



**HUMAN  
RESOURCES**

# **FY2027 Proposed Budget Presentation**

**May 14, 2026**

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HR Department Director

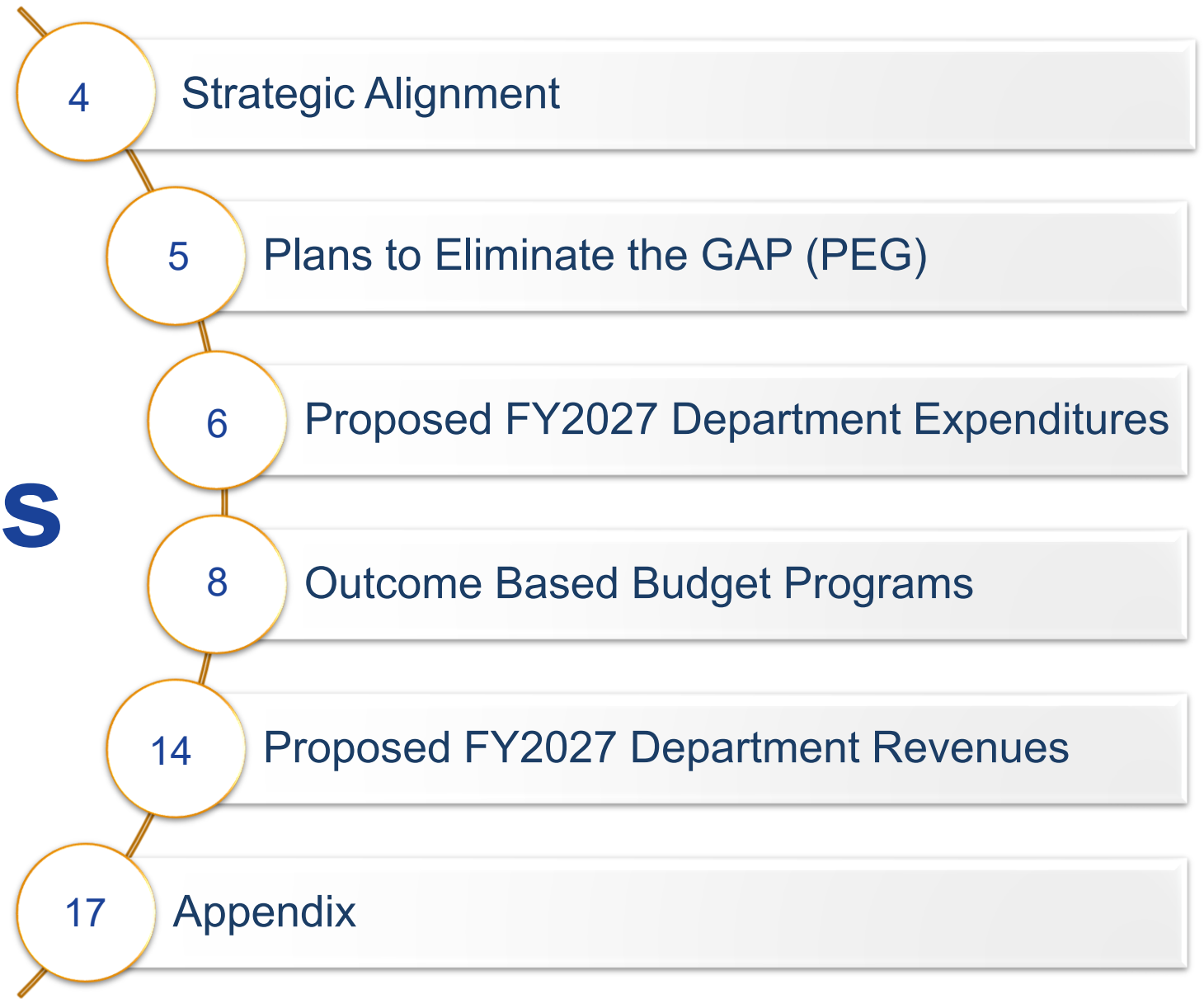
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HR Assistant Director

*Optimizing Your HR Journey Through Connection*

# The Human Resources Department



# Touchpoints



# Strategic Alignment

## Government that Works



- Benefits Administration
- HR Client Services
- Occupational Risk Management Program
- Summer Jobs Program
- Workforce Training & Upskilling



