

A Salary Parity Study of the

State's Property Management Employees

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**State
Auditor's
Office**

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Overall Conclusion

The State Classification Office reviewed 1,104 property management positions and found that 166 (15 percent) of these positions are misclassified. State agencies may spend up to \$84,920 to properly classify property management positions. While the State's salary structure for these positions provides a salary range that is competitive with the market, the positions' actual salaries remain below the midpoint of the salary structure. In addition, 15 Senior Purchasers (12 percent) lack legislatively mandated certification.

Background Information

- Texas Government Code, Section 654.036 (2) and (3), specifies that the State Classification Office "shall advise and assist state agencies in equitably and uniformly applying the [classification] plan and conduct classification compliance audits to ensure conformity with the plan."
- The health and human service agencies were pulled from the Study due to reorganization. A separate study of these agencies will be conducted at a later date.

Key Points

Fifteen percent of property management positions are misclassified.

Of the 1,104 property management positions reviewed, 166 (15 percent) were identified as misclassified.

The majority of misclassifications occur when an agency classifies a position in the wrong class series. Some agencies restructured duties so that classifications would be consistent with the work performed.

State agencies may spend up to \$84,920 to properly classify property management positions.

State agencies may spend up to \$84,920 to properly classify certain positions that were misclassified. In most cases, agencies were able to reclassify positions without changing the salary. There were 33 positions that required substantial salary changes ranging from \$408 to \$9,468 annually.

The salary structure for property management positions is competitive; however, actual salaries remain below the midpoint of the salary structure.

Although the State's salary structure provides a salary range that is competitive with the market, actual salaries for most positions reviewed remain below the midpoint of the salary structure.

Comparisons with the market show that, on average, the midpoint of the State's salary structure is 8 percent behind the market for property management positions. Actual salaries for property management positions are 14 percent behind the market.



This study was conducted in accordance with Government Code, Section 654.036.

For more information regarding this report, please contact Tony Garrant, PHR, Acting State Classification Officer, at (512) 936-9500.

Summary of Objectives, Scope, and Methodology

The objectives of this study were to determine whether:

- Property management positions are properly classified to ensure that positions performing comparable work receive comparable pay across state agencies.
- These positions' salaries are competitive with the market.

The scope of this study included employees classified within the Contract Technician, Contract Specialist, Inventory Coordinator, and Purchaser class series. We also reviewed positions that agencies identified as performing work related to property management but were classified in other class series.

Detailed Results

Chapter 1

Property Management Positions

Property management positions for this study included Contract Technicians, Contract Specialists, Inventory Coordinators, and Purchasers (see Table 1). We also reviewed positions that agencies identified as performing work related to property management but were classified in other class series.

Table 1

Property Management Positions Reviewed	
Job Class Series	Number of Employees
Senior Contract Specialist	67
Contract Specialist	115
Senior Purchaser	126
Purchaser	353
Contract Technician	69
Inventory Coordinator	206
Other Classes	168
Total	1,104

Chapter 1-A

Classification

Most agencies appropriately classify their property management positions. However, we initially found that 26 percent of the positions reviewed (287 out of 1,104) may be misclassified.

The State Classification Office notified these agencies of their possible misclassifications, and the agencies were allowed the opportunity to address them. To address each potential misclassification, agencies can:

- Reclassify the employee to a class title consistent with the work performed.
- Change the employee's duties to conform to the assigned class title.
- Provide justification that the position is, in fact, appropriately classified.

As a result of the agencies' reviewing the positions and providing appropriate justification, the percentage of misclassified positions was reduced to 15 percent.

When determining proper classification, the State Classification Office does not focus on specific differences between one level and the next in a job class series (for example, Purchaser I versus Purchaser II). We consider whether an employee is appropriately classified within broad responsibility levels, such as Staff Purchaser versus Senior Purchaser.

As Table 2 shows, the majority of misclassifications were a result of agencies' classifying a position in the wrong class series (a Contract Specialist performing Contract Technician work or a Program Specialist performing Senior Purchaser work). Some agencies restructured duties so that classifications are consistent with the work performed.

Table 2

Misclassifications of Property Management Positions				
Class Series	Overclassifications	Underclassifications	Wrong Series	Duties Restructured
Contract Technicians	0	0	18	0
Contract Specialists	1	10	29	26
Inventory Coordinators	0	0	23	4
Purchasers	1	9	25	20
Total Misclassifications	2	19	95	50

State agencies may spend up to \$84,920 to properly classify certain positions that were misclassified. In most cases, agencies were able to reclassify positions without changing the salary. There were 33 positions that required substantial salary changes ranging from \$408 to \$9,468 annually.

