

Human Resources Department FY2020 Proposed Budget Presentation

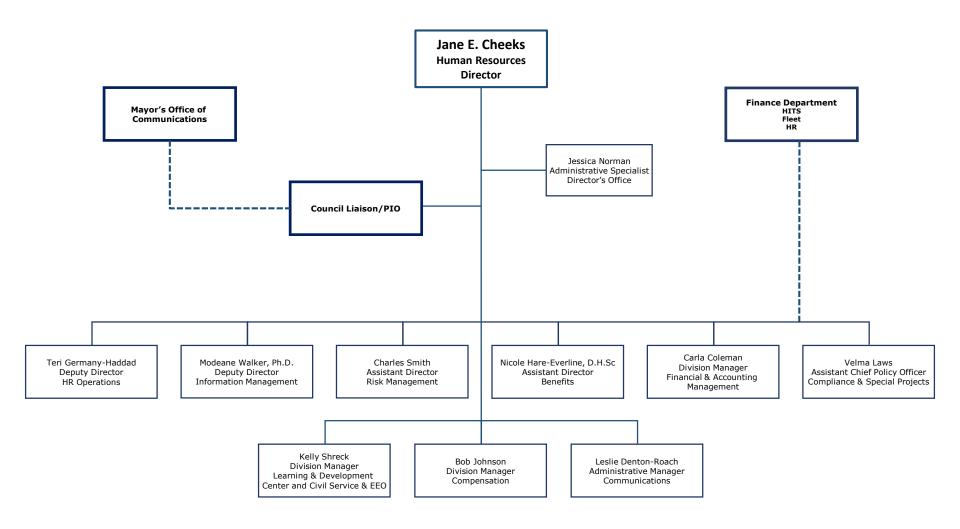
Jane E. Cheeks HR Director

May 21, 2019



Organizational Chart







Human Resources Department Programming



The Human Resources Department is a customer service driven and administrative support branch of the City of Houston. We provide opportunities for transformational public service careers that create meaningful impact on the job and in the community.

We value transparency, encourage innovation, embrace technology, and strive for continual improvement.

To us, our goal is to make every contact with the public and our employees a positive one. Customer service comes first every day!



Programming - continued



The field of human resources is highly regulated and each function is uniquely governed by federal, state, and local laws. These functions include recruitment, benefits, labor relations, compensation, risk management, and operations.

- ☐ Age Discrimination in Employment Act of 1967
- ☐ Civil Rights Act of 1991
- ☐ Drug-Free Workplace Act of 1988
- ☐ Equal Employment Opportunity Commission

- Equal Pay Act
- ☐ Fair Labor Standards Act of 1938
- ☐ Family Medical Leave Act of 1993
- Health Insurance Portability and Accountability Act



Human Resources Department Functional Organizational Chart (\$ in thousands)



Human Resources \$472,246 FTEs: 308.0

| General Fund (1000) \$2,566 FTEs: 20.5 | Central Service Revolving Fund (1002) \$26,289 FTEs: 170.3 | Workers' Compensation Fund (1011) \$31,366 FTEs: 65.0 | Health Benefits Fund (9000) \$410,635 FTEs: 52.2 | Long Term Disability Fund (9001) \$1,390 FTEs: 0.0 |
|--|--|---|--|---|
| Director's Office Employee Resource & Services Compensation Civil Service & EEO | - Client Services - General Relations - Shared Services - Classified Testing - Records Administration - Contingent Workforce - Learning & Development Center | SafetyPhysical Exam and Drug TestingWorkers' Compensation | Strategic Benefits Operations Wellness Employee Assistance Program Communications Information Management | - Long Term Disability |



Human Resources Department General Fund 1000 Functional Organizational Chart (\$ in thousands)



General Fund \$2,566 FTEs: 20.5

Office of the Director

\$586 FTEs: 2.0

- Oversees all activities of the department.
- Provides guidance and initiates HR policies citywide and directs the Civil Service Commission.

Employment Resource & Services

\$687 FTEs: 8.0

- Provide a broad range of

services to ensure that applicants, candidates for employment, and current City of Houston employees are aware of the policies and procedures relating to application submissions, and employment eligibility

requirements.

