



# CIVIL SERVICE COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

Date: January 25, 2023

To: Civil Service Commission

Through: Sandra Eng  
Executive Officer

From: Lavena Holmes  
Deputy Director

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

### **I. Introduction**

At its meeting of December 19, 2022, the Civil Service Commission (Commission) received the report of the Mayor's budget instructions and encouraged directed 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 the service needs and the number of staff required to continue its Charter mandated functions. This staff report provides a more detailed overview of the Commission's budget with the updated figures.

### **II. Allocation of Fiscal Resources**

The Charter provides the Commission with general powers and duties to adopt Rules, policies, and procedures to carry out the civil service merit system provisions of the Charter.

The Commission is required to maintain its objective to modernize and strengthen the operation of the City and County's Merit System, consisting of these important functions:

- 1) Maintain and administer the regular schedule of meetings and hearings of the Commission as a policy and appeals body and carrying out the decisions of the Commission
- 2) Meet with employees, departments, and employee organizations to review current trends and concerns in public sector employment including Racial Equity Action Plans; and the effectiveness of the City's merit system procedures having a positive impact on these issues
- 3) Update and improve the Civil Service Commission Rules, policies, and procedures accounting for technologized merit system activities (e.g., recruitment, examination, certification, and appointment) in order to expedite examination processes, increase the number of permanent civil service hires and continue to decrease exempt hiring to the extent exempt hires impede the City's ability to provide essential services

- 4) Streamline the process for reviewing and resolving appeals and other disputes while providing employees every opportunity provided with the rules to have their voice heard
- 5) Conduct audits and Inspection Services on other City departments' application of the merit system rules, regulations, policies and procedures
- 6) Increase Commission staff's ability to offer training and informative presentations to City departments and employee organizations. This includes enabling access to its Rules, activities and actions through informational bulletins, technological advancements and increased availability of online materials and engagement

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. Professional services include lease of copier/printer, equipment maintenance and when needed, court reporter, transcription services, and hearing officers.

### **III. Mayor's Office Instructions**

As previously indicated in the Department's December 19, 2022, staff report, "the City is projecting a budget shortfall of approximately \$728.3 million with a \$200.8 million deficit in the first year and \$527.6 million in the second year. The shortfall is the result of slowed revenue growth, specifically the City's largest tax revenues that include property and business tax, and loss of temporary federal COVID-19 funding. To address this shortfall, the Mayor instructed departments to propose reductions of approximately 5% in the first year and 8% in the second year from their General Fund budgets. Additionally, the Mayor directed department heads to prioritize filling vacant positions for core City services that will support San Francisco's recovery."

For the Civil Service Commission the budget targets translate to a \$51,484 budget reduction in the first year and \$82,375 in year two.

### **IV. Proposed Budget Request**

Meeting the Mayor's target will be an incredible challenge even if we are only able to meet it in part. There are cost increases to salaries and benefits including two COLA increases in the first year. In July 2023 the salary increase is 2.5% and in January 2024 the salary increase is 2.25%. Undoubtedly, there will also be increases in necessary work orders with the Department of Human Resources, Real Estate, and the Department of Technology (IT and Telephone). As indicated earlier, the Civil Service Commission has clearly defined goals as an appellate and policy making body, utilizing our meetings to resolve appeals, clarify and update our Rules, ensure equity and fairness and increase the number of permanent civil service hires.

Over the past nearly three years of uncertainty and constant adaptation, the Executive Officer and Deputy Director remains in constant consultation with union leaders, management, human resources staff, and employees citywide regarding matters such as application of Civil Service Commission Rules and policies, understanding the Mayor's Proclamations and supplements, racial equity action plans, authority of the Human Resources Director, and clarification on which matters are under the jurisdiction of the Civil Service Commission versus other governing bodies. At the same time, human resources managers, the City Attorney's Office, the Whistleblower Program, and union representatives/shop stewards consult with the Executive Officer when historical knowledge combined with experience applying the Rules and policies in addition to the Department of Human Resources Policies and Procedures is required to find a solution regarding employee matters.

