



**HUMAN
RESOURCES
DEPARTMENT**

FY2026

Proposed Budget

Workshop Presentation
May 19, 2025

Jane E. Cheeks
Human Resources Director

Carla Coleman
Human Resources Assistant Director





Human Resources Organizational Chart



HUMAN RESOURCES DEPARTMENT

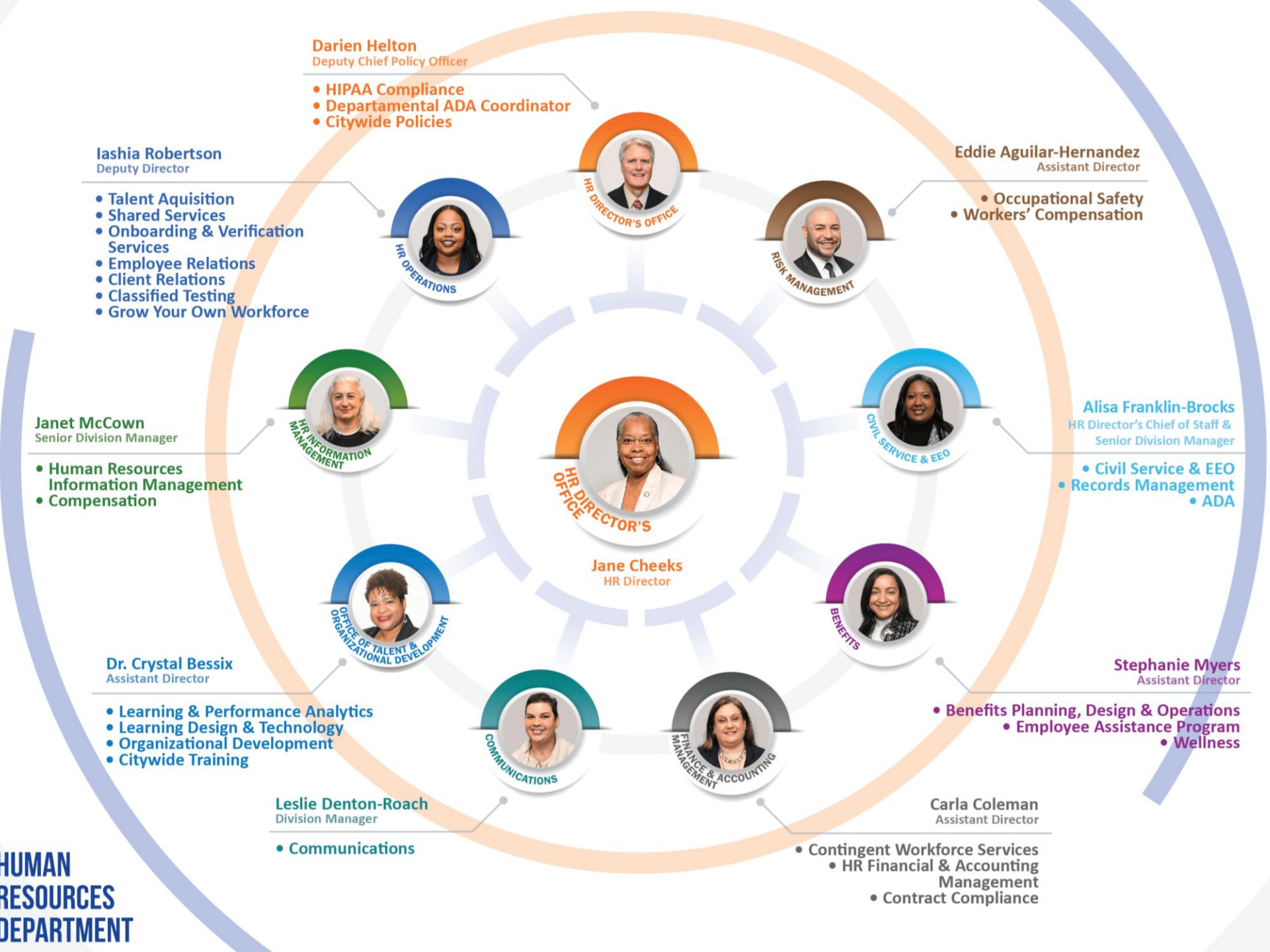




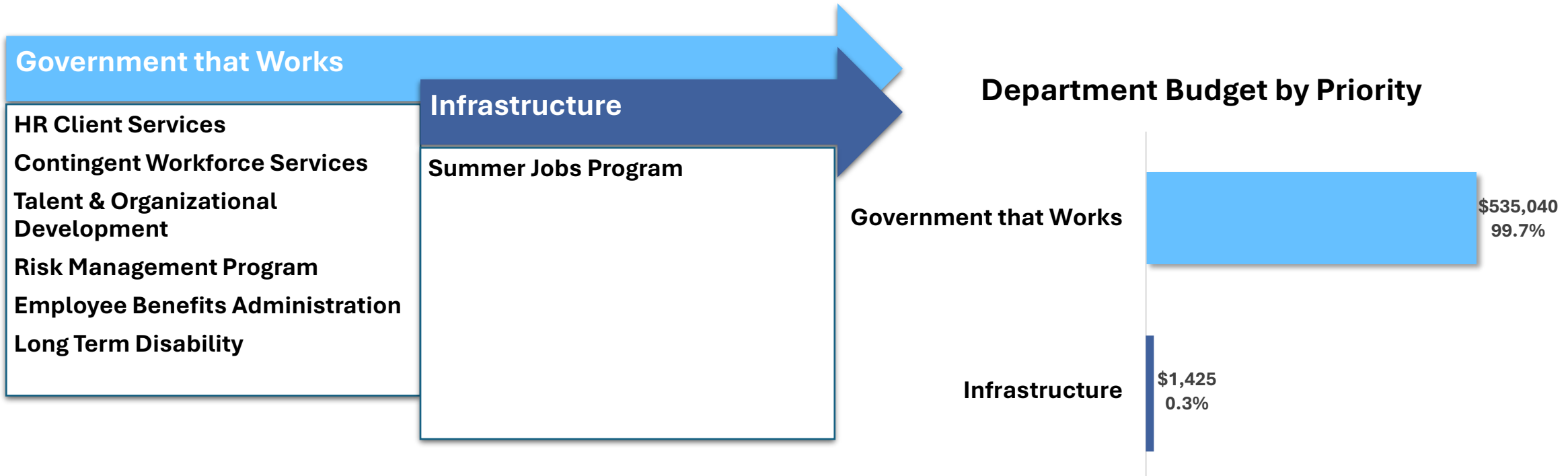
Table of Contents

Strategic Alignment	4
Revised HR Performance Measures	6
Plans to Eliminate the Gap (PEG)	7
Voluntary Municipal Employee Retirement Payout Option	8
Restructuring our Department	9
Proposed FY26 Department Expenditures	10
Outcome-Based Budget Programs	14
Proposed FY26 Department Revenues	21
Appendix	25





Strategic Alignment



Key Highlights

- Guided by the E&Y Efficiency Study, Human Resources is Turning the Curve to enhance program and personnel effectiveness and deliver high-quality, outcomes-driven services in FY26.
- Administration has designated HR's Office of Talent & Organizational Development as the central hub for citywide management and supervision training and workforce upskilling.
- In support of the Administration's initiative to streamline performance tracking, HR is retiring over 19 performance measures, focusing on 7 key metrics in the FY26 budget.



Key Performance Metrics

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Department Time in Hiring Stages: Average of Calendar Days for Municipal Candidates to Complete Interview and Selection Process	NA	NA	NA	80%	Avg days it takes a municipal candidate to flow thru the interview and selection. Ensures municipal candidates are progressing quickly through the pipeline and look for ways to reduce waiting times.
HR Time in Hiring Stages: Average Number of Calendar Days for Municipal Candidates to Complete the Hiring Process.	NA	NA	NA	< 30 days	Avg days it takes a municipal candidate to flow thru the hiring process. Ensures municipal candidates are progressing quickly through the pipeline and look for ways to reduce waiting times.
Employee Retention Rate	NA	NA	NA	> 90%	Percentage of full-time employees who remain with the City during the twelve-month fiscal year.