Compensation

\$603 FTEs: 5.0

 Administers citywide classification and compensation programs.

Civil Service & EEO

\$690 FTEs: 5.5

 Manages the activities of the Civil Service Commission; the Fire Fighters' and Police Officers' and Civil Service Commission.



Functional Organizational Chart Central Service Revolving Fund 1002 (\$ in thousands)



Central Service Revolving Fund \$26,289 FTEs: 170.3

Contingent Workforce Services

\$7,591 FTEs: 1.0

- Handles hiring contractual, temporary personnel. It is a vital part of the city's staffing strategy for peak loads, pilot programs, grants, citywide events, and special needs. Temporary employment agencies source contingent workers qualified in healthcare, professional technical, IT, administrative, and service/maintenance fields.

Client Services

\$16,780 FTEs: 152.8

- A combined entity that initiates and leans on Human Resources practice and objectives. The Division fosters an employee oriented, high-performance culture that emphasizes goal attainment, team spirit, superior customer service, quality work, high efficiency and productivity.

Learning and Development Center

\$1,918 FTEs: 16.5

 An employee performance improvement organization that provides ongoing learning for city employees.



Functional Organizational Chart Workers' Compensation Fund 1011 (\$ in thousands)



Workers' Compensation Fund \$31,366 FTEs: 65.0

Physical Exam & Drug Testing

\$719 FTEs: 3.0

 Provides citywide drug and alcohol screening services for new hires and employees for random checks, post-accident review; and for reasonable suspicion.

Safety & Workers' Compensation

\$30,063 FTEs: 57.0

Responsible for establishing and maintaining a safe workplace in accordance with Texas statutes. The Division establishes procedures to ensure compliance with the Texas Workers' Compensation Act and all federal, state and local requirements related to employees injured on the job.

WC Finance

\$584 FTEs: 5.0

Supports division with buying, managing, and planning for expenditures necessary to carry out strategic decisions.



Functional Organizational Chart Health Benefits Fund 9000 (\$ in thousands)



Health Benefits Fund \$410,635 FTEs: 52.2

Benefits Administration

\$4,616 FTEs: 31.2

 Administers, maintains and communicates sponsored benefits to employees and their families.

Employee Assistance Program

\$720 FTEs: 3.0

 Provides confidential assessment, referral and short-term counseling to City employees with personal concerns that may adversely affect work performance.

Communications

\$843 FTEs: 8.0

 Provides employees and retirees with information regarding City news, health benefits, wellness and safety programs.

Benefits Financial Reporting

\$404,456 FTEs: 10.0

 Supports division with buying, managing, and planning for expenditures necessary to carry out strategic decisions.



Functional Organizational Chart Long Term Disability Fund 9001 (\$ in thousands)



Long Term Disability \$1,390 FTEs: 0.0

Benefits Administration

\$1,390 FTEs: 0.0

 Administers, analyzes and funds the city's Long-Term Disability Plan for eligible employees.



Revenues by Funds (\$ in thousands)



| Fund | FY18 Actual | FY19 Budget | FY19 Estimates | FY20 Proposed | Variance FY20 Prop/ FY19 Est | % Change |
|--|----------------|----------------|-------------------|------------------|---------------------------------------|-------------|
| General Fund (1000) | \$6 | \$5 | \$5 | \$5 | \$0 | 0.0% |
| Central Services Revolving Fund (1002) | 29,493 | 25,939 | 25,361 | 26,289 | 928 | 3.7% |
| Workers' Compensation Fund (1011) | 22,816 | 28,925 | 28,925 | 31,628 | 2,703 | 9.3% |
| Health Benefits Fund (9000) | 387,412 | 411,400 | 404,663 | 411,789 | 7,126 | 1.8% |
| Long Term Disability Fund (9001) | 1,450 | 1,389 | 1,493 | 1,448 | (45) | (3.0%) |
| TOTAL | \$441,177 | \$467,653 | \$460,447 | \$471,159 | \$10,712 | 2.3% |



Revenue Highlights – compared to FY2019 Estimate

- ☐ General Fund 1000
 - Revenues are generated from open records requests
- Central Services Revolving Fund 1002 Increase of \$928K or 3.7%
 - Personnel costs*
- **☐ Workers' Compensation Fund 1011** Increase of \$2.7M or 9.3%
 - Personnel costs*
 - Catastrophic claims
- ☐ Health Benefits Fund 9000 Increase of \$7.1M or 1.8%
 - Personnel costs*
 - Health benefits claims
- **Long Term Disability Fund 9001** Decrease of \$45K or 3.0%
 - Long Term Disability claims

*Pension adjustments and HOPE contractual pay increases.



