



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

June 13, 2019

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Numbers 190536-190538, 190543, 190639-190640: Memoranda of Understanding (MOU) between the City and County of San Francisco and various Unions representing City bargaining units

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I submit a cost analysis of 6 MOUs between the City and County of San Francisco and various Unions representing employee bargaining units. The MOUs cover the period July 1, 2019 through June 30, 2022.

The MOUs affect approximately 2,700 authorized positions with an overall salary and benefits base of approximately \$650.0 million. Our analysis finds that the MOUs will result in increased costs to the City of \$27.1 million (or 4.2%) of base wage and benefit cost in FY 2019-20, \$51.7 million, (or 8.0%) of base wage and benefit cost in FY 2020-21, and \$76.5 million (or 11.8%) of base wage and benefit cost in FY 2021-22. Approximately 98% of the increased cost is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2020-21 and FY 2021-22 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases were delayed, the estimated cost would be reduced to approximately \$38.9 million and \$63.1 in FY 2020-21 and FY 2021-22, respectively. See Attachments A and B for a detailed listing and analysis of costs for the affected MOUs.

If you have additional questions or concerns, please contact me at 554-7500 or Carol Lu of my staff at 554-7647.

Sincerely,

A handwritten signature in black ink, appearing to be "Ben Rosenfield", enclosed within a large, hand-drawn oval.

Ben Rosenfield
Controller

cc: Carol Isen, ERD
Harvey Rose, Budget Analyst

Attachment A

Combined Costs for All MOUs and Amendments		FY 2019-20	FY 2020-21	FY 2021-22
Wages	\$	18,896,000	\$ 39,284,000	\$ 58,904,000
Wage-Related Fringe Benefits		4,592,000	9,689,000	14,591,000
Premiums		690,000	832,000	981,000
Other Benefits		2,899,000	1,907,000	1,989,000
MOU Total		\$ 27,077,000	\$ 51,712,000	\$ 76,465,000
<i>% of Wage and Benefits Base</i>		4.2%	8.0%	11.8%

Union Detail

File

Number Union

San Francisco Sheriffs' Managers and Supervisors Association		FY 2019-20	FY 2020-21	FY 2021-22
190536	Wages	\$ 624,000	\$ 1,316,000	\$ 1,981,000
	Wage-Related Fringe Benefits	193,000	406,000	612,000
	CalPERS Waiver	286,000	0	0
	POST Certificate	74,000	77,000	80,000
	Job Class Equity Adjustments	42,000	131,000	218,000
	Bilingual Premium	6,000	6,000	6,000
	Tuition Reimbursement	5,000	5,000	5,000
	Canine Pay	1,000	1,000	1,000
	Training Premium	0	0	0
Union Total		\$ 1,231,000	\$ 1,942,000	\$ 2,903,000
<i>% of Wage and Benefits Base</i>		5.3%	8.4%	12.5%

Union of American Physicians and Dentists, Unit 17 & Unit 18		FY 2019-20	FY 2020-21	FY 2021-22
190537-	Wages	\$ 1,733,000	\$ 3,655,000	\$ 5,505,000
190538	Wage-Related Fringe Benefits	426,000	900,000	1,355,000
	CME Reimbursement	111,000	111,000	135,000
	Weekend Differential	34,000	35,000	36,000
	Bilingual Pay	11,000	11,000	11,000
Union Total		\$ 2,315,000	\$ 4,712,000	\$ 7,042,000
<i>% of Wage and Benefits Base</i>		3.8%	7.7%	11.5%

San Francisco Deputy Sheriffs' Association		FY 2019-20	FY 2020-21	FY 2021-22
190543	Wages	\$ 3,778,000	\$ 7,970,000	\$ 12,004,000
	Wage-Related Fringe Benefits	1,001,000	2,112,000	3,181,000
	CalPERS Waiver	1,109,000	0	0
	POST Certificate	251,000	260,000	269,000
	Uniform Allowance	109,000	109,000	109,000
	Bilingual Pay	52,000	52,000	52,000
	Officer Training Premium	54,000	54,000	54,000
	Canine Pay	3,000	3,000	3,000
Union Total		\$ 6,357,000	\$ 10,560,000	\$ 15,672,000
<i>% of Wage and Benefits Base</i>		4.7%	7.8%	11.5%

Service Employees International Union, Local 1021: Staff & Per Diem Nurses

		FY 2019-20	FY 2020-21	FY 2021-22
190639	Wages	\$ 11,159,000	\$ 23,542,000	\$ 35,456,000
	Wage-Related Fringe Benefits	2,727,000	5,754,000	8,665,000
	Advanced Practice Council	8,000	8,000	9,000
	Diversity Committee	3,000	3,000	3,000
	Overtime Committee	16,000	0	0
	Violence Prevention Task Force	3,000	3,000	3,000
	Step Advancement	577,000	597,000	618,000
	Emergency Department Staffing	336,000	464,000	480,000
	Convert 17 Per Diem Nurses to Permanent Civil Service	714,000	985,000	1,026,000
	Medical License Reimbursement	178,000	178,000	178,000
	New Graduates at Laguna Honda Hospital	6,000	6,000	6,000
	Premium at Jail Health	119,000	246,000	381,000
	Parking Pass Pilot Program	5,000	0	0
	Tuition Reimbursement	0	25,000	25,000
	Bilingual Pay Premium	48,000	48,000	48,000
	Union Total \$	15,899,000	\$ 31,859,000	\$ 46,898,000
	<i>% of Wage and Benefits Base</i>	<i>4.0%</i>	<i>8.1%</i>	<i>11.9%</i>

