



# CIVIL SERVICE COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE  
MAYOR

Date: January 6, 2014

SCOTT R. HELDFOND  
PRESIDENT

To: Civil Service Commission

E. DENNIS NORMANDY  
VICE PRESIDENT

Through: Jennifer Johnston  
Executive Officer

DOUGLAS S. CHAN  
COMMISSIONER

From: Sandra Eng  
Assistant Executive Officer

KATE FAVETTI  
COMMISSIONER

Subject: **Fiscal Years 2014-15 and 2015-16 Mayor's Budget Instructions  
and Department Budget Preparation Schedule**

GINA M. ROCCANOVA  
COMMISSIONER

### I. Schedule of Commission Budget Review

The Civil Service Commission (Commission) approved its Department Budget Planning Calendar at its meeting on December 16, 2013 as follows:

EDWIN M. LEE  
EXECUTIVE OFFICER

TARGET DATE	DESCRIPTION
December 12, 2013	Mayor's Budget Instructions for Fiscal Years 2014-15 and 2015-16 distributed to departments
December 19, 2013 - January 2, 2014	Preliminary Work: Preparation of Draft Budget Request
January 6, 2014	Civil Service Commission reviews and comments on Draft Budget Request
January 7, 2014 – January 29, 2014	Budget Preparation for February 3, 2014 Civil Service Commission meeting
February 3, 2014	Civil Service Commission review and approval of Budget Request
February 4, 2014 until Budget Submission Deadline	Changes made by Civil Service Commission incorporated and final Budget Request prepared
February 21, 2014	Civil Service Commission Budget Request submission due to Controller's Office
February 21, 2014	Civil Service Commission Budget Request submission due to Mayor's Office

Although the Mayor's Office did not issue its Budget Instructions until December 18, 2013, the Department began budget planning for Fiscal Years 2014-16 after receiving direction from the Commission to prepare the budget at anticipated service and staff levels.

THIS DOCUMENT SUPPORTS  
CALENDAR ITEM 6

## **II. Budget Outlook for Fiscal Years 2014-15 and 2015-16**

The Mayor's Office has estimated a budget shortfall of 100.7 million for Fiscal Year 2014-15 and an additional 17.6 million for Fiscal Year 2015-16. Local tax revenue (e.g., property tax, hotel tax, business tax) is estimated to continue to improve in both years and it is estimated that there will be significant changes in revenue outlook for the health department. Expenditures are expected to increase due to Fiscal Year 2014-15 adopted staffing, capital, equipment, and IT levels. Also unknown are any future increases in salaries and benefits resulting from labor negotiations, which will not conclude until spring of 2014.

## **III. Budget Plan to Meet Department Programs, Services and Goals**

The Fiscal Years 2014-16 Budget Request must provide sufficient funding for the Commission to operate its function of overseeing the merit system to provide qualified persons for appointment to City and County service. In accomplishing its mission, the Commission administers three (3) programs, encompassing the essential core functions of its Charter mandates: 1) Appeals and Requests for Hearings, Rules, Policies, and Administration; 2) Merit System Review, Inspection Services and Audit; and 3) Employee Relations Ordinance Administration. The Appeals and Requests for hearings, Rules, policies, are maintained and administered by the Commission to ensure compliance with merit system rules, policies, and procedures. Audits and Inspection Services provide oversight on the departments' application of the merit system rules, regulations, policies, and procedures and will also identify where training and the type of resources are needed. The Department also administers the Employee Relations Ordinance in requests for representation elections, decertifications, mergers, affiliations, and the administration of unfair labor practice charges involving peace officers.

To advance the Commission's objective to modernize and strengthen the operation of the City's merit system, the Department will continue in Fiscal Years 2014-2015 and 2015-2016 to work to update and revise as appropriate the Civil Service Commission's Rules, policies and procedures. Such efforts require not only a significant amount of staff time and resources to meet with Commission stakeholders to review current issues and the effectiveness of the City's merit system procedures, but also to research Commission history, applicable laws and best practices.