Expenditures by Funds (\$ in thousands)





| Fund | FY18 Actual | FY19 Budget | FY19 Estimates | FY20 Proposed | Variance FY20 Prop/ FY19 Bud | % Change |
|--|----------------|----------------|-------------------|------------------|---------------------------------------|-------------|
| General Fund (1000) | \$3,018 | \$2,752 | \$2,565 | \$2,566 | (\$186) | (6.8%) |
| Central Services Revolving Fund (1002) | 29,493 | 25,939 | 25,361 | 26,289 | 350 | 1.3% |
| Workers' Compensation Fund (1011) | 22,816 | 28,676 | 28,676 | 31,366 | 2,690 | 9.4% |
| Health Benefits Fund (9000) | 375,612 | 409,635 | 396,151 | 410,635 | 1,000 | 0.2% |
| Long Term Disability Fund (9001) | (1,046) | 1,695 | 1,695 | 1,390 | (305) | (18.0%) |
| TOTAL | \$429,893 | \$468,697 | \$454,448 | \$472,246 | \$3,549 | 0.8% |

Expenditure Highlights – compared to FY2019 Estimate

- General Fund 1000 Decrease of \$186K or 6.8%
 - Delimit position
 - Lower IT application costs
- ☐ Central Services Revolving Fund 1002 Increase of \$350K or 1.3%
 - Personnel costs*
 - Restricted accounts
- **☐** Workers' Compensation Fund 1011 Increase of \$2.7M or 9.4%
 - Catastrophic claims
 - Personnel expansion
- ☐ Health Benefits Fund 9000 Increase of \$1.0M or .2%
 - Personnel costs*
 - Health benefits claims
- ☐ Long Term Disability Fund 9001 Decrease of \$305K or 18.0%
 - Long Term Disability claims

*Pension adjustments and HOPE contractual pay increases.



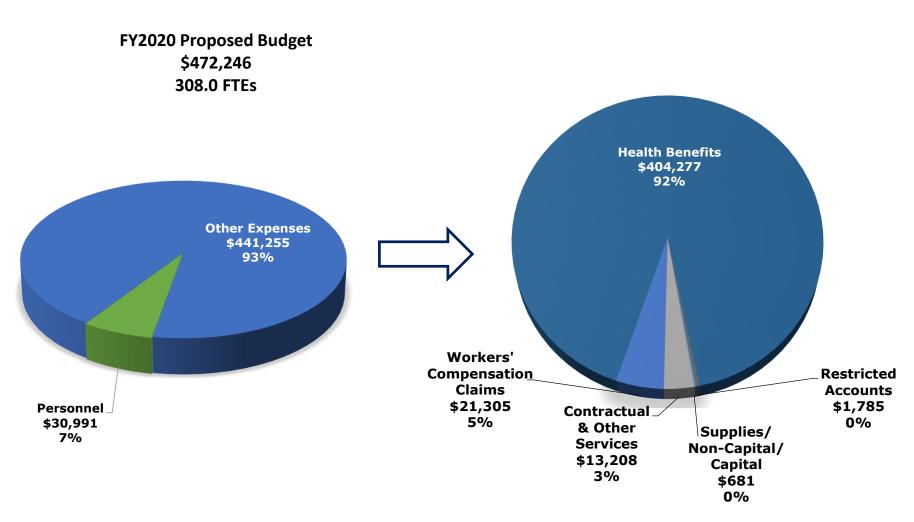
Budget Expenditures Net Change – General Fund 1000 (\$ in thousands)