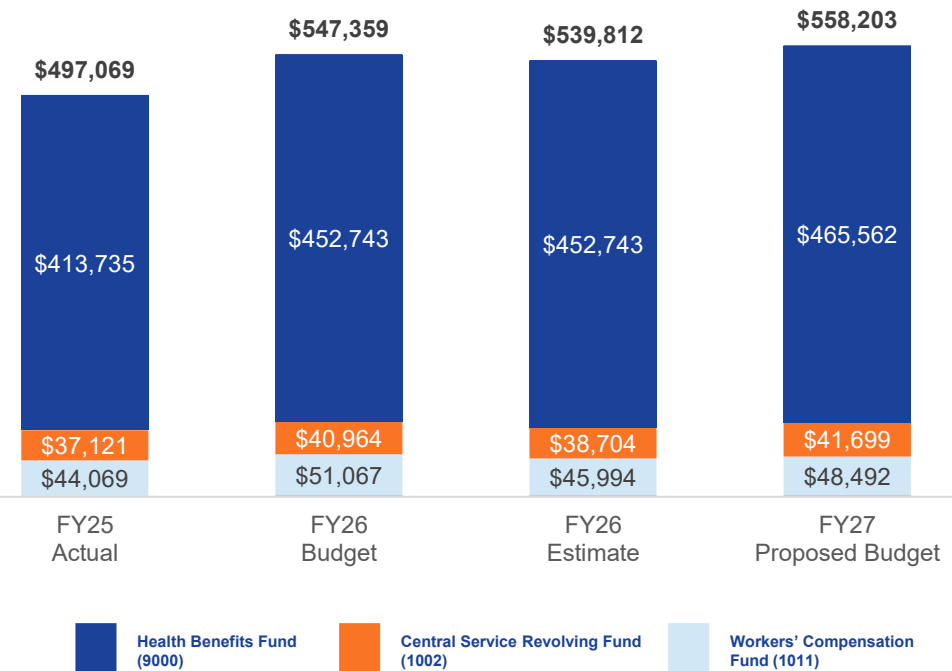
# Plans to Eliminate the Gap

## Government that Works (In Thousands)

Program Name	FTEs Filled	FTEs Vacant	Personnel Costs	Other Costs	Total Approved Reduction
Human Resources Client Services	0	0	\$0	\$3,432	\$3,432
Total	0	0	\$0	\$3,432	\$3,432

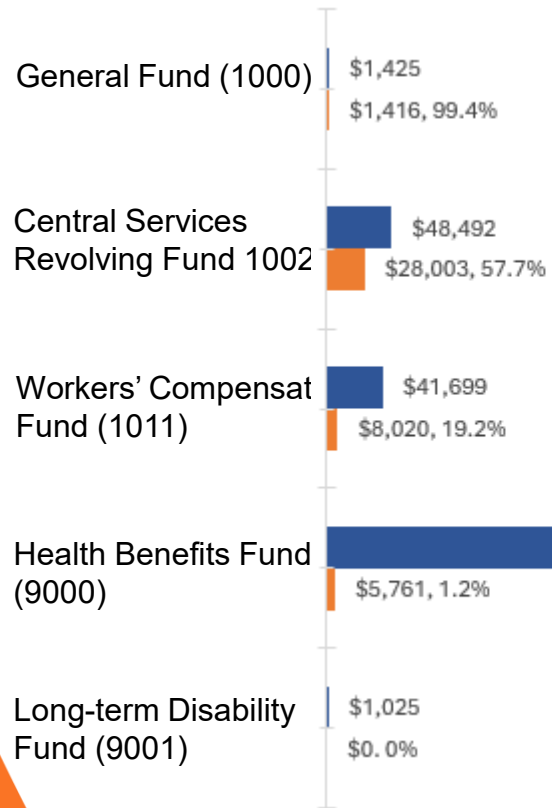
# FY2027 Proposed Expenditures (In Thousands)

Fund	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed Budget	FY27 Prop Bud vs. FY26 Curr Bud	% Change
General Fund (1000)	\$1,187	\$1,425	\$1,425	\$1,425	\$0	0.0%
Central Revolving Services Fund (1002)	44,069	51,067	45,993	48,491	(2,576)	(5.0%)
Workers' Compensation Fund (1011)	37,121	40,964	38,704	41,699	735	1.8%
Health Benefits Fund (9000)	413,735	452,743	452,743	465,562	12,819	2.8%
Long Term Disability (9001)	957	1,160	946	1,025	(135)	(11.6%)
<b>Total</b>	<b>\$497,069</b>	<b>\$547,359</b>	<b>\$539,811</b>	<b>\$558,202</b>	<b>\$10,843</b>	<b>2.0%</b>