Chapter 1-B

Spot Audits

Additional follow-up and spot audits were conducted at 19 agencies covering 33 positions to verify agency responses and ensure proper classification of positions. We determined that 32 positions required no action by the agencies and that 1 position was, in fact, misclassified based on actual duties and responsibilities. The agency concurred with this assessment and committed to reclassify the position.

Chapter 1-C

Market Comparison

The salary structure for property management positions is competitive with the market, although actual salaries remain below the midpoint of the structure.

Comparisons to the market show that, on average, the State’s salary structure for property management positions is 8 percent behind the market. We believe that this difference is acceptable for a government entity and is consistent with the State’s compensation philosophy. The State Classification Office considers an unacceptable difference to be present when position salaries fall behind the market by 15 percent or more.

However, actual salaries for these positions remain below the midpoint of the salary structure (see Table 3). This situation reflects a statewide trend of agencies’ not using the full range of the salary structure. To ensure the State retains employees in property management positions, especially those in senior level positions, agencies should use the entire salary range. When hiring, agencies should consider paying experienced individuals salaries that are closer to the midpoint of the range established in the salary structure.

Table 3

Market Analysis					
Class Series	Average State Salary	Market Weighted Average Salary ¹	Average State Salary vs. Market	State Salary at Midpoint of Structure	Structure vs. Market
Contract Technicians	\$27,332	\$29,988	(9%)	\$28,446	(5%)
Contract Specialists	\$35,559	\$41,146	(14%)	\$36,672	(11%)
Senior Contract Specialists	\$38,440	\$56,159	(32%)	\$43,176	(23%)
Inventory Coordinators	\$28,744	\$32,878	(13%)	\$31,494	(4%)
Purchasers	\$31,319	\$37,526	(17%)	\$34,272	(9%)
Senior Purchasers	\$40,731	\$55,756	(27%)	\$47,730	(14%)
Overall			(14%)		(8%)

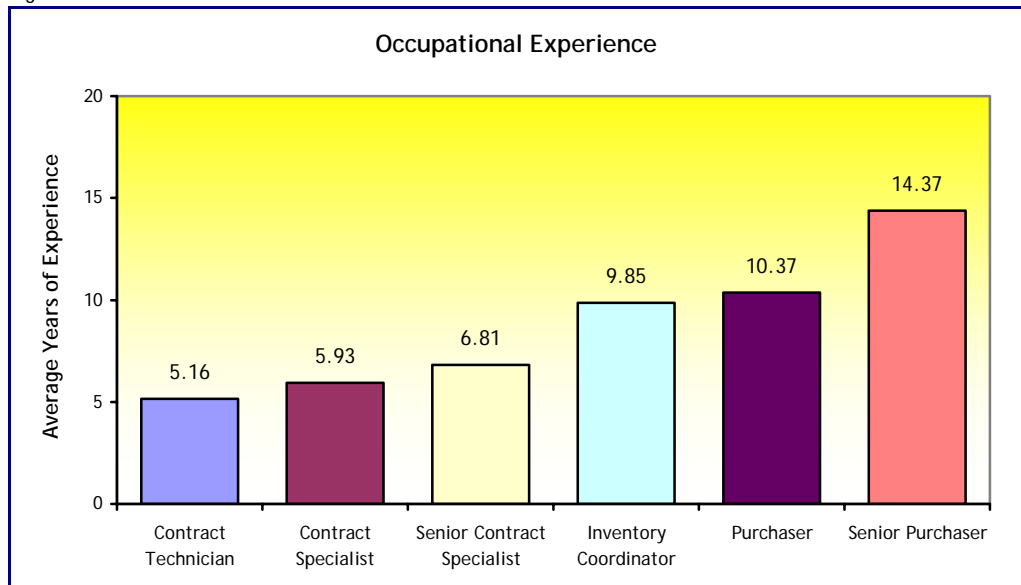
¹See page 6 for market salary data sources.

Chapter 1-D

Property Management Experience and Qualifications

To better understand the experience level of property management positions, we surveyed the number of years employees had worked in their occupational fields. As Figure 1 shows, employees in senior level positions have more occupational experience than those in staff level positions.

Figure 1



Additionally, we studied the educational levels of property managers (see Table 4).

Table 4

Property Management Employees by Levels of Education				
Occupational Level	High School	Associates	Bachelors	Graduate
Contract Technicians	65.22%	11.59%	18.84%	4.35%
Contract Specialists	57.39%	14.78%	24.35%	3.48%
Senior Contract Specialists	40.30%	14.93%	25.37%	19.40%
Inventory Coordinators	74.27%	13.11%	11.65%	0.98%
Purchasers	71.10%	13.60%	14.16%	1.13%
Senior Purchasers	57.94%	9.52%	26.98%	5.56%

We also looked at age demographics for the occupational groups (see Table 5).