| FY2020 General Fund Budget Expenditures | | | | | | | |
|--|-----------------------|--------------|--|--|--|--|--|
| Net Change to FY2019 Current Budget | | | | | | | |
| | | | | | | | |
| FY2019 Current Budget | | <u>Notes</u> | | | | | |
| Operating Budget | \$2,877 | | | | | | |
| Restricted Budget | (125) | 1 | | | | | |
| FY2019 Current Budget | \$2,752 | | | | | | |
| Explanation of FY2019 Incremental Increase | e/(Decrease) | | | | | | |
| Operating Budget Adjustments | | | | | | | |
| Budget reduction initiatives | (93) | 2 | | | | | |
| Subtotal Operating Budget Adjustments | (\$93) | | | | | | |
| % Change from FY19 Operating Budget | (3.2%) | | | | | | |
| Contractual or Mandated Adjustments: | | | | | | | |
| Health Benefits Active Civilian | (\$21) | | | | | | |
| Municipal Pension | 5 | | | | | | |
| Restricted Accounts | (112) | 1 | | | | | |
| HOPE | 36 | | | | | | |
| Subtotal Contractual/Mandated Increases | (\$93) | | | | | | |
| FY2019 Proposed Budget | | | | | | | |
| Operating and Contractual Adjustments | (\$186) | | | | | | |
| FY2020 Proposed Budget | \$2,566 | | | | | | |
| % Change from FY19 Current Budget | (6.8%) | | | | | | |
| Notes: | | | | | | | |
| 1. Restricted Budget includes service chargeback accounts (Data S Insurance Fees, etc.) | Services, Voice Servi | ces, | | | | | |
| 2. Division Manager position eliminated. | | | | | | | |

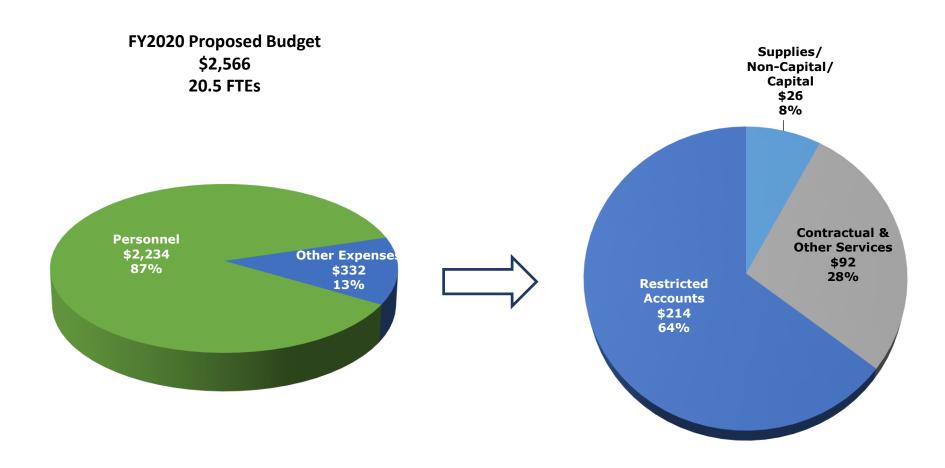
Personnel vs. Non Personnel Spending Human Recourses Department - Combined (\$ in thousands)





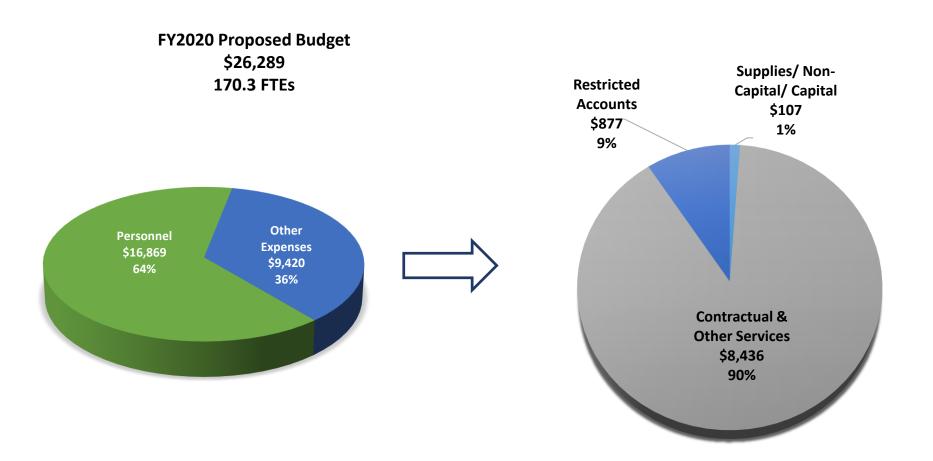
Personnel vs. Non Personnel Spending General Fund 1000 (\$ in thousands)