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)



Non-Personnel		
<b>General Fund</b>		
Supplies	\$8	0%
Restricted Account	\$1	0%
<b>Total</b>	<b>\$9</b>	<b>0%</b>
<b>Central Services Revolving Fund</b>		
Supplies	\$60	0%
Services	\$18,181	24%
Restricted Account	\$2,219	3%
Capital/Non-Capital	\$29	0%
<b>Total</b>	<b>\$20,489</b>	<b>27%</b>
<b>Workers' Compensation Fund</b>		
Supplies	\$35	0%
Services (incl. Claims & TPA)	\$32,765	66%
Restricted Account	\$536	1%
Capital/Non-Capital (incl. vehi	\$343	1%
<b>Total</b>	<b>\$33,679</b>	<b>68%</b>
<b>Health Benefits Fund</b>		
Supplies	\$27	0%
Services (incl. Claims & TPA)	\$457,996	97%
Restricted Account	\$1,761	0%
Capital/Non-Capital	\$17	0%
<b>Total</b>	<b>\$459,801</b>	<b>98%</b>
<b>Long Term Disability Fund</b>		
Services (incl. Claims & TPA)	\$1,025	100%
<b>Total</b>	<b>\$1,025</b>	<b>100%</b>

# FY2027 Proposed Expenditures By Program (In Thousands)

Fund	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed Budget	FY27 Prop Bud vs. FY26 Curr Bud	% Change
Benefits Administration	\$414,692	\$453, 3	\$453,689	\$466,587	\$12,684	2.8%
HR Client Services	41,505	46,399	40,555	42,440	(3,959)	(8.5%)
Occupational Risk Management	37,121	40,964	38,704	41,699	735	1.8%
Summer Jobs Program	1,173	1,425	1,425	1,425	0	0.0%
Workforce Training & Upskilling	2,578	4,668	5,438	6,051	1,383	29.6%
<b>Total</b>	<b>\$497,069</b>	<b>\$547,359</b>	<b>\$539,811</b>	<b>\$558,202</b>	<b>\$10,843</b>	<b>2.0%</b>

# Benefits Administration Program

Priority: Government That Works		
Budget: \$466,587	FTEs: 45	Fund: Health Benefits (9000)
Program Description		Significant Budget Items
<p>A self-insured program managing benefits for more than 56,000 employees, retirees, and dependents. Responsibilities include health, dental, vision, life, long term disability, dependent care reimbursement, flexible spending account, wellness, EAP and other plans. Leads initiatives to promote wellness and mental health, while strengthening financial oversight through enhanced controls, reporting, and accountability, supported through an integrated “BE WELL” approach that promotes overall health and well-being.</p>		<p>Subscriber rates remained flat. City departments’ contribution rates increased by 12.3%. Medical Insurance contribution split: City 81%/ Employee 19%.</p> <p>The FY2027 Budget includes a \$16.8 million increase in Cigna medical plan, partially offset by a \$3.5 million decrease in Medicare Advantage plans and a \$0.5 million decrease in supplemental plans. In addition, LTD rate decreased from \$6.80 to \$3.80 per month per eligible active employee.</p>

Performance Measures	FY25 Actual	FY26 Progress Q3	FY26 Target	FY27 Budget	Target Context
% of employees will enroll in Healthy Pregnancies/Health Babies with successful outcome as reported by the case manager in the plan year	NA	NA	NA	25%	Measures the effectiveness of the engagement, and care coordination efforts aimed at supporting maternal and infant health.
% of employees will complete chronic disease management programs in the plan year	NA	NA	NA	35%	Measures member engagement, sustained participation, and effectiveness of care management.
Year-over-year % change in chronic disease management program claims costs	NA	NA	NA	35%	Reflects the financial impact of effective care management.
% of employees will engage in preventive care (e.g., annual physical exams, screenings) during the plan year	NA	75%	65%	65%	Promotes early detection of conditions by promoting routine preventive care.
% of field workers will participate in wellness programs during the plan year	NA	NA	NA	40%	measures the effectiveness of the wellness program reaching field employees, and the level of engagement.

