



CIVIL SERVICE COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Date: December 19, 2016

To: Civil Service Commission

Through: Michael Brown *MB*
Executive Officer

From: Sandra Eng *SE*
Assistant Executive Officer

Subject: **Fiscal Years 2017-18 and 2018-19 Mayor's Budget Instructions and Department Budget Preparation Schedule**

Departments are required to submit a Fixed Two-Year Budget Plan for Fiscal Years 2017-18 and 2018-19. This report outlines the Civil Service Commission Budget Request.

I. Planning Calendar

The Mayor's Office has not yet issued its detailed Budget Instructions for FY 2017-18 and 2018-19 but met with departments to discuss the five year financial plan goals for the City. All departments, including the Civil Service Commission, are required to submit their respective Budget Plan to the Office of the Controller and the Office of the Mayor on February 21, 2017.

TARGET DATE	DESCRIPTION
December 8, 2016 – January 5, 2017	Preliminary Work: Preparation of Draft Budget Request
January 9, 2017	Civil Service Commission reviews and comments on Draft Budget Request
January 10, 2017 – February 1, 2017	Budget Preparation for February 6, 2017 Civil Service Commission meeting
February 6, 2017	Civil Service Commission review and approval of Budget Request
February 7, 2017 until Budget Submission Deadline	Changes made by Civil Service Commission incorporated and final Budget Request prepared
February 21, 2017	Civil Service Commission Budget Request submission due to Controller's Office
February 21, 2017	Civil Service Commission Budget Request submission due to Mayor's Office

II. Budget Outlook for Fiscal Years 2017-18 and 2018-19

The City has worked to strengthen its long term financial management and reduce volatility on the City's budget process by having departments prepare fixed two-year budget plans and five year financial plans. The Post-Election Re-balancing plan resulted in terminating Proposition J set-aside for homelessness and transportation and identified other priority areas such as Free City College, street trees, and immigration services. The Mayor's Office projection includes rebalancing of the budget due to election outcome, slowing of revenue growth and signs of growth constraints, increases in benefit (health and pension) costs, Consumer Price Index increase on personnel and nonpersonnel (including grants for nonprofits), and fully fund the capital and information technology plans in the out years. Rising pension costs are

related to the following: 1) people living longer; 2) loss of supplemental Cost of Living Adjustment lawsuit; and 3) Rate of return less than 7.5%. Employer health costs are expected to rise by 7% per year for active employees and 9% per year for retirees, significantly outpacing inflation. The Mayor's Office projects a deficit of approximately \$400 million in the next two years and instructs departments to propose on-going reductions and revenues equal to 3% of adjusted General Fund support in each year growing to 6% in the second year of the budget. The Mayor's Office has instructed the Civil Service Commission to propose ongoing reductions of 3.0% or \$26,115 for Fiscal Year 2017-18 and additional ongoing reductions of 3.0% or \$26,115 for Fiscal Year 2018-19.

III. Fiscal Year 2016-17 Overview

A. Summary of Current Fiscal Year 2016-17

Below is a final Fiscal Year 2016-17 (current) Civil Service Commission Budget. The total budget allocation was \$1,211,578 of which \$850,739 was General Fund Support. The remaining support consisted of Interdepartmental Expenditure Recovery totaling \$360,839.

This budget supports the administration of the three (3) major programs that are essential core functions of the Commission's Charter mandate: 1) Appeals and Requests for Hearings, Rules, Policies, and Administration; 2) Merit System Review, Inspection Services and Audit; and 3) Employee Relations Ordinance Administration.

Account	FY 2016-17 Adopted Budget	Total
Salary and Fringe Benefits		
Permanent Salaries	666,287	
Temporary Salaries	1,500	
Mandatory Fringe Benefits	260,667	
	Sub-total	929,954
Professional Services	35,795	
Material and Supplies	3,395	
Services of Other Departments	243,944	
	Sub-total	283,134
General Fund Support		850,739
Interdepartmental Recovery		360,839
Total Budget Appropriation		1,211,578

B. Fiscal Year 2016-17 Staffing

The Commission's Fiscal Year 2016-17 budget includes a budgeted staff of 6.0 FTE:

- Two Administrators
 - Executive Officer (Job Code 0961 Department Head I)
 - Assistant Executive Officer (Job Code 0951 Deputy Director I)

- Two Professionals
 - Merit System Review/Audit and Employee Relations Ordinance Administrator (Job Code 1244 Senior Personnel Analyst)
 - Public Records/Inspection Service Request Investigator (Job Code 1241 Personnel Analyst)
- Two Technical and Support Staff
 - Rules, Personnel & Office Coordinator (Job Code 1203 Personnel Technician)
 - Administrative Staff Assistant (Job Code 1426 Senior Clerk Typist)

IV. Fiscal Year 2017-18 and Fiscal Year 2018-19 Budget Request

As indicated, the current Fiscal Year 2016-17 budget allocation for the Civil Service Commission is \$1,211,578 of which \$850,739 is General Fund Support. Benefit cost growth will not be known until 2017.

The Budget Request for Fiscal Years 2017-18 and 2018-19 must provide sufficient funding for the Civil Service Commission to operate its function of overseeing the merit system and Rule-making authority to provide qualified persons for appointment to City and County service. Commission staff will prepare the budget request without affecting the services required of the Civil Service Commission, while still seeking ways to increase access to public information from the Commission. Since last year, there has been an increase in the number of inspection service requests which require extensive research. Since the Appeals Coordinator position became vacant in December 2015, our Administrative Assistant and Rules, Personnel and Office Coordinator have worked together to continue preparing for meetings and sending notification correspondence in addition to their normal duties. With the previous increase in public record requests and inspection service requests, we began to cross train our staff in reviewing material, applying Rules, policies, and procedures, and research. After the 1241 Personnel Analyst (1241) position was approved in the 2016-17 budget, the department began working with Department of Human Resources on the 1249 Personnel Trainee Selection Process. During this process, the department received a 1241 request to transfer into the department. As a result, Jennifer Bushman became our new 1241 Personnel Analyst effective September 6, 2016. When two of our staff began their leave of absence in October of this year, the Executive Officer made the decision to continue our Administrative Assistant's Acting Assignment because her duties included those of the Personnel Analyst and of the Rules, Personnel and Office Coordinator. As you can see, the Commission's staff has been flexible, open to changes, and continue to persevere in providing service to the City employees, unions, and the public. Even the Executive Officer has learned how to use Acrobat Pro to assist in redacting confidential information from meeting material and responding to requests for information by producing administrative records of our meetings, responding to transcription requests, and continued to be a guest speaker at 1249 trainings.

The loss of 1 FTE in this small Department of 6.0 FTE would have a devastating impact in the vital merit system oversight provided by the Civil Service Commission as mandated by the Charter; as such, the Executive Officer will ardently advocate for sufficient funding to support the Commission's current full complement of staff.

V. Recommendation

Direct Commission staff to prepare Fiscal Years 2017-18 and 2018-19 Budget Request to maintain adequate staffing levels to meet current service needs; continue to negotiate amounts; present Budget Request at the Commission meeting of January 9, 2017; incorporate changes made by the Commission up to the Budget Request submission deadline; and approve to submit the Fiscal Years 2017-18 and 2018-19 Budget Request to the Controller and the Office of the Mayor by February 21, 2017.

