

A photograph of three women standing behind a table under a blue canopy at an outdoor community event. The table is covered with a blue cloth and has various items on it, including a stack of brochures, a blue folder, a clear container with pens, and a green folder. The background shows a grassy area with trees and a playground. The text 'Human Rights and Equal Economic Opportunity' is overlaid in large white letters, and 'Presentation of 2026 Budget Proposal to City Council' is overlaid in smaller orange letters below it. A faint logo for Saint Paul is visible on the blue cloth.

Human Rights and Equal Economic Opportunity

Presentation of 2026 Budget Proposal to City Council

Agenda

- Executive Summary
- 2025 Budget Recap
- Updates on Recent Initiatives
- 2026 Proposed Changes
- Budget History
- Spending Summary
- FTEs Summary
- Unfilled Positions
- ARPA Projects Update
- Revenue Changes and Outlook
- Questions & Discussion





Executive Summary

HREEO's mission is to serve Saint Paul residents and businesses by advancing justice and equity through education, advocacy, and enforcement.

2025 Goals



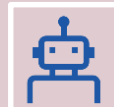
Advance Equity in Contracting



Strengthen and Expand Human Rights and Labor Standards Impact



Invest in Employee Growth and Retention



Sustain Fiscal Stewardship and Operational Excellence



Responsibilities and Performance Measurement

Department Responsibilities

- Procurement: Competitive sourcing, contract negotiation, and purchasing compliance
- Contract Compliance: Monitoring HUD Section 3, Affirmative Action, and prevailing wage
- Human Rights: Investigating discrimination complaints under city ordinance and federal law
- Labor Standards: Enforcing ESST, Minimum Wage, and Wage Theft ordinances
- Communications & Administration

Key Performance Metrics (KPMs)

- Procurement cycle time (average days per solicitation)
- Vendor participation rates and small business inclusion
- Number of Human Rights and Labor Standards cases resolved
- Settlement amounts and ESST hours recovered for workers
- Staff retention and promotion rates

