



A Classification Compliance Review Report on Property Management and Procurement Positions at Article II Agencies

The following agencies were included within the scope of this review:

- Department of Family and Protective Services
- Department of State Health Services
- Health and Human Services Commission

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The State Auditor's Office's State Classification Team reviewed 253 employees in property management and procurement-related positions at three state agencies and determined that most employees were appropriately classified in accordance with the State's Position Classification Plan, with only 16 employees (6.3 percent) identified as misclassified.

Project Objective | p. 6

This review was conducted in accordance with Texas Government Code, Sections 654.036 and 654.038.

JOB CLASSIFICATION ANALYSIS

- The majority of the 16 misclassifications resulted from agencies classifying employees in incorrect job classification series.
- Two agencies will take corrective action at no cost, while one agency will spend approximately \$12,622 annually to properly classify and compensate 2 employees.
- A classification determination could not be made for **14** additional employees sampled at the Health and Human Services Commission and **6** additional employees sampled at the Department of State Health Services. Those agencies and their contractor did not submit the employees' information required to make a determination; therefore, they are excluded from the results of the review.

[See Detailed Results starting on Page 2](#)

For more information about this review, contact Classification Manager Sharon Schneider or State Auditor Lisa Collier at 512-936-9500.

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Job Classification Analysis

The State Classification Team reviewed a sample of employees classified in the Property Management and Procurement occupational category¹ at the following three agencies in Article II (Health and Human Services) of the General Appropriations Act (88th Legislature):

- Department of Family and Protective Services.
- Department of State Health Services.
- Health and Human Services Commission.²

Employees classified in jobs within the Property Management and Procurement occupational category perform a wide variety of work, such as developing, administering, and monitoring grants; evaluating and managing contracts; purchasing goods and services; maintaining inventory; and managing buildings and fleet operations.

Importance of Appropriate Job Classification

Appropriate job classification is important in determining salary rates that are competitive for the nature of the work performed.

Misclassification of employees may result in an agency underpaying or overpaying employees.

Most employees were properly classified in accordance with the State's Position Classification Plan.

Of the **253** employees reviewed:

- 237 (93.7 percent) were correctly classified.
- 16 (6.3 percent) were misclassified.

A classification determination could not be made for **14** additional employees at the Health and Human Services Commission and **6** additional employees at the Department of State Health Services because these agencies and their contractor did not submit the required employees' information for review.

¹ An occupational category is a broad series of job families characterized by the nature of work performed.

² Article II agencies contract with NorthgateArinso for certain human resources services, including shared responsibility for ensuring that employees are appropriately classified.

Figure 1 lists the number of employees reviewed within each job classification series and the number of employees who were determined to be misclassified.

Figure 1

Summary of Employees Reviewed by Job Classification Series

Job Classification Series	Number of Employees Reviewed ^a	Number of Employees Misclassified	Percentage Misclassified
Contract Administration Manager	45	5	11.1%
Contract Specialist	94	3	3.2%
Contract Technician	28	1	3.6%
Fleet Manager	6	1	16.7%
Grant Specialist	24	2	8.3%
Inventory and Store Specialist	24	0	0.0%
Property Manager	17	2	11.8%
Purchaser	15	2	13.3%
Totals	253	16	6.3%

^a A classification determination could not be made for 20 additional employees because their agencies did not submit the required information for review.

Agencies asserted they would take appropriate action to address 16 misclassified employees.

The majority of the 16 misclassifications resulted from the agencies classifying employees in incorrect job classification series. To address the misclassifications³, agencies asserted that they would take the following actions:

- Reclassify 8 employees (50.0 percent) into a different job classification series that better reflects the type of work being performed. For example, one employee classified as a

Position Classification Plan Definitions

Job Classification Series – A hierarchical structure of jobs arranged into job classification titles involving work of the same nature but requiring different levels of responsibility.

Salary Group – A specified level within a salary schedule made up of a salary range with a minimum and maximum salary rate.

Reclassification – The act of changing a position from one job classification to another job classification that better reflects the level or type of work being performed.

³ Agencies were advised to review other employees in similar roles that were not included in this review to determine whether additional job classification adjustments are needed.

Contract Administration Manager will be reclassified as a Grant Specialist.

- Reclassify 3 employees (18.8 percent) within the same job classification series but in higher salary groups.
- Reclassify 5 employees (31.3 percent) within the same job classification series but in lower salary groups.⁴

All three agencies reported that no employee will receive a salary decrease as a result of these reclassifications.

The Department of Family and Protective Services and the Department of State Health Services asserted that they would be able to implement the actions listed above without changing employees' salaries. However, the Health and Human Services Commission reported an estimated annual cost of \$12,622 to properly classify and compensate 2 misclassified employees.

Figure 2 on the next page presents a summary of employee positions reviewed at each agency by job classification series, as well as the number of employees who were misclassified.

⁴ Percentages do not sum to 100.0 due to rounding.