Adoption and Usage - % of technical job classifications used in job postings within 12 months of implementation	NA	NA	NA	80%	% of technical job classifications used in job postings within 12 months of implementation. Metric gauges actual uptake and relevance of new classifications/ Indicates integration into workforce planning and hiring processes.
Employee Engagement Score based on Involved & Evolve Leaders Pulse Survey Results	NA	NA	NA	85%	The Involved Leaders Pulse Surveys will measure employee engagement through assessment of Department Directors, Managers and Supervisors involvement in activities and strategies implemented to improve key engagement drivers, following the City's Involve & Evolve Employee Engagement Survey (Metric tracked biannually).
Fiscal Year Reinjury Rate	NA	NA	NA	< 15 days	Percentage of employees with multiple injury claims reported during the Fiscal Year, industry standard is 25%. Measurable values that track and support the correlation between employee engagement and compliance with safety training (ZIP) resulting in lower annual rate of reinjury.
Percentage of employees who engage in preventive care programs (e.g., annual physical exams, screenings).	NA	NA	NA	75%	Employee Utilization of Preventative Care: Preventive care is key to reducing future health-related costs and improving long-term employee health. High utilization rates suggest that employees are taking advantage of available resources to stay healthy and catch potential health issues early.





Plans to Eliminate the GAP (PEG)

Program Name	FTEs Filled	FTEs Vacant	Personnel Costs	Other Costs	Total Approved Reduction
Human Resources Client Services	0	6	\$721	0	\$721
Contingent Workforce Services	0	0	\$0	2,285	\$2,285
Employee Benefits Administration	0	3	384	0	\$384
Total	0	9	\$1,105	\$2,285	\$3,390

FY2026 eliminated Vacancy Factor of 8 positions



Voluntary Municipal Employee Retirement Payout Option (VMERPO)

Eligible Participants	Actual Participants	% Participants
85	23	27%

Reductions Included in Proposed Budget		
Positions	Actual Participants	Value of Reduction
Non-Critical	21	\$2,535





Proposed Department Restructure

Department Structure	As of January 2025	Current State	FY26 Proposed State
Average Span of Control	5.1	6.3	7.2
% Managers / Supervisor with Less than 4 direct reports	31%	19%	7%
Layers of Management	8	6	6





Expenditure by Fund

(in thousands)