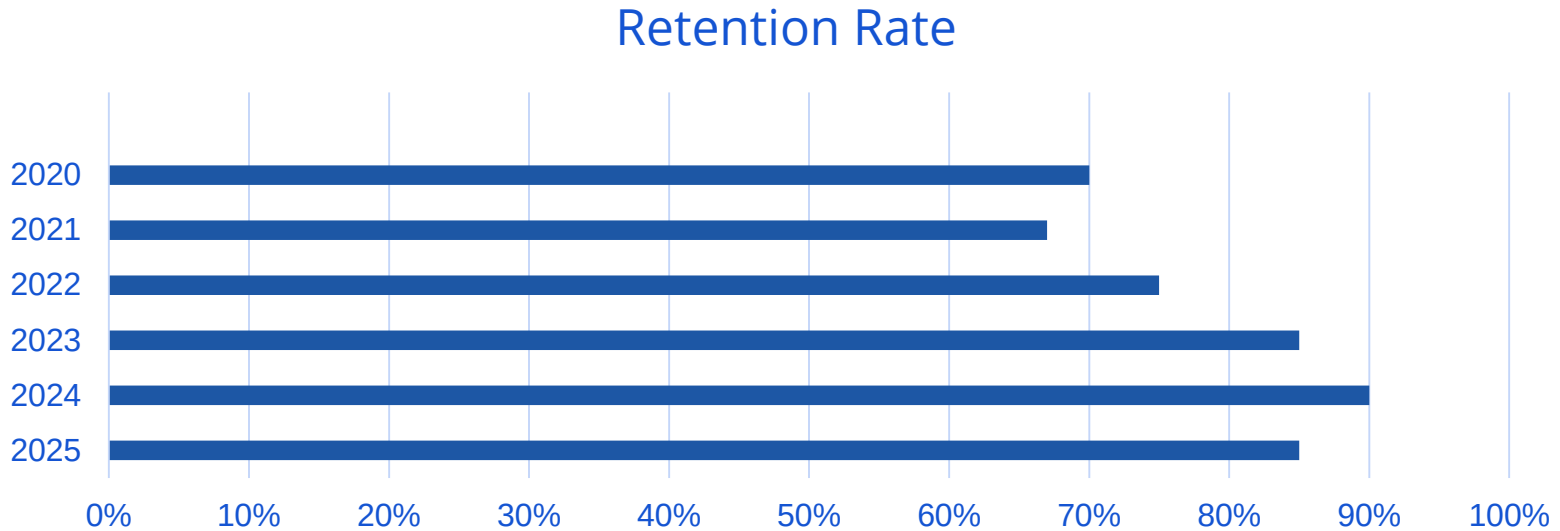


2025 Budget Recap

- **Budget Savings or Unplanned Costs (2025):**
There are salary savings resulting from not being 100% fully staffed. No other budget savings or unplanned costs have been identified at this time. Staffing levels and related expenditures continue to be closely monitored.
- **Impact of Past or Current Year Performance on Proposed Budget Changes:**
Past or current year performance did not result in any proposed budget changes.
- **Revenue Forecasts:**
Current revenue forecasts remain on target. However, we are closely monitoring potential impacts from a possible reduction or elimination of partnerships with our Federal Agency partners, HUD and EEOC.
- **Budget Amendments or New Spending:**
No new spending or budget amendments have been added throughout the year.
- **Authorized Personnel Changes:**
