



CIVIL SERVICE COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Date: December 19, 2022

To: Civil Service Commission

Through: Sandra Eng
Executive Officer

From: Lavena Holmes *Lavena Holmes*
Deputy Director

Subject: **Fiscal Years 2023-24 and 2024-25 Mayor’s Budget Instructions and Department Budget Preparation Schedule**

Departments are required to submit a fixed Two-Year Budget Plan for Fiscal Years 2023-24 and 2024-25. This report outlines the Civil Service Commission Budget Request.

I. Planning Calendar

The Mayor’s Office will issue its detailed Budget Instructions for FY 2023-24 and 2024-25 on Friday, December 16, 2022 and met with department heads on December 15, 2022, to discuss the five-year financial plan goals for the City. All City 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, 2023.

TARGET DATE	DESCRIPTION
December 15, 2022 – January 25, 2023	Preliminary Work: Preparation of Draft Budget Request
January 25, 2023	Civil Service Commission reviews and comments on Draft Budget Request
January 6, 2023– February 5, 2023	Budget Preparation for February 6, 2023 Civil Service Commission meeting
February 6, 2023	Civil Service Commission review and approval of Budget Request
February 6, 2023 until Budget Submission Deadline	Changes made by Civil Service Commission incorporated and final Budget Request prepared
February 21, 2023	Civil Service Commission Budget Request submission due to Controller’s Office
February 21, 2023	Civil Service Commission Budget Request submission due to Mayor’s Office

II. Budget Outlook for Fiscal Years 2023-24 and 2024-2025

The Mayor’s Office projects slow growth outlook over the next two-year budget cycle. A deficit of approximately \$728 is projected over the next two years due to weak revenue outlook increased pension costs, loss of federal revenues, low growth in property tax, low business tax, highest office vacancy rate and depletion of one-time FEMA sources. The Mayor’s Office is also asking general fund departments to make 5% reduction in year 1 and 8% reduction in year 2.

III. Fiscal Year 2022-23 Overview

A. Summary of Current Fiscal Year 2022-23

Below is a final Fiscal Year 2022-23 (current) Civil Service Commission Budget. The total budget allocation was \$1,447,365 of which \$1,016,526 was General Fund Support. The remaining support consisted of Interdepartmental Expenditure Recovery totaling \$430,839.

This budget supports the administration of the three (3) major programs, the 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 2022-23 Adopted Budget	Total
Salary and Fringe Benefits		
Permanent Salaries	821,941	
Temporary Salaries		
Mandatory Fringe Benefits	323,205	
	Sub-total	1,145,146
Non-Professional Services	28,795	
Material and Supplies	3,395	
Services of Other Departments	270,029	
	Sub-total	302,219
General Fund Support		1,016,526
Interdepartmental Recovery		430,839
Total Budget Appropriation		1,447,365

B. Fiscal Year 2022-23 Staffing

The Commission's Fiscal Year 2022-23 budget includes a budgeted staff of 6.0 FTE:

- Two Administrators
 - Executive Officer (Job Code 0961 Department Head I)
 - Deputy Director (Job Code 0951 Deputy Director I)
- Two Professional Staff
 - Merit System Review/Audit and Employee Relations Ordinance Administrator (Job Code 1244 Senior Human Resources Analyst)
 - Public Records/Inspection Service Request Investigator (Job Code 1241 Human Resources 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 2023-24 and Fiscal Year 2024-25 Budget Request

As indicated, the current Fiscal Year 2022-23 budget allocation for the Civil Service Commission is \$1,447,365 of which \$1,016,526 is General Fund Support. Benefit cost growth and salaries were negotiated earlier this year and resulted in a 10% cumulative wage increase over two fiscal years.

The Budget Request for Fiscal Years 2023-24 and 2024-25 must provide adequate levels of funding for the Civil Service Commission to operate at its optimal functional capacity of overseeing the merit system and Rule-making authority to provide qualified persons for appointment to City and County positions. Commission staff conducts meetings, trainings and informational sessions with departmental human resources leadership and their staff, City employees, union organizations, and the public on Rule and policy clarification, hiring issues, appealable matters, and charter mandates. Commission staff also continues to work closely with the Department of Human Resources on expedited hiring and hiring modernization. As well as participating as a racial equity leader and member of the workforce working group with the Office of Racial Equity on the implementation of the various departmental race equity action plans and initiatives to advance the City's diversity, equity and inclusion goals.

The Committee on Policies and Rules (COPAR) recently resumed monthly meetings in Q2 and is actively proposing rule changes and reviewing Charter Sections, San Francisco Administrative Code, DHR Policies and Procedures, hiring practices for types of hiring (i.e. 3rd, 37th and 48th supplement), and the importance of having open discussions with managers, employees, employee organizations and the public on any proposed changes. The Executive Officer and/or Deputy Director will be training particularly new departmental personnel officers and their staff on the merit system and reaching out to employee organizations and community partners.

The Mayor's policy priorities are economic recovery, the downtown core, public safety, street's condition, homelessness and mental health, and accountability and equity.

While we anticipate potential budget cuts, it is clear that even the loss of 1.0 FTE in our 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. Commission staff will prepare the budget request without affecting the services required of the Civil Service Commission, while still seeking ways to expedite and improve the hiring process in a way that is equitable, retains fairness and transparency and continues to provide the best qualified candidates to serve the residents of San Francisco.

V. Recommendation

Direct Commission staff to prepare Fiscal Years 2023-25 Budget Request to maintain or improve the appropriate staffing levels to meet ongoing and future service needs; continue to negotiate amounts necessary to achieve optimal results; present Budget Request at the Commission meeting of January 25, 2023; incorporate changes made by the Commission up to

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the Budget Request submission deadline; and approve to submit the Fiscal Years 2023-25 Budget Request to the Controller and the Office of the Mayor by February 21, 2023.