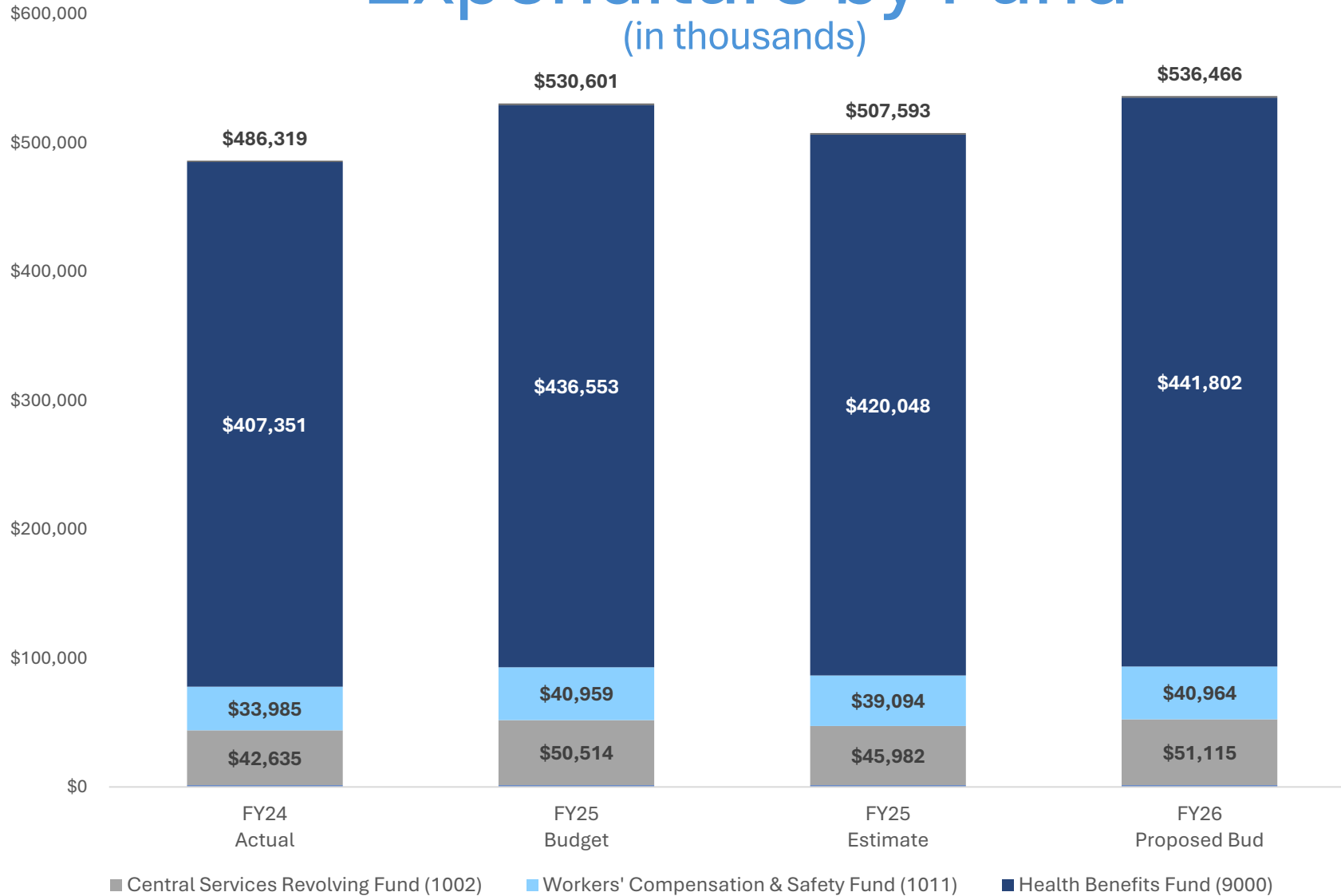
Fund	FY24 Actual	FY25 Curr Budget	FY25 Estimate	FY26 Proposed Budget	FY26 Prop Bud vs. FY25 Curr Bud	% Change
General Fund (1000)	\$1,344	\$1,425	\$1,425	\$1,425	\$0	0.0%
Central Revolving Services Fund (1002)	42,635	50,514	45,982	51,115	601	1.2%
Workers' Compensation Fund (1011)	33,985	40,959	39,094	40,964	5	0.0%
Health Benefits Fund (9000)	407,351	436,553	420,048	441,802	5,249	1.2%
Long Term Disability (9001)	1,004	1,150	1,044	1,160	10	0.9%
Total	\$486,319	\$530,601	\$507,593	\$536,466	\$5,865	1.1%





Expenditure by Fund

(in thousands)