No new authorized personnel have been hired during this period.
- **Newly Approved Programs:**
No newly approved programs have been initiated. Approved programs remain pending due to current priorities and resource considerations.



Staff Retention Rate





2023, 2024, and 2025 Investments

HR/LS Manager
(2023)

Labor Standards Outcomes	2024	1/1/25- 10/27/25
Cases Closed	33	28
*Combined settlement amount	\$10,968	\$178,493
*Recovered Earned Sick and Safe Time hours owed to employees	673	1232

Labor Standards
Investigator III (2023)

Public Information
Specialist (2024)

Human Rights Outcomes	2023	2024	1/1/25- 10/27/25
Inquiries Received from Community Members	101	332	300
Cases Closed	24	31	37
Combined settlement amount	\$23,087	\$70,623	\$110,685

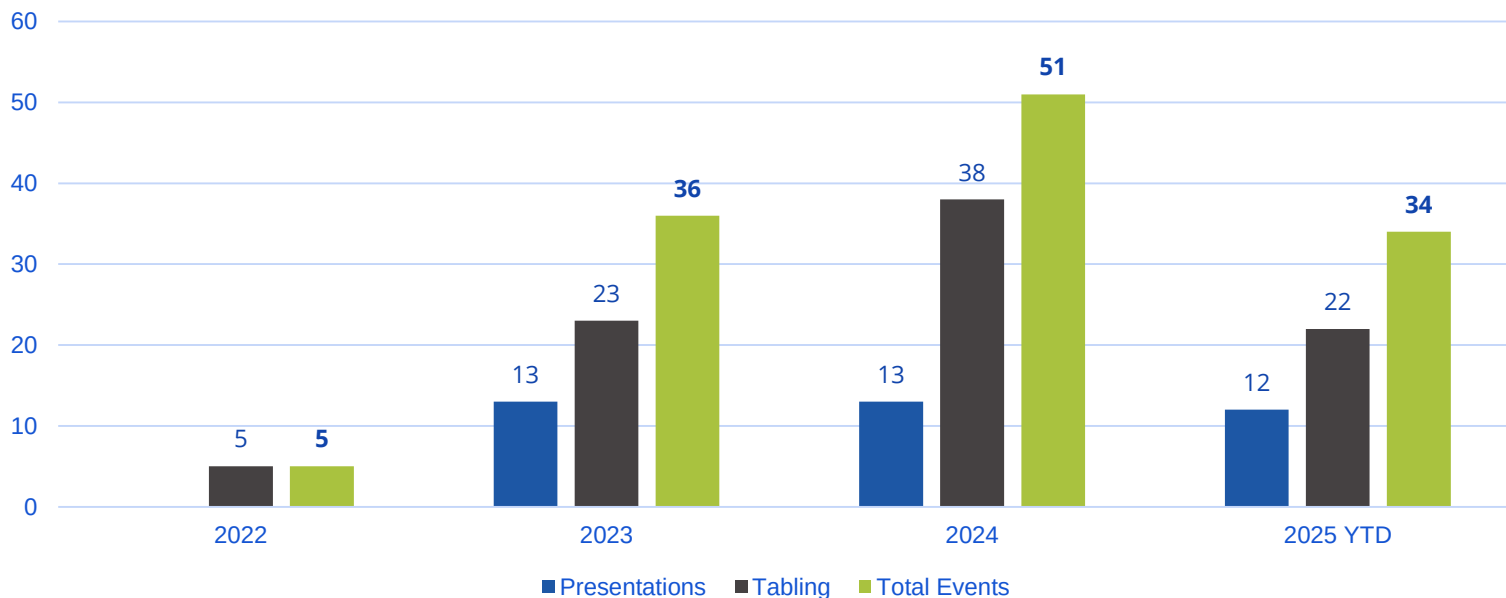
Contract Compliance
Specialist (2025)