Prior to the pandemic, Commission staff regularly conducted trainings on the Merit System, Hearings, and the Appeal Process, and responding to Inspection Service Requests. Starting in the second quarter of the fiscal year requests for training began surfacing again and Commission staff is busy revising training materials to accommodate the scheduling of in-person, virtual and hybrid training requests. We have learned that participants appreciate the opportunity to meet with Commission staff in a learning environment to attend the informative and engaging sessions that provide time and space for participants' questions. During the pandemic, the Executive Officer has conducted a few trainings virtually and participated in a town hall meeting but has found them to be less engaging with attendees than when meeting in-person. With the statewide emergency lifting on March 1, 2023, we are confident we will resume more in-person training in the current fiscal year.

Responses from the Racial Equity Leaders have informed the Executive Officer that an increase in training for hiring managers is required. Presently, there is a limited understanding on the applicability of the Civil Service Commission Rules and often hiring managers are informed or have a perception that certain procedures are prohibited due to the Civil Service Commission Rules without further explanation and become resistant or reluctant to rule application based on this misinformation/misconception. We would like to correct their perceptions and provide them with an opportunity to share their experiences to assist our office when proposing rule/policy changes.

Commission staff work assignments were restructured so the Senior Human Resources Analyst is assigned to conduct the majority of inspection service requests in addition to salary surveys of the elected officials and responding to matters under the Employee Relations Ordinance (e.g., decertification, recognition, bargaining unit complaints, unfair labor practices for peace officers). The increase in the number of inspection service requests and appeals particularly as a result of the types of hiring transactions prompted by the supplemental ordinances of the Mayoral Emergency Declaration resulted in having to reorganize the department so the temp-exempt Human Resources Analyst could assist with conducting Inspection Service Requests as well as coordinate appeals, and the preparation of the agendas, minutes, and all meeting notifications were reassigned to the Personnel Technician. This organizational structure while efficient and effective in the short term does not lend itself to cross-training and impedes the

ability to effectively manage commission meetings when a staff member is out of the office leading up to or during a commission meeting.

To continue working further with the Department of Human Resources, Office of Race Equity and the Department of Technology and other City departments on the technology development and application of the Merit System and their Racial Equity Action Plans, the Civil Service Commission requires increased staffing of at least one full-time professional staff whose responsibilities include the following:

- Connect and transform data from multiple HR systems in actionable analysis and forecasts that supports the Commission's business needs. Connect the dots across employee sentiment, manager feedback, union input and diversity & inclusion goals to surface insights and drive action
- Build and develop analytical solutions; leverage new and existing technologies to inform commission decisions
- Conduct research and develop tools to collect and analyze data and information from multiple sources
- Build relationships with leaders and stakeholders across City departments to understand their business needs and leverage analytics to support Commission recommendations
- Prepare high-quality intuitive reports, proposals, graphs, charts and analyses; synthesize insights; make clear, concise, and visually stimulating presentations to internal and external stakeholders with varying priorities.
- Attend the Office of Racial Equity meetings and collaborating with racial equity leaders from other departments as the commission's Race Equity Leader
- Conduct trainings on the Merit System, Appeals and Staff Reports, Policies and Procedures for Personal Service Contracts in collaboration with the Deputy Director and Executive Officer, and partner with human resources management in other departments to conduct trainings for hiring managers. These trainings are also offered to employee organizations.

## **V. Summary**

The Executive Officer has made every effort not to exhaust the budget and to create salary savings to support the request for an additional full-time equivalent position (FTE) that was rejected in the last budget cycle. The Executive Officer also received expenditure recoveries from the Public Utilities Commission (PUC) and the Municipal Transportation Agency (MTA) totaling \$430,839. It is our hope that with the funding from these two departments along with our salary savings achieved by not backfilling the vacant 1426 Sr. Clerk Typist position when the incumbent accepted a temp-exempt role as a Personnel Analyst position and making some concessions in other areas for the Mayor's targets, we are still able to add the necessary FTE to meet the priorities of the Commission.

The Deputy Director met with the Department of Technology to discuss the department's need for an appeals and inspection services database. The initial discussions were fruitful and the estimated start-up costs were roughly estimated at \$60,000 - \$70,000. The department has advised our Mayor's Budget Office Analyst of this need and in addition to our request for SFGOV TV access for commission meetings. If these requests are supported, we will include them in the budget request.