Figure 2

Summary of Employees Reviewed by Agency

Job Classification Series	Number of Employees Reviewed	Number of Employees Misclassified	Percentage Misclassified
Department of Family and Protective Services			
Contract Administration Manager	22	5	22.7%
Contract Specialist	9	0	0.0%
Contract Technician	18	0	0.0%
Fleet Manager	3	0	0.0%
Inventory and Store Specialist	1	0	0.0%
Property Manager	2	0	0.0%
Total Reviewed	55	5	9.1%
Department of State Health Services ^a			
Contract Administration Manager	6	0	0.0%
Contract Specialist	14	0	0.0%
Grant Specialist	16	1	6.3%
Inventory and Store Specialist	4	0	0.0%
Total Reviewed	40	1	2.5%
Health and Human Services Commission ^b			
Contract Administration Manager	17	0	0.0%
Contract Specialist	71	3	4.2%
Contract Technician	10	1	10.0%
Fleet Manager	3	1	33.3%
Grant Specialist	8	1	12.5%
Inventory and Store Specialist	19	0	0.0%
Property Manager	15	2	13.3%
Purchaser	15	2	13.3%
Total Reviewed	158	10	6.3%
^a A classification determination could not be made for an additional 5 Grant Specialists and 1 Inventory and Store Specialist, as their information was not submitted for review.			
^b A classification determination could not be made for an additional 7 Contract Specialists, 2 Purchasers, and 5 Inventory and Store Specialists, as their information was not submitted for review.			



Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this review was to determine whether selected state agencies are properly classifying employees in conformance with the State’s Position Classification Plan, and complying with related laws, policies, and procedures.

Scope

The scope⁵ of this review included employees from agencies in Article II (Health and Human Services) of the General Appropriations Act (88th Legislature) who were classified within the Property Management and Procurement occupational category as of September 1, 2024, from which a sample of 273 was selected. However, only 253 employees were reviewed since two agencies did not submit the required information for 20 employees included in the scope. The three state agencies included in this review were the Department of Family and Protective Services, the Department of State Health Services, and the Health and Human Services Commission.

⁵ Excludes employees who were on extended leave, were promoted, or who left the agency during fieldwork.

The following members of the State Auditor’s staff performed the review:



• Laura Alvarez, MBA (Project Manager)

• Juan R. Sanchez, MPA, CGAP (Assistant Project Manager)

• Stacey McClure, MBA, CCP, SHRM-CP

• Taylor Sams, MBA, CIA, CGAP, PHR

• Zoe Skinner, SHRM-CP

• Dana Musgrave, MBA, CFE (Quality Control Reviewer)

• Sharon Schneider, CCP, PHR, SHRM-CP (Classification Manager)

Methodology

To determine whether the selected agencies properly classified its employees, the State Auditor’s Office’s State Classification Team randomly selected 20.0 percent of agency employees from each job classification series within the property management and procurement occupational category with 50 or more employees. For job classification series with fewer than 50 employees, all employees were selected for review.

The review methodology included collecting information and documentation related to employee classifications and reviewing and analyzing the responses to surveys completed by employees at the three state agencies. To help ensure the accuracy of the self-reported classification information, classification analysts asked supervisors to verify the survey responses.

The State Classification Team evaluates jobs on a “whole job” basis to determine proper job classifications. The determinations are primarily based on a comparison of the duties and responsibilities comprising the majority of the work being performed against the state job descriptions.

When determining proper classification, the State Classification Team does not focus on specific differences between levels in a job classification series (for example, Grant Specialist I compared to Grant Specialist II). Instead, the State Classification Team considers whether an employee is appropriately classified within broad responsibility levels, such as Staff Grant Specialist (Grant Specialist I and Grant Specialist II) compared to Senior Grant Specialist (Grant Specialist III, Grant Specialist IV, and Grant Specialist V).

The State Classification Team used an automated job evaluation process and populated a database with information regarding the employees included in the scope of this review. State agencies verified the information to ensure accuracy. Employees at those state agencies were then asked to complete online surveys describing the work they perform and the percentage of time they spend performing each of their duties. Supervisors were asked to review and verify employees’ survey responses.

Completed survey results were entered into an automated job evaluation system, which made an initial determination of whether the employees were appropriately classified. The State Classification Team reviewed all submitted surveys to determine and validate the proper classification of employees. The

State Classification Team made follow-up calls or sent clarification emails to gather additional information as needed. Each state agency then had the opportunity to review and address potential misclassifications.

Appendix 2

Related State Auditor's Office Reports

Figure 3

Report Number	Report Name	Release Date
24-701	<p><i>A Classification Compliance Review Report on Property Management and Procurement Positions at Selected Article I and Article VIII Agencies</i></p> <ul style="list-style-type: none"> • Department of Information Resources • Department of Insurance • Department of Licensing and Regulation • Employees Retirement System • Historical Commission • Office of the Attorney General • Office of the Comptroller of Public Accounts • Office of the Governor • Texas Facilities Commission • Veterans Commission 	January 2024
23-705	<p><i>A Classification Compliance Review Report on Property Management and Procurement Positions at Article VI Agencies</i></p> <ul style="list-style-type: none"> • Animal Health Commission • Commission on Environmental Quality • Department of Agriculture • General Land Office • Parks and Wildlife Department • Railroad Commission • Soil and Water Conservation Board • Water Development Board 	June 2023

Report Number	Report Name	Release Date
22-704	<i>A Classification Compliance Audit Report on Property Management and Procurement Positions at Selected Education Agencies</i> <ul style="list-style-type: none">• Teacher Retirement System• Texas Education Agency	May 2022



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The Honorable Dustin Burrows, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Executive Directors of the Following Agencies

Department of Family and Protective Services

Department of State Health Services

Health and Human Services Commission



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