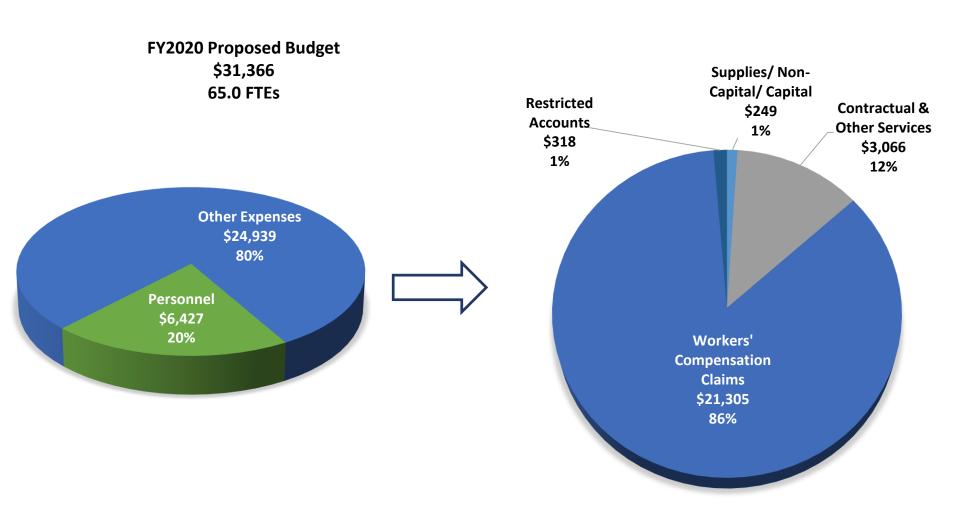
Personnel vs. Non Personnel Spending Central Service Revolving Fund 1002 (\$ in thousands)





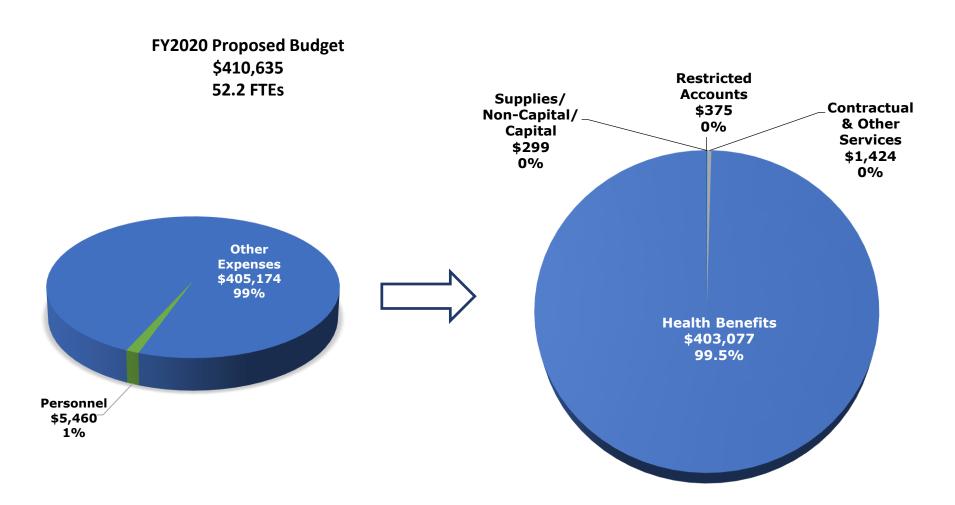
Personnel vs. Non Personnel Spending Workers' Compensation Fund 1011 (\$ in thousands)





Personnel vs. Non Personnel Spending Health Benefits Fund 9000 (\$ in thousands)