		FY 2019-20	FY 2020-21	FY 2021-22
190640	Teamsters, Local 856: Supervising Registered Nurses			
	Wages	\$ 983,000	\$ 2,073,000	\$ 3,122,000
	Wage-Related Fringe Benefits	245,000	517,000	778,000
	Assignment Premium	34,000	36,000	37,000
	Bilingual Pay Premium	7,000	7,000	7,000
	Workload Committee	6,000	6,000	6,000
	Union Total \$	1,275,000	\$ 2,639,000	\$ 3,950,000
	<i>% of Wage and Benefits Base</i>	<i>3.7%</i>	<i>7.6%</i>	<i>11.3%</i>

Attachment B

In accordance with Ordinance 92-94, the Office of the Controller conducted a cost analysis of 6 MOUs between the City and County of San Francisco and various Unions representing employee bargaining units. The attached analysis reviews the MOUs and one MOU amendment listed below:

- 190536 – San Francisco Sheriffs’ Managers and Supervisors Association
- 190537 – Union of American Physicians and Dentists, Unit 17
- 190538 – Union of American Physicians and Dentists, Unit 18
- 190543 – San Francisco Deputy Sheriffs’ Association
- 190639 – Service Employees International Union, Local 1021: Staff and Per Diem Nurses
- 190640 – Teamsters, Local 856: Supervising Registered Nurses

The MOUs affect approximately 2,700 authorized positions with an overall salary and benefits base of approximately \$650.0 million. Our analysis finds that the MOUs will result in increased costs to the City of \$27.1 million (or 4.2%) of base wage and benefit cost in FY 2019-20, \$51.7 million, (or 8.0%) of base wage and benefit cost in FY 2020-21, and \$76.5 million (or 11.8%) of base wage and benefit cost in FY 2021-22. Approximately 98% of the increased cost is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2020-21 and FY 2021-22 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases were delayed, the estimated cost would be reduced to approximately \$38.9 million and \$63.1 in FY 2020-21 and FY 2021-22, respectively. See Attachments A and B for a detailed listing and analysis of costs for the affected MOUs.

The MOUs share the same citywide wage increases. They increase base wages by 3.0% on July 1, 2019; 1.0% on December 28, 2019; 3.0% on July 1, 2020; 0.5% on December 26, 2020; 3.0% on July 1, 2021; 0.5% on January 8, 2022. As noted above, these mid-year wage increases could be delayed by six months in FY 2020-21 and FY 2021-22 if the Joint Report projects a budget deficit of greater than \$200 million.

Overall, more than 90% of the total cost increase is attributable to citywide wage increases. In addition, most of the MOUs contain provisions to add or change premium pay for certain skills and certifications. Several of the MOUs also adjust compensatory time, floating holidays, and jury duty pay; in most cases, we did not find an additional cost for these provisions.

The MOUs are discussed in more detail below.

File Number 190536 – San Francisco Sheriffs’ Managers and Supervisors Association

The MOU for San Francisco Sheriffs’ Managers and Supervisors Association affects 96 authorized positions with a base salary of \$13.8 million and an overall pay and benefits base of approximately \$23.2 million. We project the MOU will increase costs to the City by \$1.2 million in FY 2019-20, \$1.9 million in FY 2020-21, and \$2.9 million in FY 2021-22. More than 80% of the total cost increase is attributable to the citywide wage increases in each year of the agreement. Increases for CalPERS waiver, premiums, job class equity adjustments, and employee training and development account for the remainder of the cost.

File Number 190537 and 190538 – Union of American Physicians and Dentists, Units 17 and 18

The MOU for Unions of American Physicians and Dentists, Units 17 and 18 affects 182 authorized positions with a base salary of \$47.5 million and an overall pay and benefits base of approximately \$61.4 million. We project the MOU will increase costs to the City by \$2.3 million in FY 2019-20, \$4.7 million in FY 2020-21, and \$7.0 million in FY 2021-22. More than 95% of the total cost increase is attributable to the citywide wage increases in each year of the agreement.

File Number 190543 – San Francisco Deputy Sheriffs’ Association

The MOU for the San Francisco Deputy Sheriffs’ Association affects 721 authorized positions with a base salary of \$81.3 million and an overall pay and benefits base of approximately \$135.8 million. We project the MOU will increase costs to the City by \$6.4 million in FY 2019-20, \$10.6 million in FY 2020-21, and \$15.7 million in FY 2021-22. More than 90% of the total cost increase is attributable to the citywide wage increases in each year of the agreement. Increases for CalPERS waiver, premiums, equipment, and employee training and development account for the remainder of the cost.

File Number 190639 – Service Employees International Union, Local 1021: Staff and Per Diem Nurses

The MOU for SEIU, Local 790 Staff and Per Diem Nurses affects 1,599 authorized positions with a base salary of \$287.3 million and an overall pay and benefits base of approximately \$394.6 million. We project the MOU will increase costs to the City by \$15.9 million in FY 2019-20, \$31.9 million in FY 2020-21, and \$46.9 million in FY 2021-22. More than 90% of the total cost increase is due to the citywide wage increases in each year of the agreement. Increases for step advancement, emergency department staffing, conversion of Per Diem Nurses to Permanent Civil Service classes, premiums, and employee training and development account of the remainder of the cost.

File Number 190640 – Teamsters, Local 856: Supervising Registered Nurses

The MOU for the Teamsters, Local 856, Supervising Nurses affects 114 authorized positions with a base salary of \$25.5 million and an overall pay and benefits base of approximately \$34.9 million. We project the MOU will increase costs to the City by \$1.3 million in FY 2019-20, \$2.6 million in FY 2020-

21, and \$4.0 million in FY 2021-22. About 98% of the total cost increase is attributable to the citywide wage increases in each year of the agreement.