# HR Client Services Program

Priority: Government That Works		
Budget: \$42,440	FTEs: 190	Fund: Central Services Revolving Fund (1002)
Program Description		Significant Budget Items
<p>Ensures compliance with applicable laws, regulations, and policies while delivering timely and accurate HR services across the employee lifecycle. Key priorities include streamlining hiring and personnel actions, strengthening recruitment and workforce planning through data-driven strategies, administering classified testing and promotional exams within established timelines, and supporting departments in building high-performing teams aligned with operational needs.</p>		<p>The FY2027 Budget includes a reduction of \$3.4 million for department savings initiatives. This program provides funding of \$13.3 million for two contingent workforce contracts, and funding of \$0.7 million for a new consolidated occupational testing contract.</p>

Performance Measures	FY25 Actual	FY26 Progress Q3	FY26 Target	FY27 Budget	Target Context
% of total corrective actions (greater than level 1) issued to municipal employees within the fiscal year	NA	NA	NA	≤66%	Low % of actions indicate strong workforce performance management and compliance.
% of full-time employees will continue working for the City for 5 years after completing the 1-year probationary period	NA	NA	NA	90%	Measures workforce stability and continuity. Longevity may reflect overall job satisfaction.
% of technical job classifications hired within 12 months of implementation	NA	80%	80%	90%	Reflects the financial impact of effective care management.
Average number of business days for HR to advance municipal candidates from posting to Department Hiring Manager referral	NA	≤ 30days	15 days	14 days	Measures the effectiveness in filling specialized positions ensuring departmental operational continuity.

# Occupational Risk Management Program

Priority: Government That Works		
Budget: \$41,699	FTEs: 61	Fund: Workers' Compensation (1011)
Program Description		Significant Budget Items
<p>A self-insured program that oversees workers' compensation and safety operations, including claims management, workplace inspections, regulatory compliance, and return-to-work programs. Its primary goal is to reduce the frequency and severity of employee incidents and vehicle accidents while increasing safety awareness through the enhancement of the Zero is Possible (ZIP) program. Promotes culture of safety awareness and accountability and to collaborate among departments to reduce injuries, costs, and loss of work productivity.</p>		<p>The FY2027 Budget reflects a 4.2% or \$1.2 million increase in claims expense, primarily driven by a 2.7% rise in cost for medical services and increases in reserves for historical and new claims, and \$0.5 in personnel increases due to pension rate increases and HOPE. This increase is partially offset by a \$1 million decrease for one-time Center for Public Leadership and Learning buildout expenses completed in FY2026. Administrative Rate remains at \$16.46 bi-weekly.</p>

Performance Measures	FY25 Actual	FY26 Progress Q3	FY26 Target	FY27 Budget	Target Context
Total recordable incident rate (TRIR) - Total number of recordable injuries and illness per 100 full-time employees	NA	NA	NA	35%	Results show the effectiveness of the different preventive risk management programs.
% of classified employees with an injury date during the fiscal year shall return to work within the date range specified in the state-adopted guidelines corresponding to their compensable injury	NA	NA	NA	85%	Strong performance reflects effective case management, rehabilitation coordination, and workplace accommodation practices.
% of safety investigations completed within 90 days of an injury, including documented corrective actions	NA	NA	NA	90%	Supports accountability, compliance, and continuous safety improvement.
# of documented facility safety inspections and work site observations	1,967	NA	NA	1,650	Frequent inspections strengthen compliance, reduce unsafe conditions, and reinforce a culture of safety awareness.
% of employees receiving safety training within 90 days of hire.	NA	NA	NA	60%	Ensures new employees receive timely safety education and awareness training through ZIP.

# Summer Jobs Program

Priority: Government That Works		
Budget: \$1,425	FTEs: 362 Interns	Fund: Genera Fund (1000)
Program Description		Significant Budget Items
<p>A workforce development initiative that provides a “learn and earn” opportunity for 362 youth and young adults (ages 16 – 24), offering job readiness training, mentoring, financial literacy education, transportation assistance, and hand-on municipal experience.</p> <p>Key priorities include strengthening partnerships with local employers, enhancing skill development and training, and supporting informed career decision-making to prepare participants for long-term success in a dynamic workforce.</p>		<p>The FY2027 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. The overall budget remains flat, with an intern hourly rate of \$14 per hour.</p>

Performance Measures	FY25 Actual	FY26 Progress Q3	FY26 Target	FY27 Budget	Target Context
% of participants reporting improved job skills in the post-program self-assessment survey	NA	NA	NA	95%	Measures the success of the program by developing practical skills such as communication, teamwork, professionalism, and problem-solving.
Participant satisfaction score (on a scale of 1-5) for the Summer Jobs Program	NA	NA	NA	95%	Measures satisfaction experience. High satisfaction levels might indicate positive experiences, effective program delivery, and strong engagement.