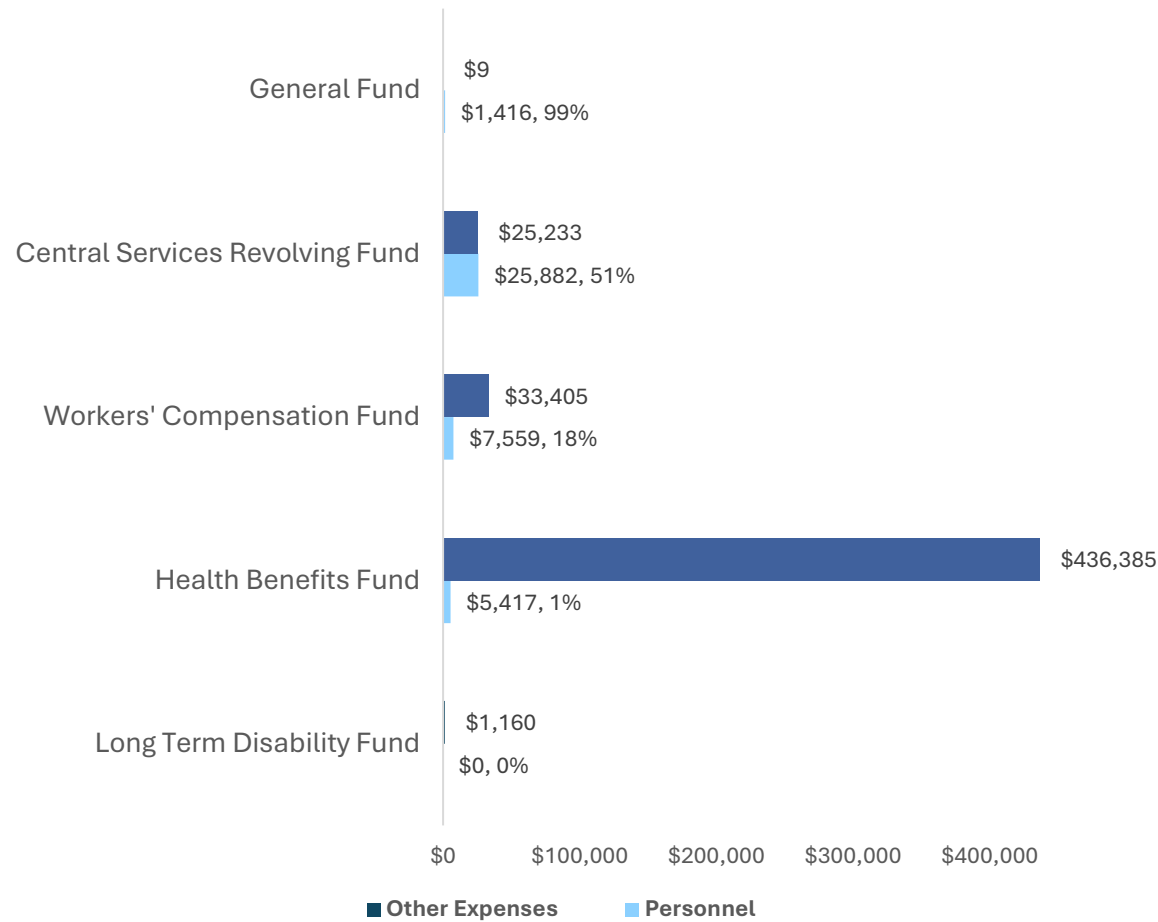


General Fund (1000) and Long-Term Disability Fund (9001) represent less than 0.5% of total HR Budget, not visible in graph.





Personnel vs. Non-Personnel (in thousands)



General Fund

Supplies	\$8	1%
Restricted Account	\$1	0%
Total	\$9	1%

Central Services Revolving Fund

Supplies	\$63	0%
Services	\$22,891	49%
Restricted Account	\$2,270	0%
Capital/Non-Capital	\$9	0%
Total	\$25,233	49%

Workers' Compensation Fund

Supplies	\$53	0%
Services (incl. Claims & TPA)	\$32,927	80%
Restricted Account	\$93	0%
Capital/Non-Capital (incl. vehicles)	\$332	1%
Total	\$33,405	82%

Health Benefits Fund

Supplies	\$73	0%
Services (incl. Claims & TPA)	\$434,635	98%
Restricted Account	\$1,668	0%
Capital/Non-Capital (incl. vehicles)	\$9	0%
Total	\$436,385	99%

Long Term Disability Fund

Services (incl. Claims & TPA)	\$1,160	100%
Total	\$1,160	100%





Expenditure by Program

(in thousands)

Program	FY24 Actual	FY25 Curr Budget	FY25 Estimate	FY26 Proposed Budget	FY26 Prop Bud vs. FY25 Curr Bud	% Change
Summer Jobs Program	\$1,343	\$1,425	\$1,425	\$1,425	\$0	0.0%
Human Resources Client Services	22,408	26,264	24,964	27.615	1,351	5.1%
Contingent Workforce Services	18,172	20,917	18,163	18.017	(2,900)	(13.9%)
Talent & Organizational Development	2,056	3,333	2,855	5.483	2,150	64.5%
Risk Management	33,985	40,959	39,094	40.964	5	0.0%
Employee Benefits Administration	407,351	436,553	420,048	441.802	5,249	1.2%
Long Term Disability	1,004	1,150	1,044	1.160	10	0.9%
Total	\$486,319	\$530,601	\$507,593	\$536,466	\$5,865	1.1%





Summer Jobs Program

(in thousands)

Priority: Infrastructure
Budget: \$1,425 - General Fund 1000 – Position Count: 362

Program Description	Significant Budget Items
<p>Citywide program that offers youth career development, training, experience, and resources to successfully navigate the educational, business, and neighborhood systems. It empowers youth to enter and succeed in Houston’s dynamic economy.</p>	<p>The FY2026 Budget allocates funding for the Summer Jobs Program, which will provide opportunities to 362 interns, aged 16 to 24 to work across various City departments for 8 weeks. While the overall budget remains flat, it eliminated the program’s career coaches and associated expenses. This adjustment allows for an increase in the intern hourly pay rate to \$14 per hour.</p>