As such, the Department will be requesting a budget allotment that will not only support its existing staff and resources, but that will support additional services of the City Attorney Office and a part-time Senior Personnel Analyst through a work order arrangement with the Department of Human Resources.

## **IV. Gap between Budget Request and Baseline Target**

Last year, all City departments budgeted for two fiscal years (Fiscal Years 2013-15). Although the budget for Fiscal Year 2014-15 was approved last year, it is open for changes in the subsequent budget cycle to allow departments to adapt to the two-year budget process.

**The Mayor has again directed City Departments to propose ongoing reductions of General Fund Support in an amount of up to 3.5% over the next two fiscal years (a 1.5% reduction in Fiscal Year 2014-15, an additional 1.0% in Fiscal Year 2015-16, and an additional contingency reduction of 1% in Fiscal Year 2015-16). Additionally, the Mayor's Office directed departments not to increase staffing for Fiscal Years 2014-16.**

The Commission's budget allocation previously approved for Fiscal Year 2014-15 is \$951,361 with \$641,361 General Fund Support. A 1.5% or \$9620 reduction will decrease General Fund Support to \$631,741 for Fiscal Year 2014-15. An additional 1% or \$6317 reduction will decrease General Fund Support to \$625,424 for Fiscal Year 2015-16.

The total reduction of \$15,937 in General Fund Support for Fiscal Years 2014-16 assumes the continuation of the Interdepartmental Recovery amount of \$310,000. Should the Recovery amount not be continued, the Commission's budget would be reduced by \$325,937 or 34% of its total budget for Fiscal Years 2014-16.

#### **V. Impact of Budget Reduction**

All of the Commission's fiscal resources are allocated to performing its Charter mandated duties and functions. The Department's resources are allocated for staff, services of other departments, materials and supplies, and professional services. Services of other departments include the Department of Human Resources, Real Estate, Reproduction and Mail Services, and Department of Technology (DT). Professional services include lease of copier/printer, document management system, equipment maintenance and when needed, court reporter and transcribing services, and hearing officers. The staff resource of 6.0 FTE positions is incorporated in carrying out the duties of the Commission.

The proposed budget reduction would not only affect the department's plan in meeting its goals, it would also mean the loss of 1 FTE in this small Department of 6.0 FTE which 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.

#### **VI. Summary of Fiscal Years 2014-16 Budget Request**

As indicated, the Executive Officer will be requesting that the Commission not be required to reduce its budget by 3.5% as instructed by the Mayor's Office so that the Department can remain at current staff and resources levels. In addition, given the Mayor's directive to not increase staffing levels, the Executive Officer will request new funding to support additional services from the City Attorney's Office for legal research and opinions (\$50,000), and funding to support a work order through the Department of Human Resources to fund a part-time 1244 Senior Personnel Analyst (\$50,000) for the purpose of researching best practices in other jurisdictions to inform future proposed Commission Rule and policy changes.

The Commission's Fiscal Year 2014-15 Budget Total is \$1,054,361, with the department requesting General Fund Support in the amount of \$744,361. This will constitute an increase in General Fund Support by \$103,000, and require continued expenditure recovery of \$310,000 through work orders with other departments.

As for the Commission's Fiscal Year 2015-16 Budget, City departments do not have access to the base budget for Fiscal Year 2015-16 at this time; however it is estimated that there will be an increase in salary and benefit cost growth. Although we know there will be some increase in our operating budget, we at this time do not know by how much.

#### **VII. Recommendation**

Direct the Executive Officer to: continue to negotiate with the Office of the Mayor and the Controller to ensure that the Commission's budget sufficiently supports anticipated service and staff to continue its Charter mandated functions; finalize the Fiscal Years 2014-16 Budget Request; incorporate changes made by the Commission and submit the Fiscal Years 2014-16 Budget Request to the Controller and the Mayor by February 21, 2014.

