



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

March 21, 2012

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 Number 120189: Amendment to the Memorandum of Understanding (MOU) with the Service Employees International Union, Local 1021

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the Service Employees International Union, Local 1021. The amendment applies to the period commencing March 30, 2012 through June 30, 2012, affecting 10,900 authorized positions with a salary base of approximately \$672.1 million and an overall pay and benefits base of approximately \$980.7 million.

As seen in Attachment A, our analysis projects that this amendment will result in no additional costs or savings to the City during FY 2011-12, increased costs of \$6.2 million in FY 2012-13, and \$5.8 million in FY 2013-14. Previously, SEIU has agreed to recognize these added costs during current negotiations and to credit them as such in any resulting impasse resolution proceedings.

If you have additional questions or concerns please contact me at 554-7500 or Drew Murrell of my staff at 554-7647.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield", written over a horizontal line.

Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Attachment A
SEIU, Service Employees International Union, Local 1021
Estimated Costs/(Savings) FY 2012-13 through FY 2013-14
Controller's Office

<u>Annual Costs/(Savings) (\$ Millions)</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Total BY and BY + 1</u> <u>Cost</u>
Wages			
0.95% base wage reduction	N/A	N/A	N/A
Restoration of base wages equivalent to FY 2008 - 2009 and FY 2009 - 2010 pre-layoff classifications among impacted classes	5.6	5.2	10.8
Restoration of full time status to employees in	0.6	0.6	1.3
Total Estimated Incremental Costs/(Savings)	\$ 6.2	\$ 5.8	\$ 12.1

Notes:

- 1 Fringe and special pay amounts are based on adjusted as FY 2011-12 totals as of the pay period ending 3/2/12. Attrition savings is assumed at 10% based on experience with employees in the impacted group.
- 2 The agreement is projected to have no annual cost or savings impact in FY 2011-12 despite the paragraph 258 amendment establishing the expiration of the 0.95% base wage reduction on March 31, 2012, because the reduction's purpose of funding layoff premiums through June 30 2012 is projected to have been fulfilled by the expiration date.