



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 5, 2024

RE: File 240551 – Charter Amendment to Reform Per Diem Nurse Retirement Credit and Public Safety Communications Personnel Retirement Plan

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government – ranging from \$3.8 million to \$6.7 million annually in the first year, with annual costs increasing over time.

Per Diem Nurse Retirement System Credit

The proposed Charter amendment would allow registered nurses in a SFERS eligible job classification to buy back up to three years of retirement service credit for time spent working as a per diem nurse. Currently, time worked as a per diem nurse is not eligible to earn retirement service credit.

The estimated annual cost of increased City retirement contributions would depend on the number of individuals who buy back prior service credit and could range from approximately \$1.5 million to \$4.4 million per year in increased City retirement contributions. For context, as of July 1, 2023, 1,400 registered nurses actively working for the City would be eligible to buy back per diem service credit. The cost to buy back these years of service will be born solely by the individual employee.

To qualify for the service credit buy back, the amendment specifies that the nurse must work at least 32 regularly-scheduled hours per week for a year in a SFERS eligible position. The time being bought back must also have been spent exclusively as a per diem nurse (P103 classification). The amendment does not allow time worked as a per diem nurse to establish membership in SFERS.

Public Safety Communications Personnel

The proposed Charter amendment would also move 911 dispatchers, including supervisors and coordinators, from the miscellaneous retirement plans in which they are currently enrolled to the miscellaneous safety retirement plan. In general, the miscellaneous safety retirement plan offers

higher retirement payments to its enrollees than 911 dispatchers' current retirement plans. The amendment specifies that time spent working by 911 dispatchers after January 1, 2025 will be credited to their miscellaneous safety retirement plans.

The estimated annual cost is \$2.3 million starting in FY 2025-26 and will increase each year as the amount of the affected payroll increases. This estimate includes the additional retirement benefits the City will pay out to 911 dispatchers as employer contributions to the City's retirement fund. This cost estimate does not include any cost savings or deferred expenditures for needing to train and onboard fewer new 911 dispatchers as existing dispatchers potentially work additional years towards their new miscellaneous safety retirement plan. For context, 175 911-dispatchers (including supervisors and coordinators) work for the City. It costs between approximately \$225,000 and \$235,000 to train and onboard a new 911 dispatcher, which includes the cost to train those who drop out. To the extent the proposed amendment encourages existing 911 dispatchers to work additional years, the City may be able to defer or reduce the cost to onboard new 911 dispatchers – but at a rate that cannot be predicted at this time.

Sincerely,

Janice Levy FOR
Greg Wagner
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.