



**CIVIL SERVICE COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**LONDON N. BREED  
MAYOR**

Date: December 18, 2023

To: Civil Service Commission

Through: Sandra Eng  
Executive Officer

From: Lavena Holmes *Lavena Holmes*  
Deputy Director

Subject: **Fiscal Years 2024-25 and 2025-26 Mayor’s Budget Instructions and Department Budget Preparation Schedule**

Departments are required to submit a fixed Two-Year Budget Plan for Fiscal Years 2024-25 and 2025-26. This report outlines the Civil Service Commission Budget Request.

**I. Planning Calendar**

The Mayor’s Office issued its detailed Budget Instructions for FY 2024-25 and 2025-26 on December 11, 2023 and met with department heads on December 13, 2023. 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, 2024.

TARGET DATE	DESCRIPTION
December 11, 2023 – January 30, 2024	Preliminary Work: Preparation of draft budget request
January 30 2024	Civil Service Commission reviews and comments on draft budget request
December 13, 2023– February 4, 2024	Budget preparation for February 5, 2024 Civil Service Commission meeting
February 5, 2024	Civil Service Commission review and approval of budget request
February 5, 2024 until Budget Submission Deadline	Changes made by Civil Service Commission incorporated and final budget request prepared
February 21, 2024	Civil Service Commission budget request submission due to Controller’s Office
February 21, 2024	Civil Service Commission budget request submission due to Mayor’s Office by 5:00 PM

**II. Budget Outlook for Fiscal Years 2024-25 and 2025-26**

On December 13, 2023, at the Department Heads meeting, the Mayor’s Office of Public Policy and Finance presented an overview demonstrating the rate of expenditure growth for the City far outpacing City’s General Fund revenues creating **\$245 million** deficit in FY 2023-24, **\$554 million** in FY 2025-26 and worsening deficits in coming years. The five-year fiscal outlook demonstrates projected expenditure to grow by over \$1.3 billion (18%) while revenues are projected to only grow by \$170 million (2 – 3%).

The Mayor's Budget Office instructions to departments include reducing General Fund support 10% in FY 2024-25 and 10% in FY 2025-26 and the submission of contingency proposals for an additional 5% in ongoing reductions each year. Departments are further instructed not to add new FTEs and to eliminate remaining vacancies for savings. Departments are reminded that budget reductions will only help address portions of the total shortfall and the Mayor's Office will convene departments to propose further citywide solutions and strategies. The Mayor's priorities include improving public safety and street conditions, citywide economic vitality, reducing homelessness and transforming mental health service delivery; and accountability and equity in services and spending.

### III. Fiscal Year 2023-24 Overview

#### A. Summary of Current Fiscal Year 2023-24

Below is a final Fiscal Year 2023-24 (current) Civil Service Commission Budget. The total budget allocation was \$1,511,609 of which \$1,080,770 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.

<b>Account</b>	<b>FY 2023-24 Adopted Budget</b>	<b>Total</b>
<b>Salary and Fringe Benefits</b>		
Permanent Salaries	902,920	
Temporary Salaries		
Mandatory Fringe Benefits	330,140	
	<b>Sub-total</b>	1,233,060
Non-Professional Services	28,795	
Material and Supplies	3,395	
Services of Other Departments	246,359	
	<b>Sub-total</b>	278,549
<b>General Fund Support</b>		<b>1,080,770</b>
<b>Interdepartmental Recovery</b>		<b>430,839</b>
<b>Total Budget Appropriation</b>		<b>1,511,609</b>

## **B. Fiscal Year 2024-25 Staffing**

The Commission's Fiscal Year 2024-25 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 2024-25 and Fiscal Year 2025-26 Budget Request**

As indicated, the current Fiscal Year 2023-24 budget allocation for the Civil Service Commission is \$1,511,609 of which \$1,080,770 is General Fund Support. The City will enter labor negotiations in 2024 which may result in salary and benefit changes impacting the budget over the next two fiscal years.

The Budget Request for Fiscal Years 2024-25 and 2025-26 must provide adequate levels of funding for the Civil Service Commission maintain its staffing level and to operate at 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, labor union organizations, and the public on Rule and policy clarification, hiring issues, appealable matters, and charter mandates. Commission staff continues to work closely with the Department of Human Resources on rule change proposals for expedited hiring and hiring modernization. Commission staff also participates as a racial equity thought leader and member of the Pathways and Pipelines Peer Learning co-horts with the Office of Racial Equity on the implementation of the various inlets to City employment and initiatives to advance the City's diversity, equity and inclusion goals.

The Committee on Policies and Rules (COPAR) resumed meetings and is actively proposing rule changes and Civil Service Advisers. Commission staff have been engaged in scheduling and training new departmental personnel officers and their staff on inspection services and the merit system with a focus on having open dialog with managers, employees, employee organizations and community partners to encourage merit system and civil service rules transparency.

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 on the vital merit system oversight provided by the Civil Service Commission as mandated by the Charter. Commission staff will prepare the budget request without reducing the FTE count necessary for the Civil Service Commission to operate efficiently, 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 2024-26 Budget Request to maintain 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 February 5, 2024; incorporate changes made by the Commission by the Budget Request submission deadline; and approve to submit the Fiscal Years 2024-26 Budget Request to the Controller and the Office of the Mayor by February 21, 2024.