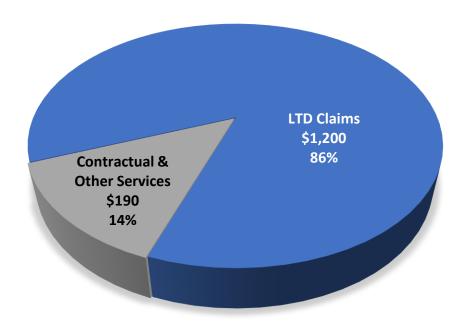




Personnel vs. Non Personnel Spending Long Term Disability Fund 9001 (\$ in thousands)



\$1,390 No Personnel Costs



Budget Reductions (based on budget comparison) (\$ in thousands)



| Fund | FY18 Actual | FY19 Estimate | FY20 Proposed | 3-Year Total |
|--|----------------|------------------|------------------|--------------|
| General Fund (1000) | \$0 | (\$437) | (\$186) | (\$624) |
| Central Services Revolving Fund (1002) | 0 | (11,170) | 0 | (\$11,170) |
| Workers' Compensation Fund (1011) | 0 | 0 | 0 | \$0 |
| Health Benefits Fund (9000) | 0 | 0 | 0 | \$0 |
| Long Term Disability Fund (9001) | 0 | 0 | (305) | (305) |
| TOTAL | \$0 | (\$11,607) | (\$491) | (\$12,099) |



Questions



Appendix

Budget History (\$ in thousands)



| General Fund (1000) | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Estimate | FY20 Proposed Budget |
|---|----------------|----------------|----------------|----------------|------------------|----------------------------|
| Current Budget | \$3,590 | \$3,637 | \$3,056 | \$3,189 | \$2,752 | \$2,566 |
| Actual/ Projections | 3,285 | 3,390 | 2,980 | 3,018 | 2,566 | 2,566 |
| SURPLUS/ (DEFICIT) | \$305 | \$247 | \$76 | \$171 | \$186 | \$0 |
| | | | | | | |
| Central Services Revolving Fund (1002) | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Estimate | FY20 Proposed Budget |
| Services Revolving Fund | | | | | | Proposed |
| Services Revolving Fund (1002) | Actual | Actual | Actual | Actual | Estimate | Proposed Budget |

Budget History - continued (\$ in thousands)



| Workers' Compensation Fund (1011) | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Estimate | FY20 Proposed Budget |
|---|----------------|----------------|----------------|----------------|------------------|----------------------------|
| Current Budget | \$22,198 | \$20,951 | \$21,869 | \$23,610 | \$28,676 | \$31,366 |
| Actual/ Projections | 21,026 | 20,102 | 21,594 | 22,816 | 28,676 | 31,366 |
| SURPLUS/ (DEFICIT) | \$1,172 | \$849 | \$275 | \$794 | \$0 | \$0 |
| | | | | | | |
| Health Benefits Fund (9000) | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Estimate | FY20 Proposed Budget |
| | | | | | | Proposed |
| Fund (9000) | Actual | Actual | Actual | Actual | Estimate | Proposed Budget |

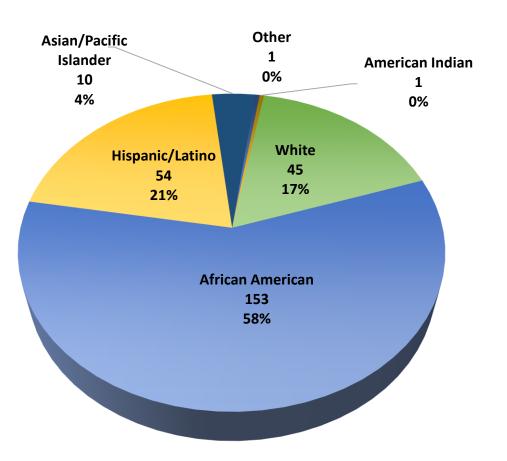
Budget History - continued (\$ in thousands)



| Long Term Disability Fund (9001) | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Estimate | FY20 Proposed Budget |
|--|----------------|----------------|----------------|----------------|------------------|----------------------------|
| Current Budget | \$1,551 | \$1,667 | \$1,644 | \$1,664 | \$1,695 | \$1,390 |
| Actual/ Projections | 1,973 | 974 | 1,063 | (1,045) | 1,695 | 1,390 |
| SURPLUS/ (DEFICIT) | (\$422) | \$693 | \$581 | \$2,709 | \$0 | \$0 |

