



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

June 9, 2016

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 160547, 160548, 160549, 160665, and 160666: Memoranda of Understanding (MOU) between the City and County of San Francisco and various collective bargaining units.

Dear Ms. Calvillo,

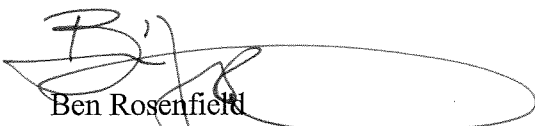
In accordance with Ordinance 92-94, I am submitting a cost analysis of three new MOUs and two amendments to existing MOUs between the City and County of San Francisco and various employee collective bargaining units. With one exception, the amendments apply to MOUs for the period commencing July 1, 2016 through June 30, 2017, affecting 20,264 funded positions with a salary base of approximately \$1,734.6 million and an overall pay and benefits base of approximately \$2,463.8 million.

Our analysis finds that the combined the new and amended MOUs will increase costs to the City by approximately \$24.3 million in FY 2016-17. Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes.

Increased costs are driven by general wage and staffing increases agreed to in new MOUs with Staff and Per Diem Nurses and Supervising Registered Nurses. All ongoing wage agreements in the MOUs and amendments are consistent with the citywide pattern of wage increases for FY 2016-17 established during the 2014 bargaining cycle. Nurses and Supervising Nurses will receive additional one-time lump sum payments equal to 0.75% of their total FY 2015-16 regular pay. See Attachments A and B for a detailed listing and analysis of the costs for the individual MOUs.

If you have additional questions or concerns please contact me at 554-7500 or Drew Murrell of my staff at (415) 554-7647.

Sincerely,


Ben Rosenfield
Controller

cc: Lawanna Preston, ERD
Harvey Rose, Budget Analyst

ATTACHMENT A

Memoranda of Understanding and Amendments of listed units from July 1, 2016 - June 30, 2017 Controller's Office Estimate of Total Costs/(Savings) FY 2016-17

| <u>Summary</u> | <u>FY 2016 - 17</u> |
|---|----------------------------|
| Wages | \$12,970,000 |
| Wage-Related Fringe Increases | \$2,850,000 |
| Total Wage and Wage-Related Fringe Increases | <u>\$15,820,000</u> |
| Nurses Staffing Changes | \$7,700,000 |
| Other Miscellaneous Adjustments | \$805,000 |
| Total Increase (Decrease) | <u>\$24,325,000</u> |

Union Detail

| <u>File Number</u> | <u>Union</u> | <u>FY 2016 - 17</u> |
|--------------------|--|-------------------------|
| 160547 | International Federation of Professional and Technical Engineers, Local 21, AFL-CIO | <u>\$800,000</u> |
| | Percent of FY 2016-17 Salary and Fringe | 0.13% |
| | Wages | \$560,000 |
| | Wage-Related Fringe Increases/(Decreases) | \$140,000 |
| | TechHire Program | \$100,000 |
| 160549 | Unrepresented | <u>\$420,000</u> |
| | Percent of FY 2016-17 Salary and Fringe | 4.62% |
| | Wages | \$230,000 |
| | Wage-Related Fringe Increases/(Decreases) | \$50,000 |
| | Health - Miscallenous Unrepresented to receive Flex Benefits | \$140,000 |
| 160548 | Service Employees International Union, Local 1021 | <u>\$0</u> |

| <u>File Number</u> | <u>Union</u> | <u>FY 2016 - 17</u> |
|--------------------|---|----------------------------|
| 160665 | Staff and Per Diem Nurses, SEIU Local 1021 | <u>\$20,315,000</u> |
| | Percent of FY 2016-17 Salary and Fringe | 6.44% |
| | Wages | \$8,440,000 |
| | Wages - One-Time Lump Sum | \$1,410,000 |
| | Wage-Related Fringe Increases/(Decreases) | \$2,150,000 |
| | Premium Changes | \$80,000 |
| | Staffing Increases | \$7,700,000 |
| | Increased Tuition Reimbursement Fund Contribution | \$25,000 |
| | Miscellaenous Provisions | \$510,000 |
| 160666 | Supervising Registered Nurses, Local 856 | <u>\$1,060,000</u> |
| | Percent of FY 2016-17 Salary and Fringe | 3.64% |
| | Wages | \$780,000 |
| | Wages - One-Time Lump Sum | \$130,000 |
| | Wage-Related Fringe Increases/(Decreases) | \$200,000 |
| | Tuition Reimbursement carry over conclusion | (\$50,000) |

Union Detail - Physicians and Dentists Parity Related Wage Increases

| | | |
|------------|--|---------------------------|
| N/A | UAPD, UNION OF AMER PHYS & DEN | <u>\$1,730,000</u> |
| | Percent of FY 2016-17 Salary and Fringe | 3.26% |
| | Wage changes from existing parity provisions | \$1,420,000 |
| | Wage-Related Fringe Increases/(Decreases) | \$310,000 |