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Summer interns hired as of the end of the summer session	359	375	362	NA	Summer Jobs Program interns hired as of the end of summer session
Job readiness training completion	86%	100%	100%	NA	Percentage of interns that completed job-readiness training





HR Client Services

(in thousands)

Priority: Government that Works
 Budget: \$27,614 -Central Services Fund 1002 – Position Count: 187

Program Description	Significant Budget Items
A program that originates and leads Human Resources practices and objectives by facilitating the acquisition and maintenance of an experienced, competitive workforce and by providing employee relations, medical separation, recruiting, position reconciliation, drug testing, ADA, FMLA, onboarding, offboarding, background investigations, classified testing, and others.	The FY2026 budget allocates \$1.9 million for the consolidation of HPD’s human resources functions, along with \$0.3 million for employee relations and civil service software, including NEOGOV. It also includes \$0.3 million for personnel increases related to the HOPE mandates and reductions associated with VMERPO. These costs are partially offset by a \$1.1 million decrease in operational expenses.

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Adoption and Usage - % of technical job classifications used in job postings within 12 months of implementation	NA	NA	NA	80%	% of technical job classifications used in job postings within 12 months of implementation. Metric gauges actual uptake and relevance of new classifications/ Indicates integration into workforce planning and hiring processes.
Employee Retention Rate	NA	NA	NA	> 90%	Percentage of full-time employees who remain with the City during the twelve-month fiscal year.
HR Time in Hiring Stages: Average Number of Calendar Days for Municipal Candidates to Complete the Hiring Process.	NA	NA	NA	< 30 days	Avg days it takes a municipal candidate to flow thru the hiring process. Ensures municipal candidates are progressing quickly through the pipeline and look for ways to reduce waiting times.
Department Time in Hiring Stages: Average Number of Calendar Days for Municipal Candidates to complete Interview and Selection Process	NA	NA	NA	< 15 days	Avg days it takes a municipal candidate to flow thru the interview and selection. Ensures municipal candidates are progressing quickly through the pipeline and look for ways to reduce waiting times.
Time to fill (days) - Average number of days from requisition posting to job offer for a fiscal year	110	<90	<90	NA	Average number of days from requisition posting to job offer for a fiscal year.
Turnover rate - Percentage of employees that separated during the twelve-month period	10.46%	<10%	<10%	NA	Percentage of employees that separated during the twelve- month period.





Contingent Workforce Services

(in thousands)

Priority: Government that Works
Budget: \$18,017 -Central Services Fund 1002 – Position Count: 2

Program Description

This program is funded a contract for general fund departments, and a contract for enterprise, special and grant funded departments.

These contracts are used for staffing special projects, disaster events, and for short-term specialized positions.

Significant Budget Items

The FY2026 budget funds \$17.6 million to support the citywide use of temporary personnel. Allocation by department includes: 61% to Houston Health Department (HHD), 18% to Solid Waste Department (SWD), 10% to Houston Police Department (HPD), 6% to Houston Public Works (HPW), and 5% to other departments.

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Monthly program run rate for special projects requiring contingent workers	\$1,508	\$1,743	\$1,499	NA	Average monthly program spend for special projects requiring contingent workers.
Number of Contingent Workers hired	1,002	1,600	700	NA	Number of Contingent Workers hired in the fiscal year.





Talent & Organizational Development

(in thousands)

Priority: Government that Works

Budget: \$5,483 - Central Services Fund 1002 – Position Count: 29

Program Description	Significant Budget Items
This program provides employee leadership development, performance improvement, and upskilling by offering enterprise-wide learning and employee engagement solutions in alignment with strategic goals and organizational outcomes.	The Budget allocates \$1.4 million for the consolidation of HPW’s learning & development functions; \$0.8 million for lease expenses and citywide workforce upskilling. Offset by \$0.2 million in personnel due to reductions from VMERPO.

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Employee Engagement Score based on Involved & Evolve Leaders Pulse Survey Results	NA	NA	NA	85%	The Involved Leaders Pulse Surveys will measure employee engagement through assessment of Department Directors, Managers and Supervisors involvement in activities and strategies implemented to improve key engagement drivers, following the City’s Involve & Evolve Employee Engagement Survey (Metric tracked biannually).
Learning Application: learners ‘likely’ or ‘very likely’ to apply their new learning to their job based on the standard learning evaluation survey responses	97%	99%	97%	NA	Learners ‘likely’ or ‘very likely’ to apply their new learning to their job based on the standard learning evaluation survey responses.
Learning Engagement: learners ‘agree’ or ‘strongly agree’ that their learning needs were met based on the standard learning evaluation survey responses	97%	99%	97%	NA	Learners ‘agree’ or ‘strongly agree’ that their learning needs were met based on the standard learning evaluation survey responses.
Learning Hours Facilitated per year	2,656	2,800	2,800	NA	Learning Hours Facilitated per year
Likeliness to Recommend	NA	90%	96%	NA	Likeliness to Recommend
Number of Organizational Development sessions (Engage with and provide support for departments on their employee engagement action plan)	107	50	80	N/A	Number of Organizational Development sessions (Engage with and provide support for departments on their employee engagement action plan).





