



# CIVIL SERVICE COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

Date: January 7, 2019

To: Civil Service Commission

Through: Michael L. Brown *MB*  
Executive Director

From: Sandra Eng *SE*  
Deputy Director

Subject: **Fiscal Years 2019-21 Mayor’s Budget Instructions and Department Budget Preparation**

### I. Schedule of Commission Budget Review

The Civil Service Commission (Commission) approved its Department Budget Planning Calendar at its meeting on December 17, 2018 as follows:

TARGET DATE	DESCRIPTION
December 18, 2018 – January 4, 2019	Preliminary Work: Preparation of Draft Budget Request
January 4, 2019	Civil Service Commission reviews and comments on Draft Budget Request
January 4, 2019 – February 1, 2019	Budget Preparation for February 4, 2019 Civil Service Commission meeting
February 4, 2019	Civil Service Commission review and approval of Budget Request
February 4, 2019 until Budget Submission Deadline	Changes made by Civil Service Commission incorporated and final Budget Request prepared
February 21, 2019	Civil Service Commission Budget Request submission due to Controller’s Office
February 21, 2019	Civil Service Commission Budget Request submission due to Mayor’s Office

### II. Mayor’s Budget Instructions and Outlook for Fiscal Years 2019-21

The Mayor’s Office projects a General Fund shortfall of approximately \$270.8 million in the next two years based on current operations, staffing levels, and estimated revenues. The Mayor’s Office has instructed the Civil Service Commission to propose ongoing reductions of 2.0% or \$18,343 for Fiscal Year 2019-20 and additional ongoing reductions of 2.0% or \$18,343 for Fiscal Year 2020-21.

As stated in the previous staff report, the Mayor’s Office projection includes continued tax revenue growth in the short-term offset by expenditure growth largely related to rising employee costs (pension being the biggest factor), increasing voter mandated commitments through baselines and

set-asides (i.e. Children's Services, Library, Municipal Transportation Agency, and Street Tree Maintenance), and growing required contributions to support existing entitlement services.

The Mayor's Office has instructed the Civil Service Commission on the following:

1. Submit a budget including ongoing savings equal to 2.0% or \$18,343 of base General Fund Support for Fiscal Year 2019-20 and an ongoing savings equal to 2.0% or \$18,343 of base General Fund Support for Fiscal Year 2020-21.
2. Departments must propose contingency savings equal to 1.0% of base General Fund support for Fiscal Year 2019-20 as well as on-going saving equal to 1.0% of base General Fund support for Fiscal Year 2020-21.
3. Departments must not add new positions in their budget submissions.
4. Departments must have clearly defined goals for programs and initiatives within their budgets, and must consider meaningful ways of measuring and reporting outcomes.
5. Department submissions should be particularly reflective of the goal of achieving equitable outcomes for residents across the City.
6. Consider long-term saving and cost avoidance initiatives in developing budget submissions.
7. Do not propose raising fees or fines for individual San Franciscans and families without strongly considering whether the fee or fine is fair, practical, efficient to collect, and does not disproportionately impact low income communities and communities of color.
8. Departments are encouraged to apply to participate in the City's talent development programs including the San Francisco Fellow Program (formerly City Hall Fellow and the Fish Fellowship, which serve as talent development pipelines for the City. These programs are likely to continue, however, consistent with the instruction to not grow FTEs, it is unlikely that the programs will be larger than the FY 2018-19 level of positions.
9. Consider independent reviews and audits in developing budget submissions.

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

The Fiscal Years 2019-21 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, requests for hearings, Rules, and 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 2019-21 to work to update and revise as appropriate the Civil Service Commission's Rules, policies and procedures and to review with the Department of Human Resources current best practices which may affect our policies and procedures



in an open forum. In calendar year 2018, the Commission resolved 64 appeals, approved Rule Amendments to 1) reduce implicit bias, increase applicant confidentiality while maintaining transparency, 2) removed bargaining units that are no longer recognized as an association representing City employees, 3) provided TWU Local 200 and Local 250A with expanded rule certification rule provisions upon mutual agreement, and 4) deleted CSC Rules Volume X-Rule for Deletion in 2000.

In calendar year 2018, Commission staff conducted 129 Inspection Service Requests, received 7 public record requests, and received 1 administrative record request. Such efforts require not only a significant amount of staff time and resources to meet with stakeholders to review current issues that reflect the effectiveness of the City's procedures and merit system, but also the time and energy to research Commission history, applicable laws and best practices before responding to requests.

Included in the department's five year strategic plan is to create greater transparency and improve the department's efficiency in responding to stakeholders in a timely manner. The Executive Director conducts training on the Merit System and the Appeal Process for 1249 Personnel Analyst Trainees, Accountant Internship Program, investigative staff of other departments, employee organizations, and other interested stakeholders. Commission staff continues to meet with department heads and human resources management (i.e. Controller's Office, Ethics Commission, Municipal Transportation Agency, Human Services Agency, Department of Human Resources), about the flexibility in the Rules and policies and possible resources available to increase employment opportunities for residents of San Francisco and while still hiring qualified candidates. In 2018, with two out of six employees on a leave of absence, the department recently hired a temporary exempt 1241 Human Resources Analyst to assist the Executive Director on special projects and training and our 1426 Senior Clerk was placed on Acting Assignment to assist with meeting preparation, payroll, and inspection service requests.

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

The increase in rent and the estimated increase in fringe benefits and salaries (i.e. labor negotiations) have made it a challenge to meet the Mayor's Target of 2% reduction in Fiscal Year 2019-20 and an additional 2% reduction in Fiscal Year 2020-21. With the increases in salary and fringe benefits, the Department was unable to make any reductions without proposing layoffs.