The Civil Service Commission's base budget request for FY 2023-24 is \$1,088,645 and \$1,122,858 for FY 2024-25 reflecting an increase of \$55,107 in year 1 and \$57,403 in year 2 to account for the salaries of the Executive Officer and Deputy Director with are compensated in ranges B and C of the MEA M CCP salary ranges. These amounts do not capture the Mayor's targeted reductions, the additional FTE (cost – approximately \$160K/annually) nor the appeals/inspection services database, which are still under review.

Attachment A is the spreadsheet showing the base budget as shown in the budget system. Attachment B is the spreadsheet showing the estimated increase in salaries.

## **VI. Recommendation**

Direct the Executive Officer to continue to negotiate with the Offices of the Mayor and the Controller to ensure that every attempt is made to meet the Mayor's targets while ensuring Commission's budget sufficiently supports anticipated service and staff with a contingency for potential changes in FY 2023-24 after further discussions concerning the hearing of appeals regarding discrimination matters and to continue its Charter mandated functions. In addition, finalize the Fiscal Years 2023-25 Budget Request; incorporate changes made by the Commission and submit the Fiscal Years 2023-25 Budget Request to the Controller and the Mayor by February 21, 2023.

Attachments (2)

**CSC FY 2022-24 PROPOSED BUDGET REQUEST**

**Comparison**  
General Fund Support

	2022-23 Base	2023-24	2023-24		2024-25
	Base GF Support	Budget System	Budget Actual	Difference (BS & BA)	Budget System
<b>001 - SALARIES</b>					
001 Permanent	821,941	848,129	903,236	(55,107)	883,535
005 Temporary				-	
009 Premium	-	-			
<b>Sub-Total</b>	<b>821,941</b>	<b>848,129</b>	<b>903,236</b>	<b>(55,107)</b>	<b>883,535</b>
<b>013 - FRINGE BENEFITS</b>					
013 Fringes**	323,205	308,034	308,034		304,545
<b>TOTAL</b>	<b>1,145,146</b>	<b>1,156,163</b>	<b>1,211,270</b>	<b>(55,107)</b>	<b>1,188,080</b>
<b>027 - PROFESSIONAL SERVICES</b>					
Hearing Officer Services/ALJ	16,000	16,000	16,000	-	16,000
Court Reporters/Transcripts	1,000	1,000	1,000	-	1,000
Copier/Printer/Fax (Ricoh)	5,000	5,000	5,000	-	5,000
Document Management System	5,000	5,000	5,000	-	5,000
Translator/Interpreter	1,000	1,000	1,000	-	1,000
Other Miscellaneous	795	795	795	-	795
<b>Sub-Total</b>	<b>28,795</b>	<b>28,795</b>	<b>28,795</b>	<b>-</b>	<b>28,795</b>
<b>040 - MATERIALS AND SUPPLIES</b>					
040 Materials and Supplies	3,395	3,395	3,395	-	3,395
<b>Sub-Total</b>	<b>3,395</b>	<b>3,395</b>	<b>3,395</b>	<b>-</b>	<b>3,395</b>
<b>SERVICES OF OTHER DEPTS</b>					
581490 Human Resources 081H8	25,100	25,100	25,100	-	25,100
581470 Human Resources (1244) 081H4	22,955	22,955	22,955	-	22,955
Human Resources Modernization	408	418	418		418
Human Resources Diversity Equity Inclusion	153	154	154		154
Human Resources EEO	2,510	2,527	2,527		2,527
581360 TIS-Telephone 081ET	806	828	828		828
581210 DT Enterprise Allocation CI	16,189	17,596	17,596		17,596
581325 Enterprise Agreement 081EA	2,933	3,893	3,893		3,893
581820 IS-Purch and Reproduction 081PM	5,102	5,102	5,102	-	5,102
581890 GF Rent Paid to Real Estate	103,873	107,451	107,451		107,451
581270 City Attorney's Office 081CT	90,000	90,000	90,000	-	90,000
<b>Sub-Total</b>	<b>270,029</b>	<b>276,024</b>	<b>276,024</b>		<b>276,024</b>
<b>TOTAL BUDGET</b>	<b>1,447,365</b>	<b>1,464,377</b>	<b>1,519,484</b>	<b>(55,107)</b>	<b>1,496,294</b>
<b>General Fund Support Approved LY</b>					
<b>Expenditure Recovery</b>	<b>(430,839)</b>	<b>(430,839)</b>	<b>(430,839)</b>		<b>(430,839)</b>
Public Transportation	(180,839)	(180,839)	(180,839)		(180,839)
PUC	(250,000)	(250,000)	(250,000)		(250,000)
<b>ORIGINAL BASE GENERAL FUND SUPPORT</b>	<b>1,033,538</b>	<b>1,033,538</b>	<b>1,033,538</b>		<b>1,065,455</b>
<b>GENERAL FUND SUPPORT REQUEST</b>	<b>1,016,526</b>	<b>1,033,538</b>	<b>1,088,645</b>	<b>(55,107)</b>	<b>1,065,455</b>
<b>MAYOR'S GFS TARGET FOR FY 2022-24</b>		982,054			983,080
<b>Amount Over (Under) Mayor's Target</b>		51,484			82,375
		5.0%			7.7%