Program Coordinator,
Supplier Diversity
(2025)--unfilled

11/4/2025



HREEO Outreach and Engagement Events





Core Function: Communications & Engagement

More responsive: Data requests

Year	Total Data Requests	Closed Requests	Pending Requests
2023	20	18	2
2024	81	76	5

Using tools to reach people where they receive info: E-blasts

Year	Total Emails	Total Constituents Reached	Email Average Reach	Average Delivery Rate
2023	08	25,678	3,210	92%
2024	65	223,130	3,486	96%



2026 Proposed Changes

General Fund	Amount	FTE	Frequency
Reduction of 1.00 Labor Standards Investigator II position	(\$110,534)	-1.00	Ongoing
Reduction of 0.10 Human Rights Investigator I position	(\$9,302)	-0.10	Ongoing
Reallocation of general professional services	\$3,459	-	Ongoing
TOTAL	(\$116,377)	-1.10	



History of Budget to Actual – General Fund

<u>Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
2021	3,441,433	2,747,307	-694,126	-20.2%
2022	3,784,689	2,817,822	-966,867	-25.5%
2023	3,460,981	3,107,233	-353,748	-10.2%
2024*	4,299,844	3,584,926	-714,918	-16.6%

* Year-end close not yet complete.



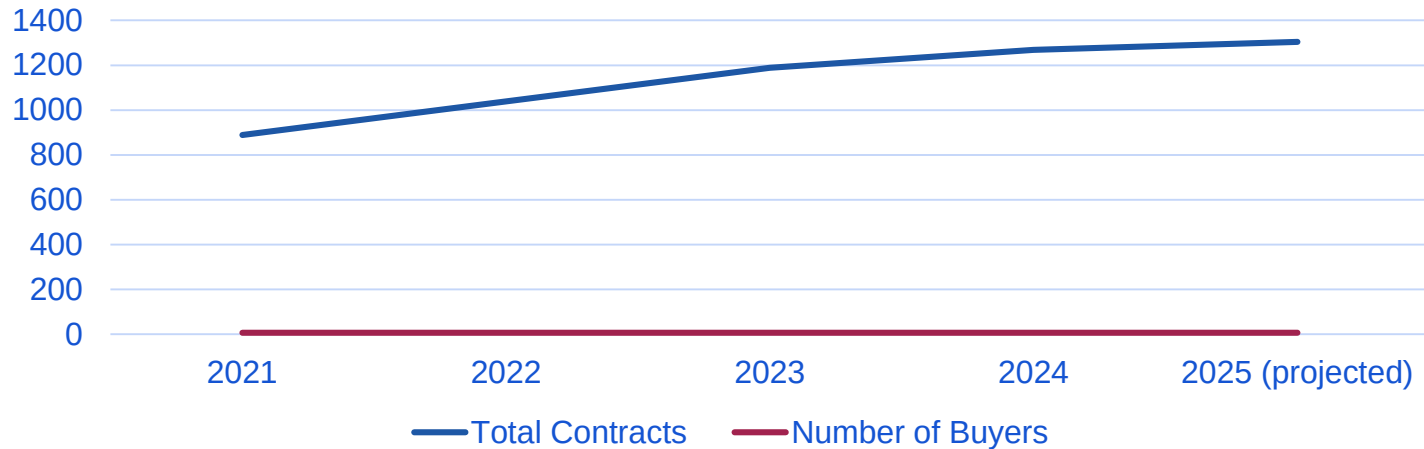
Budget Summary: Spending

FUND	2022 Adopted	2023 Adopted	2024 Adopted	2025 Adopted	2026 Proposed	Change from 2025 (\$)	Change from 2025 (%)
100 - CITY GENERAL FUND	3,784,689	3,879,270	4,299,844	4,382,035	4,570,697	188,662	4.3%
211 - GENERAL GOVT SPECIAL PROJECTS	232,156	235,688	202,409	123,654	123,655	1	0.0%
Total	4,016,845	4,114,958	4,502,253	4,505,689	4,694,352	188,663	4.2%

- 80% of department spending supports personnel — our work is people-driven
- Remaining funds support professional services, outreach, and compliance systems
- FY26 spending priorities remain consistent with 2025 allocations



Procurement: Total Contracts Managed





2025 KPM: Faster Project Start Times

Solicitation Type	2023 Avg (Days)	2024 Avg (Days)	Improvement
RFP	136	74	↓ 45%
RFB	16	15	↓ 6%
Overall Average	76	44.5	↓ 41%

KPM: Supporting Small and Local Businesses

Over 60% of City contracting dollars awarded to small businesses per statewide Disparity Study