ATTACHMENT B

In accordance with Ordinance 92-94, the Office of the Controller conducted a cost analysis of three MOUs between the City and County of San Francisco and various employee unions. The attached analysis reviews the MOUs listed below:

- 160665--Staff and Per Diem Nurses, SEIU Local 1021
- 160666--Supervising Registered Nurses, Local 856
- 160547--International Federation of Professional and Technical Engineers, Local 21
- 160548--Service Employees International Union, Local 1021
- 160549--Unrepresented

The information below details the results of the analysis of the costs or savings resulting from amendments to the affected MOUs:

File Numbers 160547—International Federation of Professional and Technical Engineers, Local 21

The amendments to the MOUs apply to the period commencing July 1, 2016 through June 30, 2017, affecting 5,975 funded positions with a salary base of approximately \$517.2 million and an overall pay and benefits base of \$713.6 million.

Our analysis projects that the MOU amendment will result in \$0.8 million in additional costs to the City in FY 2016-17. The MOU increases the number of steps and the top step amount for members in classifications in the IT Operations Support Series and grants a one-time retroactive payment for members equal to the amount they would have received if such a step change had been implemented on July 1, 2015. Additionally, Legislative Assistants are granted a 2.5% wage increase in addition to the 3.25% wage increase effective July 1, 2016.

File Number 160548—Service Employees International Union, Local 1021

The amendment to the MOU applies to the period commencing July 1, 2016 through June 30, 2017, affecting 12,379 funded position with a salary base in SEIU of approximately \$916 million and an overall pay and benefits base of approximately \$1,322 million.

Our analysis projects that the MOU amendment will result in neither costs nor savings for the City in FY 2016-17. Changes in the amendment are related to a 2012 arbitration award calling on the City to reduce its use of As-Needed employees in the SEIU bargaining unit. Among other efforts, the City is required to re-appoint multiple classes of As-Needed employees to Permanent Civil Service (PCS) positions.

This MOU amendment establishes the step and salary step schedule for 3278 Recreation Facility Assistant and how As-Needed incumbents in the 3279 Recreation Leader job class will be reappointed into PCS 3278 Recreation Facility Assistant positions. The step and salary schedule overrides other wage adjustments established for members in the MOU. As a result, our analysis projects that this agreement will result in no fiscal impact.

File Number 160549—Unrepresented

The amendments to the MOU apply to the period commencing July 1, 2016 through June 30, 2017, affecting 86 funded positions with a salary base of approximately \$7.8 million and an overall pay and benefits base of approximately \$10.8 million.

Our analysis projects that this agreement will result in approximately \$0.4 million of increased costs to the City during FY 2016-17 as a result of a 3.25% wage increase effective July 1, 2016, which is consistent with the citywide pattern of wage increases for FY 2016-17 established during the 2014 bargaining cycle. Our analysis assumes that premiums, overtime, and other adjustments grow consistently with wage changes.

File Numbers 160665— Staff and Per Diem Nurses, SEIU Local 1021

The MOU applies to the period commencing July 1, 2016 through June 30, 2017, affecting 1,699 funded positions with a salary base of approximately \$268.9 million and an overall pay and benefits base of \$357.1 million.

Our analysis projects that this agreement will result in approximately \$20.3 million of increased costs to the City during FY 2016-17 primarily as a result of wage changes including a 3.25% wage increase effective July 1, 2016, which is consistent with the citywide pattern of wage increases for FY 2016-17 established during the 2014 bargaining cycle. In addition to the citywide wage pattern the agreement grants union members a one-time lump sum payment equal to 0.75% of their total FY 2015-16 regular pay.

Additional costs primarily result from negotiated changes to increase staffing levels for the Post-Anesthesia Care, Maternal Child Health, Psychiatric, and Emergency Departments at Zuckerberg San Francisco General Hospital (ZSFG).

File Numbers 160666— Supervising Registered Nurses, Local 856

The MOU applies to the period commencing July 1, 2016 through June 30, 2019, affecting 126 funded positions with a salary base of approximately \$24.9 million and an overall pay and benefits base of \$32.9 million.

Our analysis projects that this agreement will result in approximately \$1.1 million of increased costs to the City during FY 2016-17 primarily as a result of wage changes including a 3.25% wage increase effective July 1, 2016, which is consistent with the citywide pattern of wage increases for FY 2016-17 established during the 2014 bargaining cycle. In addition to the citywide wage pattern the agreement grants union members a one-time lump sum payment equal to 0.75% of their total FY 2015-16 regular pay.

The MOU grants members wage changes for FY 2017-18 and FY 2018-19 equal to wage changes negotiated with the Staff and Per Diem Nurses in their FY 2017-18 MOU and are unspecified at this time.

Union of American Physicians and Dentists (UAPD), Units 17 and 18

Employees in the Physicians and Dentists Union (UAPD) are included in our analysis even though their MOU is not currently open because provisions in their MOU grant salary increases contingent upon salary increases for Nurse Practitioners in SEIU Local 1021. As a result of wage increases agreed to in the Nurses MOU, UAPD members will receive a 3.25% wage increase effective July 1, 2016.