**CSC FY 2022-24 PROPOSED BUDGET REQUEST**

**Comparison  
General Fund Support**

	<b>2024-25</b>	
	<b>Budget</b>	<b>Difference</b>
	<b>Actual</b>	<b>(BS &amp; BA)</b>
<b>001 - SALARIES</b>		
001 Permanent	940,938	(57,403)
005 Temporary		-
009 Premium		
<b>Sub-Total</b>	<b>940,938</b>	<b>(57,403)</b>
<b>013 - FRINGE BENEFITS</b>		
013 Fringes**	304,545	
<b>TOTAL</b>	<b>1,245,483</b>	<b>(57,403)</b>
<b>027 - PROFESSIONAL SERVICES</b>		
Hearing Officer Services/ALJ	<b>16,000</b>	
Court Reporters/Transcripts	<b>1,000</b>	-
Copier/Printer/Fax (Ricoh)	<b>5,000</b>	-
Document Management System	<b>5,000</b>	
Translator/Interpreter	<b>1,000</b>	
Other Miscellaneous	<b>795</b>	
<b>Sub-Total</b>	<b>28,795</b>	-
<b>040 - MATERIALS AND SUPPLIES</b>		
040 Materials and Supplies	<b>3,395</b>	-
<b>Sub-Total</b>	<b>3,395</b>	-
<b>SERVICES OF OTHER DEPTS</b>		
581490 Human Resources 081H8	<b>25,100</b>	
581470 Human Resources (1244) 081H4	<b>22,955</b>	-
Human Resources Modernization	<b>418</b>	
Human Resources Diversity Equity Inclusion	<b>154</b>	
Human Resources EEO	<b>2,527</b>	
581360 TIS-Telephone 081ET	<b>828</b>	-
581210 DT Enterprise Allocation CI	<b>17,596</b>	-
581325 Enterprise Agreement 081EA	<b>3,893</b>	
581820 IS-Purch and Reproduction 081PM	<b>5,102</b>	-
581890 GF Rent Paid to Real Estate	<b>107,451</b>	-
581270 City Attorney's Office 081CT	<b>90,000</b>	
<b>Sub-Total</b>	<b>276,024</b>	-
<b>TOTAL BUDGET</b>	<b>1,553,697</b>	<b>(57,403)</b>
<b>General Fund Support Approved LY</b>		
<b>Expenditure Recovery</b>	<b>(430,839)</b>	
Public Transportation	(180,839)	
PUC	(250,000)	
<b>ORIGINAL BASE GENERAL FUND SUPPORT</b>	<b>1,065,455</b>	
<b>GENERAL FUND SUPPORT REQUEST</b>	<b>1,122,858</b>	<b>(57,403)</b>
<b>MAYOR'S GFS TARGET FOR FY 2022-24</b>		
<b>Amount Over (Under) Mayor's Target</b>		