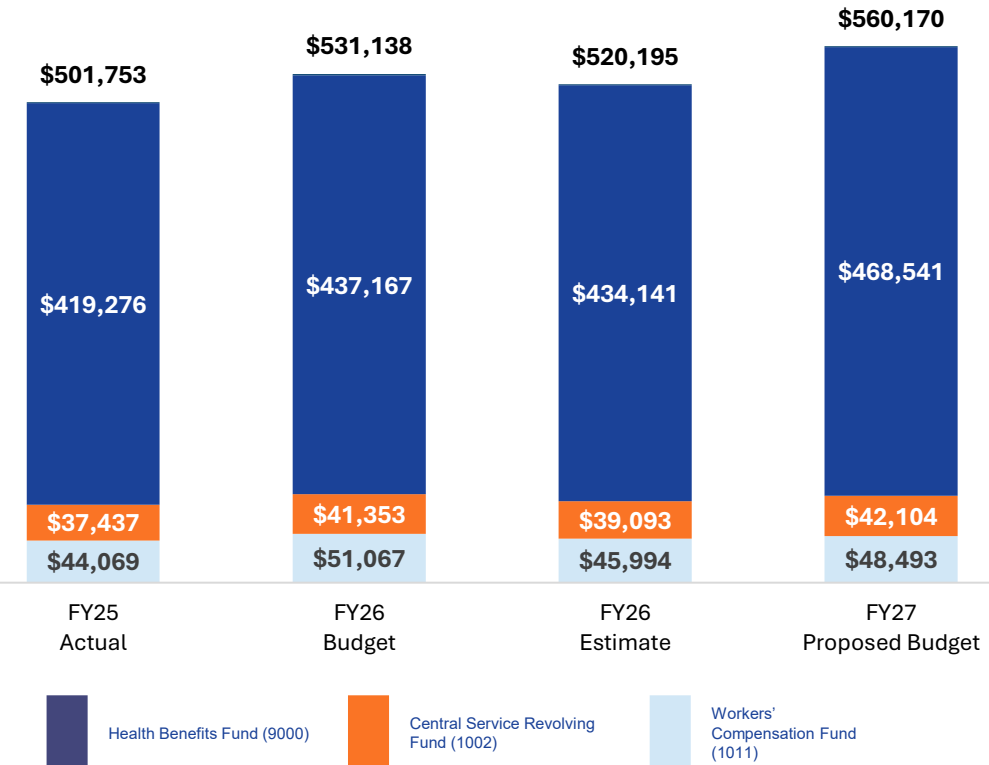
# Workforce Training & Upskilling Program

Priority: Government That Works		
Budget: \$6,051	FTEs: 33	Fund: Central Services Revolving Fund (1002)
Program Description		Significant Budget Items
<p>Enhances workforce readiness and organizational effectiveness by expanding access to high-quality, learner-centered training and upskilling opportunities. Key priorities include advancing enterprise learning strategies, leveraging analytics to measure impact, supporting performance management systems, and fostering innovation in learning delivery. These efforts position the program to become a nationally recognized leader in public sector training and workforce development.</p>		<p>The FY2027 budget includes funding for citywide training and the consolidation of Fleet and General Services Departments' learning, and development functions.</p>

Performance Measures	FY25 Actual	FY26 Progress Q3	FY26 Target	FY27 Budget	Target Context
Employee Engagement Score based on Involved & Evolve Leaders Pulse Survey Results	NA	NA	NA	≥66%	Measure how many employee strategies leaders implement.
% of employees enrolled in leadership, management, or supervision training that indicated an increase in job performance at 3 months upon completion of the training based on standard learning evaluation survey responses	NA	NA	NA	10%	Measures the effectiveness of leadership and supervisory training programs by evaluating whether participants apply learned skills.
% of employees that enrolled leadership, management, or supervision training during the fiscal year	NA	NA	NA	15%	Promotes workforce development by increasing leadership training opportunities that strengthen management capabilities, succession planning, and organizational effectiveness.
% of employees that completed leadership, management, or supervision training during the fiscal year	NA	NA	NA	10%	Measures successful completion and reflects employee commitment to professional growth .