Table 5

Ages of Property Management Employees Compared with Employees' Ages Statewide						
Age	Under 30	30-39	40-49	50-59	60-69	70 and Over
Contract Technicians	20.29%	26.09%	30.43%	18.84%	4.35%	0.00%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%
Contract Specialists	7.76%	34.48%	35.34%	19.83%	1.72%	0.86%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%
Senior Contract Specialists	2.99%	28.36%	37.31%	28.36%	2.99%	0.00%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%
Inventory Coordinators	5.34%	17.48%	37.38%	33.01%	6.31%	0.49%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%
Purchasers	5.10%	30.03%	33.71%	25.50%	5.67%	0.00%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%
Senior Purchasers	2.38%	22.22%	45.24%	24.60%	5.56%	0.00%
Statewide	14.56%	26.52%	30.96%	23.12%	4.61%	0.22%

* Statewide data is for classified, regular, full-time positions for fiscal year 2003.

In fiscal year 2003, 59.15 percent of the statewide workforce was aged 40 or older. As a whole, a larger percentage of employees in the property management occupational group was aged 40 or older. In comparison with the 59.15 percent statewide, 77.19 percent of Inventory Coordinators, 75.4 percent of Senior Purchasers, 68.66 percent of Senior Contract Specialists, and 64.88 percent of Purchasers were aged 40 or older.

Furthermore, we reviewed the occupational groups' professional certifications and found that only 88 percent of Senior Purchasers are certified. According to Texas Government Code, Section 2151.078, all state agency purchasing personnel must be appropriately trained and certified. Per statute, purchasers with purchasing authority of greater than \$10,000 require certification. In general, 29 percent of all property management staff hold a professional certification.

Appendix

Objectives, Scope, and Methodology

Objectives

The objectives of this study were to determine whether:

- Property management positions are properly classified to ensure that positions performing comparable work receive comparable pay across state agencies.
- These positions' salaries are competitive with the market.

Scope

The scope of our review included employees classified within the Contract Technicians, Contract Specialists, Inventory Coordinators, and Purchasers. We also reviewed positions that agencies identified as performing work related to property management but were classified in other class series.

Due to the reorganization of the health and human service agencies, our office postponed those agencies' participation in this study. We will conduct a separate study of health and human service agencies and their property management positions during the summer of 2004.

Methodology

In determining whether fiscal management positions were appropriately classified, we reviewed the following:

- State job descriptions
- Surveys completed by employees
- Organizational reporting relationships
- Internal salary relationships

The State Classification Office has an automated job evaluation process. We populated a database with information about the employees whose positions were reviewed. Agency human resources departments verified the database to ensure that all positions were included. Employees were then notified to complete on-line surveys. Employees were allowed to add duties they perform that were not listed in the survey. Employees also identified the percentage of time they spend performing their duties. Supervisors were automatically notified to complete their reviews of the employees' surveys.

Completed survey results were sent through the automated job evaluation system, which made an initial determination of whether the positions were appropriately classified, and agencies were given an opportunity to review and address potential misclassifications. To address each potential misclassification, agencies could reclassify the employee to a class title consistent with the work performed, change the employee's duties to conform to the assigned class title, or provide justification that the position was appropriately classified. The State Classification Office also conducted spot audits to verify agency responses to ensure proper classification.

We obtained market salaries of property management positions and compared those with the State's salary range midpoints to determine the State's relative position to the market. Salary data was gathered from the following surveys and adjusted to reflect current market rates:

- 2001 Central States Salary Survey
- Compdata Compensation Data 2001, Texas
- 2002 ERI Economic Research Institute Salary Assessor
- HayGroup 2002 Austin Area Pay and Benefits Survey
- The Quorum Group 2001 Texas Wage and Salary Survey
- Texas Association of Counties Wage and Salary Survey – 2002
- Texas Municipal Salaries and Fringe Benefits Report – 2002
- Watson Wyatt 2001/2002 Geographic Report on Office Personnel Compensation
- Watson Wyatt 2001/2002 Geographic Report on Professional and Scientific Personnel Compensation
- Watson Wyatt 2001/2002 Geographic Report on Skilled Trades Compensation

The State Classification Office had a 100 percent completion rate of returned position surveys for the property management parity study. The Department of Transportation did an exemplary job in addressing possible misclassifications. Two agencies did not initially respond to potential misclassifications. Table 6 identifies these agencies. Spot audits were conducted at selected agencies to determine and validate proper classification of positions. Additionally, we placed calls to several agencies to gather additional information to resolve discrepancies.

Table 6

Exceptions		
Agency Number	Agency	Reason
225	Fifth Court of Appeals	Failed to respond as directed
344	Texas Commission on Human Rights	Failed to respond as directed

Other Information

The following employees of the State Auditor's staff prepared this report:

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- Dave Simmons, CISA
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