Risk Management

(in thousands)

Priority: Government that Works

Budget: \$40,964 - Workers' Compensation Fund 1011 – Position Count: 62

Program Description	Significant Budget Items
<p>This program provides services across City departments and is comprised of workers' compensation and safety. The combined efforts of these teams help identify, analyze, administer, manage and control the city's adverse exposure to financial, operational, and occupational safety risks and losses.</p>	<p>The FY2026 Personnel Budget includes consolidating the Parks & Recreation (2 FTEs) and Houston Public Library (1 FTE) safety team into the HR. It includes an increase of 2.1% or \$0.9 million in services, supplies, non-capital and capital mostly due to increases in incident trends for historical and new claims, 35% OTOD rent share offset by decreases in software and TPA contractual expenses, and seven vehicles.</p>

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Fiscal Year Reinjury Rate	NA	NA	NA	< 15 days	Percentage of employees with multiple injury claims reported during the Fiscal Year, industry standard is 25%. Measurable values that track and support the correlation between employee engagement and compliance with safety training (ZIP) resulting in lower annual rate of reinjury.
Facility safety inspections and work site observations to identify and ensure the remediation of safety hazards	2,986	1,600	1,967	NA	Observations to identify and ensure the remediation of safety hazards.
Return to work within 7 days of injury – percentage of employees with a Workers' Compensation case that return to work within seven days of a Workers' Compensation injury	83%	85%	82%	NA	Percentage of employees with a Workers' Compensation case that return to work within seven days of a Workers' Compensation injury.
Return to work within maximum disability guideline percentage of employees with a Workers' Compensation case that return to work within the maximum disability	85%	77%	83%	NA	Number of employees who return to work within the maximum disability guideline as a percentage of employees with a Workers' Compensation case.





Benefits Administration

(in thousands)

Priority: Government that Works
 Budget: \$437,167 – Health Benefit Fund 9000 – Position Count: 45

Program Description	Significant Budget Items
<p>This program designs, procures, implements, maintains, communicates, administers, and monitors all benefits plans, more than 57,000 active and retired employees and covered dependents.</p> <p>The Benefits program includes health, dental, vision, long-term disability, life insurance, dependent care reimbursement, healthcare flexible spending account, wellness, EAP, and other benefits.</p>	<p>Subscriber rates remained flat. City departments' contribution rates increased by 1.9%. Medical Insurance contribution split: City 80%/ Employee 20%</p> <p>Budget funds increases in medical insurance for actives and retirees (\$2.9M) and increases in supplemental insurance (dental, life, vision, dependent care, flexible spending (\$2.7M). Partially offset by \$0.3 million decrease in Health Benefits Administration expenses in alignment with citywide efforts to reduce spending.</p>

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Percentage of employees who engage in preventive care programs (e.g., annual physical exams, screenings).	NA	NA	NA	75%	Employee Utilization of Preventative Care: Preventive care is key to reducing future health-related costs and improving long-term employee health. High utilization rates suggest that employees are taking advantage of available resources to stay healthy and catch potential health issues early.
Percentage of spousal participation in Wellness Program for discounted rate (participation in health maintenance activities defined as completion of health assessment and physical exam)	58%	65%	76%	NA	Percentage of spousal participation in Wellness Program for discounted rate (participation in health maintenance activities defined as completion of health assessment and physical exam).
Number of wellness events (Health Education Series, Wellness on Wheels, Departmental Classes/ events, Health Fair & Tabling Events)	514	175	1,000	NA	Number of wellness events (Health Education Series, Wellness on Wheels, Departmental Classes/ events, Health Fair & Tabling Events)
Percentage of employee participation in Program for discounted rate	70%	75%	73%	NA	Percentage of employee participation in Wellness Program for discounted rate (participation in health maintenance activities defined as completion of health assessment and physical exam)
Number of EAP employee training attendees (employee attendance)	6,359	7,000	3,500	NA	Number of EAP employee training attendees (employee attendance)





Long Term Disability

(in thousands)

Priority: Infrastructure

Budget: \$1,160 - Long Term Disability 9001 – Position Count: 0

Program Description	Significant Budget Items
A self-insured program, paid by the City, that provides a source of income to eligible City employees who become disabled.	The FY2026 Budget increase of \$10 thousand, or 0.9% due to higher monthly claim payments (\$886/claimant).

Performance Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Average number of claimants per month (Employees on Long Term Disability receiving claim payments)	89	99	85	NA	Average number of claimants per month (Employees on Long Term Disability receiving claim payments)





Revenue by Program

(in thousands)

Program	FY24 Actual	FY25 Curr Budget	FY25 Estimate	FY26 Proposed Budget	FY26 Prop Bud vs. FY25 Estimate	% Change
Summer Jobs Program	\$0	\$0	\$0	\$0	\$0	0.0%
Human Resources Client Services	22,408	26.264	24,964	27,615	2,651	10.6%
Contingent Workforce Services	18,172	20.917	18,163	18,017	(146)	(0.8%)
Talent & Organizational Development	2,056	3.333	2,855	5,483	2,628	92.0%
Risk Management	34,306	41.333	39,468	41,353	1,886	4.8%
Employee Benefits Administration	404,583	434,114	425,133	437,167	12,033	2.8%
Long Term Disability	1,541	1.513	1,568	1,551	(17)	(1.1%)
Total	\$483,066	\$527,474	\$512,151	\$531,186	\$19.035	3.7%





Revenue by Fund

(in thousands)