Although the Department is committed to meeting the Mayor's target, the Department must also carry out its mission in overseeing the merit system to provide qualified persons for appointment to City Departments that provide services for San Francisco City and County. The Mayor has instructed department heads to update their strategic plans to align with the elements of San Francisco's vision outlined earlier in Section II. Even with a very lean staff, the Department is working with other departments who have direct relationships with the San Francisco neighborhoods to develop training and educate on how to compete in an open merit based system. The Department understands the importance of creating a diverse, equitable and inclusive City staff to respond to the needs of San Francisco. As an adjudicative body, the Department reviews the merit system process for all including applicants who seek to become civil service employees. The Commission is unable to make further reductions for General Fund Support. With the continuation of the Interdepartmental Recovery amount of \$360,839, the Commission will need to request General Fund Support of \$954,055 for Fiscal Year 2019-20 and \$988,896 for Fiscal Year 2020-21.

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

All of the Commission's fiscal resources are allocated to perform 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, City Attorney's Office, 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.

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 mandated by the San Francisco Charter and provided by the Civil Service Commissioners. The Executive Officer will ardently advocate for sufficient funding to support the Commission's full complement of staff.

## **VI. Summary of Fiscal Years 2019-21 Request**

As indicated, the Executive Director will be requesting that the Commission not be required to reduce its budget by 2% in Fiscal Year 2019-20 and an additional 2% in Fiscal Year 2020-21 as instructed by the Mayor's Office so that the Department can remain at 6.0 FTE and current resource levels. The Commission's Fiscal Year 2019-20 Budget Total is \$1,314,894 with the department requesting General Fund Support in the amount of \$954,055. The Commission's Fiscal Year 2020-21 Budget Total is \$1,349,735 with the department requesting General Fund Support in the amount of \$988,896. The Commission will request to continue expenditure recovery through work orders with other departments.

## **VII. Recommendation**

Direct the Executive Director 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 2019-21 Budget Request; incorporate changes made by the Commission and submit the Fiscal Years 2019-21 Budget Request to the Controller and the Mayor by February 21, 2019.

Attachment



**CSC FY 2019-21 PROPOSED BUDGET REQUEST**

**Comparison  
General Fund Support**

	2018-19 Base	2019-20		2020-21	
	Base GF Support	Budget Request	Difference (BR & GFS)	Budget Request	Difference (BR & GFS)
<b>001 - PERSONAL SERVICES</b>					
001 Permanent*	703,536	728,931	25,395	748,351	19,420
005 Temporary	1,538	1,538	-	1,538	-
009 Premium	0	-	-	-	-
<b>Sub-Total</b>	<b>705,074</b>	<b>730,469</b>	<b>25,395</b>	<b>749,889</b>	<b>19,420</b>
<b>013 - FRINGE BENEFITS</b>					
013 Fringes**	287,618	312,462	24,844	327,883	15,421
<b>TOTAL</b>	<b>992,692</b>	<b>1,042,931</b>	<b>50,239</b>	<b>1,077,772</b>	<b>34,841</b>
<b>027 - PROFESSIONAL SERVICES</b>					
Hearing Officer Services/ALJ	1,000	1,000	-	1,000	-
Court Reporters/Transcripts	1,000	1,000	-	1,000	-
Copier/Printer/Fax (Ricoh)	5,000	5,000	-	5,000	-
Document Management System	3,600	3,600	-	3,600	-
Translator/Interpreter	1,000	3,000	2,000	3,000	-
Other Miscellaneous	24,195	22,195	(2,000)	22,195	-
<b>Sub-Total</b>	<b>35,795</b>	<b>35,795</b>	<b>-</b>	<b>35,795</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	25,100	-	25,100	-
081 Human Resources (1244) 081H4	22,267	22,267	-	22,267	-
081 TIS-Telephone 081ET	2,427	2,208	(219)	2,208	-
081 DT Enterprise Allocation CI	11,930	12,395	465	12,395	-
81 Enterprise Agreement 081EA	775	798	23	798	-
081 Purchasing Mail Services 081PM	4,340	4,340	-	4,340	-
081 Purchasing Repro 081PR	762	762	-	762	-
081 GF Rent Paid to Real Estate	72,589	74,903	2,314	74,903	-
081 City Attorney's Office 081CT	90,000	90,000	-	90,000	-
<b>Sub-Total</b>	<b>230,190</b>	<b>232,773</b>	<b>2,583</b>	<b>232,773</b>	<b>-</b>
<b>TOTAL BUDGET</b>	<b>1,262,072</b>	<b>1,314,894</b>	<b>52,822</b>	<b>1,349,735</b>	<b>34,841</b>
<b>General Fund Support Approved LY</b>	<b>812,562</b>				
<b>Expenditure Recovery</b>	<b>-360,839</b>	<b>(360,839)</b>		<b>(360,839)</b>	
Public Transportation	-160,839	(160,839)		(160,839)	
PUC	-200,000	(200,000)		(200,000)	
<b>ORIGINAL BASE GENERAL FUND SUPPORT</b>		<b>954,055</b>		<b>988,896</b>	
<b>GENERAL FUND SUPPORT REQUEST</b>		<b>954,055</b>		<b>988,896</b>	
<b>MAYOR'S GFS TARGET FOR FY 2019-21</b>		<b>935,712</b>	<b>2% Reduction</b>	<b>952,210</b>	<b>Additional 2% Reduction</b>
<b>(Base General Fund Support-GF Request)</b>		<b>0</b>		<b>0</b>	
<b>reduction %</b>		<b>0.0%</b>		<b>0.0%</b>	