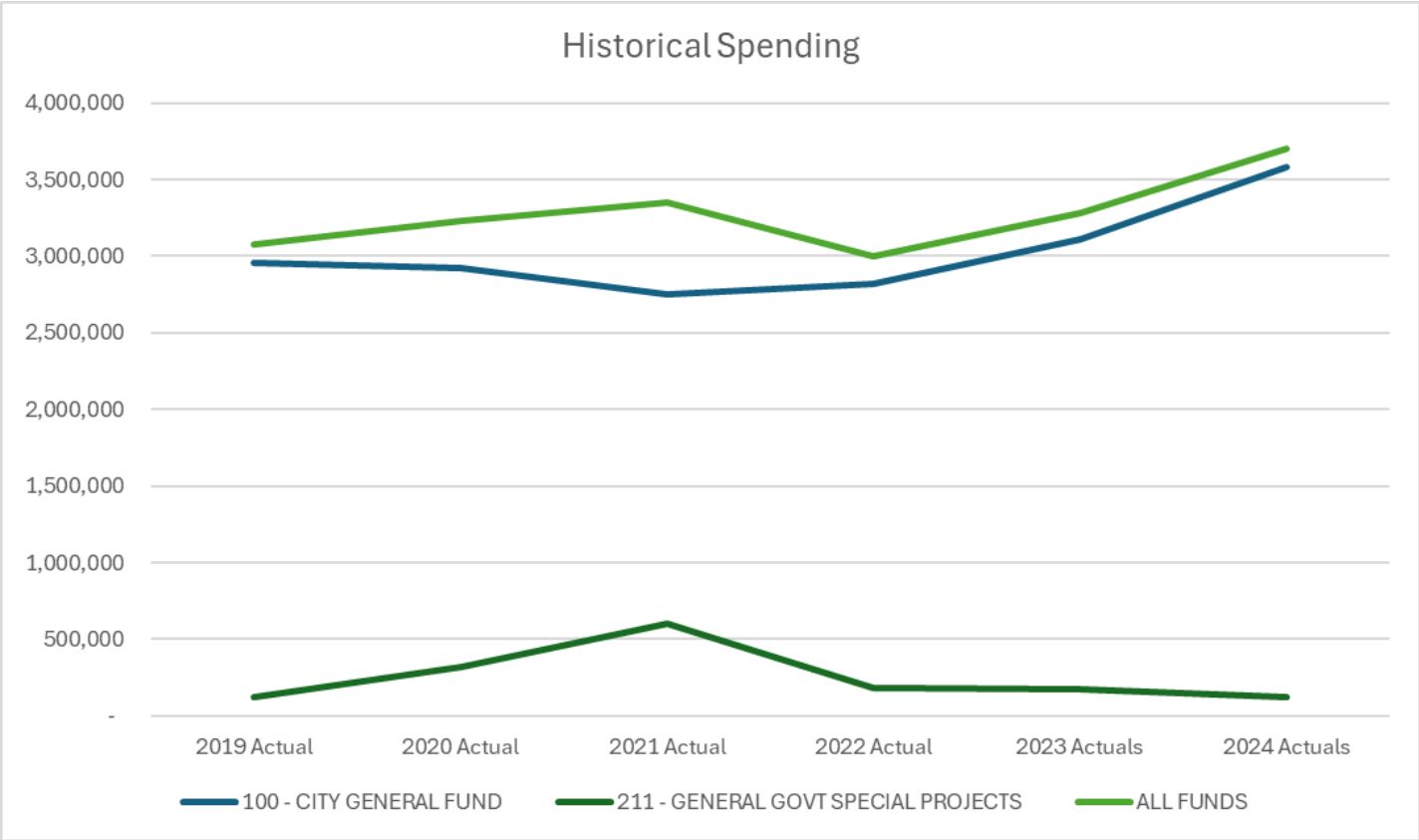
Reflects increased use of CERT, the City's program certifying small and local businesses

Invested in CERT in 2024 and 2025 to:

- Ensure data accuracy and program integrity
- Improve customer service for businesses applying for certification
- Strengthen the program in light of potential legal challenges
- Increase training and optimization of CERT businesses to enhance readiness and participation in City contracting

\$72.4 million subcontracted to CERT-certified small, woman-owned, and minority-owned businesses (27.9% inclusion rate)

First Common Cent projects launched in 2024





FTEs Summary

FUND	2022 Adopted	2023 Adopted	2024 Adopted	2025 Adopted	2026 Proposed	Change from 2025
100 - CITY GENERAL FUND	29.6	29.6	30.6	32.6	31.5	(1.1)
211 - GENERAL GOVT SPECIAL PROJECTS	1.5	1.9	0.5	0.5	0.5	-
Total	31.1	31.5	31.1	33.1	32.0	(1.1)



FTEs – Unfilled Positions

The following positions were approved prior to 2025:

- Program Coordinator, Supplier Diversity (Vacant 1/1/2025)
- Buyer I (Vacant 8/29/2025)
- Human Rights and Labor Standards Manager (Vacant 8/25/2025)
- Human Rights Investigator II (Vacant 10/31/2025)
- Labor Standards Investigator II (2026 reduction)

Due to the current hiring freeze, we are not actively recruiting for these positions at this time. We have no proposed staffing additions for 2026 beyond filling our existing vacant FTEs when the hiring freeze is lifted.