Attachment: CSC Proposed Fiscal Years 2014-16 Budget Request Comparison

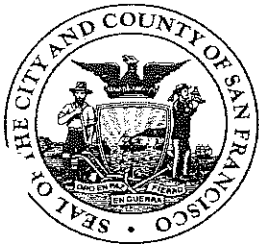
**CSC FY 2014-16 PROPOSED BUDGET REQUEST**

**Comparison**  
General Fund Support

	2013-14	2014-15		2015-16	
	Base GF Support	Budget Request	Difference (BR & GFS)	Budget* Request	Difference (BR & GFS)
<b>001 - PERSONAL SERVICES</b>					
001 Permanent*	561,690	569,091	7,401	569,091	-
005 Temporary	1,500	1,500	-	1,500	-
009 Premium	0	-	-	-	-
<b>Sub-Total</b>	<b>563,190</b>	<b>570,591</b>	<b>7,401</b>	<b>570,591</b>	<b>0</b>
<b>013 - FRINGE BENEFITS</b>					
013 Fringes**	244,941	266,638	21,697	266,638	0
<b>TOTAL</b>	<b>808,131</b>	<b>837,229</b>	<b>29,098</b>	<b>837,229</b>	<b>0</b>
<b>027 - PROFESSIONAL SERVICES</b>					
Hearing Officer Services/ALJ	1,000	1,000	-	1,000	-
Court Reporters/Transcripts	800	800	-	800	-
Copier/Printer/Fax (Ricoh)	4,400	4,400	-	4,400	-
Document Management System (Ricoh)	3,600	3,600	-	3,600	-
Other Miscellaneous	500	500	-	500	-
<b>Sub-Total</b>	<b>10,300</b>	<b>10,300</b>	<b>-</b>	<b>10,300</b>	<b>-</b>
<b>040 - MATERIALS AND SUPPLIES</b>					
040 Materials and Supplies	3,395	3,395	-	3,395	-
<b>Sub-Total</b>	<b>3,395</b>	<b>3,395</b>	<b>-</b>	<b>3,395</b>	<b>-</b>
<b>081 - SERVICES OF OTHER DEPTS</b>					
081 Human Resources 081H8	25,100	75,100	50,000	75,100	-
081 TIS-Telephone 081ET	2,802	2,802	-	2,802	-
081 DT Enterprise Allocation CI	9,219	9,219	-	9,219	-
081 DT Virtual Server (for 2014-16)		3,000	3,000	3,000	-
081 Purchasing Mail Services 081PM	4,340	4,340	-	4,340	-
081 Purchasing Repro 081PR	762	523	(239)	523	-
081 GF Rent Paid to Real Estate	58,453	58,453	-	58,453	-
081 City Attorney's Office		50,000	50,000	50,000	-
<b>Sub-Total</b>	<b>100,676</b>	<b>203,437</b>	<b>102,761</b>	<b>203,437</b>	<b>-</b>
<b>TOTAL BUDGET</b>	<b>922,502</b>	<b>1,054,361</b>	<b>131,859</b>	<b>1,054,361</b>	<b>0</b>
<b>BASE GENERAL FUND SUPPORT</b>	<b>612,502</b>	<b>744,361</b>	<b>131,859</b>	<b>744,361</b>	<b>0</b>
<b>Expenditure Recovery</b>	<b>-310,000</b>	<b>(310,000)</b>		<b>(310,000)</b>	
Public Transportation	-140,000	(140,000)		(140,000)	
PUC	-170,000	(170,000)		(170,000)	
<b>General Fund Support Approved LY</b>	<b>612,502</b>	<b>641,361</b>		<b>625,424</b>	
<b>GENERAL FUND SUPPORT TARGET FOR FY 2014-16</b>		<b>631,741</b>			
<b>Difference (GFS-GFST)</b>		<b>(112,620)</b>		<b>(118,937)</b>	
<b>Difference in %</b>		<b>-15.1%</b>		<b>-16.0%</b>	

\*As of December 31, 2013, the department has not yet received the estimated costs for salary and benefits from the Mayor's Office for Fiscal Year 2015-16.