# Revenues by Fund (In Thousands)

Fund	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed Budget	FY27 Prop Bud vs. FY26 Estimate	% Change
General Fund (1000)	(\$3)	\$0	\$0	\$0	\$0	0.0%
Central Revolving Services Fund (1002)	44,069	51,067	45,994	48,493	2,499	5.4%
Workers' Compensation Fund (1011)	37,437	41,353	39,093	42,104	3,011	7.7%
Health Benefits Fund (9000)	419,276	437,167	434,141	468,541	34,400	7.9%
Long Term Disability (9001)	974	1,551	967	1,032	65	6.7%
<b>Total</b>	<b>\$501,753</b>	<b>\$531,138</b>	<b>\$520,195</b>	<b>\$560,170</b>	<b>\$39,975</b>	<b>7.7%</b>



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

# FY2027 Proposed Revenues By Program (In Thousands)

Fund	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed Budget	FY27 Prop Bud vs. FY26 Estimate	% Change
Benefits Administration	\$420,250	\$438,718	\$435,108	\$469,573	\$34,465	7.9%
HR Client Services	41,479	45,584	40,555	44,916	4,361	10.8%
Occupational Risk Management	37,437	41,353	39,093	42,104	3,011	7.7%
Summer Jobs Program	0	0	0	0	0	0.0%
Workforce Training & Upskilling	2,587	5,483	5,439	3,577	(1,862)	(34.2%)
<b>Total</b>	<b>\$501,753</b>	<b>\$531,138</b>	<b>\$520,195</b>	<b>\$560,170</b>	<b>\$39,975</b>	<b>7.7%</b>

# Thank You

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# Appendix

# Human Resources Demographics

Race	Male	Female	Total	%
White	19	17	36	12.5%
Black or African American	36	133	169	58.5%
Hispanic or Latino	14	52	66	22.8%
American Indian or Alaskan Native	0	0	0	0%
Asian	7	10	17	5.9%
Native Hawaiian or Other Pacific Islander	0	0	0	0%
Two or More Races	0	1	1	0.3%
<b>Total</b>	<b>76</b>	<b>213</b>	<b>289</b>	<b>100%</b>

# FY2026 Accomplishments

- Reduced average time-to-hire by 54%
- Compared with our baseline Citywide Involve & Evolve Employee Engagement survey conducted in late 2023, overall engagement increased by 4%. This uplift indicates that more employees feel emotionally connected to their work and are committed to supporting the organization's success.
- Reviewed numerous reorganizations due to the Ernst & Young findings to improve span-of-control and to ensure appropriateness of proposed reclassifications
- Piloted EY Data Analytics Sprint and Excel training with 61 participants; foundation for Citywide Data Literacy Program
- Delivered vendor-facilitated courses to 200+ learners; launched AI/Copilot training and Power BI certifications (81% completion for 3-day course)
- City of Houston HR-CPLL received national recognition from ATD National (Association of Talent Development) BEST Award 2026 for the HOPE MCA Citywide Training Initiative

# FY2026 Accomplishments

- Earned the Cigna Healthy Workforce Gold Designation and Healthiest Employers of Texas Award (second consecutive year)
- Aligned the employee benefits plan year with the calendar year while streamlining the open enrollment process, improving administrative efficiency, financial planning, and employee understanding of benefits timelines
- Secured cost savings through a new Basic Life Insurance contract
- Successfully secured implemented new Medicare Advantage contract with Humana, ensuring continued access to competitive and comprehensive coverage options for eligible participants
- Launched the Employee & Labor Relations Portal (January 2026)
- Implemented the Compassionate Use Program Portal (March 2026)
- Enhanced the Mayor's Service Awards, by updating timeline to December, ensuring employees are recognized within their service anniversary year. In December 2025, we honored 547 employees across 21 departments
- Achieved zero audit findings for FY2025 HR selections

# FY2026 Accomplishments

- Successfully updated systems to implement numerous requirements resulting from the implementation of three labor agreements in two major systems, HRONE and Benefit Focus. Also, we created and provided training for users on how to process the new requirements
- Expertly created numerous custom reports for users to effectively analyze and manage the employee workforce, including an external turnover dashboard for Directors to assist with several KPIs
- Revised the bilingual pay policy and finalized a bilingual testing contract that allows testing for new requests and improved ability to test current recipients
- Rebranded OT&OD to HR-Center for Public Leadership & Learning (HR-CPLL)
- Hosted HR's first Second Chance Career Fair in October 2025
- Launched the first Annual Citywide Safety Fair
- Recognized HR-ORM Safety Advisor, Andrea Gonzales in the Rising Star Award: Top 40 under 40 (National Safety Council) and HR Impact Award: People to Watch (Houston Business Journal)
- Increased employee engagement in Quarterly Safety Training Days seminars by 79% since FY2025



# Thank You

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