Revenue Trends, Changes, and Outlook

- No new revenue sources anticipated for FY26
- Monitoring federal reimbursements from HUD and EEOC
- FY25 revenue projections on target
- Long-term focus on aligning resources with core priorities
- CERT program management shifted from HREEO to a third party administrator in 2024

Questions & Discussion

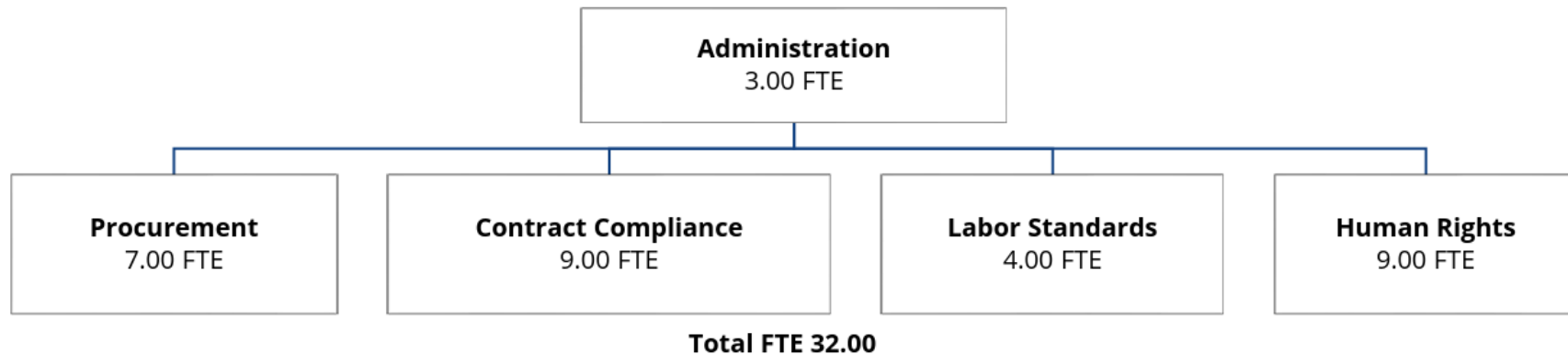




Appendix



Org Chart





Personnel Budget

Personnel Budget - Fund 100	2025 Adopted	2026 Proposed	Change (\$)	Change (%)
60100 - FULL TIME SALARIES AND WAGES	2,876,210	2,950,730	74,520	2.6%
60400 - TEMPORARY SEASONAL	52,087	52,087	-	-
60800 - SALARY ADJUSTMENTS	109,172	109,172	-	-
61000 - ER FICA MEDICARE	228,258	233,962	5,704	2.5%
61100 - PENSION CONTRIBUTION	223,786	229,373	5,587	2.5%
61200 - ACTIVE EMPLOYEE INSURANCE	574,453	654,860	80,407	14.0%
61500 - OTHER EMPLOYEE BENEFITS	120,182	126,921	6,739	5.6%
61700 - UNEMPLOYMENT COMPENSATION	5,000	18,455	13,455	269.1%
TOTAL	4,189,148	4,375,560	186,412	4.4%



Services & Materials Budget

Services Budget - Fund 100	2025 Adopted	2026 Proposed	Change (\$)	Change (%)
63100 - PROFESSIONAL SERVICE	34,258	37,717	3,459	10.1%
63300 - SKILLED SERVICE	17,550	17,550	-	-
64700 - EQUIPMENT RENTAL	782	782	-	-
67200 - DELIVERY SERVICES	3,692	3,692	-	-
67300 - DATA PRINT SERVICES	1,500	1,500	-	-
67500 - TRAVEL AND TRAINING	57,099	24,099	-33,000	-57.8%
67600 - MILEAGE AND PARKING	266	266	-	-
68100 - INTERNAL CHARGES	28,827	27,618	-1,209	-4.2%
70100 - COMPUTER MATERIAL AND SUPPLIES	46,145	79,145	33,000	71.5%
70200 - PAPER AND FORMS	-	-	-	-
70300 - OFFICE EQUIPMENT AND FURNITURE	500	500	-	-
70500 - GENERAL OFFICE SUPPLIES	1,268	1,268	-	-
72900 - GEN MATERIALS AND SUPPLIES	1,000	1,000	-	-
TOTAL	192,887	195,137	2,250	1.2%