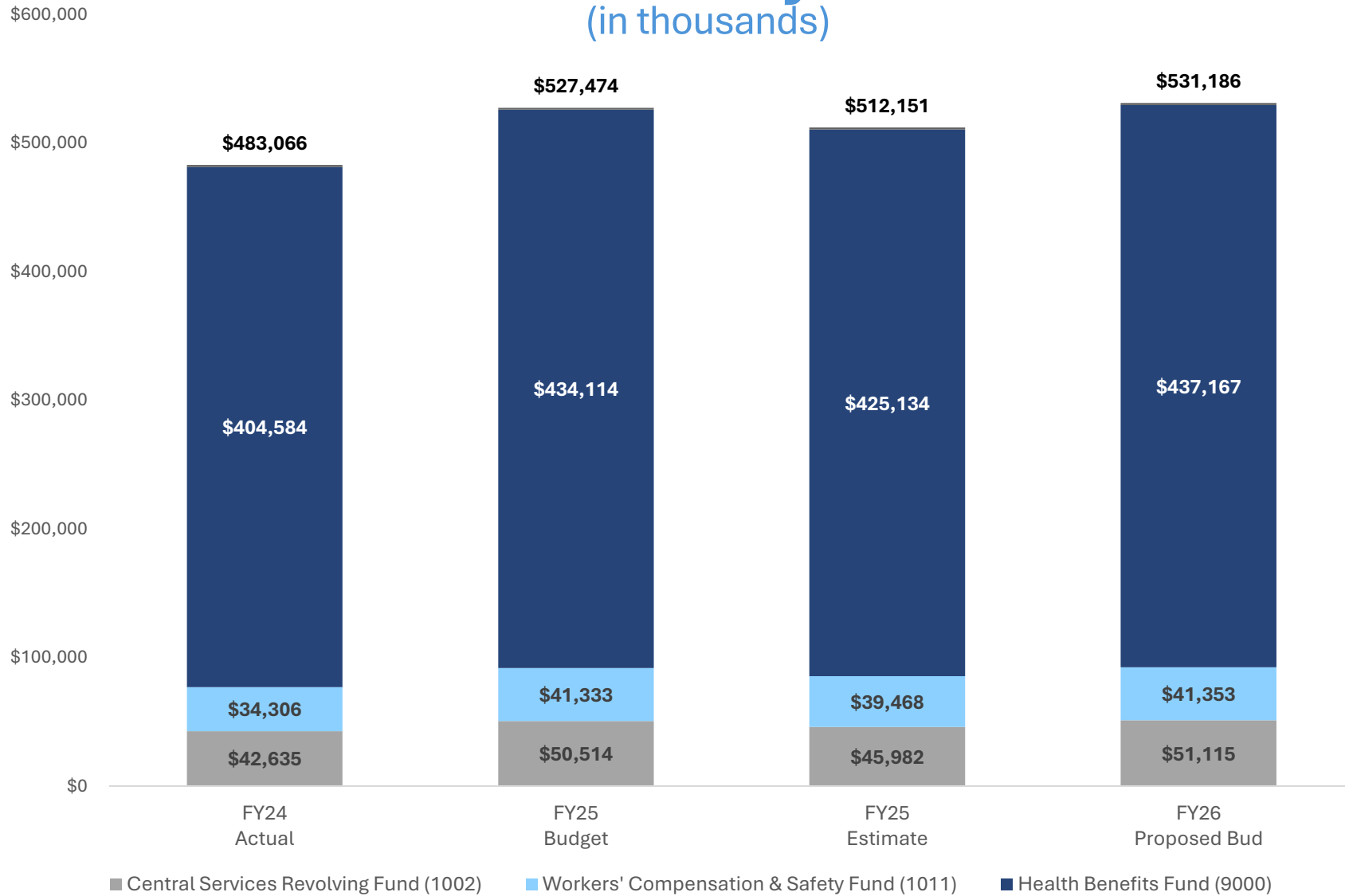
Fund	FY24 Actual	FY25 Curr Budget	FY25 Estimate	FY26 Proposed Budget	FY26 Prop Bud vs. FY25 Estimate	% Change
General Fund (1000)	\$0	\$0	\$0	\$0	\$0	0.0%
Central Services Revolving Fund (1002)	42,635	50,514	45,982	51,115	5,133	11.2%
Workers' Compensation Fund (1011)	34,306	41,333	39,468	41,353	1,886	4.8%
Health Benefits Fund (9000)	404,584	434,114	425,134	437,167	12,033	2.8%
Long Term Disability (9001)	1,541	1,513	1,567	1,551	(17)	(1.1%)
Total	\$483,066	\$527,474	\$512,151	\$531,186	\$19,035	3.7%





Revenue by Fund

(in thousands)



General Fund (1000) does not generate revenue and Long-Term Disability Fund (9001) represents less than 0.3% of total HR Revenue, not visible in graph.





**HUMAN
RESOURCES
DEPARTMENT**

Thank You!