Demographics (Gender and Ethnicity)





| Employees | Female | Male | Total |
|-----------|--------|------|-------|
| TOTAL | 197 | 67 | 264 |

| Managers | Female | Male | Total |
|-------------------------|--------|------|-------|
| White | 4 | 5 | 9 |
| African American | 29 | 5 | 34 |
| Hispanic/ Latino | 5 | 2 | 7 |
| Asian/ Pacific Islander | 1 | 1 | 2 |
| Other | 1 | 0 | 1 |
| American Indian | 0 | 0 | 0 |
| TOTAL MANAGERS | 40 | 13 | 53 |



Performance Measures



| Business Process Measures | Priorities | FY18 Actual | FY19 Budget | FY19 Estimates | FY20 Proposed |
|----------------------------------|------------------------------|--------------|-------------|-------------------|------------------|
| | Genei | ral Fund 100 | 00 | | |
| 1 Year Involuntary Turnover Rate | Services & Infrastructure | 2% | 0% | 0% | 1% |
| 1 Year Voluntary Turnover Rate | Services & Infrastructure | 3% | 1% | 1% | 1% |
| 90 Day Involuntary Turnover Rate | Services & Infrastructure | 0% | 0% | 0% | 1% |
| 90 Day Voluntary Turnover Rate | Services & Infrastructure | 1% | 0% | 0% | 1% |
| Involuntary Turnover Rate | Services & Infrastructure | 4% | 4% | 4% | 5% |
| Retirement Rate | Services & Infrastructure | 4% | 2% | 2% | 5% |
| Time to Fill | Services & Infrastructure | 78 | 85 | 85 | 65 |
| Voluntary Turnover Rate | Services & Infrastructure | 7% | 8% | 8% | 8% |

Performance Measures



| Business Process Measures | Priorities | FY18 Actual | FY19 Budget | FY19 Estimate | FY20 Proposed |
|--|-----------------------------|----------------|----------------|------------------|------------------|
| Cent | ral Service Revo | lving Fund | 1002 | | |
| Temporary Employee pay rate | Service & Infrastructure | \$22 | \$23 | \$23 | \$23 |
| Temporary Employee utilization by headcount | Service & Infrastructure | 448 | 215 | 212 | 215 |
| Temporary Employee utilization by hours worked | Service & Infrastructure | 625,927 | 323,179 | 279,443 | 323,179 |
| | | FY18 | FY19 | FY19 | FY20 |
| Business Process Measures | Priorities | Actual | Budget | Estimate | Proposed |
| Wor | kers Compensa | tion Fund 1 | 011 | | |
| HPW-Facility inspections, safetysurverys & gate checks | Service & Infrastructure | 1,698 | 3,300 | 3,000 | 3,300 |
| Return to work within 7 days of injury | Service & Infrastructure | 86% | 80% | 77% | 80% |
| Return to work within maximum disability guidelines | Service & Infrastructure | 73% | 70% | 69% | 70% |

Performance Measures



| Business Process Measures | Priorities | FY18 Actual | FY19 Budget | FY19 Estimate | FY20 Proposed |
|------------------------------|--------------------------|----------------|----------------|------------------|------------------|
| Health Benefit Fund 9000 | | | | | |
| Generic drug utilization | Service & Infrastructure | 80% | 88% | 88% | 88% |
| Health assessment completion | Service & Infrastructure | 74% | 90% | 73% | 90% |

FY2019 Accomplishments



- Successfully negotiated the Meet and Confer Agreement for Municipal employees
 Implemented new pay programs for Police and Municipal employees
 Conducted total compensation surveys for Police, Fire and Municipal
- Coordinated Captain and Sr. Captain exams

employees

- ☐ Consolidated HPW and HFD workers' compensation and safety functions into HR
- ☐ Initiated the implementation of the Zero is Possible program (ZIP), the safety standard ANSI Z10 Occupational Health and Safety Management Systems, an American National Standard for the City of Houston
- ☐ Introduced DocuSign into several key processes