**PREVIOUS STAFF REPORT**  
**SUBMITTED ON DECEMBER 16, 2013**



# CIVIL SERVICE COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE  
MAYOR

Date: December 16, 2013

To: Civil Service Commission

Through: Jennifer Johnston *JJ*  
Executive Officer

From: Sandra Eng *SE*  
Assistant Executive Officer

Subject: **Fiscal Years 2014-15 and 2015-16 Mayor's Budget Instructions and Department Budget Preparation Schedule**

SCOTT R. HELDFOND  
PRESIDENT

E. DENNIS NORMANDY  
VICE PRESIDENT

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COMMISSIONER

GINA M. ROCCANOVA  
COMMISSIONER

Departments are required to submit a Two-Year Budget Plan for Fiscal Years 2014-15 and 2015-16. This report outlines the Civil Service Commission Budget Request.

### I. Planning Calendar

The Mayor's Office has not yet issued its Budget Instructions for FY 2013-14 and 2014-15 but tentatively has a meeting scheduled for December 12, 2013. 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, 2014.

IFER C. JOHNSTON  
EXECUTIVE OFFICER

TARGET DATE	DESCRIPTION
December 12, 2013 (tentative date)	Mayor's Budget Instructions for Fiscal Years 2014-15 and 2015-16 distributed to departments
December 12, 2013 - January 2, 2014	Preliminary Work: Preparation of Draft Budget Request
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### II. Budget Outlook for Fiscal Years 2014-15 and 2015-16

After the meeting with the Mayor's Office, the department will be informed of its budget target for the next two (2) fiscal years. Agreements after labor negotiations and benefit cost growth will not be known until 2014.

THIS DOCUMENT IS PARTS  
CALENDAR FOR 2014 6

### III. Fiscal Year 2013-14 Overview

#### A. Summary of Current Fiscal Year 2013-14

Below is a final Fiscal Year 2013-14 (current) Civil Service Commission Budget. The total budget allocation was \$922,502, of which \$612,502 was General Fund Support. The remaining support consisted of Interdepartmental Expenditure Recovery totaling \$310,000.

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.

<b>Account</b>	<b>FY 2013-14 Adopted Budget</b>	<b>Total</b>
<b>Salary and Fringe Benefits</b>		
Permanent Salaries	563,190	
Temporary Salaries	1,500	
Mandatory Fringe Benefits	244,941	
	Sub-total	808,131
Professional Services	10,300	
Material and Supplies	3,395	
Services of Other Departments	100,676	
	Sub-total	114,371
<b>General Fund Support</b>		<b>612,502</b>
<b>Interdepartmental Recovery</b>		<b>310,000</b>
<b>Total Budget Appropriation</b>		<b>922,502</b>

#### B. Fiscal Year 2013-14 Staffing

The Commission's Fiscal Year 2013-14 budget includes a budgeted staff of 6.0 FTE:

- Two Administrators
  - Executive Officer (Job Code 0961 Executive Officer, CSC)
  - Assistant Executive Officer (Job Code 0951 Deputy Director I)
- One Professional
  - Merit System Review/Audit and Employee Relations Ordinance Administrator (Job Code 1244 Senior Personnel Analyst)
- Three Technical and Support Staff
  - Rules, Personnel & Office Coordinator (Job Code 1203 Personnel Technician)
  - Appeals Coordinator (Job Code 1840 Junior Management Assistant)
  - Administrative Staff Assistant (Job Code 1426 Senior Clerk Typist)



#### **IV. Fiscal Year 2014-15 and Fiscal Year 2015-16 Budget Request**

As indicated, the current Fiscal Year 2013-14 budget allocation for the Civil Service Commission is \$922,502, of which \$612,502 is General Fund Support. As of the submission date of this staff report, December 11, 2013, the departments have not yet received the Fiscal Years 2014-16 Budget Instructions from the Mayor's Office. Benefit cost growth will not be known until 2014.

The Budget Request for Fiscal Years 2014-15 and 201-16 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. 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 2014-15 and 2015-16 Budget Request at current service and staff levels; continue to negotiate amounts; present Budget Request at the Commission meeting of January 6, 2014; incorporate changes made by the Commission up to the Budget Request submission deadline; and approve to submit the Fiscal Years 2014-15 and 2015-16 Budget Request to the Controller and the Office of the Mayor by February 21, 2014.