Jane E. Cheeks
Human Resources Director

Carla Coleman
Human Resources Assistant Director



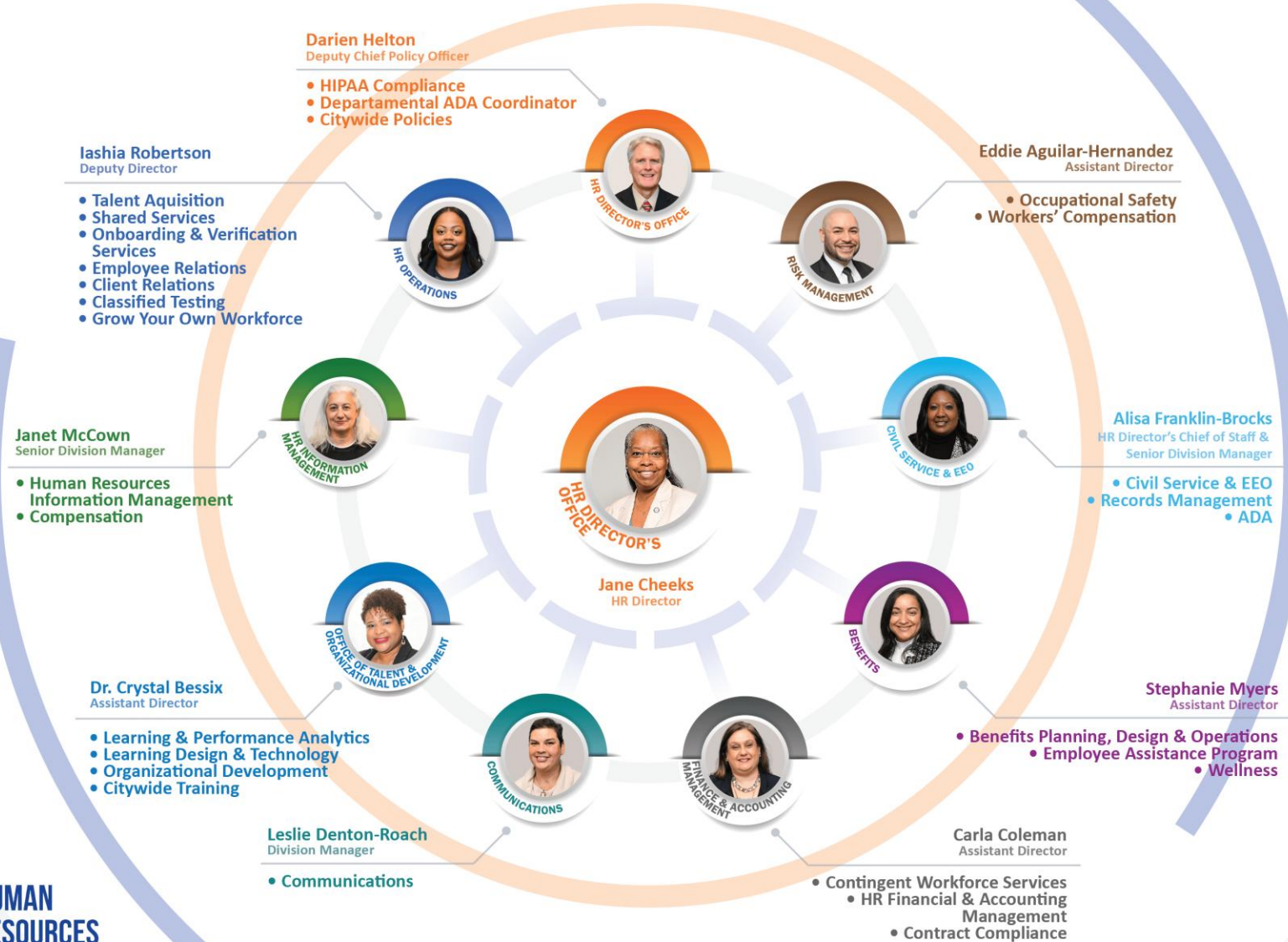


APPENDIX





HUMAN RESOURCES DEPARTMENT





Human Resources Demographic

Race	Male	Female	Total	%
White	20	14	34	12.4%
Black or African American	38	126	164	59.9%
Hispanic or Latino	14	47	61	22.3%
American Indian or Alaskan Native	0	0	0	0%
Asian	6	8	14	5.1%
Native Hawaiian or Other Pacific Islander	0	0	0	0%
Two or More Races	0	1	1	0.4%
Total	78	196	274	100%





FY2025 Accomplishments

1. Successful implementation of VMERPO and processed over 1,050 eligible employees within 6 weeks
2. Recipient of 2024 PSHRA® Agency Award for Excellence – Large Agency
3. Awarded Cigna Healthy Workforce designation and Healthiest employers of Texas – Gold Award
4. Recognized by the Texas Department of Insurance, Division of Workers’ Compensation as a High Tier Performer
5. Successful negotiation and implementation of the 2024 HOPE Meet and Confer Agreement
6. Successful launch of the HOPE MCA eLearning with 99% completion rate
7. Successful launch of HOPE MCA Managing Teams with Confidence for Department Directors, Managers & Supervisors with 64% plus completion rate
8. Updated municipal salary structure balancing market and fiscal responsibility





FY2025 Accomplishments

9. Launched the “Power Up” Power BI Program with over 60 employees participating
10. Launched GED Program in partnership with HCDE with 18 SWM &PRD employees for 1st Cohort
11. Conducted 43 on the spot City of Houston Job Fairs and recruiting events
12. Administered 23 promotional exams for Fire and Police classified for 1,097 employees
13. Expanded onsite health services (mobile annual physical exams, vaccinations, and dental cleaning)
14. Conducted a citywide Employee Health Fair at Houston Zoo
15. Developed a process to conduct citywide fit testing for city employees required to use respirators during work activities
16. Participated in a Citywide Radiological Response Tabletop Exercise and Training led by Securing the Cities and FEMA





HR DEPARTMENT