nursing  
March 31, 2010**

<b>State Nursing Board</b>	<b>Base Salary Range</b>	<b>Base Salary</b>	<b>FY 2010 Budget</b>	<b># of FTEs</b>
Louisiana State Board of Nursing (RN only)	\$141,000	\$141,000	\$4,499,930	56
Kentucky Board of Nursing	\$116,496	\$116,496	\$5,023,100	53
Arizona Board of Nursing	\$114,254	\$114,254	\$4,153,900	42
Louisiana State Board of Practical Nursing (VN only)	\$112,000	\$112,000		16
Ohio Board of Nursing	\$111,987	\$111,987	\$6,880,886	58
California Board of Registered Nursing*	\$105,420 to \$114,024	\$109,722	\$22,388,500	111.7
North Carolina Board of Nursing	\$104,335	\$104,335	\$7,709,976	55.8
Iowa Board of Nursing	\$102,294	\$102,294	\$3,000,000	21
Illinois Board of Nursing#	\$80,000 to \$116,000	\$98,000		
Virginia Board of Nursing	\$97,039	\$97,039	\$26,222,289**	28
New Mexico Board of Nursing	\$96,369	\$96,369	\$2,486,200	19
Arkansas Board of Nursing	\$95,388	\$95,388	\$3,215,383	26
Oklahoma Board of Nursing	\$91,392	\$91,392	\$2,607,516^	26
Washington Board of Nursing	\$61,235"	\$61,235	\$5,997,002	26
Tennessee Board of Nursing	\$60,000	\$60,000	\$4,900,000	18
<b>AVERAGE</b>		<b>\$100,767</b>		

\* California Executive Director position currently filled by Interim Director.

# Illinois Board of Nursing is an Umbrella Agency with staff integrated into other State Departments.

^ Oklahoma Board of Nursing 2009 Expenditures.

" Washington State Board of Nursing ED Salary Range is \$61,235 to \$107,000.

\*\* Budget total includes 13 regulatory agencies.

<b>Texas Board of Nursing</b>	<b>\$92,600</b>	<b>\$92,600</b>	<b>\$8,373,383</b>	<b>96.7</b>
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<b>MARKET INDEX</b>	<b>0.92</b>
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**Executive Director Compensation Survey - State of Texas Regulatory Agencies  
March 31, 2010**

<b>Agency</b>	<b>Group</b>	<b>Maximum Salary</b>	<b>FY 2010 Budget</b>	<b># of FTEs</b>
State Office of Administrative Hearings	5	\$ 122,500	\$ 10,549,213	126
Texas Medical Board	5	\$ 121,000	\$ 11,656,240	160
Office of Injured Employee Counsel	3	\$ 115,500	\$ 7,769,542	184
Office of Public Utility Counsel	4	\$ 115,000	\$ 1,758,717	23
Real Estate Commission	4	\$ 106,500	\$ 8,323,851	110.5
Pharmacy, Board of	4	\$ 106,500	\$ 6,110,971	72
Insurance Counsel, Office of Public	4	\$ 106,500	\$ 1,121,777	16.5
Residential Construction Commission	4	\$ 98,000	\$ 8,995,102	80
<b>AVERAGE</b>		<b>\$ 111,438</b>	<b>\$ 7,035,677</b>	<b>\$ 97</b>
<b>Texas Board of Nursing</b>	<b>3</b>	<b>\$ 92,600</b>	<b>\$ 8,373,383</b>	<b>96.7</b>

<b>MARKET INDEX</b>	<b>0.83</b>
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